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FILED 8/28/2025  
DOCUMENT NO. 08491-2025  
FPSC - COMMISSION CLERK

August 28, 2025

**VIA: ELECTRONIC FILING**

Mr. Adam J. Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Application of Tampa Electric Company for Authority to Issue and Sell Securities pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is the Application of Tampa Electric Company for Authority to Issue and Sell Securities for the year ending December 31, 2026.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/bml  
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Tampa Electric )  
Company for authority to issue and sell )  
securities pursuant to Section 366.04, )  
Florida Statutes and Chapter 25-8, )  
Florida Administrative Code )  
\_\_\_\_\_)

DOCKET NO. \_\_\_\_\_  
Filed: August 28, 2025

**TAMPA ELECTRIC COMPANY'S  
APPLICATION FOR AUTHORITY TO ISSUE AND SELL SECURITIES**

Tampa Electric Company (“Tampa Electric” or “the company”) files this, its Application under Section 366.04, Florida Statutes and Rule 25-8.001, et seq., Florida Administrative Code, for authority to issue and/or sell securities for the company’s fiscal period of 12 months ending December 31, 2026 and says:

1. The exact name of the company and the address of its principal business office are as follows: Tampa Electric Company, 3600 Midtown Drive, Tampa, FL, 33607.
2. The company, a Florida corporation, was incorporated in 1899 and was reincorporated in 1949. The company provides Commission-regulated retail electric services to approximately 855,400 customers in West Central Florida.
3. The names and addresses of persons authorized to receive notices and communications with respect to this Application are as follows:

J. Jeffry Wahlen  
[jwahlen@ausley.com](mailto:jwahlen@ausley.com)  
Malcolm N. Means  
[mmeans@ausley.com](mailto:mmeans@ausley.com)  
Virginia Ponder  
[vponder@ausley.com](mailto:vponder@ausley.com)

Paula K. Brown  
[regdept@tecoenergy.com](mailto:regdept@tecoenergy.com)  
Manager, Regulatory Coordination  
Tampa Electric Company  
P. O. Box 111  
Tampa, FL 33601

Ausley & McMullen  
P. O. Box 391  
Tallahassee, FL 32302  
(850) 224-9115

(813) 228-1444

4. As of June 30, 2025, the date of the balance sheet submitted with this Application, the following information is shown for each class and series of capital stock and funded debt.

(a) Brief description	(b) Amount authorized (face value and number of shares)	(c) Amount outstanding (exclusive of any amount held in the treasury)	(d) Amount held as reacquired securities	(e) Pledged by applicant	(f) Amount owned by affiliated corporations	(g) Amount held in any fund
<b>Common Stock</b>	25,000,000 shares, without par value	10 shares	None	None	10 shares	None
<b>Preferred Stock</b>	2,500,000 shares with no par value, 1,500,000 shares with \$100 par value per share	None	None	None	None	None
<b>Preference Stock - Subordinated Preferred Stock</b>	2,500,000 shares, with no par value	None	None	None	None	None
<b>Funded Debt:</b>						
<b>Tampa Electric division</b>						
Unsecured Notes:						
4.90% Series, due 2029	500,000,000	500,000,000	None	None	None	None
2.40% Series, due 2031	400,000,000	400,000,000	None	None	None	None
5.15% Series, Due 2035	600,000,000	600,000,000	None	None	None	None
6.55% Series, due 2036	250,000,000	250,000,000	None	None	None	None
6.15% Series, due 2037	250,000,000	250,000,000	None	None	None	None
4.10% Series, due 2042	300,000,000	300,000,000	None	None	None	None
4.35% Series, due 2044	300,000,000	300,000,000	None	None	None	None
4.20% Series, due 2045	250,000,000	250,000,000	None	None	None	None
4.30% Series, due 2048	350,000,000	350,000,000	None	None	None	None
4.45% Series, due 2049	375,000,000	375,000,000	None	None	None	None
3.625% Series, due 2050	300,000,000	300,000,000	None	None	None	None
3.45% Series, due 2051	400,000,000	400,000,000	None	None	None	None
5.00% Series, due 2052	300,000,000	300,000,000	None	None	None	None
Total Funded Debt	\$4,575,000,000	\$4,575,000,000				

5. Statement of Proposed Transactions

- (a) The company seeks the authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser or surety during the period covered by this Application. The company also seeks authority to enter into interest rate swaps or other derivative instruments related to debt securities. Any exercise of the requested authority will be for the benefit of the company. In connection with this application, the company confirms that the capital raised pursuant to this application will be used in connection with the activities of the company's regulated electric activities and not the unregulated activities of the utility or its affiliates.

The equity securities may take the form of preferred stock, preference stock, common stock, or options or rights with respect to the foregoing with such par values, terms and conditions, conversion and relative rights and preferences as may be permitted by the company's Restated Articles of Incorporation, as the same may be amended to permit the issuance of any such securities. The long-term debt securities may take the form of first mortgage bonds, debentures, notes, bank borrowings, convertible securities, or options, rights, interest rate swaps or other derivative instruments with respect to the foregoing, with maturities ranging from one to 100 years, and may be issued in both domestic and international markets.

The issuance and/or sale of equity securities and long-term debt requested may be through negotiated underwritten public offering, public offering at competitive

bidding, direct public or private sale, sale through agents, or distribution to security holders of the company or affiliated companies.

The short-term debt may take the form of commercial paper, short-term tax-exempt notes, borrowings under bank credit facilities, or other bank borrowings. Short-term debt sold in the commercial paper market may bear an interest rate as determined by the market price at the date of issuance and will mature not more than one year from the date of issuance.

- (b) The amount of all equity and long-term debt securities issued, sold, exchanged or assumed and liabilities and obligations assumed or guaranteed as guarantor, endorser, or surety will not exceed in the aggregate \$1.2 billion during the period covered by this Application, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt, as described above, outstanding at any one time, will be \$1.3 billion.
- (c) With respect to equity and long-term debt securities and liabilities and obligations to be assumed or guaranteed as grantor, endorser or surety; the amount of \$400 million is needed for potential long-term emergency funding; and the amount of \$800 million is needed based on projected short term debt levels and for other purposes (swaps, refinancings, etc.). With respect to short-term debt, the amount of up to \$1.3 billion at any time outstanding is needed to enable the company to fully draw existing short-term credit facilities including what may be needed to avail the company of short-term emergency funding and other purposes.

- (d) The present estimates of the interest rates for the aforementioned debt securities, based upon current trading levels of unsecured short-term debt and 30-year notes of the company are 3.85% and 5.75%, respectively. Actual dividend rates for the aforementioned equity securities and interest rates will be determined at the time of the issuance and/or sale of the applicable securities.

6. Purpose of Issuance

Proceeds from any sale of securities will be added to the company's general funds and used for working capital requirements and for other general business purposes, including financing of the company's capital investments or the acquisition of additional properties or businesses. The net proceeds received from the sale of securities may also be used for the repurchase or repayment of debt or equity securities of the company.

(a) Construction

Although the 2026 business plan is still preliminary, the company currently estimates that construction expenditures during the 12 months ending December 31, 2026 will be \$1.65 billion. Capital requirements for major generating plants and transmission lines requiring certification of needs includes:

<u>Projects (Millions)</u>	<u>Actual Capital to date</u>	<u>2026 Amount</u>
Not Applicable	-	-

(b) Reimbursement of the Treasury

Among the general business purposes for which any net proceeds may be used is the reimbursement of the treasury for expenditures by the company against which securities will not have been issued in advance.

(c) Refunding Obligations

One of the purposes of issuing the securities referred to herein will be to repay previously issued short-term debt, of the type described in paragraph 5, which matures from time to time on a regular basis. Subject to market conditions, the company may refund such short-term debt with new short-term debt, long-term debt or preferred or preference stock.

In addition, the company is continuing to monitor and evaluate market conditions in anticipation of refunding or refinancing long-term obligations where it is legally and

economically feasible to do so. Recognizing that changes in market conditions could make such refunding transactions feasible, the company is requesting authority to issue long-term debt and/or preferred or preference stock within a limitation that provides the company with sufficient flexibility to respond to refunding or refinancing opportunities.

7. The company submits that the proposed issuance and sale of securities is for lawful objectives within the corporate purposes of the company, is necessary for the proper performance by the company as a public utility, is compatible with the public interest and is reasonable, necessary and appropriate. In support thereof the company states that the proposed issuance and sale of securities and the proposed application of funds derived therefrom, as described in paragraphs 5 and 6 above, are consistent with similar actions the company has historically found to be lawful, reasonable, necessary and appropriate for the conduct of its business. The company further states that this application for authority to issue and sell securities is consistent in its objectives with those of applications the company has filed, and this Commission has found to be lawful, reasonable, necessary, and appropriate, on numerous occasions in the past.
8. The names and addresses of counsel who will pass upon the legality of the proposed issuances are: David M. Nicholson, General Counsel, Tampa Electric Company, Tampa, Florida;; Michelle V. Szekeres, Associate General Counsel, Tampa Electric Company, Tampa, Florida; Holland & Knight LLP, Tampa, Florida; and/or Troutman Pepper Locke LLP, Boston, Massachusetts and/or such other counsel as the company may deem necessary in connection with any of the proposed issuances.



9. A Registration Statement with respect to each public offering of securities hereunder that is subject to and not exempt from the registration requirements of the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, 100 F St. N.E., Washington, D.C. 20549.
10. There is no measure of control or ownership exercised by or over the company as to any other public utility except as noted below.

On April 14, 1981, the company's shareholders approved a restructuring plan under which the company and its subsidiaries became separate wholly owned subsidiaries of a holding company, TECO Energy, Inc. On July 1, 2016, TECO Energy, Inc. became a wholly-owned subsidiary of Emera US Holdings Inc., a wholly-owned subsidiary of Emera Incorporated. On April 1, 2024, TECO Energy, Inc. distributed its investment in Tampa Electric Company to TECO Holdings, Inc. in a transaction intended to qualify as a tax-free reorganization. TECO Holdings, Inc. is also an indirect, wholly owned subsidiary of Emera.

### **Required Exhibits**

11. The following exhibits required by Rule 25-8.003, Florida Administrative Code, are either attached hereto or incorporated by reference herein and made a part hereof:

(a) Exhibit A: Items 1 through 5 are being satisfied through the provision of financial statements identified in Item 6 below.


6. (i) Attached as Exhibit A-1 (2024 Form 10-K)  
(ii) Attached as Exhibit A-2 (Most Recent Quarterly 2025 Form 10-Q)

(b) Exhibit B: Projected Financial Information (Sources and Uses of Funds Statements and Construction Budgets)

**WHEREFORE**, Tampa Electric Company respectfully requests that the Commission enter its Order approving the company's request for authority to issue and sell securities during the 12-month period ending December 31, 2026.

**DATED** this 28<sup>th</sup> day of August 2025

**TAMPA ELECTRIC COMPANY**

By:   
Jeffrey S. Chronister  
Vice President, Finance

**TAMPA ELECTRIC COMPANY'S  
APPLICATION FOR AUTHORITY TO ISSUE AND SELL SECURITIES**

**INDEX TO EXHIBITS**

<u>EXHIBIT</u>	<u>BATES STAMPED PAGE NUMBER</u>
Exhibit A-1	11
Exhibit A-2	92
Exhibit B	119

# Exhibit A-1

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2024**

**OR**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File No.	Exact name of each Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone number	I.R.S. Employer Identification Number
<b>1-5007</b>	<b>TAMPA ELECTRIC COMPANY</b> (a Florida corporation) TECO Plaza 702 N. Franklin Street Tampa, Florida 33602 (813) 228-1111	<b>59-0475140</b>

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
None		

Securities registered pursuant to Section 12(g) of the Act:

None  
(Title of class)

Indicate by check mark if Tampa Electric Company is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

YES ☒ NO ☐

**TAMPA ELECTRIC COMPANY  
APPLICATION FOR AUTHORITY  
TO ISSUE AND SELL SECURITIES  
FILED: AUGUST 28, 2025**

Indicate by check mark whether Tampa Electric Company is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark whether Tampa Electric Company has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether Tampa Electric Company is a shell company (as defined in Rule 12b-2 of the Act).  
YES ☐ NO ☒

The aggregate market value of Tampa Electric Company’s common stock held by non-affiliates of the registrant as of June 30, 2024 was zero.

As of February 20, 2025, there were 10 shares of Tampa Electric Company’s common stock issued and outstanding, all of which were held, beneficially and of record, by TECO Holdings, Inc., an indirect wholly-owned subsidiary of Emera Inc.

Tampa Electric Company meets the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format specified in General Instruction I(2) of Form 10-K.

## DEFINITIONS

Acronyms and defined terms used in this and other filings with the U.S. Securities and Exchange Commission include the following:

<u>Term</u>	<u>Meaning</u>
AFUDC	allowance for funds used during construction
AFUDC-debt	debt component of allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CCRs	coal combustion residuals
CO <sub>2</sub>	carbon dioxide
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada and the indirect parent company of Tampa Electric Company
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act
EUSHI	Emera US Holdings Inc., a wholly owned subsidiary of Emera, which is the sole shareholder of TECO Holdings' common stock as of April 1, 2024, and the sole shareholder of TECO Energy's common stock prior to April 1, 2024
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
GHG	greenhouse gas
IRS	Internal Revenue Service
ITCs	investment tax credits
MD&A	the section of this report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations
MGP	manufactured gas plant
MMBTU	one million British Thermal Units
MW	megawatt(s)
MWH	megawatt-hour(s)
NAV	net asset value
Note	Note to financial statements
NPNS	normal purchase normal sale
O&M expenses	operations and maintenance expenses
OCI	other comprehensive income
OPEB	other postemployment benefits
Parent	the direct parent company of Tampa Electric Company, which is TECO Holdings, Inc. as of April 1, 2024, and TECO Energy, Inc., prior to April 1, 2024
PBO	projected benefit obligation
PGS	Peoples Gas System, the former gas division of Tampa Electric Company
PGSI	Peoples Gas System, Inc.
PPA	power purchase agreement
PRP	potentially responsible party
PTCs	production tax credits
ROE	return on common equity
Regulatory ROE	return on common equity as determined for regulatory purposes
S&P	Standard and Poor's
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SPP	storm protection plan
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the direct parent company of Tampa Electric Company prior to April 1, 2024
TECO Holdings	TECO Holdings, Inc., the direct parent company of Tampa Electric Company as of April 1, 2024
U.S. GAAP	generally accepted accounting principles in the United States

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

This Form 10-K contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. Forward-looking statements generally can be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "will be," "will continue," "may," "could," "will likely result," and similar expressions. The factors that could cause actual results to differ materially from the forward-looking statements made by TEC include those factors discussed herein, including those factors discussed with respect to TEC discussed in (a) Part I, Item 1A. Risk Factors, (b) Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part II, Item 8. Financial Statements: Note 8, Commitments and Contingencies; and (d) other factors discussed in filings with the SEC by TEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. TEC does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Form 10-K.

All references to "dollars" and "\$" in this and other filings with the U.S. Securities and Exchange Commission are references to U.S. dollars, unless specifically indicated otherwise.



**PART I**

**Item 1. BUSINESS**

Tampa Electric Company, referred to as TEC, was incorporated in Florida in 1899 and was reincorporated in 1949. All of TEC's common stock is owned by TECO Holdings. TECO Holdings is an indirect, wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

TEC is a public utility operating within the State of Florida. TEC is comprised of the electric division, referred to as Tampa Electric, and prior to January 1, 2023, also included the natural gas division, referred to as PGS. Tampa Electric provides retail electric service to approximately 855,000 customers in West Central Florida with a net winter system generating capacity of 6,620 MW at December 31, 2024.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Holdings. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.

TEC makes its SEC filings available free of charge on Tampa Electric's website ([www.tampaelectric.com/company/about/](http://www.tampaelectric.com/company/about/)) as soon as reasonably practicable after they are filed with the SEC. TEC's electronic SEC filings are also available on the SEC's website ([www.sec.gov](http://www.sec.gov)).

**TEC Revenues**

TEC's revenues consist of sales to residential, commercial, industrial and other customers. TEC's residential load generally comprises individual homes, apartments and condominiums. Commercial customers include small retail operations, large office and commercial complexes, universities and hospitals. Industrial customers include manufacturing facilities, power generation customers and other large volume operations. Other sales volumes consist primarily of off-system sales to other utilities and revenues from street lighting.

For TEC's revenue and other financial information by operating segments, see **Note 11** to the **2024 Annual TEC Consolidated Financial Statements**.

**TEC Human Capital**

Tampa Electric had 2,587 employees as of December 31, 2024, substantially all of whom are located in Florida. Of these employees, 717 were represented by the International Brotherhood of Electrical Workers and 141 were represented by the Office and Professional Employees International Union.

Maintaining a robust pipeline of talent is crucial to TEC's ongoing success and is a key aspect of succession planning efforts across the organization. TEC is committed to investing in its employees through training and development programs as well as a tuition assistance program to promote continued professional growth. TEC provides a competitive compensation package that includes base pay, annual short-term incentives based on the achievement of corporate goals and performance, long-term incentives (applicable to eligible employee population), and health and retirement benefits.

**TAMPA ELECTRIC – Electric Operations**

Tampa Electric is engaged in the generation, purchase, transmission, distribution and sale of electric energy. The retail territory served comprises an area of about 2,000 square miles in West Central Florida, including Hillsborough County and parts of Polk, Pasco and Pinellas Counties. The principal communities served are Tampa, Temple Terrace, Winter Haven, Plant City and Dade City. Tampa Electric engages in wholesale sales to utilities and other resellers of electricity. At December 31, 2024, Tampa Electric had two generating stations in or near Tampa, one generating station in southwestern Polk County, 27 photovoltaic power stations (fifteen in Hillsborough County, ten in Polk County, and two in Pasco County), and one energy storage site.

**TAMPA ELECTRIC COMPANY  
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FILED: AUGUST 28, 2025**

The sources of Tampa Electric's operating revenue and MWH sales were as follows:

**Tampa Electric Operating Revenue**

<i>(millions)</i>	2024	2023	2022
<b>By Customer Type</b>			
Residential	\$ 1,507	\$ 1,711	\$ 1,381
Commercial	686	803	666
Industrial	162	203	176
Other sales of electricity	215	248	215
Regulatory deferrals and unbilled revenue	(111)	(389)	(12)
<b>Total energy sales</b>	<u>2,459</u>	<u>2,576</u>	<u>2,426</u>
Off system sales	12	8	37
<b>Other</b>	<u>55</u>	<u>53</u>	<u>60</u>
<b>Total revenues</b>	<u>\$ 2,526</u>	<u>\$ 2,637</u>	<u>\$ 2,523</u>
<b>By Sales Type</b>			
Base	\$ 1,490	\$ 1,458	\$ 1,342
Clause	751	802	901
Capital cost recovery for early retired assets	69	69	69
Storm surcharge	29	107	0
Gross receipts taxes and franchise fees	120	139	114
Other	67	62	97
<b>Total revenues</b>	<u>\$ 2,526</u>	<u>\$ 2,637</u>	<u>\$ 2,523</u>

**Megawatt-hour Sales**

<i>(thousands)</i>	2024	2023	2022
Residential	10,269	10,307	10,109
Commercial	6,481	6,462	6,300
Industrial	2,079	2,082	2,111
Other sales of electricity	1,933	1,940	1,947
<b>Total retail</b>	<u>20,702</u>	<u>20,791</u>	<u>20,467</u>
Off system sales	343	254	405
<b>Total energy sold</b>	<u>21,045</u>	<u>21,045</u>	<u>20,872</u>

No significant part of Tampa Electric's business is dependent upon a single or limited number of customers where the loss of any one or several would have a significant adverse effect on Tampa Electric. Tampa Electric experiences summer peak loads due to the use of air conditioning and other cooling equipment and winter peak loads due to electric space heating and fewer daylight hours.

**Regulation**

*Base Rates*

Tampa Electric's retail operations are regulated by the FPSC. The FPSC's objective is to set rates at a level that provides an opportunity for the utility to collect revenues (revenue requirements) equal to its prudently incurred costs of providing service to customers, plus a reasonable return on invested capital.

The costs of owning, operating and maintaining the utility systems, excluding fuel, conservation costs, purchased power, storm protection plan projects and certain environmental costs, are recovered through base rates. These costs include O&M expenses, depreciation, taxes, and a return on investment in assets providing electric service (rate base). The rate of return on rate base, which is intended to approximate a company's weighted cost of capital, primarily includes its costs for debt, deferred income taxes (at a zero cost rate) and an allowed ROE. Base rates are determined in FPSC rate setting hearings which occur at the initiative of Tampa Electric, the FPSC or other interested parties.

Tampa Electric's 2024, 2023 and 2022 base rates reflect a settlement agreement approved by the FPSC on November 10, 2021. Tampa Electric's 2025 base rates reflect an FPSC order issued on February 3, 2025. See **Note 3** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding Tampa Electric's base rates, ROE and other regulatory matters.

#### *Other Cost Recovery*

Tampa Electric has five cost recovery clauses.

- (1) Tampa Electric has a fuel recovery clause allowing recovery of actual fuel costs from customers through annual fuel rate adjustments. Differences between actual prudently incurred fuel costs and amounts recovered from customers in a year are recovered from or returned to customers in a subsequent period.
- (2) Tampa Electric has a capacity recovery clause allowing recovery of firm demand payments associated with purchased power agreements.
- (3) Tampa Electric has an environmental cost recovery clause which allows it to earn a return on investments in new facilities to comply with new environmental regulations and to recover the costs to operate and maintain these facilities.
- (4) Through its conservation cost recovery clause, Tampa Electric offers its customers a comprehensive array of residential and commercial programs that have enabled it to meet its required demand side management goals, reduce weather-sensitive peak demand and conserve energy.
- (5) Tampa Electric has a Storm Protection Plan cost recovery clause allowing recovery of prudent transmission and distribution storm hardening costs for incremental activities not already included in base rates as outlined in the programs in its approved Storm Protection Plan.

During the fourth quarter of 2024, the FPSC approved cost-recovery rates for the above clauses effective January 1, 2025. See **Note 3 to the 2024 Annual TEC Consolidated Financial Statements** for further information. In addition, Tampa Electric's 2021 rate case settlement agreement established a mechanism to recover the costs of retiring coal generation units and meter assets over a period of 15 years. The recovery started in January 2022 and will survive the term of the settlement agreement.

#### *FERC and Other Regulations*

Tampa Electric is subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices.

Tampa Electric is subject to federal, state and local environmental laws and regulations pertaining to air and water quality, land use, power plant, substation and transmission line siting, noise and aesthetics, solid waste and other environmental matters (see the **Environmental Compliance** section of the MD&A).

#### **Competition**

Tampa Electric's retail electric business is substantially free from direct competition with other electric utilities, municipalities and public agencies. The principal form of competition at the retail level consists of self-generation available to users of electric energy. Such users may seek to expand their alternatives through various initiatives, including legislative and/or regulatory changes that would permit competition at the retail level. Tampa Electric intends to retain and expand its retail business by managing costs and providing quality service to retail customers.

#### **Generation Sources**

In 2024 and 2023, 89% and 88%, respectively, of Tampa Electric's gross generation of electricity was natural gas-fired, with solar representing 11% and 8%, respectively, and coal representing less than 1% and 4%, respectively. In 2024 and 2023, Tampa Electric used its generating units to meet 91% and 92%, respectively, of the total system load requirements, with the remaining 9% and 8%, respectively coming from purchased power. Tampa Electric is required to maintain a generation capacity greater than firm peak demand. Tampa Electric meets the planning criteria for reserve capacity established by the FPSC, which is a 20% reserve margin over firm peak demand.

The table below presents information regarding Tampa Electric's generation costs.

<i>Average cost per MMBTU</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Natural Gas <sup>(1)</sup>	\$ 3.6	\$ 2.81	\$ 8.32
Coal <sup>(2)</sup>	15.47	5.00	3.52
Average generation cost per MWh <sup>(3)</sup>	28.47	30.97	37.85

(1) Represents the cost of natural gas, transportation, storage, balancing, and fuel losses for delivery to the energy center.

(2) Represents the cost of coal and transportation.

(3) Represents the average generation cost per MWh including solar.

Tampa Electric's fuel costs are affected by commodity prices and generation mix that is largely dependent on economic dispatch of the generating fleet, dispatching the lowest fuel cost options first (solar renewable energy being zero fuel costs), such that the incremental cost of generation increases as sales volumes increase. Generation mix may also be affected by plant outages, plant performance, availability of lower priced short-term purchased power, compliance with environmental standards and regulations, and availability of solar resources.

**Natural Gas.** Tampa Electric maintains gas commodity, pipeline transportation and storage contracts. As of December 31, 2024, 69% of Tampa Electric's 2.0 million billion cubic feet of gas storage capacity was full. Tampa Electric has contracted for, on average, 48% of its expected gas needs for the January through December 2025 period. Tampa Electric expects to issue requests for proposals (RFPs) to meet its remaining 2025 gas needs and begin contracting for its 2026 requirements. Additional volume requirements are purchased in the short-term spot market.

**Coal.** Tampa Electric burned less than 0.1 million tons of coal during 2024, with similar usage anticipated in 2025. All of Tampa Electric's expected coal need in 2025 is under contract and stored on site. Tampa Electric takes coal deliveries primarily by water and uses transportation agreements with a rail provider if spot coal supplies are needed.

#### **Franchises and Other Rights**

Florida utilities must obtain franchises to operate in certain municipalities. Tampa Electric holds franchises and other rights that, together with its charter powers, govern the placement of Tampa Electric's facilities on the public rights-of-way that it carries for its retail business in the localities it serves. The franchises specify the negotiated terms and conditions governing Tampa Electric's use of public rights-of-way and other public property within the municipalities it serves during the term of the franchise agreement. Florida municipalities are prohibited from granting any franchise for a term exceeding 30 years.

Tampa Electric has franchise agreements with 13 incorporated municipalities within its retail service area. At December 31, 2024, these agreements have various expiration dates ranging through 2052 and are expected to be renewed under similar terms and conditions.

Franchise fees expense totaled \$59 million and \$67 million in 2024 and 2023, respectively. Franchise fees are calculated using a formula based primarily on electric revenues and are recovered on a dollar-for-dollar basis from customers.

Utility operations in Hillsborough, Pinellas and Polk Counties outside of incorporated municipalities are conducted in each case under one or more permits granted by the Florida Department of Transportation or the County Commissioners of such counties. There is no law limiting the time for which such permits may be granted. There are no fixed expiration dates for the Hillsborough County, Pinellas County and Polk County agreements.

#### **Environmental Matters**

Tampa Electric operates stationary sources with air emissions regulated by the Clean Air Act. Its operations are also impacted by provisions in the Clean Water Act and federal and state legislative initiatives on environmental matters. TEC, through its Tampa Electric division and former PGS division, is a PRP for certain superfund sites and, through its former PGS division, for certain former manufactured gas plant sites. See **Environmental Compliance** section of the **MD&A** for additional information. As a result of the separation of the PGS division, PGS is now the responsible party for those sites (in addition to third party PRPs for certain sites). See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.

#### **PEOPLES GAS SYSTEM – Gas Operations**

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy. From and after January 1, 2023, the PGS business is no longer operated by TEC. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for further information regarding the separation of PGS from TEC. For information regarding PGS's Business in 2022, see "Item 1. Business" of **TEC's Annual Report on Form 10-K** for the year ended December 31, 2022.

**Item 1A. RISK FACTORS**

**Risks Relating to TEC's Business and Strategy**

**Regulatory, Legislative, and Legal Risks**

**Tampa Electric is regulated; changes in regulation or the regulatory environment could reduce revenues, increase costs or competition.**

Tampa Electric operates in a regulated industry. Retail operations, including the rates charged and costs eligible for recovery under clauses, are regulated by the FPSC, and Tampa Electric's wholesale power sales and transmission services are subject to regulation by the FERC. Changes in regulatory requirements or regulatory actions could have an adverse effect on TEC's financial performance by, for example, reducing revenues, increasing competition or costs, threatening investment recovery or impacting rate structure. Additionally, if regulators deny or delay cost recovery approvals, Tampa Electric's earnings could be negatively impacted.

If Tampa Electric earns returns on equity above its allowed range, indicating a trend, those earnings could be subject to review by the FPSC. Ultimately, prolonged returns above its allowed range could result in credits or refunds to customers, which could reduce future earnings and cash flow.

**Changes in the environmental and land use laws and regulations affecting its business could increase TEC's costs or curtail its activities.**

TEC's business is subject to regulation by various governmental authorities dealing with air, water and other environmental matters. Changes in compliance requirements or the interpretation by governmental authorities of existing requirements may impose additional costs on TEC, requiring cost-recovery proceedings and/or requiring it to modify its business model.

**The computation of TEC's provision for income taxes is impacted by changes in tax legislation.**

Any changes in tax legislation could affect TEC's future cash flows and financial position. The value of TEC's existing deferred tax assets and liabilities are determined by existing tax laws and could be impacted by tax law changes, including any changes to the Inflation Reduction Act, as well as additional interpretations or technical corrections impacting the amount and timing of income tax payments or reduce or limit the ability to claim certain deductions and use carryforward tax benefits and/or credits. See **Note 4** of the **2024 Annual TEC Consolidated Financial Statements** for further information regarding TEC's income taxes.

**Tampa Electric may not be able to secure adequate rights-of-way to construct transmission lines and distribution-related facilities and could be required to find alternate ways to provide adequate sources of energy and maintain reliable service for their customers.**

Tampa Electric relies on federal, state and local governmental agencies to secure rights-of-way and siting permits to construct transmission lines and distribution-related facilities. If adequate rights-of-way and siting permits to build new transportation and transmission lines cannot be secured, then Tampa Electric:

- May need to remove or abandon its facilities on the property covered by rights-of-way or franchises and seek alternative locations for its transmission or distribution facilities;
- May need to rely on more costly alternatives to provide energy to its customers;
- May not be able to maintain reliability in its service area;
- May need to exercise the power of eminent domain, which can be costly and take time; and/or
- May experience a negative impact on its ability to provide electric service to new customers.

**The franchise rights held by Tampa Electric could be lost in the event of a breach by such utilities or could expire and not be renewed.**

Tampa Electric holds franchise agreements with counterparties throughout its service area. In some cases, these rights could be lost in the event of a breach of these agreements. These agreements are for set periods and could expire and not be renewed upon

expiration of the then-current terms. From time to time municipalities seek to include provisions allowing them to purchase the portion of the utility's system located within a given municipality's boundaries under certain conditions.

#### **Operational and Construction Risks**

**TEC's business is sensitive to variations in weather and the effects of extreme weather and has seasonal variations.**

TEC's utility business is affected by variations in general weather conditions including severe weather. Energy sales by its electric utility are particularly sensitive to seasonal variations in weather conditions, including unusually mild summer or winter weather that cause lower energy usage for cooling or heating purposes. Tampa Electric has both summer and winter peak periods that are dependent on weather conditions. Tampa Electric forecasts energy sales based on normal weather, which represents a long-term historical average. If there is unusually mild weather, or if climate change or other factors cause significant variations from normal weather, this could have a material impact on energy sales.

**TEC is subject to several risks that arise or may arise from climate change.**

TEC is subject to risks that may arise from the impacts of climate change. There is increasing public concern about climate change and growing support for reducing carbon dioxide emissions. Municipal, state, and federal governments have been setting policies and enacting laws and regulations to deal with climate change impacts in a variety of ways, including de-carbonization initiatives and promotion of cleaner energy and renewable energy generation of electricity. Refer to "changes in the environmental and land use laws and regulations" above. Insurance companies have begun to limit their exposure to coal-fired electricity generation and are evaluating the medium and long-term impacts of climate change which may result in fewer insurers, more restrictive coverage and increased premiums.

Climate change may lead to increased frequency and intensity of weather events and related impacts such as storms, hurricanes, cyclones, heavy rainfall, extreme winds, wildfires, flooding and storm surge. The potential impacts of climate change, such as rising sea levels and larger storm surges from more intense hurricanes, can combine to produce even greater damage to coastal generation and other facilities. Climate change is also characterized by rising global temperatures. Increased air temperatures may bring increased frequency and severity of wildfires, including within TEC's service territory. Refer to "variations in weather" above.

High winds and lack of precipitation increase the risk of wildfires resulting from TEC's infrastructure. The risk of wildfires is addressed primarily through asset management, storm hardening, and vegetation management programs for the electric utility. If it is found to be responsible for such a fire, TEC could suffer material costs, losses and damages, which could materially affect TEC's business, access to capital, financial condition and results of operations including its reputation with customers, regulators, governments and financial markets. Resulting costs could include fire suppression costs, regeneration, timber value, increased insurance costs and costs arising from damages and losses incurred by third parties.

TEC is subject to physical risks that arise, or may arise, from global climate change, including damage to operating assets from more frequent and intense weather events and from wildfires due to warming air temperatures and increasing drought conditions. Some of Tampa Electric's fossil fueled generation assets are located at or near coastal sites and as such are exposed to the separate and combined effects of rising sea levels and increasing storm intensity, including storm surges and flooding. Refer to "variations in weather" above.

Failure to address issues related to climate change could affect TEC's reputation with stakeholders, its ability to operate and grow, and TEC's access to, and cost of, capital. Refer to "Financial, Economic, and Market Risks" below.

Changing carbon-related costs, policy and regulatory changes and shifts in supply and demand factors could lead to more expensive or more scarce products and services that are required by TEC in its operations. This could lead to supply shortages, delivery delays and the need to source alternate products and services.

Depending on the regulatory response to government legislation and regulations, TEC may be exposed to the risk of reduced recovery through rates in respect of the affected assets. Valuation impairments could result from such regulatory outcomes.

TEC could face litigation or regulatory action related to environmental harms from carbon dioxide emissions or climate change public disclosure issues.

For thermal plants requiring cooling water, reduced availability of water resulting from climate change could adversely impact operations or the costs of operations.

**The facilities and operations of TEC could be affected by natural disasters or other catastrophic events.**

TEC's facilities and operations are exposed to potential damage and partial or complete loss resulting from environmental disasters (e.g., hurricanes, floods, high winds, fires and earthquakes), equipment failures, terrorist or physical attacks, vandalism, a major accident or incident at one of the sites, and other events beyond the control of TEC. The operation of generation, transmission and distribution systems involves certain risks, including fires, explosions, pipeline ruptures, damage to solar panels and other generation assets, and other hazards and risks that may cause unforeseen interruptions, personal injury, death, or property damage. There have also been physical attacks on critical infrastructure around the world. In the event of a physical attack that disrupts service to customers, revenues would be reduced, and costs would be incurred to repair and restore systems. These types of events, either impacting TEC's facilities or the industry in general, could cause TEC to incur additional security and insurance-related costs, and could have adverse effects on its business and financial results. Any costs relating to such events may not be recoverable through insurance or rates.

**TEC is exposed to potential risks related to cyberattacks and unauthorized access, which could cause system failures, disrupt operations or adversely affect safety.**

TEC increasingly relies on information technology systems and network infrastructure to manage its business and safely operate its assets, including controls for interconnected systems of generation, distribution and transmission and financial, billing and other business systems. TEC also relies on third party service providers to conduct business. As TEC operates critical infrastructure, it may be at greater risk of cyberattacks by third parties, which could include nation-state controlled parties.

Cyberattacks can reach TEC's networks with access to critical assets and information via their interfaces with less critical internal networks or via the public internet. Cyberattacks can also occur via personnel with direct access to critical assets or trusted networks. An outbreak of infectious disease, a pandemic or a similar public health threat may cause disruption in normal working patterns including wide scale "work from home" policies, which could increase cybersecurity risk as the quantity of both cyberattacks and network interfaces increases. Refer to the risk factor below regarding public health risk. Methods used to attack critical assets could include general purpose or energy-sector-specific malware delivered via network transfer, removable media, viruses, attachments or links in e-mails. The methods used by attackers are continuously evolving and can be difficult to predict and detect.

TEC's systems, assets and information could experience security breaches that could cause system failures, disrupt operations or adversely affect safety. Such breaches could compromise customer, employee-related or other information systems and could result in loss of service to customers or the unavailability, release, destruction or misuse of critical, sensitive or confidential information. These breaches could also delay delivery or result in contamination or degradation of hydrocarbon products TEC transports, stores or distributes.

Should such cyberattacks or unauthorized accesses materialize, TEC could suffer costs, losses and damages, all or some of which may not be recoverable through insurance, legal, regulatory cost recovery or other processes. If not recovered through these means, they could materially adversely affect TEC's business and financial results including its reputation and standing with customers, regulators, governments and financial markets. Resulting costs could include, amongst others, response, recovery and remediation costs, increased protection or insurance costs and costs arising from damages and losses incurred by third parties. If any such security breaches occur, there is no assurance that they can be adequately addressed in a timely manner.

With respect to certain of its assets, TEC is required to comply with rules and standards relating to cybersecurity and information technology including, but not limited to, those mandated by bodies such as the North American Electric Reliability Corporation. TEC cannot be assured that its operations will not be negatively impacted by a cyberattack.

**Effects of an outbreak of infectious disease, another pandemic or a similar public health threat could have a negative impact on TEC's operations.**

An outbreak of infectious disease, a pandemic or a similar public health threat or a fear of any of the foregoing, could adversely impact TEC, including by causing operating, supply chain and project development delays and disruptions, labor shortages and shutdowns (including as a result of government regulation and prevention measures), and delays in regulatory decisions and proceedings, which could have a negative impact on TEC's operations.

Any adverse changes in general economic and market conditions arising as a result of a public health threat could negatively impact demand for electricity, revenue, operating costs, timing and extent of capital expenditures, results of financing efforts, or credit risk, counterparty risk and collection risk, which could result in a material adverse effect on TEC's business.

**Financial, Economic, and Market Risks**

**National and local economic conditions can have a significant impact on the results of operations, net income and cash flows at TEC.**

The business of TEC is concentrated in Florida. If economic conditions decline, retail customer growth rates may stagnate or decline, and customers' energy usage may decline, adversely affecting TEC's results of operations, net income and cash flows. A factor in customer growth in Florida is net in-migration of new residents, both domestic and non-U.S. A slowdown in the U.S. economy could reduce the number of new residents and slow customer growth.

**Potential competitive changes may adversely affect TEC.**

There is competition in wholesale power sales across the United States. Some states have mandated or encouraged competition at the retail level and, in some situations, required divestiture of generating assets. While there is active wholesale competition in Florida, the retail electric business has remained substantially free from direct competition. Changes in the competitive environment occasioned by legislation, regulation, market conditions or initiatives of other electric power providers or voters, particularly with respect to retail competition, could adversely affect Tampa Electric's business and its expected performance.

Florida electric utilities, including Tampa Electric, currently benefit from operating in a regulated environment with limited competition in their market for retail customers. However, the commercial and regulatory frameworks under which Tampa Electric operates can be impacted by changes in government and shifts in government policy. These include initiatives regarding deregulation or restructuring of the energy industry, which may result in increased competition and unrecovered costs that could adversely affect operations, net income and cash flows.

**Disruption of fuel supply could have an adverse impact on the financial condition of TEC.**

Tampa Electric depends on third parties to supply fuel, including natural gas and coal. As a result, there are risks of supply interruptions and fuel-price volatility. Disruption of fuel supplies or transportation services for fuel, whether because of weather-related problems, strikes, lock-outs, break-downs of transportation facilities, pipeline failures or other events, could impair the ability to deliver or generate electricity and could adversely affect operations. The loss of fuel suppliers or the inability to renew existing coal and natural gas contracts at favorable terms could significantly affect the ability to serve customers and have an adverse impact on the financial condition and results of operations of TEC.

**Commodity price changes may affect the operating costs and competitive positions of TEC's business.**

TEC's business is sensitive to changes in gas, coal and other commodity prices. Any changes in the availability of these commodities could affect the prices charged by suppliers as well as suppliers' operating costs and the competitive positions of their products and services.

In the case of Tampa Electric, fuel costs used for generation are affected primarily by the cost of natural gas and coal. Tampa Electric is able to recover prudently incurred costs of fuel through retail customers' bills, but increases in fuel costs affect electric prices and, therefore, the competitive position of electricity against other energy sources.

The ability to make sales of, and the margins earned on, wholesale power sales are affected by the cost of fuel to Tampa Electric, particularly as it compares to the costs of other power producers.

**TEC may face risks associated with international and national trade laws and regulations which could affect operating costs.**

Trade restrictions and imposition of new tariffs or trade restrictions could impact the availability and/or price of materials and equipment needed to support operations and capital investment and may affect operating costs and financial results.

**Developments in technology could reduce demand for electricity.**

Research and development activities are ongoing for new technologies that produce power or reduce power consumption. These technologies include renewable energy, customer-oriented generation, energy storage, energy efficiency and more energy-efficient appliances and equipment. Advances in these or other technologies could reduce the cost of producing electricity, or otherwise make Tampa Electric's existing generating facilities uneconomic. Advances in such technologies could reduce demand for electricity, which could negatively impact the results of operations, net income and cash flows of TEC.



**Results at TEC may be affected by changes in customer energy-usage patterns.**

For the past several years, at Tampa Electric and electric utilities across the United States, weather-normalized electricity consumption per residential customer has declined due to the combined effects of voluntary conservation efforts and improvements in equipment efficiency.

Forecasts by TEC are based on normal weather patterns and trends in customer energy-usage patterns. TEC could be negatively impacted if customers further reduce their energy usage in response to increased energy efficiency, economic conditions or other factors.

**Increased customer use of distributed generation could adversely affect Tampa Electric.**

In many areas of the United States, including in the markets where TEC operates, there is growing use of rooftop solar panels, small wind turbines and other small-scale methods of power generation, known as distributed generation. Distributed generation is encouraged and supported by various constituent groups, tax incentives, renewable portfolio standards and special rates designed to support such generation.

Increased usage of distributed generation can reduce utility electricity sales but does not reduce the need for ongoing investment in infrastructure to maintain or expand the transmission and distribution grid to reliably serve customers. Continued utility investment that is not supported by increased energy sales causes rates to increase for customers, which could further reduce energy sales and reduce future earnings and cash flows.

**Failure to attract and retain an appropriately qualified workforce, or workforce disruptions, could adversely affect TEC's financial results.**

Events such as increased retirements due to an aging workforce or the departure of employees for other reasons without appropriate replacements, mismatch of skill sets to future needs, or unavailability of contract resources may lead to operating challenges such as lack of resources, loss of knowledge, and a lengthy time period associated with skill development. Failure to attract and hire employees, including the ability to transfer significant internal historical knowledge and expertise to the new employees, or workforce disruptions due to work stoppages or strikes, or the future availability and cost of contract labor may cause costs to operate TEC's systems to rise. If TEC is unable to successfully attract and retain an appropriately qualified workforce, results of operations could be negatively impacted.

**Liquidity and Capital Requirements Risks**

**TEC's indebtedness could adversely affect its business, financial condition and results of operations, as well as its ability to meet its payment obligations on its debt.**

TEC has indebtedness that it is obligated to pay. It must meet certain financial covenants as defined in the applicable agreements to borrow under its credit facilities. Also, TEC has certain restrictive covenants in specific agreements and debt instruments. The level of TEC's indebtedness and potential inability to meet the requirements of the restrictive covenants contained in its debt obligations could have significant consequences to its business, could create risk for the holders of its debt, and could limit its ability to obtain additional financing (see **Management's Discussion & Analysis – Significant Financial Covenants** section). Such risks include:

- making it more difficult for TEC to satisfy its debt obligations and other ongoing business obligations, which may result in defaults;
- events of default if it fails to comply with the financial and other covenants contained in the agreements governing such debt, which could result in all of its debt becoming immediately due and payable or require it to negotiate an amendment to financial or other covenants that could cause it to incur additional fees and expenses;
- reducing the availability of cash flow to finance its business and limiting its ability to obtain additional financing for these purposes;
- increasing its vulnerability to the impact of adverse economic and industry conditions;
- limiting its flexibility in planning for, or reacting to, and increasing its vulnerability to, changes in its business and the overall economy;
- and increasing its cost of borrowing.

TEC has obligations that do not appear on its balance sheet, such as letters of credit. To the extent material, these obligations are disclosed in the notes to the financial statements.

**Financial market conditions could limit TEC's access to capital and increase TEC's costs of borrowing or refinancing, or have other adverse effects on its results.**

TEC has debt maturing in subsequent years, which TEC anticipates will need to be refinanced. Future financial market conditions could limit TEC's ability to raise the capital it needs and could increase its interest costs, which could reduce earnings and cash flows.

**Declines in the financial markets or in interest rates or rates of return used to determine benefit assets or obligations could increase TEC's pension expense or the required cash contributions to maintain required levels of funding for its plan.**

TEC is a participant in the comprehensive retirement plans of TECO Energy. Under calculation requirements of the Pension Protection Act, as of the January 1, 2024 measurement date, TECO Energy's pension plan was fully funded. Any future declines in the financial markets or interest rates could increase the amount of contributions required to fund its pension plan in the future and could cause pension expense to increase.

**TEC's financial condition and results could be adversely affected if its capital expenditures are greater than forecast or costs are not recoverable through rates.**

TEC's capital plan includes significant investments in generation, infrastructure modernization and customer-focused technologies. Any projects planned or currently in construction, particularly significant capital projects, may be subject to risks including, but not limited to, impact on costs from schedule delays, risk of cost overruns, ensuring compliance with operating and environmental requirements and other events within or beyond TEC's control. Total costs may be higher than estimated, and there can be no assurance that TEC will be able to obtain the necessary project approvals, regulatory outcomes or applicable permits at the federal, state and/or local level to recover such expenditures through regulated rates. If TEC's capital expenditures exceed the forecasted levels or are not recoverable, it may need to draw on credit facilities or access the capital markets on unfavorable terms.

**TEC's financial condition and ability to access capital may be materially adversely affected by multiple ratings downgrades to below investment grade.**

The senior unsecured debt of TEC is rated by S&P at 'BBB+', by Moody's at 'A3' and by Fitch at 'A'. A downgrade to below investment grade by the rating agencies, which would require a four-notch downgrade by Moody's and Fitch and a three-notch downgrade by S&P, may affect TEC's ability to borrow, may change requirements for future collateral or margin postings, and may increase financing costs, which may decrease earnings. Downgrades could adversely affect TEC's relationships with customers and counterparties. Some of the factors that can affect TEC's credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, political, legislative, and regulatory actions, and changes in Emera's credit ratings.

In the event TEC's ratings were downgraded to below investment grade, certain agreements could require immediate payment or full collateralization of net liability positions. Counterparties to its derivative instruments could request immediate payment or full collateralization of net liability positions. Credit provisions in long-term gas transportation agreements would give the transportation providers the right to demand collateral, which is estimated to be approximately \$84 million at December 31, 2024.

**TEC may be subject to risks relating to its separation from PGS.**

On January 1, 2023, TEC completed the separation from its former PGS division to PGSI. TEC's business is less diversified as a result of the separation since its remaining Tampa Electric business serves only electric utility customers and operates in a more narrow geographic area than its former PGS division.

The separation is intended to be a tax-free transaction for U.S. federal income tax purposes. The IRS has issued a private letter ruling (IRS Ruling) to the effect that, subject to the limitations specified therein and the accuracy and compliance with certain representations, warranties and covenants, the distribution of the PGSI stock, together with certain related transactions, will qualify as a tax-free "reorganization" for U.S. federal income tax purposes. If any of these items are inaccurate, the separation may not qualify for tax-free treatment, which could result in material tax liabilities for TEC.

**Item 1C. CYBERSECURITY**

TEC assesses, identifies, and manages material risks from cybersecurity threats under the governance of its Cyber Security Framework and Information Security Policy, as well as several related policies and procedures addressing areas such as threat vulnerability management, cyber risk management, data protection and classification, network security, access control, incident

response, security awareness, employee training and asset management. These policies and related standards require identification of all Information Technology (IT) and Operational Technology (OT) critical facilities and/or cyber assets, and sufficient controls for IT and OT asset inventory, including responsibilities for assets, information owners, and asset disposition processes. From a security perspective, TEC's Information Security group is directed at protecting all aspects of data and how information is stored, transmitted, processed, and used in business processes. TEC's Corporate Security group is responsible for protecting physical assets including critical facilities, protection of employees, and related physical security risks.

TEC's Information Security group of the Information Technology department has the direct responsibility for developing, monitoring, and enforcing information security standards and procedures; reviewing and approving all network interconnections for compliance to security standards; and assisting, consulting, and training individuals throughout TEC in the use of appropriate information security practices. This group is responsible for ensuring that all IT and OT cyber systems, assets, and networks are aligned with Emera and affiliate cybersecurity framework. TEC engages independent third-party consultants from time to time to assess the adequacy of its cybersecurity measures and assist in implementing any appropriate actions to address any vulnerabilities identified. In addition, TEC participates in an Electric Power Research Institute (EPRI) research project to develop cybersecurity performance metrics. EPRI offers a web-based platform, which supports automated cybersecurity data collection, security metrics calculation, visualization, and analysis. The Vice President of Information Technology and Chief Information Officer (CIO), who reports to the President and Chief Executive Officer, oversees this group and is responsible for managing the program, in collaboration with TEC's businesses and functions. TEC's CIO has advanced degrees in computer science and extensive experience in cybersecurity and information technology, including many years of experience at large organizations leading cybersecurity, IT processes and controls, strategy, architecture, delivery and support of IT applications, and overseeing large groups of employees and contractors responsible for carrying out these responsibilities.

TEC's Vendor Risk Management process includes conducting risk assessments to identify and monitor cybersecurity risks associated with third-party service providers, including threat detection and security event notifications. TEC also has requirements for third-party service providers which include regulatory compliance and meeting policies and standards based on the National Institute of Standards and Technology Cybersecurity Frameworks. TEC's processes also provide for mitigating cybersecurity risk from third parties through seeking to include in its agreements with third-party service providers, as applicable, cybersecurity provisions designed to appropriately address such risks.

TEC's IT Business Continuity – Emergency Contingency Response Plan is updated periodically and reviewed at least annually. This plan includes guidelines for the escalation and communication of cybersecurity incidents, including a requirement to timely report to TEC's executive leadership and Board of Directors based on an assessment of the risk and other specified criteria. TEC has established a cyber incident response team to prepare for, mitigate, and remediate cybersecurity incidents, which is integrated within Emera's enterprise crisis management framework.

Cybersecurity risks are integrated into TEC's overall risk management process through the collaboration of the cybersecurity professionals and TEC's and Emera's risk management functions to assess threat levels on an affiliate and corporate basis and identify steps and resources appropriate to manage such risks. The Board of Directors oversees the management of risks from cybersecurity threats through receiving regular reports from the CIO, which include updates on TEC's performance with preparing, preventing, detecting, responding to, mitigating, and recovering from cybersecurity incidents. Should a cybersecurity threat or incident pose a significant risk to TEC, TEC's processes provide that the CIO, through the CEO, as appropriate, would promptly inform the Board regarding any such threat or incident. The CIO also provides regular updates on the key elements of its cybersecurity program to the Emera Board's Risk and Sustainability Committee, which has oversight over Emera's enterprise risk management framework, including oversight over cybersecurity risk.

While to date TEC has not detected a significant compromise of its cybersecurity systems, significant data loss or any material financial losses related to cybersecurity attacks, it is possible that TEC could experience a significant event in the future. Risks and exposures related to cybersecurity attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats. See Item 1A. Risk Factors, "TEC is exposed to potential risks related to cyberattacks and unauthorized access, which could cause system failures, disrupt operations or adversely affect safety" for a further discussion of risks related to cybersecurity.

## **Item 2. PROPERTIES**

TEC believes that its physical properties are adequate to carry on its business as currently conducted. The properties of Tampa Electric are subject to a first mortgage bond indenture under which no bonds are currently outstanding.

Tampa Electric has electric generating stations in service, with a December 2024 net winter generating capability of 6,620 MWs. Tampa Electric assets include the Big Bend Power Station (1,623 MWs capacity), the Bayside Power Station (2,212 MWs capacity) and the Polk Power Station (1,420 MWs capacity). Also included in Tampa Electric's assets as of December 31, 2024 are twenty-seven solar arrays (1,350 MWs capacity) and one energy storage site (15 MWs capacity).

Tampa Electric owns 74 transmission substations and 138 distribution substations with an aggregate transformer capacity of 16,872 mega volts amps. The Tampa Electric system has a 8,005 mega volts amps of generator step up unit capacity. The transmission system consists of 1,362 total circuit miles of high voltage transmission lines, including underground and double-circuit lines. The distribution system consists of 6,053 circuit miles of overhead lines and 6,805 circuit miles of underground lines. As of December 31, 2024, there were 869,996 meters in service. All of this property is located in Florida.

Tampa Electric's property, plant and equipment are owned, except that titles to some of the properties are subject to easements, leases, contracts, covenants and similar encumbrances common to properties of the size and character of those of Tampa Electric.

Tampa Electric has easements or other property rights for rights-of-way adequate for the maintenance and operation of its electrical transmission and distribution lines that are not constructed upon public highways, roads and streets. Transmission and distribution lines located in public ways are maintained under franchises or permits.

Tampa Electric has a lease for the office building in downtown Tampa, which serves as headquarters for TECO Holdings, Tampa Electric and PGS.

### **Item 3. LEGAL PROCEEDINGS**

From time to time, TEC is involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss. For a discussion of legal proceedings and environmental matters, see **Note 8** of the **2024 Annual TEC Consolidated Financial Statements**.

## **PART II**

### **Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

All of TEC's common stock is owned by TECO Holdings, which in turn is owned by a subsidiary of Emera and, thus, is not listed on a stock exchange. Therefore, there is no market for such stock.

### **Item 6. [RESERVED]**

### **Item 7. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS**

#### **OVERVIEW**

At December 31, 2024, Tampa Electric served approximately 855,000 customers in a 2,000-square-mile service area in West Central Florida and had electric generating plants with a winter peak generating capacity of 6,620 MW.

Prior to January 1, 2023, TEC had regulated electric and gas utility operations in Florida. From and after January 1, 2023, the gas utility operations are operated by PGSI, which is no longer a subsidiary of TEC. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC. For information regarding PGS in 2022, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of **TEC's Annual Report on Form 10-K** for the year ended December 31, 2022.

TEC is a wholly owned subsidiary of TECO Holdings, and TECO Holdings is a wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera. See **Note 10** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding related party transactions.

#### **OUTLOOK**

TEC's earnings are most directly impacted by the allowed rate of return on equity and the capital structures approved by the FPSC, the prudent management of operating costs, the approved recovery of regulatory deferrals, weather and its impact on energy sales, and the timing and amount of capital expenditures.

Tampa Electric anticipates earning within its ROE range in 2025. New base rates effective January 1, 2025, are projected to result in Tampa Electric's 2025 earnings to be higher than in 2024. Normalizing 2024 for weather, Tampa Electric sales volumes in 2025 are projected to be higher than in 2024 due to customer growth. Tampa Electric expects customer growth rates in 2025 to be comparable to 2024, reflective of the expected economic growth in Florida.

On April 2, 2024, Tampa Electric requested a base rate increase, reflecting an increased revenue requirement of \$297 million, effective January 1, 2025, and additional adjustments of \$100 million and \$72 million for 2026 and 2027, respectively. Tampa Electric's proposed rates include recovery of solar generation projects, energy storage capacity, a more resilient and modernized energy control center, and other resiliency and reliability projects. Prior to the rate case hearing, Tampa Electric submitted revisions to its requested base rate increase to reflect items that included production tax credits, energy storage life expectancy, and the company's grid reliability and resilience project. The company's August 22, 2024 requested revenue requirement reflects a base rate increase of \$288 million, effective January 1, 2025, and adjustments of \$92 million and \$65 million for 2026 and 2027, respectively. From August 26 through 30, 2024, Tampa Electric's rate case hearing was heard by the FPSC. On December 3, 2024, the FPSC rendered a decision during a Special Agenda and the final order, reflecting such decision, was issued on February 3, 2025. The FPSC decision includes an increase of \$185 million in 2025 and adjustments of \$87 million and \$9 million in 2026 and 2027, respectively. The decision also allowed for equity in the capital structure to continue to be 54% from investor sources of capital. The allowed regulatory ROE range is 9.50% to 11.50% with a 10.50% midpoint, effective January 1, 2025. On February 18, 2025, a motion for reconsideration on certain aspects of the rate case order was filed with the FPSC. Tampa Electric will respond to this motion in February 2025. Tampa Electric expects the FPSC to reach a final decision on the motion in the second quarter of 2025.

On April 2, 2024, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, reflecting a \$138 million reduction over 12 months, from June 2024 through May 2025. The requested reduction is due to a significant decrease in actual and projected 2024 natural gas prices since Tampa Electric submitted its projected 2024 costs in the fall of 2023. On May 7, 2024, the FPSC approved the mid-course adjustment.

Tampa Electric was impacted by Hurricane Idalia in September 2023. The related storm restoration costs were approximately \$35 million, which were charged to the storm reserve regulatory asset. Hurricane Helene made landfall on September 26, 2024. Tampa Electric was impacted by Hurricane Helene, resulting in a peak number of customers out of approximately 100,000. As of December 31, 2024, TEC deferred \$49 million to the storm reserve for future recovery, with a minimal impact to earnings. Hurricane Milton, the worst weather event to impact the area in over 100 years, made landfall on October 9, 2024. Tampa Electric was impacted by Hurricane Milton, resulting in a peak number of customers out of approximately 600,000. As of December 31, 2024, TEC deferred \$340 million to the storm reserve for future recovery, with a minimal impact to earnings.

Restoration costs for the storms described above are deferred and will be collected from customers in subsequent periods. On February 4, 2025, the FPSC approved Tampa Electric's petition filed on December 27, 2024 for the recovery of \$466 million for costs associated with Hurricane Idalia, Hurricane Debby, Hurricane Helene and Hurricane Milton and the associated interest to replenish the storm reserve over an 18-month recovery period beginning in March 2025. The amount of cost-recovery is subject to a true-up mechanism with the FPSC.

In 2025, Tampa Electric expects to invest approximately \$1.6 billion, excluding AFUDC, in capital projects. Capital projects include investments in solar, storm hardening, grid modernization, building resilience and energy storage. See **Capital Investments** below for further information.

These forecasts are based on our current assumptions described in the operating company discussion, which are subject to risks and uncertainties (see the **Risk Factors** section).

## **OPERATING RESULTS**

All amounts included in this MD&A are pre-tax, except net income and income taxes.

TEC's consolidated financial statements have been prepared in accordance with U.S. GAAP. TEC's reported operating results are affected by several critical accounting estimates (see the **Critical Accounting Policies and Estimates** section).

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The following table shows the revenues and net income of the business segments on a U.S. GAAP basis (see **Note 11** to the **2024 Annual TEC Consolidated Financial Statements**).

<i>(millions)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>			
Tampa Electric	\$ 2,526	\$ 2,637	\$ 2,523
PGS			656
Eliminations			(10)
TEC	<u>\$ 2,526</u>	<u>\$ 2,637</u>	<u>\$ 2,569</u>
<b>Net income</b>			
Tampa Electric	\$ 468	\$ 466	\$ 458
PGS			82
TEC	<u>\$ 468</u>	<u>\$ 466</u>	<u>\$ 540</u>

See **Electric Operations Results** below for detail on the results of operations at Tampa Electric during 2024 compared to 2023. For information regarding 2023 results as compared to 2022, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of **TEC’s Annual Report on Form 10-K** for the year ended December 31, 2023.

## **TAMPA ELECTRIC**

### **Electric Operations Results**

Tampa Electric’s net income in 2024 was \$468 million, compared with \$466 million in 2023. Results primarily reflected higher base revenues resulting from the 2021 rate case settlement agreement and customer growth, combined with additional storm protection plan return on investment, partially offset by higher depreciation and operations & maintenance expenses. Base revenues are energy sales excluding revenues from clauses, gross receipts taxes and franchise fees. Clauses, gross receipts taxes and franchise fees do not have a material effect on net income as these revenues substantially represent a dollar-for-dollar recovery of clause and other pass-through costs. See the **Operating Revenues** and **Operating Expenses** sections below for additional information.

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The table below provides a summary of Tampa Electric's revenue and expenses and energy sales by customer type.

**Summary of Operating Results**

<i>(millions, except customers and total degree days)</i>	2024	% Change	2023	% Change	2022
Revenues	\$ 2,526	(4)	\$ 2,637	5	\$ 2,523
O&M expense	545	(8)	595	30	459
Depreciation and amortization expense	454	8	422	8	389
Taxes, other than income	224	(4)	234	16	201
Non-fuel operating expenses	1,223	(2)	1,251	19	1,049
Fuel expense	517	(15)	605	(11)	681
Purchased power expense	105	35	78	(48)	151
Total fuel & purchased power expense	622	(9)	683	(18)	832
Total operating expense	1,845	(5)	1,934	3	1,881
Operating income	681	(3)	703	10	642
Other income	48	(46)	89	71	52
Interest charges	193	(19)	239	68	142
Provision for income taxes	68	(22)	87	(7)	94
Net income	\$ 468	0	\$ 466	2	\$ 458
<b>Megawatt-Hour Sales (thousands)</b>					
Residential	10,269	(0)	10,307	2	10,109
Commercial	6,481	0	6,462	3	6,300
Industrial	2,019	(3)	2,082	(1)	2,111
Other	1,933	(0)	1,940	(0)	1,947
Total retail	20,702	(0)	20,791	2	20,467
Off-system sales	245	26	284	(27)	206
Total energy sold	21,045	0	21,045	1	20,872
<b>Retail customers—(thousands)</b>					
At December 31	855	2	840	2	827
Retail net energy for load	21,847	0	21,767	1	21,572
Total degree days	4,573	(2)	4,671	(3)	4,820

**Operating Revenues**

Revenues were \$111 million lower in 2024 than in 2023 primarily driven by decreased fuel clause and storm surcharge revenue, less favorable weather and the unfavorable impact of Hurricane Milton (see **Note 3** to the **TEC Consolidated Financial Statements**), partially offset by customer growth and new base rates as a result of the 2021 rate case settlement agreement. Total degree days (a measure of heating and cooling demand) in Tampa Electric's service area in 2024 were 5% above normal (a 20-year statistical degree day average) and 2% below 2023, reflecting less favorable weather in 2024 compared to 2023. Total net energy for load, which is a calendar measurement of energy output, in 2024 was consistent with 2023.

**Customer and Energy Sales Growth Outlook**

Population growth in the area is forecasted to continue to be a major driver of customer growth. In 2025, energy sales volumes are expected to be similar to 2024 levels. In 2024, energy sales benefited from weather that was warmer than normal. Normalizing 2024 for weather, 2025 energy sales volumes are expected to be above 2024 levels due to customer growth. Tampa Electric expects 2025 customer growth to be approximately 1.6% and to continue at that level annually over the next few years.

**Operating Expenses**

In 2024, O&M expense was \$50 million lower than in 2023 due to decreased storm cost recognition of \$78 million related to storm surcharge revenue (offset in revenue), partially offset by increased operations and maintenance expenses of \$12 million and regulatory deferrals of \$16 million. The increase in operating expenses was primarily associated with increased solar operations, labor and software maintenance expenses. Depreciation and amortization expense increased \$32 million in 2024 compared to 2023 as a result of additions to facilities and the in-service of generation projects.

O&M expense in 2025 is expected to increase compared to 2024 due to inflation. In 2025, depreciation expense is expected to increase compared to 2024 due to capital projects and plant additions.

#### **Fuel Expense, Purchased Power and Fuel Cost Recovery**

Total fuel expense decreased in 2024 from 2023 primarily due to lower natural gas prices. Total 2025 fuel and purchased power costs are expected to be higher than in 2024 due to higher gas demand driving the prices of natural gas.

On January 23, 2023, Tampa Electric requested an adjustment to its fuel charges to recover the \$518 million final 2022 fuel under-recovery over a period of 21 months. The request also included an adjustment to 2023 projected fuel costs to reflect the reduction in natural gas prices since September 2022 for a projected reduction of \$170 million for the balance of 2023. The changes were approved by the FPSC on March 7, 2023, effective April 1, 2023.

On April 2, 2024, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, reflecting a \$138 million reduction over 12 months, from June 2024 through May 2025. The requested reduction is due to a significant decrease in actual and projected 2024 natural gas prices since Tampa Electric submitted its projected 2024 costs in the fall of 2023. On May 7, 2024, the FPSC approved the mid-course adjustment.

In December 2024, the FPSC approved cost-recovery rates for fuel and purchased power, capacity, environmental, conservation and storm protection plan costs for 2025. The rates include the expected cost for natural gas and coal in 2025. These rates are typically set annually, based on information provided in September of the year prior to the year the rates take effect.

#### **OTHER ITEMS IMPACTING NET INCOME**

##### **Other Income**

For the years 2024 and 2023, TEC's other income was \$48 million and \$89 million, respectively, which included AFUDC-equity of \$30 million and \$19 million, respectively, interest income from affiliate of \$0 million and \$38, respectively, and other income of \$18 million and \$32 million, respectively. The increase in AFUDC-equity was primarily due to the timing of resiliency projects. The decrease in interest income from affiliate is due to the repayment of the note receivable from PGS for PGS's allocation of short-term and long-term debt resulting from the separation of PGS from TEC as of January 1, 2023. See **Notes 1 and 10** to the **TEC Consolidated Financial Statements** for details of the separation of PGS from TEC and the resulting related party transactions. The decrease in Other Income is primarily due to lower interest income on the deferred fuel balance.

AFUDC-equity is expected to increase in 2025 due to the timing of construction of capital projects, including solar generation.

##### **Interest Expense**

For the years 2024 and 2023, TEC's interest expense, including interest expense to affiliates and excluding AFUDC-debt, was \$203 million and \$245 million, respectively. The decrease in 2024 was due to lower borrowings resulting from proceeds received from affiliate loan repayments related to the separation of PGS from TEC in 2023 and lower fuel under-recoveries. In addition, the weighted-average interest rate on borrowings outstanding under the credit facilities and commercial paper at December 31, 2024 and 2023 was 4.8% and 5.7%, respectively. See **Other Income** above for information regarding the interest income from affiliate associated with PGS's allocation of short-term and long-term debt resulting from the separation of PGS from TEC as of January 1, 2023. The interest income from affiliate partially offsets the impact of TEC's interest expense within Net Income on the Consolidated Statement of Income.

Interest expense is expected to increase in 2025, reflecting higher balances (see **Note 6** to the **2024 Annual TEC Consolidated Financial Statements** for further detail).

##### **Income Taxes**

The provision for income taxes decreased in 2024 compared to 2023 primarily as a result of lower pre-tax income and production tax credits related to solar facilities. Income tax expense as a percentage of income before taxes was 12.7% in 2024 and 15.7% in 2023. TEC expects the 2025 annual effective tax rate to be approximately 14%.

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based upon a standalone return method, modified for the benefits-for-loss allocation in accordance with EUSHI's tax sharing agreement. The cash (refunds) payments for federal income taxes and state income taxes made under those tax sharing agreements totaled \$(3) million and \$102 million in 2024 and 2023, respectively.



For more information on TEC's income taxes, including a reconciliation between the statutory federal income tax rate, the effective tax rate and impacts of tax reform, see **Note 4** to the **2024 Annual TEC Consolidated Financial Statements**.

## **LIQUIDITY, CAPITAL RESOURCES**

### **Balances as of December 31, 2024**

<i>(millions)</i>	
Credit facilities/ commercial paper <sup>(1)</sup>	\$ 800
Drawn amounts/ letters of credit	637
Available credit facilities	166
Cash	4
Total liquidity	<u>\$ 167</u>

(1) See **Note 6** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the credit facilities.

### **Cash from Operating Activities**

Cash flows from operating activities in 2024 were \$1,164 million, a decrease of \$77 million compared to 2023. The decrease to cash from operations was primarily due to the timing of fuel cost collection, partially offset by decreases to accounts receivable balances resulting from decreased fuel and 2022 storm cost recoveries reflected in customer bills and increases to accounts payable due to the timing of invoice payments.

### **Cash from Investing Activities**

Cash flows from investing activities in 2024 resulted in a net use of cash of \$1.4 billion, which primarily reflects TEC's investment in capital. See the **Capital Investments** section for additional information.

### **Cash from Financing Activities**

Cash flows from financing activities in 2024 resulted in net cash inflows of \$254 million. TEC received \$600 million of equity contributions from Parent and \$495 million proceeds from the issuance of long-term debt. These increases in cash flows were partially offset by dividend payments to Parent of \$469 million, the repayment of \$300 million of long-term debt and a \$70 million decrease in short-term debt with maturities of less than 90 days.

### **Cash and Liquidity Outlook**

TEC's tariff-based gross margins are the principal source of cash from operating activities. A diversified retail customer mix, primarily consisting of rate-regulated residential, commercial, and industrial customers, provides TEC with a reasonably predictable source of cash. In addition to using cash generated from operating activities, TEC uses available cash, equity contributions from Parent, credit facility and commercial paper borrowings, transactions with affiliates, and debt issuances to support normal operations and capital expenditure requirements. TEC may reduce short-term borrowings with cash from operations, long-term borrowings, or capital contributions from Parent. TEC expects to make significant capital expenditures in 2025 (see **Capital Investments** section below for further detail on TEC's projected capital expenditures). Debt raised is subject to applicable regulatory approvals and Tampa Electric is required to maintain a capital structure as allowed by the regulator.

As noted earlier, cash from operating activities and short-term borrowings are used to fund normal operations and capital expenditures, which may result in periodic working capital deficits. The working capital deficit as of December 31, 2024 was primarily caused by short-term borrowings and periodic fluctuations in assets and liabilities related to FPSC clauses and riders. At December 31, 2024, TEC's unused capacity under its credit facilities was \$163 million.

TEC has a credit facility utilized with commercial paper that provides \$800 million of credit, maturing in 2028. See **Note 6** to the **2024 Annual TEC Consolidated Financial Statements** for additional information regarding the credit facilities and commercial paper. TEC expects that its liquidity will be adequate for both the near and long term, given its expected operating cash flows, capital expenditures and related financing plans.

TEC expects cash from operations in 2025 to be lower than 2024 primarily due to higher cash outflow in 2025 for storm costs incurred in 2024, a decrease in expected fuel recoveries, and higher anticipated tax payments, offset by an increase in base rates

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effective in January 2025, inflow of storm surcharge revenue and customer growth (see **Note 3** to the **2024 Annual TEC Consolidated Financial Statements**). TEC plans to use cash in 2025 to fund capital spending and to pay dividends to its shareholder. Dividends are paid at the discretion of TEC's Board of Directors.

TEC's credit facilities contain certain financial covenants (see **Covenants in Financing Agreements** section). TEC estimates that it could fully utilize the total available capacity under its facilities in 2025 and remain within the covenant restrictions.

### Short-Term Borrowings

(millions)	December 31, 2024				December 31, 2023			
	Borrowings		Letters of		Borrowings		Letters of	
	Credit	Outstanding -	Outstanding -	Credit	Credit	Outstanding -	Outstanding -	Credit
	Facilities	Credit Facilities <sup>(1)</sup>	Commercial Paper <sup>(1)</sup>	Outstanding	Facilities	Credit Facilities <sup>(1)</sup>	Commercial Paper <sup>(1)</sup>	Outstanding
5-year facility <sup>(2)</sup>	\$ 800	\$ 0	\$ 636	\$ 1	\$ 800	\$ 0	\$ 706	\$ 1
1-year term facility <sup>(3)</sup>	0	0	0	0	200	0	0	0
1-year term facility <sup>(4)</sup>	0	0	0	0	200	0	0	0
Total	\$ 800	\$ 0	\$ 636	\$ 1	\$ 1,200	\$ 0	\$ 706	\$ 1

- (1) Borrowings outstanding are reported as notes payable in the Consolidated Balance Sheets.
- (2) On April 1, 2024, TEC amended the credit facility agreement to extend the maturity date to December 1, 2028. TEC also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by TEC's credit facility. The amount of commercial paper issued results in an equal amount of its credit facility being considered drawn and unavailable. On January 30, 2024, TEC completed a sale of \$500 million aggregate principal amount of 4.90% Notes due March 1, 2029. TEC used the net proceeds from this offering for the repayment of a portion of the borrowings outstanding under the credit facility. Therefore, \$497 million of borrowings outstanding under the credit facility were reclassified as long-term debt on the Consolidated Balance Sheet as of December 31, 2023.
- (3) On March 1, 2023, TEC entered into a 1-year term facility that matured on February 28, 2024.
- (4) On April 3, 2023, TEC entered into a 1-year term facility that matured on April 1, 2024.

At December 31, 2024, the credit facility required a commitment fee of 12.5 basis points. The weighted average interest rate on outstanding amounts payable under the credit facilities and commercial paper program at December 31, 2024 and 2023 was 4.8% and 5.7%, respectively. For a complete description of the credit facilities see **Note 6** to the **2024 Annual TEC Consolidated Financial Statements**.

(millions)	Maximum drawn amount	Minimum drawn amount	Average drawn amount	Average interest rate
2024 credit facility utilization	\$ 739	\$ 0	\$ 266	5.30%

### Significant Financial Covenants

In order to utilize its bank credit facilities, TEC must meet certain financial tests as defined in the applicable agreements. In addition, TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2024, TEC was in compliance with all applicable financial covenants. The table that follows lists the significant financial covenants and the performance relative to them at December 31, 2024. Reference is made to the specific agreements and instruments for more details.

Instrument	Financial Covenant <sup>(1)</sup>	Requirement/Restriction	Calculation at December 31, 2024
Credit facility- \$800 million <sup>(2)</sup>	Debt/capital	Cannot exceed 65%	46.2%

- (1) As defined in the applicable instrument.
- (2) See **Note 6** to the **2024 Annual TEC Consolidated Financial Statements** for a description of the credit facilities.

### Credit Ratings at December 31, 2024

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	Standard & Poor's (S&P)	Moody's	Fitch
Credit ratings of senior unsecured debt	BBB+	A3	A
Credit ratings outlook	Negative	Negative	Negative

S&P, Moody's and Fitch describe credit ratings in the A3 or A category as having a strong capacity to meet its financial commitments. Ratings in the BBB or Baa category are described as representing adequate capacity for payment of financial obligations. The lowest investment grade credit rating for S&P is BBB-, for Moody's is Baa3 and for Fitch is BBB-; thus, the three credit rating agencies assign TEC's senior unsecured debt investment-grade credit ratings.

In January 2025, S&P changed TEC's credit ratings outlook to Stable from Negative.

A credit rating agency rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. TEC's access to capital markets and cost of financing, including the applicability of restrictive financial covenants, are influenced by the ratings of its securities. In addition, certain of TEC's derivative instruments contain provisions that require TEC's debt to maintain investment grade credit ratings.

### Summary of Contractual Obligations

The following table lists the contractual obligations of TEC, including cash payments to repay long-term debt, interest payments, lease payments and unconditional commitments related to capital expenditures.

### Contractual Cash Obligations at December 31, 2024

(millions)	Payments Due by Period						
	Total	2025	2026	2027	2028	2029	After 2029
Long-term debt <sup>(1)</sup>	\$ 3,975	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 3,475
Interest payment obligations <sup>(2)</sup>	3,063	173	173	173	173	161	2,210
Transportation <sup>(3)</sup>	1,928	146	145	176	138	120	1,200
Pension plan <sup>(4)</sup>	167	11	11	26	28	27	64
Capital projects <sup>(5)</sup>	457	279	161	1	0	0	0
Fuel and gas supply	188	156	27	4	1	0	0
Long-term service agreements	177	21	22	40	30	31	33
Leases	119	4	2	2	2	2	107
Other <sup>(6)</sup>	17	15	1	1	0	0	0
Total contractual obligations	<u>\$ 10,088</u>	<u>\$ 805</u>	<u>\$ 542</u>	<u>\$ 439</u>	<u>\$ 372</u>	<u>\$ 841</u>	<u>\$ 7,089</u>

- (1) See the **Consolidated Statements of Capitalization** and **Note 7** to the **2024 Annual TEC Consolidated Financial Statements** for a list of long-term debt and the respective due dates.
- (2) Future interest payments are calculated based on the assumption that all debt is outstanding until maturity. For debt instruments with variable rates, interest is calculated for all future periods using the rates in effect at December 31, 2024.
- (3) These payment obligations under contractual agreements are recovered from customers under regulatory clauses approved by the FPSC (see the **Business** section).
- (4) The estimated contractual obligation is calculated as required contributions to the funded pension plan and estimated benefit payments related to the other unfunded benefit plans. Under calculation requirements of the Pension Protection Act, as of the January 1, 2024 measurement date, the pension plan was fully funded. Under ERISA guidelines, TEC is not required to make additional cash contributions until 2027; however, TEC may elect to make discretionary cash contributions prior to that time. Future contributions are subject to annual valuation reviews, which may vary significantly due to changes in interest rates, discount rate assumptions, plan asset performance, which is affected by investment portfolio performance, and other factors (see **Liquidity, Capital Resources** section and **Note 5** to the **2024 Annual TEC Consolidated Financial Statements**).
- (5) Represents outstanding commitments for major capital projects (see the **Capital Investments** section).
- (6) Includes contractual obligations under demand side management and purchased power agreements.

See **Notes 3, 4, 5** and **12** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding additional obligations related to regulatory liabilities, taxes, employee postretirement benefits and asset retirement obligations.

### Off-Balance Sheet Arrangements and Contingent Obligations

TEC does not have any material off-balance sheet arrangements or contingent obligations not otherwise included in our Consolidated Financial Statements as of December 31, 2024.

### Capital Investments

<i>(millions)</i>	<i>Actual 2024</i>	<i>Forecasted 2025</i>
<u>Tampa Electric</u> <sup>1</sup>		
Renewable generation	\$ 250	\$ 400
Transmission	99	120
Distribution	433	450
Generation	237	260
Facilities, equipment, vehicles and other	402	390
Tampa Electric total	1,421	1,620
Net cash effect of accruals, retentions and AFUDC	1	
<b>Total</b>	<b>\$ 1,422</b>	<b>\$ 1,620</b>

(1) Individual line items exclude AFUDC-debt and equity.

Tampa Electric intends to invest approximately \$599 million in 375 MW of new utility-scale solar photovoltaic projects in 2024 through 2026 (solar wave III) and approximately \$812 million in 466MW of new utility-scale solar photovoltaic projects in 2026 through 2028 (solar wave IV). In 2024 through 2026, Tampa Electric expects to spend approximately \$600 million in capital for the storm protection plan, \$535 million in grid modernization, \$350 million in its new corporate headquarters and operations center for building resilience, \$94 million for 74 MW of generation capacity expansion and \$156 million for 115 MW of energy storage. AFUDC will be earned on eligible capital projects during the construction periods and return on investment will be earned on capital projects running through certain recovery mechanisms.

Tampa Electric's 2024 capital expenditures included solar generation projects, storm hardening for the transmission and distribution systems, new technology for distribution system grid modernization, energy storage, maintenance and refurbishment of existing generating facilities, a generation capacity expansion project and the construction of a new headquarters and operations center to improve building resilience. In 2025, Tampa Electric expects capital expenditures to include solar generation and energy storage projects, completion of a generation capacity expansion project to improve system resilience, a new headquarters and operations center to improve building resilience, storm hardening for the transmission and distribution systems, new technology for distribution system grid modernization, and the maintenance and refurbishment of existing generating facilities.

The forecasted capital expenditures shown above are based on current estimates and assumptions. Actual capital expenditures could vary materially from these estimates due to changes in and timing of projects and changes in costs for materials or labor (see the **Risk Factors** section).

### Capital Structure

At December 31, 2024, TEC's year-end capital structure was 46% debt and 54% common equity. At December 31, 2023, TEC's year-end capital structure was 48% debt and 52% common equity.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of consolidated financial statements requires management to make various estimates and assumptions that affect revenues, expenses, assets, liabilities and disclosures. The policies and estimates identified below are, in the view of management, the more significant accounting policies and estimates used in the preparation of our consolidated financial statements. These estimates and assumptions are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments under different assumptions or conditions. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for a description of TEC's significant accounting policies and the estimates and assumptions used in the preparation of the consolidated financial statements.

### **Regulatory Accounting**

Tampa Electric's retail business and the prices charged to customers are regulated by the FPSC. Tampa Electric's wholesale business is regulated by the FERC. As a result, Tampa Electric qualifies for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets and liabilities arise as a result of a difference between U.S. GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred.

TEC regularly assesses the probability of recovery of the regulatory assets by considering factors such as regulatory environment changes, recent rate orders to other regulated entities in the same jurisdiction, the current political climate in the state, and the status of any pending or potential deregulation legislation. The assumptions and judgments used by regulatory authorities will continue to have an impact on the recovery of costs, the rate earned on invested capital and the timing and amount of assets to be recovered.

TEC's most significant regulatory liability relates to non-ARO costs of removal and regulatory tax liability. The non-ARO costs of removal represent estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment upon retirement. TEC accrues for removal costs over the life of the related assets based on depreciation studies approved by the FPSC. The costs are estimated based on historical experience and future expectations, including expected timing and estimated future cash outlays. The regulatory tax liability is the offset to the adjustment to the deferred tax liability remeasured as a result of tax reform. See **Note 4** to the **2024 Annual TEC Consolidated Financial Statements** for further information.

The application of regulatory accounting guidance is a critical accounting policy and estimate since a difference in these assumptions and actual results may result in a material impact on reported assets and the results of operations (see **Note 3** to the **2024 Annual TEC Consolidated Financial Statements**).

### **Income Taxes**

TEC uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, TEC estimates the current tax exposure and assesses the temporary differences resulting from differing treatment of items, such as depreciation, for financial statement and tax purposes. These differences are reported as deferred taxes measured at enacted rates in the consolidated financial statements. Management reviews all reasonably available current and historical information, including forward-looking information, to determine if it is more likely than not that some or the entire deferred tax asset will not be realized. If TEC determines that it is likely that some or all of a deferred tax asset will not be realized, then a valuation allowance is recorded to report the balance at the amount expected to be realized. At December 31, 2024, TEC does not have a valuation allowance. At December 31, 2024, TEC had a net deferred income tax liability of \$976 million, attributable primarily to property-related items. See further discussion of uncertainty in income taxes, impacts of tax reform and other tax items in **Note 4** to the **2024 Annual TEC Consolidated Financial Statements**.

### **Employee Postretirement Benefits**

TEC is a participant in the retirement plans of TECO Energy. TECO Energy sponsors a defined benefit pension plan (pension plan), a fully-funded non-qualified, non-contributory supplemental executive retirement benefit plan available to certain members of senior management and an unfunded non-qualified, non-contributory Restoration Plan that allows certain members of senior management to receive an additional benefit to restore what is limited by the IRS under the pension plan. TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. The accounting related to employee postretirement benefits is a critical accounting estimate for TEC for the following reasons: 1) a change in the estimated benefit obligation could have a material impact on reported assets, liabilities and results of

operations; and 2) changes in assumptions could change the annual pension funding requirements, which could have a significant impact on TEC's annual cash requirements.

Several statistical and other factors which attempt to anticipate future events are used in calculating the expenses and liabilities related to these plans. Key factors include assumptions about the expected rates of return on plan assets, discount rates and mortality rates. TECO Energy determines these factors within certain guidelines and with the help of external consultants. TECO Energy considers market conditions, including but not limited to, changes in investment returns and interest rates, in making these assumptions.

Pension plan assets (plan assets) are invested in a mix of equity and fixed-income securities. The expected return on asset assumption was based on expectations of long-term inflation, real growth in the economy, fixed income spreads and equity premiums consistent with the company's portfolio, with provision for active management and expenses paid from the trust that holds the plan assets. The expected return on assets was 7.05%, 7.05% and 6.50% as of January 1, 2024, 2023 and 2022, respectively. Given recent capital market returns and market expectations for long-term interest rates, TECO Energy expects the expected return on assets to be 7.05% for 2025 (based on 20-year expected market returns). Actual returns in 2024 were 5.1%.

The discount rate assumption used to measure benefit expense was an above-mean yield curve. The above-mean yield curve technique matches the yields from 100 high-quality (AA-rated, non-callable) corporate bonds to the company's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption, which is subject to change each year.

Holding all other assumptions constant, a 1% decrease in the assumed rate of return on pension plan assets or the discount rate assumption would have had in 2024 and is anticipated to have in 2025 the following impact on TEC's after-tax pension cost:

<b>Year</b>	<b>1% Decrease in Assumed Expected Return on Assets</b>	<b>1% Decrease in Assumed Discount Rate</b>
2024	\$6 million increase	\$1 million increase
2025	\$6 million increase	\$1 million increase

Unrecognized actuarial gains and losses for the pension plan are being recognized over a period of approximately 12 years, which represents the expected remaining service life of the employee group. Unrecognized actuarial gains and losses arise from several factors including experience and assumption changes in the obligations and from the difference between expected return and actual returns on plan assets. These unrecognized gains and losses will be systematically recognized in future net periodic pension expense in accordance with applicable accounting guidance for pensions.

The key assumptions used in determining the amount of obligation and expense recorded for postretirement benefits other than pension (OPEB), under the applicable accounting guidance, include the assumed discount rate and the assumed rate of increases in future health care costs. TECO Energy determines the discount rate for the OPEB's projected benefit cash flows. In estimating the health care cost trend rate, TECO Energy considers its actual health care cost experience, future benefit structures, industry trends, and advice from our outside actuaries.

See the discussion of employee postretirement benefits in **Note 5** to the **2024 Annual TEC Consolidated Financial Statements**.

## **RECENTLY ISSUED ACCOUNTING STANDARDS**

### *Reportable Segment Disclosures*

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. The change in the standard improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The changes improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The guidance was effective for annual reporting periods beginning after December 15, 2023, and for interim periods

beginning after December 15, 2024. TEC adopted the standard for the year ended December 31, 2024. The standard was applied retrospectively. See **Note 11** to the **2024 Annual TEC Consolidated Financial Statements** for further detail.

#### *Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. The standard also requires disclosure of income (loss) before provision for income taxes and income tax expense (benefit) in accordance with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application – General Notes to Financial Statements: Income Tax Expense, and the removal of disclosures no longer considered cost beneficial or relevant. The guidance will be effective for annual reporting periods beginning after December 15, 2024, and interim periods within annual reporting periods beginning after December 15, 2025. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

#### *Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting–Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

## **ENVIRONMENTAL COMPLIANCE**

### **Environmental Matters**

TEC has significant environmental considerations. Tampa Electric operates stationary sources with air emissions regulated by the Clean Air Act. Its operations are also impacted by provisions in the Clean Water Act and federal and state legislative initiatives on environmental matters.

### **Carbon Reductions and GHG**

Tampa Electric has historically supported voluntary efforts to reduce carbon emissions and has taken significant steps to reduce overall emissions at Tampa Electric's facilities. Since 2000, Tampa Electric has reduced its system-wide emissions of CO<sub>2</sub> by more than 50%, bringing emissions to below 1990 levels. Tampa Electric CO<sub>2</sub> emissions continue to remain below 1990 levels. In addition to the emission decreases in 2005 as the result of the repowering of two Gannon Station coal units to natural gas and the shut-down of the remaining Gannon Station coal-fired units, Tampa Electric has optimized its existing coal units to operate on natural gas. During this same time frame, the number of retail customers and retail energy sales have risen. Tampa Electric also substantially reduced CO<sub>2</sub> emissions by significantly expanding the use of solar power, repowering Big Bend Unit 1 steam turbine, and retiring Big Bend Unit 2 and Unit 3. The Big Bend Unit 1 modernization project is capable of producing 1,090 megawatts of power and will continue to lead to lower system-wide emissions. See **Capital Investments** above for information regarding Tampa Electric's solar projects.

On April 24, 2024, the EPA issued its final power plant rules for electric generating units, including (i) new GHG standards and (ii) Mercury and Air Toxics Standards (MATS). The new MATS will not have a material impact on TEC. The new GHG standard applies only to existing coal-fired and new natural gas electric generating units and will therefore have limited impact on Tampa Electric generating units. Big Bend Unit 4 is the only unit affected. As written, the rule would require Big Bend Unit 4 to retire in 2039 without major enhancements to the unit, instead of the current planned retirement date of 2040.

### **Coal Combustion Residuals Recycling and Regulation**

Tampa Electric produces ash and other by-products, collectively known as CCRs at its Big Bend Power Station. Greater than 90% of all CCRs produced at this facility are marketed to customers for beneficial use in commercial and industrial products. The EPA's final CCR rule became effective on October 19, 2015 and regulates CCRs as non-hazardous solid waste. In 2016 and 2017, the FPSC approved Environmental Cost Recovery for capital and O&M expenses associated with various projects proposed as part of Tampa Electric's CCR compliance program. Subsequently, a closure by removal and liner retrofit project for the West Slag

Dewatering Pond was completed in 2020 and closure by removal of all CCRs from the Economizer Ash and Pyrite Ponds was completed in October 2021. The final project required for compliance with the CCR Rule at Big Bend is the North Gypsum Stackout Area Drainage Improvements Project, which is scheduled for completion in 2025. FDEP has revised the existing state solid waste regulation to incorporate Florida CCR permit requirements for regulated units and these new requirements will operate in lieu of the Federal permitting program. However, TEC is largely exempt from the state permitting requirements because it completed its mandatory closure projects prior to the state rule's passage. On May 18, 2023, the EPA proposed new rules requiring identification and regulation of Legacy CCR Management Units. TEC is a member of the Utility Solid Waste Activities Group, who filed comments on behalf of its members in July 2023 contesting many of the proposed rule's provisions.

The new CCR rule finalized in April 2024 covers any landfill or impoundment in existence at an inactive power facility but not receiving CCRs as of 2015, any CCR placed into the environment for beneficial uses, or CCR units (landfills and impoundments) previously closed under state programs. TEC is currently evaluating the impact of the new CCR rule at the Big Bend Power Station and will likely require site evaluations beginning in 2025 to determine the presence or absence of CCR management units. If found, additional evaluations would be required in 2026 and based on those findings, modifications to the site groundwater monitoring could be required beginning in 2027 to determine the need for additional corrective action.

TEC expects that the costs to comply with the new environmental regulations would be eligible for recovery. If approved as prudent, the costs would be reflected in customers' bills, recovered through either the environmental cost recovery clause or base rates.

### **Water Supply and Quality**

The EPA's final rule under 316(b) of the Clean Water Act (effective October 2014) addresses perceived impacts to aquatic life by cooling water intakes and is applicable to Tampa Electric's Bayside and Big Bend Power Stations. Polk Power Station is not covered by this rule since it does not operate an intake on "waters of the United States". Tampa Electric has two ongoing projects (one for Bayside and one for Big Bend) that require compliance with the rule. Compliance includes the completion of the biological, technical, and financial study elements required by the rule. These study elements have been completed and submitted for Bayside and were used by FDEP to determine the necessity of cooling water system retrofits. FDEP agreed with Tampa Electric's proposed plan for Bayside and Tampa Electric began a multi-year construction project to install new fish-friendly modified traveling screens and a fish return in 2022. Tampa Electric is negotiating an alternative schedule for Big Bend (as allowed by the rule) but completed a portion of the compliance requirements with the Big Bend modernization project with the installation of fish-friendly modified traveling screens and a fish return on modernized Unit 1. The remainder of the compliance requirements are to be determined and completed at a later date. The full impact of the new regulations on Tampa Electric will depend on the study elements performed as part of the rules' implementation, and the actual requirements established by FDEP.

The final EPA rule for existing steam electric effluent limit guidelines (ELGs) became effective January 4, 2016 and establishes limits for wastewater discharges from flue gas desulfurization (FGD) processes, fly ash and bottom ash transport water, leachate from ponds and landfills containing coal combustion residuals, gasification processes, and flue gas mercury controls. The new ELGs will not have a material impact on TEC. Big Bend completed construction of a deep injection well system in December 2023 for disposal of FGD wastewater, bottom ash transport water and other process wastewaters rather than discharge to surface waters. This change will be made to the final National Pollutant Discharge Elimination System (NPDES) permit, anticipated in 2025. Since Polk Power Station also uses a deep injection well rather than discharging it to surface water, the effluent limitations will no longer apply to either power station. The referenced wastewaters at each power station will be regulated under the Underground Injection Control program rather than the NPDES program.

### **EPA Waters of the US**

In 2023, the EPA and Department of the Army issued a final rule amending the definition of "waters of the United States". The final rule is expected to have environmental permitting implications for new Tampa Electric solar sites and permitting renewals for existing facilities requiring approved jurisdictional determinations.

### **Ozone**

On December 31, 2020, the EPA published a final rule to retain the national ambient air quality standards (NAAQS) for photochemical oxidants including ozone, originally adopted in 2012. Under the Clean Air Act, the EPA is required to review the NAAQS every five years and, if appropriate, revise it. The EPA has announced that the NAAQS is currently under review, which could result in revisions to the standard affecting compliance in Tampa Electric's service territory. The impact of this potential new standard on the operations of Tampa Electric will depend on the standard that is ultimately adopted and on the outcome of any related litigation or other developments.



### **Superfund and Former Manufactured Gas Plant Sites**

As of December 31, 2022, TEC, through its Tampa Electric division and former PGS division, was a PRP for certain superfund sites and, through its former PGS division, for certain former MGP sites. As a result of the separation of the PGS division, PGS is now the responsible party for those sites (in addition to third party PRPs for certain sites). See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.

### **REGULATION**

See **Business - Tampa Electric – Electric Operations** and **Note 3** to the **2024 Annual TEC Consolidated Financial Statements** for a description of base rates, cost-recovery clauses and competition.

### **Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Risk Management Infrastructure**

TEC is subject to various types of market risk in the course of daily operations, as discussed below. TEC has adopted an enterprise-wide approach to the management and control of market and credit risk. Middle Office risk management functions, including credit risk management and risk control, are independent of each transacting entity (Front Office).

TECO Holding's Risk Management Policy (Policy) governs all energy transacting activity. The Policy is administered by a Risk Authorizing Committee (RAC) that is comprised of senior management. Within the bounds of the Policy, the RAC approves specific hedging strategies, new transaction types or products, limits, and transacting authorities. Transaction activity is reported daily and measured against limits. For all commodity risk management activities, derivative transaction volumes are limited to the anticipated volume for customer sales or supplier procurement activities.

TEC operates and oversees transaction activity related to interest rate risk exposures. Interest rate derivative transaction activity is directly correlated to borrowing activities.

#### **Risk Management Objectives**

The Front Office is responsible for reducing and mitigating the market risk exposures that arise from the ownership of physical assets and contractual obligations. The primary objectives of the risk management organization, the Middle Office, are to quantify, measure, and monitor the market risk exposures arising from the activities of the Front Office and the ownership of physical assets. In addition, the Middle Office is responsible for enforcing the limits and procedures established under the approved risk management policies. Based on the policies approved by TEC's board of directors and the procedures established by the RAC, from time to time, TEC enters into futures, forwards, swaps and option contracts to limit the exposure to items, such as fuel supply risk and the risk of price fluctuations for physical purchases and sales of natural gas in the course of normal operations.

TEC uses derivatives only to reduce normal operating and market risks, not for speculative purposes. The primary objective in using derivative instruments for regulated operations is to reduce the impact of market price volatility on customers.

On November 6, 2017, the FPSC approved an amended and restated settlement agreement filed by Tampa Electric, which includes a provision for a moratorium on hedging of natural gas purchases ending on December 31, 2022. On October 21, 2021, the FPSC approved a settlement agreement filed by Tampa Electric related to its 2021 rate case that extended the moratorium to December 31, 2024 (see **Note 3** to the **2024 Annual TEC Consolidated Financial Statements** for further information on the settlement agreements). As of December 31, 2024 and 2023, TEC had no hedges in place.

#### **Credit Risk**

TEC has a rigorous process for the establishment of new trading counterparties and evaluation of current counterparties. This process includes an evaluation of each counterparty's credit ratings, as applicable, and/or its financial statements, with attention paid to liquidity and capital resources; establishment of counterparty specific credit limits; optimization of credit terms; and execution of standardized enabling agreements. TEC manages credit risk with policies and procedures for counterparty analysis, exposure measurement, and exposure monitoring and mitigation. Credit assessments are conducted on all counterparties, and deposits or collateral are requested for counterparties that do not meet the creditworthiness requirements as set out in TEC's internal policies.

Certain of TEC's derivative instruments, including NPNS agreements, contain provisions that require TEC's debt to maintain an investment-grade credit rating from any or all of the major credit rating agencies. If TEC's debt ratings were to fall below investment grade or not be rated, it could trigger these provisions, and the counterparties to the derivative instruments could demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions.

#### **Interest Rate Risk**

TEC is exposed to changes in interest rates primarily from borrowing under the company's credit facilities and commercial paper program. A hypothetical 10% increase in TEC's weighted-average interest rate on its borrowings under the credit facilities and commercial paper outstanding at December 31, 2024 and 2023 would have resulted in a \$1 million and \$6 million impact on pre-tax earnings, respectively. This is driven by lower outstanding balances and interest rates. A hypothetical 10% increase in interest rates would have decreased the fair market value of TEC's long-term debt by 6% at December 31, 2024 and December 31, 2023. See the **Financing Activity** section and **Notes 6 and 7** to the **2024 Annual TEC Consolidated Financial Statements**. These amounts were determined based on the variable rate obligations existing on the indicated dates at TEC. The above sensitivities assume no changes to TEC's current financial structure and could be affected by changes in TEC's credit ratings, changes in general economic conditions or other external factors (see the **Risk Factors** section).

#### **Commodity Risk**

TEC faces varying degrees of exposure to commodity risks including natural gas, coal and other energy commodity prices. Any changes in prices could affect the prices TEC charges, its operating costs and the competitive position of its products and services. Management uses different risk measurement and monitoring tools based on the degree of exposure to commodity risks.

#### **Regulated Utilities**

Tampa Electric's fuel costs used for generation are affected primarily by the price of natural gas and, to a lesser degree, the cost of coal (see the **Business - Generation Sources** section). Currently, TEC's commodity price risks are largely mitigated by the fact that increases in the price of prudently incurred fuel and purchased power are recovered through FPSC-approved cost-recovery clauses, with no anticipated effect on earnings. However, increasing fuel cost-recovery has the potential to affect the relative attractiveness of alternative energy solutions to consumers. TEC manages fuel supply risk and commodity price risk by entering into long-term fuel supply agreements and prudently operating plant facilities to optimize cost. At December 31, 2024 and 2023, a change in commodity prices would not have had a material impact on TEC's earnings but could have and has had an impact on the timing of the cash recovery of the cost of fuel.

**TAMPA ELECTRIC COMPANY**

**Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Report of Independent Registered Public Accounting Firm**

To the Shareholder and the Board of Directors of Tampa Electric Company

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Tampa Electric Company (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income and comprehensive income, capitalization and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

***Accounting for the effects of regulatory matters***

<i>Description of the Matter</i>	As of December 31, 2024, the Company had \$1,441 million in regulatory assets and \$904 million in regulatory liabilities. As disclosed in Note 3 of the consolidated financial statements, Tampa Electric's retail business is regulated by the Florida Public Service Commission (FPSC), and Tampa Electric is also subject to regulation by the Federal Energy Regulatory Commission (FERC) (collectively, the regulators). The regulatory rates are designed to recover the prudently incurred costs of providing service or products, plus a reasonable return on equity invested or assets. In addition to regulatory assets and liabilities, rate regulation impacts other financial
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statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

Auditing the impact of rate regulation on the Company's consolidated financial statements is complex due to the significant judgments made by the Company to support its accounting and disclosure for regulatory matters when final regulatory decisions or orders have not yet been made or when regulatory formulas are vague or complex. There is also subjectivity involved in assessing the potential impact of future regulatory decisions on the financial statements. Although the Company expects to recover costs from customers through rates, there is a risk that the regulators may not approve full recovery of costs incurred. The Company's judgments include making an assessment of the probable recovery of, and return on, costs incurred, of the potential disallowance of part of the cost incurred, or of the probable refund to customers through future rates.

*How We Addressed  
the Matter in Our  
Audit*

We tested the Company's evaluation of the probability of future recovery for regulatory assets and refund of regulatory liabilities for regulatory matters when final regulatory decisions or orders have not yet been made or when regulatory formulas are vague or complex. Our audit procedures included, among others, obtaining and reviewing relevant regulatory orders, filings, and other correspondence. We inspected these communications for any evidence that might contradict the Company's assertions. We reviewed regulatory orders, filings, and other correspondence for other entities within the same jurisdiction or for the Company's previously approved regulatory assets and liabilities to assess the likelihood of recovery in future rates based on the regulators' treatment of similar costs under similar circumstances. We also assessed the methodology, accuracy and completeness of the Company's calculations of regulatory asset and liability balances based on provisions and formulas outlined in regulatory orders, filings, and other correspondence with the regulators. We also evaluated the Company's disclosures related to the impacts of rate regulation including the balances recorded and the regulatory developments.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Tampa, Florida  
February 21, 2025

**TAMPA ELECTRIC COMPANY**  
**APPLICATION FOR AUTHORITY**  
**TO ISSUE AND SELL SECURITIES**  
**FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY**  
**Consolidated Balance Sheets**

<i>Assets</i> <i>(millions)</i>	<i>December 31,</i> <i>2024</i>	<i>December 31,</i> <i>2023</i>
<b>Property, plant and equipment</b>		
Utility plant, at original costs	\$ 14,433	\$ 13,655
Accumulated depreciation	(3,348)	(3,443)
Utility plant, net	11,085	10,212
Other property	18	16
Total property, plant and equipment, net	11,103	10,228
<b>Current assets</b>		
Cash and cash equivalents	4	5
Receivables, less allowance for credit losses of \$1 and \$2 at December 31, 2024 and 2023, respectively	220	286
Due from affiliates	13	19
Inventories, at average cost		
Fuel	45	36
Materials and supplies	191	181
Regulatory assets	343	161
Prepayments and other current assets	32	32
Total current assets	848	720
<b>Other assets</b>		
Regulatory assets	1,098	827
Deferred charges and other assets	88	96
Total other assets	1,156	883
<b>Total assets</b>	<b>\$ 13,107</b>	<b>\$ 11,831</b>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**APPLICATION FOR AUTHORITY**  
**TO ISSUE AND SELL SECURITIES**  
**FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY**  
**Consolidated Balance Sheets—continued**

<b>Liabilities and Capital</b> <i>(millions)</i>	<i>December 31,</i> <i>2024</i>	<i>December 31,</i> <i>2023</i>
<b>Capitalization</b>		
Common stock	\$ 5,105	\$ 4,505
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	218	219
Total capital	5,322	4,723
Long-term debt	3,935	3,933
Total capital	9,257	8,656
<b>Current liabilities</b>		
Long-term debt due within one year	0	300
Notes payable	636	209
Accounts payable	666	354
Due to affiliates	18	10
Customer deposits	126	121
Regulatory liabilities	146	94
Accrued interest	31	28
Accrued taxes	12	14
Other	58	43
Total current liabilities	1,693	1,176
<b>Other liabilities</b>		
Deferred income taxes	976	880
Regulatory liabilities	758	701
Investment tax credits	224	237
Deferred credits and other liabilities	199	184
Total other liabilities	2,157	2,002
<b>Commitments and Contingencies (see Note 8)</b>		
<b>Total liabilities and capital</b>	<b>\$ 13,107</b>	<b>\$ 11,831</b>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**APPLICATION FOR AUTHORITY**  
**TO ISSUE AND SELL SECURITIES**  
**FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Income and Comprehensive Income**

(millions)

For the years ended December 31,

	2024	2023	2022
<b>Revenues</b>			
Electric	\$ 2,526	\$ 2,637	\$ 2,519
Gas	0	0	650
Total revenues	<u>2,526</u>	<u>2,637</u>	<u>3,169</u>
<b>Expenses</b>			
Fuel	517	605	676
Purchased power	105	78	151
Cost of natural gas sold	0	0	257
Operations & maintenance	545	595	619
Depreciation and amortization	454	422	436
Taxes, other than income	224	234	257
Total expenses	<u>1,845</u>	<u>1,934</u>	<u>2,396</u>
<b>Income from operations</b>	<u>681</u>	<u>703</u>	<u>773</u>
<b>Other income</b>			
Allowance for other funds used during construction	30	19	35
Interest income from affiliates	0	38	0
Other income, net	18	32	20
Total other income	<u>48</u>	<u>89</u>	<u>55</u>
<b>Interest charges</b>			
Interest expense	203	234	178
Interest expense to affiliates	0	11	0
Allowance for borrowed funds used during construction	(10)	(6)	(11)
Total interest charges	<u>193</u>	<u>239</u>	<u>167</u>
<b>Income before provision for income taxes</b>	<u>536</u>	<u>553</u>	<u>661</u>
Provision for income taxes	68	87	121
<b>Net income</b>	<u>\$ 468</u>	<u>\$ 466</u>	<u>\$ 540</u>
<b>Comprehensive income</b>	<u>\$ 468</u>	<u>\$ 466</u>	<u>\$ 540</u>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**APPLICATION FOR AUTHORITY**  
**TO ISSUE AND SELL SECURITIES**  
**FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Cash Flows**

(millions)

For the years ended December 31,

	2024	2023	2022
<b>Cash flows from or used in operating activities</b>			
Net income	\$ 468	\$ 466	\$ 540
Adjustments to reconcile net income to cash from operating activities:			
Depreciation and amortization	454	422	436
Deferred income taxes and investment tax credits	66	(22)	137
Allowance for equity funds used during construction	(30)	(19)	(35)
Deferred recovery clauses	134	415	(422)
Regulatory assets and liabilities	(305)	116	(100)
Pension and post-retirement asset and liabilities	(11)	(23)	(18)
Other	15	14	(1)
Changes in working capital:			
Receivables, less allowance for credit losses	72	(44)	(45)
Inventories	(19)	(39)	(41)
Taxes accrued	(3)	12	(23)
Accounts payable	315	(56)	75
Other	8	(1)	8
Cash flows from operating activities	<u>1,164</u>	<u>1,241</u>	<u>511</u>
<b>Cash flows from or used in investing activities</b>			
Capital expenditures	(1,422)	(1,294)	(1,427)
Net proceeds from sale of assets	3	0	10
Cash flows used in investing activities	<u>(1,419)</u>	<u>(1,294)</u>	<u>(1,417)</u>
<b>Cash flows from or used in financing activities</b>			
Equity contributions from Parent	600	300	605
Dividends to Parent	(469)	(472)	(517)
Proceeds from long-term debt issuance	495	0	595
Repayment of long-term debt	(300)	0	(250)
Advances to affiliate	0	(227)	0
Repayment of advances to affiliate	0	956	0
Advances from Parent	0	0	195
Repayment of advances from Parent	0	(195)	0
Net change in short-term debt (maturities of 90 days or less)	(70)	87	374
Proceeds from other short-term debt (maturities over 90 days)	0	400	400
Repayment of other short-term debt (maturities over 90 days)	0	(800)	(500)
Other financing activities	(2)	(1)	0
Cash flows from financing activities	<u>254</u>	<u>48</u>	<u>902</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1)</u>	<u>(5)</u>	<u>(4)</u>
<b>Cash and cash equivalents at beginning of the year</b>	<u>5</u>	<u>10</u>	<u>18</u>
<b>Cash and cash equivalents at end of the year</b>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ 14</u>
<b>Supplemental disclosure of cash paid (received):</b>			
Interest	\$ 182	\$ 233	\$ 152
Income taxes	\$ (3)	\$ 102	\$ 2
<b>Supplemental disclosure of non-cash activities:</b>			
Change in accrued capital expenditures	\$ 10	\$ 20	\$ (6)
Reclassification of short-term debt to long-term debt	\$ 0	\$ 497	\$ 0
Change in note receivable from PGS	\$ 0	\$ (736)	\$ 0

The accompanying notes are an integral part of the consolidated financial statements.



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**TAMPA ELECTRIC COMPANY  
Consolidated Statements of Capitalization**

<i>(millions, except share amounts)</i>	Shares <sup>(1)</sup>	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Capital
Balance, December 31, 2021	10	\$ 4,470	\$ 323	\$ (1)	\$ 4,792
Net income			540		540
Equity contributions from Parent		605			605
Dividends to Parent <sup>(2)</sup>			(517)		(517)
Balance, December 31, 2022	10	\$ 5,075	\$ 346	\$ (1)	\$ 5,420
Net income			466		466
Separation of PGS equity from TEC		(871)	(121)		(992)
Equity contributions from Parent		300			300
Dividends to Parent <sup>(2)</sup>			(472)		(472)
Other		1			1
Balance, December 31, 2023	10	\$ 4,505	\$ 219	\$ (1)	\$ 4,723
Net income			468		468
Equity contributions from Parent		600			600
Dividends to Parent <sup>(2)</sup>			(469)		(469)
Balance, December 31, 2024	10	\$ 5,105	\$ 218	\$ (1)	\$ 5,322

**Preferred stock – \$100 par value**

1.5 million shares authorized, none outstanding.

**Preferred stock – no par**

2.5 million shares authorized, none outstanding.

**Preference stock – no par, subordinate to the preferred stock**

2.5 million shares authorized, none outstanding.

(1) Common stock without par value, 25 million shares authorized

(2) Dividends are declared and paid at the discretion of TEC's Board of Directors.

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY  
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**TAMPA ELECTRIC COMPANY  
Consolidated Statements of Capitalization – continued**

At December 31, 2024 and 2023, TEC had the following long-term debt outstanding:

**Long-Term Debt**

<i>(millions)</i>	<i>Due</i>	<i>2024</i>	<i>2023</i>
Notes <sup>(1)(2)</sup> : 3.88%	2024	\$ 0	\$ 300
4.49%	2029	500	500
2.40%	2031	400	400
6.55%	2036	250	250
6.15%	2037	250	250
4.10%	2042	300	300
4.35%	2044	300	300
4.28%	2045	250	250
4.30%	2048	350	350
4.45%	2049	375	375
3.63%	2050	300	300
3.45%	2051	400	400
5.00%	2052	300	300
Total long-term debt of Tampa Electric		3,975	3,775
Long-term debt reclassification <sup>(3)</sup>		0	500
Total long-term debt		3,975	4,275
Unamortized debt discount, net		(10)	(14)
Debt issuance costs		(30)	(28)
Total carrying amount of long-term debt		3,935	4,233
Less amount due within one year		0	300
Total long-term debt		<u>\$ 3,935</u>	<u>\$ 3,933</u>

(1) These senior unsecured debt securities are subject to redemption in whole or in part, at any time, at the option of the issuer.

(2) These long-term debt agreements contain various restrictive covenants.

(3) See **Note 7** for information regarding the long-term debt reclassification of \$500 million, net of debt issuance costs.

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Capitalization—continued**

At December 31, 2024, long-term debt had a carrying amount of \$3,935 million and an estimated fair market value of \$3,431 million. At December 31, 2023, total long-term debt had a carrying amount of \$4,233 million and an estimated fair market value of \$3,831 million. The fair value of the debt securities is determined using Level 2 measurements (see **Note 14** for information regarding the fair value hierarchy).

A substantial part of Tampa Electric’s tangible assets is pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric’s first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time. Gross maturities and annual sinking fund requirements of long-term debt are as follows:

**Long-Term Debt Maturities**

<i>As of December 31, 2024</i> <i>(millions)</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>Thereafter</i>	<i>Total</i> <i>Long-Term</i> <i>Debt</i>
Long-term debt maturities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 3,475	\$ 3,975

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**Description of the Business**

TEC is comprised of the electric division, referred to as Tampa Electric, and prior to January 1, 2023, also included the natural gas division, referred to as PGS. Tampa Electric provides retail electric services in West Central Florida, and PGS is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in Florida. Prior to January 1, 2023, intercompany balances and transactions within the electric and natural gas divisions have been eliminated in consolidation. See "Separation of PGS from TEC" below for information regarding the separation that occurred on January 1, 2023. TEC's significant accounting policies are as follows:

**Principles of Consolidation and Basis of Presentation**

TEC maintains its accounts in accordance with recognized policies prescribed or permitted by the FPSC and the FERC. These policies conform with U.S. GAAP in all material respects. The use of estimates is inherent in the preparation of financial statements in accordance with U.S. GAAP. Actual results could differ from these estimates.

Prior to April 1, 2024, TEC was a wholly owned subsidiary of TECO Energy, which is an indirect, wholly owned subsidiary of Emera. On April 1, 2024, TECO Energy distributed its investment in TEC to TECO Holdings, Inc. in a transaction intended to qualify as a tax-free reorganization. This new corporation is also an indirect, wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

**Cash Equivalents**

Cash equivalents are highly liquid, high-quality investments purchased with an original maturity of three months or less. The carrying amount of cash equivalents approximated fair market value because of the short maturity of these instruments.

**Property, Plant and Equipment**

Property, plant and equipment is stated at original cost, which includes labor, material, applicable taxes, overhead and AFUDC. Concurrent with a planned major maintenance outage or with new construction, the cost of adding or replacing retirement units-of-property is capitalized in conformity with the regulations of FERC and FPSC. The cost of maintenance, repairs and replacement of minor items of property is expensed as incurred.

As a regulated utility, TEC must file depreciation and dismantlement studies periodically and receive approval from the FPSC before implementing new depreciation rates. Included in approved depreciation rates is either an implicit net salvage factor or a cost of removal factor, expressed as a percentage. The net salvage factor is principally comprised of two components—a salvage factor and a cost of removal or dismantlement factor. TEC uses current cost of removal or dismantlement factors as part of the estimation method to approximate the amount of cost of removal in accumulated depreciation. The original cost of utility plant retired or otherwise disposed of and the cost of removal or dismantlement, less salvage value, is charged to accumulated depreciation and the accumulated cost of removal reserve reported as a regulatory liability, respectively.

For other property dispositions, the cost and accumulated depreciation are removed from the balance sheet and a gain or loss is recognized.

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Property, plant and equipment consisted of the following assets:

<i>(millions)</i>	<i>Estimated Useful Lives</i>	<i>December 31, 2024</i>	<i>December 31, 2023</i>
Electric generation	10-60 years	\$ 6,574	\$ 6,732
Electric transmission	10-75 years	1,245	1,182
Electric distribution	10-60 years	3,920	3,609
General plant and other	4-60 years	1,081	997
Total cost		12,820	12,520
Less accumulated depreciation		(1,707)	(1,292)
Construction work in progress		1,631	1,151
<b>Total property, plant and equipment, net</b>		<b>\$ 11,103</b>	<b>\$ 10,228</b>

### Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 3.6%, 3.5% and 3.2% for 2024, 2023 and 2022, respectively. Construction work in progress is not depreciated until the asset is placed in service. TEC's total depreciation expense for the years ended December 31, 2024, 2023 and 2022 was \$417 million, \$390 million and \$402 million, respectively. For the year ended December 31, 2024, 2023 and 2022, Tampa Electric's depreciation expense was \$417 million, \$390 million and \$359 million, respectively.

TEC computes depreciation and amortization using the following methods:

- the group remaining life method, approved by the FPSC, is applied to the average investment, adjusted for anticipated costs of removal less salvage, in functional classes of depreciable property;
- the amortizable life method, approved by the FPSC, is applied to the net book value to date over the remaining life of those assets not classified as depreciable property above.

### Allowance for Funds Used During Construction

AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on other funds used for construction. The rates used to calculate AFUDC are revised periodically to reflect significant changes in cost of capital. In 2024, 2023 and 2022, Tampa Electric's rate was 6.07%, 6.07% and 6.00%, respectively. PGS's rate used to calculate its AFUDC in 2022 was 6.00%. Total AFUDC for the years ended December 31, 2024, 2023 and 2022 was \$40 million, \$25 million and \$46 million, respectively.

### Inventory

TEC values materials, supplies and fossil fuel inventory (natural gas and coal) using a weighted-average cost method. These materials, supplies and fuel inventories are carried at the lower of weighted-average cost or net realizable value.

### Regulatory Assets and Liabilities

TEC is subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

### Government Assistance

Government assistance is recognized when there is reasonable assurance that TEC will comply with the conditions and the funding will be received. Government assistance related to PP&E is deducted from the asset's carrying amount and the net amount is depreciated. Government assistance related to income is deducted from the related expense to which it is intended to compensate.

In 2024 and 2023, TEC received \$5 million and zero, respectively, of government assistance from the U.S. Department of Energy towards the front end engineering design studies for carbon capture and storage. The capital projects receiving government assistance are related to TEC's environmental compliance initiatives. Further details on significant government assistance programs are noted below.

#### *Carbon Storage Project*

In January 2025, TEC was approved for government assistance from the Department of Energy to fund an evaluation related to subsurface storage of CO<sub>2</sub> in Florida. TEC can make claims for 80% of eligible project costs to a maximum \$98 million. The term of the agreement ends on April 2028.

#### **Deferred Income Taxes**

TEC uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at enacted tax rates. TEC is regulated, and the books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding regulatory tax liability reflecting the amount payable to customers through future rates. See **Note 4** for additional details.

#### **Investment and Production Tax Credits (PTCs)**

ITCs have been recorded as deferred credits and are being amortized as reductions to income tax expense as required by regulatory practices. TEC recognizes a reduction of income tax expense for PTCs earned by its eligible solar assets. The PTCs are based on per kWh rate prescribed by applicable federal statutes.

#### **Stranded Tax Effects in Accumulated Other Comprehensive Income**

TEC utilizes a portfolio approach to determine the timing and extent to which stranded income tax effects from items that were previously recorded in accumulated other comprehensive income are released.

#### **Revenue Recognition**

##### *Regulated electric revenue*

Electric revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when electricity is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the electricity. Electric revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the sale of electricity are recognized at rates approved by the respective regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. Tampa Electric's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of MWH delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of energy demand, timing of meter reads and line losses.

##### *Regulated gas revenue*

Prior to January 1, 2023, gas revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, were recognized when obligations under the terms of a contract were satisfied. This occurred primarily when gas was delivered to customers over time as the customer simultaneously received and consumed the benefits of the gas. Gas revenues were recognized on an accrual basis and included billed and unbilled revenues. Revenues related to the distribution and sale of gas were recognized at rates approved by the regulator and recorded based on metered usage, which occurred on a periodic, systematic basis, generally monthly. At the end of each reporting period, the gas delivered to customers, but not billed, was estimated and the corresponding unbilled revenue was recognized. PGS's estimate of unbilled revenue at the end of the reporting period was calculated by estimating the number of therms delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate included assumptions as to the pattern of usage, weather, and inter-period changes to customer classes.

##### *Other*

See Accounting for Franchise Fees and Gross Receipts below for the accounting for gross receipts taxes. Sales and other taxes TEC collects concurrent with revenue-producing activities are excluded from revenue.

#### **Revenues and Cost Recovery**

Revenues include amounts resulting from cost-recovery clauses which provide for monthly billing charges to reflect increases or decreases in fuel, purchased power, conservation, environmental and storm protection plan costs for Tampa Electric and, prior to January 1, 2023, purchased gas, interstate pipeline capacity, replacement of cast iron/bare steel pipe and conservation costs for PGS. These adjustment factors are based on costs incurred and projected for a specific recovery period. Any over- or under-recovery of

costs plus an interest factor are taken into account in the process of setting adjustment factors for subsequent recovery periods. Over-recoveries of costs are recorded as regulatory liabilities, and under-recoveries of costs are recorded as regulatory assets.

Certain other costs incurred by the regulated utilities are allowed to be recovered from customers through prices approved in the regulatory process. These costs are recognized as the associated revenues are recognized.

#### **Receivables and Allowance for Credit Losses**

Receivables on the Consolidated Balance Sheets include receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, totaling \$219 million and \$284 million as of December 31, 2024 and 2023, respectively. An allowance for credit losses is established based on TEC's collection experience and reasonable and supportable forecasts that affect the collectibility of the reported amount. Circumstances that impact estimates of credit losses include, but are not limited to, customer credit issues, fuel prices, customer deposits and general economic conditions. Accounts are reserved in the allowance or written off once they are deemed to be uncollectible.

TEC accrues base revenues for services rendered but unbilled to provide for matching of revenues and expenses (see **Note 3**). As of December 31, 2024 and 2023, unbilled revenues of \$68 million and \$63 million, respectively, are included in the "Receivables" line item on TEC's Consolidated Balance Sheets.

#### **Accounting for Franchise Fees and Gross Receipts Taxes**

TEC is allowed to recover certain costs incurred on a dollar-for-dollar basis from customers through rates approved by the FPSC. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Statements of Income. Franchise fees and gross receipt taxes payable are included as an expense on the Consolidated Statements of Income in "Taxes, other than income". These amounts totaled \$120 million, \$139 million and \$145 million for the years ended December 31, 2024, 2023 and 2022, respectively.

#### **Deferred Charges and Other Assets**

Deferred charges and other assets consist primarily of pension assets net of accrued pension liabilities (see **Note 5**) and right-of-use assets related to operating leases (see **Note 13**).

#### **Deferred Credits and Other Liabilities**

Other deferred credits primarily include accrued other postretirement benefits (see **Note 5**), asset retirement obligations (see **Note 12**), lease liabilities (see **Note 13**) and a reserve for auto, general and workers' compensation liability claims.

TECO Holdings and its subsidiaries, including TEC, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company's retention amounts. TEC estimates its liabilities for auto, general and workers' compensation using discount rates mandated by statute or otherwise deemed appropriate for the circumstances. Discount rates used in estimating these other self-insurance liabilities at December 31, 2024 and 2023 ranged from 4.00% to 5.11% and 4.00% to 5.99%, respectively.

#### **Derivatives and Hedging Activities**

TEC had \$1 million and \$1 million derivative assets as of December 31, 2024 and 2023, respectively, and zero derivative liabilities as of December 31, 2024 and December 31, 2023, respectively.

TEC's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if TEC deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if TEC intends to receive physical delivery and if the transaction is reasonable in relation to TEC's business needs. As of December 31, 2024 and 2023, all of TEC's physical contracts qualified for the NPNS exception, which was elected.

TEC classifies cash inflows and outflows related to derivative and hedging instruments in the appropriate cash flow sections associated with the item being hedged. For natural gas, the cash inflows and outflows are included in the operating section of the Consolidated Statements of Cash Flows. For interest rate swaps that settle coincident with the debt issuance, the cash inflows and outflows are treated as premiums or discounts and included in the financing section of the Consolidated Statements of Cash Flows.

#### **Separation of PGS from TEC**

PGS became an operating division of TEC in 1997 when TECO Energy purchased PGS and merged that corporation into TEC. Since then, PGS has operated as a stand-alone regulated utility, including having its own tariff and its own books and records.

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On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. (PGSI) pursuant to a Contribution Agreement. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy. On January 1, 2023, the assets, liabilities, and equity that had been recorded in the books of PGS were transferred from TEC to the newly formed PGSI at book value in a tax-free transaction. PGSI issued 100 shares of common stock to TEC related to the transfer of PGS, which were subsequently distributed to TECO Energy, Inc. and then contributed to TECO Gas Operations, Inc. This is a transaction between entities under common control; therefore, TEC did not recognize a gain or loss on the transaction. TEC is not required to recast its prior period financial statements and disclosures to exclude PGS prior to January 1, 2023. The TEC Consolidated Statement of Cash Flows for the year ended December 31, 2023 does not include the non-cash impact of separating the PGS assets, liabilities and equity from TEC on January 1, 2023 and excludes PGS's opening cash balance.

The impact of the separation of PGS from TEC on the Consolidated Statements of Capital for the year ended December 31, 2023 was \$992 million, which represents the net assets of PGS transferred as of January 1, 2023. TEC recorded \$121 million to retained earnings, which was the retained earnings of PGS as of January 1, 2023, and the remainder of \$871 million was recorded to additional paid in capital, which is presented with common stock.

Prior to the separation, as a division of TEC, PGS had received an allocation of outstanding unsecured notes and outstanding short-term borrowings issued by TEC. The obligations related to these combined borrowings were reflected in an affiliate loan agreement between TEC and PGS. The initial obligation of PGS under the loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million. The maturity date for both was December 29, 2023. On December 20, 2023, PGS repaid Tampa Electric the outstanding principal amount of the term loan and revolving loan of \$670 million and \$286 million, respectively, plus outstanding interest. The repayment terminates the affiliate loan agreement and Tampa Electric will no longer provide capital for the operations of PGS. See **Note 6** for further information.

See **Note 11** for certain financial information related to PGS. In addition, the following table presents the assets and liabilities of PGS in TEC's Consolidated Balance Sheet as of December 31, 2022:

<i>(millions)</i>	<i>December 31, 2022</i>
<b>Property, plant and equipment</b>	
Utility plant	\$ 2,938
Accumulated depreciation	(687)
Total property, plant and equipment, net	2,251
<b>Current assets</b>	
Cash and cash equivalents	4
Receivables, less allowance for credit losses of \$1 at December 31, 2022	62
Due from affiliates	4
Inventories, at average cost	
Materials and supplies	5
Regulatory assets	9
Prepayments and other current assets	4
Total current assets	88
<b>Other assets</b>	
Regulatory assets	53
Deferred charges and other assets	79
Total other assets	132
<b>Total assets</b>	\$ 2,471
<b>Capitalization</b>	
Common stock	\$ 871
Retained earnings	121
Total capital	992
Long-term debt	564
Total capital	1,556
<b>Current liabilities</b>	
Notes payable	166
Accounts payable	78
Due to affiliates	27



Customer deposits	30
Regulatory liabilities	11
Accrued interest	4
Accrued taxes	5
Other	4
Total current liabilities	325
<b>Other liabilities</b>	
Deferred income taxes	238
Regulatory liabilities	277
Deferred credits and other liabilities	75
Total other liabilities	590
<b>Total liabilities and capital</b>	\$ 2,471

## 2. New Accounting Pronouncements

### *Reportable Segment Disclosures*

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. The change in the standard improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The changes improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The guidance was effective for annual reporting periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. TEC adopted the standard for the year ended December 31, 2024. The standard was applied retrospectively. See **Note 11** for further detail.

### *Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. The standard also requires disclosure of income (loss) before provision for income taxes and income tax expense (benefit) in accordance with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application – General Notes to Financial Statements: Income Tax Expense, and the removal of disclosures no longer considered cost beneficial or relevant. The guidance will be effective for annual reporting periods beginning after December 15, 2024, and interim periods within annual reporting periods beginning after December 15, 2025. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

### *Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting—Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

## 3. Regulatory

Tampa Electric's retail business and PGS are regulated by the FPSC. Tampa Electric is also subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices. The FPSC sets rates based on a cost of service methodology which allows utilities to collect total revenues (revenue requirements) equal to their prudently incurred cost of providing service or products, plus a reasonable return on equity invested or assets. As a result, Tampa Electric and PGS qualify for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or

liability. Regulatory assets and liabilities arise as a result of a difference between U.S. GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred. In addition to regulatory assets and regulatory liabilities, rate regulation impacts other financial statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

#### **Tampa Electric Base Rates**

Tampa Electric's 2024, 2023 and 2022 base rates reflect a settlement agreement dated as of August 6, 2021 (the Settlement Agreement) by and among Tampa Electric and the intervenors in Tampa Electric's 2021 rate case, which was approved by an FPSC order on November 10, 2021. The Settlement Agreement agreed to an increase in base rates annually effective with January 2022 bills, to generate a \$191 million increase in revenue consisting of \$123 million of traditional base rate charges and \$68 million in a new charge to recover the costs of retiring assets. The Settlement Agreement further included two subsequent year adjustments of \$90 million and \$21 million, effective January 2023 and January 2024, respectively. Under the agreement, the allowed equity in the capital structure continued to be 54% from investor sources of capital. The Settlement Agreement included an allowed regulatory ROE range of 9.0% to 11.0% with a 9.95% midpoint. Under the agreement, base rates will not change from January 1, 2022 through December 31, 2024, unless Tampa Electric's earned ROE were to fall below the bottom of the range during that time. The Settlement Agreement contained a provision whereby Tampa Electric agrees to quantify the future impact of a decrease or increase in corporate income tax rates on net operating income through a reduction or increase in base revenues within 180 days of when such tax change becomes law or its effective date. The Settlement Agreement further created a mechanism to recover the costs of retiring coal generation units and meter assets over a period of 15 years which survives the term of that agreement. The Settlement Agreement set new depreciation and dismantlement rates effective January 1, 2022 and contained the provisions that Tampa Electric will not have to file another depreciation study during the term of the agreement but will file a new depreciation study no more than one year, nor less than 90 days, before the filing of its next general base rate proceeding. Additionally, Tampa Electric agreed to a financial hedging moratorium for natural gas ending on December 31, 2024.

The Settlement Agreement allows a 25 basis point increase in the allowed ROE range and mid-point, and \$10 million of additional revenue, if the average 30-year United States Treasury Bond yield rate for any period of six consecutive months is at least 50 basis points greater than the yield rate on the date the FPSC votes to approve the agreement. On July 1, 2022, Tampa Electric requested to adjust its base rates to collect an additional \$10 million annually (prorated in the first year) effective September 1, 2022 and increase its mid-point ROE and upper and lower allowed ranges. On August 16, 2022, the FPSC approved the change. The new mid-point ROE is 10.20%, and the range is 9.25% to 11.25% effective July 1, 2022.

On April 2, 2024, Tampa Electric requested a base rate increase, reflecting an increased revenue requirement of \$297 million, effective January 1, 2025, and additional adjustments of \$100 million and \$72 million for 2026 and 2027, respectively. Tampa Electric's proposed rates include recovery of solar generation projects, energy storage capacity, a more resilient and modernized energy control center, and other resiliency and reliability projects. Prior to the rate case hearing, Tampa Electric submitted revisions to its requested base rate increase to reflect items that included production tax credits, energy storage life expectancy, and the company's grid reliability and resilience project. The company's August 22, 2024 requested revenue requirement reflects a base rate increase of \$288 million, effective January 1, 2025, and adjustments of \$92 million and \$65 million for 2026 and 2027, respectively. From August 26 through 30, 2024, Tampa Electric's rate case hearing was heard by the FPSC. On December 3, 2024, the FPSC rendered a decision during a Special Agenda and the final order, reflecting such decision, was issued on February 3, 2025. The FPSC decision includes an increase of \$185 million in 2025 and adjustments of \$87 million and \$9 million in 2026 and 2027, respectively. The decision also allowed for equity in the capital structure to continue to be 54% from investor sources of capital. The allowed regulatory ROE range is 9.50% to 11.50% with a 10.50% midpoint, effective January 1, 2025. On February 18, 2025, a motion for reconsideration on certain aspects of the rate case order was filed with the FPSC. Tampa Electric will respond to this motion in February 2025. Tampa Electric expects the FPSC to reach a final decision on the motion in the second quarter of 2025.

#### **Tampa Electric Storm Restoration Cost Recovery**

In accordance with Tampa Electric's 2021 rate case settlement agreement and continued with Tampa Electric's 2024 rate case order, in the event of a named storm that results in damage to its system, Tampa Electric can petition the FPSC to seek recovery of those costs over a 12-month period or longer as determined by the FPSC, as well as replenish its storm reserve regulatory liability of \$56 million. Based on an FPSC order, if the charges to the storm reserve exceed the reserve liability account balance, the excess is to be carried as a regulatory asset. At December 31, 2024, the balance in the regulatory asset for storm restoration costs was \$377 million.

In September 2022, Tampa Electric was impacted by Hurricane Ian. Total storm restoration costs were \$129 million, with \$121 million charged to the storm reserve. Restoration costs charged to the storm reserve exceeded the storm reserve balance and this amount was deferred to be collected from customers in subsequent periods. In November 2022, Tampa Electric incurred costs of approximately \$2 million related to Hurricane Nicole. In January 2023, Tampa Electric petitioned the FPSC for recovery of costs associated with Hurricanes Ian and Nicole that exceeded the reserve, \$10 million of storm restoration costs charged to the reserve

since 2018, and the replenishment of the balance in the reserve to the \$56 million level that existed as of October 31, 2013 for a total of approximately \$131 million. The storm cost recovery surcharge was approved by the FPSC on March 7, 2023, and Tampa Electric began applying the surcharge on April 2023 bills. Subsequently, on November 9, 2023, the FPSC approved Tampa Electric's petition filed on August 16, 2023 to update the total storm cost collection from \$129 million to approximately \$134 million and change the collection of the expected remaining balance of approximately \$29 million as of December 31, 2023, from over the first three months of 2024 to over the 12 months of 2024. On June 13, 2024, the FPSC issued an Order approving a total storm cost collection of \$135 million.

In September 2023, Tampa Electric was impacted by Hurricane Idalia. The related storm restoration costs were approximately \$35 million, which were charged to the storm reserve regulatory asset and not included in the petition above.

Hurricane Helene made landfall on September 26, 2024. Tampa Electric was impacted by Hurricane Helene, resulting in a peak number of customers out of approximately 100,000. As of December 31, 2024, TEC deferred \$49 million to the storm reserve for future recovery, with a minimal impact to earnings.

Hurricane Milton, the worst weather event to impact the area in over 100 years, made landfall on October 9, 2024. Tampa Electric was impacted by Hurricane Milton, resulting in a peak number of customers out of approximately 600,000. As of December 31, 2024, TEC deferred \$340 million to the storm reserve for future recovery, with a minimal impact to earnings.

Restoration costs for the storms described above are deferred and will be collected from customers in subsequent periods. On February 4, 2025, the FPSC approved Tampa Electric's petition filed on December 27, 2024 for the recovery of \$466 million for costs associated with Hurricane Idalia, Hurricane Debby, Hurricane Helene and Hurricane Milton and the associated interest to replenish the storm reserve over an 18-month recovery period beginning in March 2025. The amount of cost-recovery is subject to a true-up mechanism with the FPSC.

#### **Tampa Electric Big Bend Modernization Project**

Tampa Electric invested \$876 million, including \$91 million of AFUDC, during 2018 through 2022 to modernize the Big Bend Power Station. The Big Bend modernization project repowered Big Bend Unit 1 with natural gas combined-cycle technology and eliminated coal as this unit's fuel. As part of the Big Bend modernization project, Tampa Electric retired the Unit 1 components that will not be used in the modernized plant, Big Bend Unit 2 and Big Bend Unit 3 in 2020, 2021 and 2023, respectively.

Tampa Electric's Settlement Agreement provided recovery for the Big Bend modernization project in two phases. The first phase was a revenue increase to cover the costs of the assets in service during 2022, among other items. The remainder of the project costs was recovered as part of the 2023 subsequent year adjustment. The Settlement Agreement also included a new charge to recover the remaining costs of the retiring Big Bend coal generation assets, Units 1 through 3, which will be spread over 15 years and will survive the term of the Settlement Agreement. The special capital recovery schedule for all three units was applied beginning January 1, 2022.

#### **Tampa Electric Mid-Course Adjustment to Fuel Recovery**

In January 2022, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges to recover \$169 million beginning April 1, 2022 through December 2022 due to an increase in fuel commodity and capacity costs. On March 1, 2022, the FPSC voted to approve the mid-course adjustment, and the order reflecting such approval was issued on March 18, 2022.

On January 23, 2023, Tampa Electric requested an adjustment to its fuel charges to recover the \$518 million final 2022 fuel under-recovery over a period of 21 months. The request also included an adjustment to 2023 projected fuel costs to reflect the reduction in natural gas prices since September 2022 for a projected reduction of \$170 million for the balance of 2023. The changes were approved by the FPSC on March 7, 2023, effective April 1, 2023.

On April 2, 2024, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, reflecting a \$138 million reduction over 12 months, from June 2024 through May 2025. The requested reduction is due to a significant decrease in actual and projected 2024 natural gas prices since Tampa Electric submitted its projected 2024 costs in the fall of 2023. On May 7, 2024, the FPSC approved the mid-course adjustment.

#### **Tampa Electric Storm Protection Cost Recovery Clause and Settlement Agreement**

On October 3, 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. This clause provides a process for Florida investor-owned utilities, including Tampa Electric, to recover transmission and distribution storm hardening costs for incremental activities not already included in base rates. A settlement agreement was approved on August 10, 2020 and Tampa Electric's cost recovery began in January 2021. The current approved plan addresses the years 2023, 2024 and 2025 and was approved by the FPSC on October 4, 2022.

### PGS Base Rates

PGS's results for 2022 reflected a rate case settlement agreement filed by PGS and the Office of Public Counsel and approved by the FPSC on November 19, 2020. The settlement agreement provides for an increase in base rates by \$58 million annually effective January 2021, which is a \$34 million increase in revenue and \$24 million increase of revenues previously recovered through the cast iron and bare steel replacement rider. This settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint, including the ability to reverse a total of \$34 million of accumulated depreciation through 2023. During 2023 and 2022, PGS reversed \$20 million and \$14 million, respectively, of accumulated depreciation.

### Regulatory Assets and Liabilities

Details of the regulatory assets and liabilities are presented in the following table:

#### Regulatory Assets and Liabilities

<i>(millions)</i>	<i>December 31, 2024</i>	<i>December 31, 2023</i>
<b>Regulatory assets:</b>		
Regulatory tax asset <sup>(1)</sup>	\$ 117	\$ 112
<u>Cost-recovery clauses</u> <sup>(2)</sup>	20	94
Capital cost recovery for early retired assets <sup>(3)</sup>	513	507
Capital cost recovery for retired Polk Unit 1 components <sup>(4)</sup>	142	0
Postretirement benefits <sup>(5)</sup>	243	236
Storm reserve <sup>(6)</sup>	377	7
Other	29	32
Total regulatory assets	1,441	988
Less: Current portion	343	161
Long-term regulatory assets	<u>\$ 1,098</u>	<u>\$ 827</u>
<b>Regulatory liabilities:</b>		
Regulatory tax liability <sup>(7)</sup>	\$ 456	\$ 477
Cost-recovery clauses - deferred balances <sup>(2)</sup>	80	20
Accumulated reserve—cost of removal <sup>(8)</sup>	304	271
Deferred production tax credits <sup>(9)</sup>	57	23
Other	7	4
Total regulatory liabilities	904	795
Less: Current portion	146	94
Long-term regulatory liabilities	<u>\$ 758</u>	<u>\$ 701</u>

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets.
- (2) These assets and liabilities are related to FPSC clauses and riders. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.
- (3) This regulatory asset is related to the remaining net book value of Big Bend Units 1 through 3 and smart meter assets that were retired. The balance earns a rate of return as permitted by the FPSC and will be recovered as a separate line item on customer bills for a period of 15 years, beginning in 2022 through 2036. See "Tampa Electric Big Bend Modernization Project" above for further information.
- (4) This regulatory asset is related to the remaining net book value of certain components of Polk Unit 1 that were early retired on December 31, 2024. The balance earns a rate of return as permitted by the FPSC and will be recovered through base rates over an 11-year recovery period beginning on January 1, 2025.
- (5) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.
- (6) See "Tampa Electric Storm Restoration Cost Recovery" above for information regarding this reserve. The regulatory asset is included in rate base and earns a rate of return as permitted by the FPSC.
- (7) The regulatory tax liability is primarily related to the revaluation of TEC's deferred income tax balances recorded on December 31, 2017 at the lower corporate income tax rate due to U.S. tax reform. The liability related to the revaluation of the deferred

income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.

- (8) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.
- (9) This regulatory liability represents the deferred benefit for production tax credits (PTC) available for qualifying solar facilities placed in service on or after January 1, 2022, which reduced income tax expense. Following the recommendation of the FPSC, these PTC deferrals will be amortized over a three-year period.

#### **4. Income Taxes**

##### **Inflation Reduction Act**

On August 16, 2022, the Inflation Reduction Act was signed into legislation and includes numerous tax incentives for clean energy, such as the extension and modification of existing investment and production tax credits for projects placed in service through 2024, and new technology-neutral clean energy provisions related credits beginning in 2025. The Inflation Reduction Act also expanded the ITC for energy storage technology, including an election that permits these ITCs to be amortized over a period that is shorter than the life of the asset. During 2024, TEC placed in service its first standalone energy storage project eligible for the ITC and in accordance with the FPSC decision rendered on December 3, 2024, is amortizing this project over a five-year period.

TEC has determined that electing production tax credits for its solar plants placed in service through 2024 will be more beneficial for customers compared to ITCs and has recorded a regulatory liability in recognition of its obligation to pass the tax benefits to customers of \$57 million and \$23 million as of December 31, 2024 and 2023, respectively. In accordance with the FPSC decision rendered on December 3, 2024, the regulatory liability will be refunded to customers over a three-year period. See **Note 3**.

##### **Income Tax Expense**

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based upon a standalone return method, modified for the benefits-for-loss allocation in accordance with EUSHI's tax sharing agreement. To the extent that TEC's cash tax positions are settled differently than the amount reported as realized under the tax sharing agreement, the difference is accounted for as either a capital contribution or a distribution.

Income tax expense consists of the following components:

##### **Income Tax Expense (Benefit)**

(millions)

For the year ended December 31,

	2024	2023	2022
Current income taxes			
Federal	\$ 2	\$ 84	\$ (13)
State	0	25	(3)
Deferred income taxes			
Federal	36	(19)	105
State	34	5	38
Investment tax credits amortization	(4)	(8)	(6)
Total income tax expense	<u>\$ 68</u>	<u>\$ 87</u>	<u>\$ 121</u>

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During 2024 and 2022, TEC increased its net operating loss carryforward. Total current income tax expense for the years ending December 31, 2024 and December 31, 2022 were reduced by \$13 million and \$59 million, respectively, to reflect the benefits of operating loss carryforwards.

For the three years presented, the overall effective tax rate differs from the U.S. federal statutory rate as presented below:

**Effective Income Tax Rate**

(millions)

For the year ended December 31,

	2024	2023	2022
Income before provision for income taxes	\$ 506	\$ 500	\$ 661
Federal statutory income tax rates	21%	21%	21%
Income taxes, at statutory income tax rate	113	116	139
Increase (decrease) due to			
State income tax, net of federal income tax	23	23	27
Excess deferred tax amortization	(25)	(25)	(25)
ITC amortization	(4)	(8)	(6)
AFUDC-equity	(3)	(4)	(7)
Production tax credits	(30)	(15)	(6)
Other tax credits	(7)	(4)	(3)
Other	1	4	2
Total income tax expense on consolidated statements of income	\$ 68	\$ 87	\$ 121
Income tax expense as a percent of income before income taxes	12.7%	15.7%	18.3%

**Deferred Income Taxes**

Deferred taxes result from temporary differences in the recognition of certain liabilities or assets for tax and financial reporting purposes. The principal components of TEC's deferred tax assets and liabilities recognized in the balance sheet are as follows:

(millions)

As of December 31,

	2024	2023
Deferred tax liabilities <sup>(1)</sup>		
Property related	\$ 1,314	\$ 1,227
Deferred fuel	5	23
Pension and postretirement benefits	123	100
Storm reserve	95	2
Total deferred tax liabilities	1,537	1,352
Deferred tax assets <sup>(1)</sup>		
Loss and credit carryforwards <sup>(2)</sup>	438	383
Medical benefits	22	19
Insurance reserves	2	3
Pension and postretirement benefits	62	49
Other	37	18
Total deferred tax assets	561	472
Total deferred tax liability, net	\$ 976	\$ 880

(1) Certain property related assets and liabilities have been netted.

(2) Deferred tax assets for net operating loss and tax credit carryforwards have been reduced by unrecognized tax benefits of \$10 million and \$10 million at December 31, 2024 and 2023, respectively.

The expiration of TEC's tax credits and net operating loss (NOL) carryforwards are as follows:

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<i>(millions)</i>	<i>December 31, 2024</i>	<i>Expiration Year</i>
General business credits	\$ 361	2027-2044
Federal NOL carryforwards	135	2037
Federal NOL carryforwards <sup>(1)</sup>	248	indefinite
State NOL carryforwards <sup>(1)</sup>	359	indefinite
Total tax credits and NOL carryforwards	<u>\$ 1,103</u>	

- (1) Indefinite carryforward for Federal NOLs and NOLs for states that have adopted the U.S. Tax Cuts and Jobs Act of 2017 provisions, generated in tax years beginning after December 31, 2017.

TEC has unused general business credits of \$361 million expiring between 2027 and 2044, of which \$270 million relate to ITCs expiring between 2034 and 2044. As a result of TECO Energy's merger with Emera in 2016, TECs NOLs and credits will be utilized by EUSHI, in accordance with the benefits-for-loss allocation which provide that tax attributes are utilized by the consolidated tax return group of EUSHI.

#### Unrecognized Tax Benefits

TEC accounts for uncertain tax positions as required by U.S. GAAP. The following table provides details of the change in unrecognized tax benefits as follows:

<i>(millions)</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Balance at January 1,	\$ 10	\$ 9	\$ 6
Increases due to tax positions related to prior year	0	0	2
Increases due to tax positions related to current year	0	1	1
Balance at December 31,	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 9</u>

As of December 31, 2024 and 2023, TEC's uncertain tax positions for federal research and development tax credits were \$10 million and \$10 million, respectively, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. The unrecognized tax benefits, if recognized, would reduce TEC's effective tax rate.

TEC recognizes interest accruals related to uncertain tax positions in "Other income" or "Interest expense", as applicable, and penalties in "Operation and maintenance expense" in the Consolidated Statements of Income. In 2024, 2023 and 2022, TEC did not recognize any pre-tax charges for interest or penalties.

The U.S. federal statute of limitations remains open for the year 2017 and forward. Florida's statute of limitations is three years from the filing of an income tax return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. Years still open to examination by Florida's tax authorities include 2013 and forward as a result of EUSHI's consolidated Florida net operating loss still being utilized.

## 5. Employee Postretirement Benefits

### Pension Benefits

TEC is a participant in the comprehensive retirement plans of TECO Energy, LLC (formerly known as TECO Energy, Inc. prior to April 1, 2024), including a qualified, non-contributory defined benefit retirement plan that covers substantially all employees. Subsequent to April 1, 2024, TECO Energy, LLC became a wholly owned subsidiary of the newly created TECO Holdings (see **Note 1** for further detail.) Effective January 1, 2025, the comprehensive retirement plans were transferred to TECO Holdings. Benefits are based on the employees' age, years of service and final average earnings. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy retirement plans.

Amounts disclosed for pension benefits in the following tables and discussion also include the fully-funded obligations for the SERP and the unfunded obligations of the Restoration Plan. The SERP is a non-qualified, non-contributory defined benefit retirement plan available to certain members of senior management. The Restoration Plan is a non-qualified, non-contributory defined benefit retirement plan that allows certain members of senior management to receive contributions as if no IRS limits were in place.

### Other Postretirement Benefits

TECO Energy and its subsidiaries currently provide certain postretirement health care and life insurance benefits (other benefits) for most employees retiring after age 50 meeting certain service requirements. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy postretirement health care and life insurance plans. Postretirement benefit levels are substantially unrelated to salary. TECO Energy reserves the right to terminate or modify the plans in whole or in part at any time.

TECO Energy has made a change to the postretirement health plan to replace the pharmacy services provider. The change was treated as a plan amendment and the plan was remeasured as of September 30, 2023. See "Plan Amendments" line item in the "Obligations and Plan Assets" table below.

### Obligations and Funded Status

TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. This status is measured as the difference between the fair value of plan assets and the PBO in the case of its defined benefit plan, or the APBO in the case of its other postretirement benefit plan. Changes in the funded status are reflected, net of estimated tax benefits, in benefit liabilities and regulatory assets. The results of operations are not impacted.

The following table provides a detail of the change in TECO Energy's benefit obligations and change in plan assets for combined pension plans (pension benefits) and TECO Energy's Florida-based other postretirement benefit plan (other benefits).

<b>TECO Energy Obligations and Funded Status (millions)</b>	<b>Pension Benefits</b>		<b>Other Benefits <sup>(2)</sup></b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<b>Change in benefit obligation</b>				
Benefit obligation at beginning of year	\$ 678	\$ 666	\$ 132	\$ 142
Service cost	17	15	1	1
Interest cost	35	35	7	7
Plan participants' contributions	0	0	4	4
Benefits paid	(57)	(59)	(10)	(19)
Actuarial loss (gain)	1	27	(4)	7
Plan amendments	0	0	0	(10)
Plan settlements <sup>(3)</sup>	0	(6)	0	0
Benefit obligation at end of year	<u>\$ 674</u>	<u>\$ 678</u>	<u>\$ 130</u>	<u>\$ 132</u>
<b>Change in plan assets</b>				
Fair value of plan assets at beginning of year	\$ 686	\$ 650	\$ 0	\$ 0
Actual gain (loss) return on plan assets	41	78	0	0
Employer contributions	16	16	0	0
Employer direct benefit payments	0	7	6	15
Plan participants' contributions	0	0	4	4
Benefits paid	(57)	(58)	0	0
Direct benefit payments	0	(1)	(10)	(19)
Plan settlements <sup>(3)</sup>	0	(6)	0	0
Fair value of plan assets at end of year <sup>(1)</sup>	<u>\$ 686</u>	<u>\$ 686</u>	<u>\$ 0</u>	<u>\$ 0</u>

- (1) The market-related value of plan assets is used as the basis for calculating the expected return on plan assets component of periodic pension expense. The market-related value reflects the fair value of plan assets adjusted for experience gains and losses (i.e. the differences between actual investment returns and expected returns) spread over five years.
- (2) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.
- (3) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC's financial statements.

Decreases in the benefit obligation for the period ended December 31, 2024 are the result of normal growth of the plan, due to the continued accrual of benefits, and increases in the discount rate used to calculate the benefit obligation.



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At December 31, the aggregate financial position for TECO Energy pension plans and Florida-based other postretirement plans with projected benefit obligations and accumulated projected benefit obligations in excess of plan assets was as follows:

<b>TECO Energy</b> <b>Funded Status</b> <i>(millions)</i>	<b>Pension Benefits</b>		<b>Other Benefits <sup>(1)</sup></b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Benefit obligation (PBO/APBO)	\$ 674	\$ 678	\$ 130	\$ 132
Less: Fair value of plan assets	686	686	0	0
Funded status at end of year	<u>\$ 12</u>	<u>\$ 8</u>	<u>\$ (130)</u>	<u>\$ (132)</u>

(1) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.

The accumulated benefit obligation for TECO Energy consolidated defined benefit pension plans was \$638 million and \$642 million at December 31, 2024 and 2023, respectively.

The amounts recognized in TEC's Consolidated Balance Sheets for pension and other postretirement benefit obligations and plan assets at December 31 were as follows:

<b>TEC</b> <b>Amounts recognized in balance sheet</b> <i>(millions)</i>	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Noncurrent assets	\$ 14	\$ 10	\$ 0	\$ 0
Accrued benefit costs and other current liabilities	0	0	(10)	(10)
Deferred costs and other liabilities	(2)	(9)	(9)	(9)
	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ (107)</u>	<u>\$ (109)</u>

Unrecognized gains and losses and prior service credits and costs are recorded in regulatory assets for TEC. The following table provides a detail of the unrecognized gains and losses and prior service credits and costs.

<b>TEC</b> <b>Amounts recognized in regulatory assets</b> <i>(millions)</i>	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Net actuarial loss	\$ 213	\$ 207	\$ 29	\$ 29
Amount recognized	<u>\$ 213</u>	<u>\$ 207</u>	<u>\$ 29</u>	<u>\$ 29</u>

**Assumptions used to determine benefit obligations at December 31:**

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Discount rate	5.66%	5.27%	5.69%	5.28%
Rate of compensation increase	4.42%	4.42%	4.42%	4.42%
Health care cost trend rate				
Immediate rate	n/a	n/a	7.45%	6.09%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2050	2047

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The discount rate assumption used to determine the December 31, 2024 and 2023 benefit obligation was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Energy's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption.

**Amounts recognized in Net Periodic Benefit Cost, OCI and Regulatory Assets**

TECO Energy	Pension Benefits			Other Benefits <sup>(1)</sup>		
	2024	2023	2022	2024	2023	2022
(millions)						
Service cost	\$ 17	\$ 15	\$ 18	\$ 1	\$ 1	\$ 2
Interest cost	35	35	23	7	7	5
Expected return on plan assets	(55)	(54)	(51)	0	0	0
Amortization of:						
Actuarial loss	7	5	17	0	0	3
Prior service cost	0	0	0	(3)	(2)	(2)
Settlement loss <sup>(2)</sup>	0	2	2	0	0	0
Net periodic benefit cost	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 8</u>
Net loss (gain) arising during the year (includes curtailment gain)	\$ 15	\$ 2	\$ 123	\$ (4)	\$ 7	\$ (50)
Prior service cost	0	0	0	0	(11)	0
Amounts recognized as component of net periodic benefit cost:						
Amortization or curtailment recognition of prior service credit	0	0	0	3	3	2
Amortization or settlement of actuarial loss	(7)	(7)	(19)	0	0	(3)
Total recognized in OCI and regulatory assets	<u>\$ 8</u>	<u>\$ (5)</u>	<u>\$ 104</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ (51)</u>
<b>Total recognized in net periodic benefit cost, OCI and regulatory assets</b>	<u>\$ 12</u>	<u>\$ (2)</u>	<u>\$ 113</u>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ (43)</u>

(1) Represents amounts for TECO Energy's Florida-based other postretirement benefit plan

(2) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC's financial statements.

TEC's portion of the net periodic benefit costs for pension benefits was \$0 million, \$1 million and \$8 million for 2024, 2023 and 2022, respectively. Tampa Electric's portion of the net periodic benefit costs for pension benefits was \$0 million, \$1 million and \$4 million for 2024, 2023 and 2022, respectively. TEC's portion of the net periodic benefit costs for other benefits was \$4 million, \$5 million and \$9 million for 2024, 2023 and 2022, respectively. Tampa Electric's portion of the net periodic benefit costs for other benefits was \$4 million, \$5 million and \$8 million for 2024, 2023 and 2022, respectively. Net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in "Operations & maintenance".

**Assumptions used to determine net periodic benefit cost for years ended December 31:**

	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
Discount rate <sup>(1)</sup>	5.27%	4.19%-5.55%	2.77%	5.28%	5.53%-6.14%	2.84%
Expected long-term return on plan assets	7.05%	7.05%	6.50%	n/a	n/a	n/a
Rate of compensation increase	4.42%	3.79%	3.05%	4.42%	3.79%	3.04%
Healthcare cost trend rate						
Initial rate	n/a	n/a	n/a	6.09%	6.39%	5.61%
Ultimate rate	n/a	n/a	n/a	4.00%	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	n/a	2047	2047	2045

(1) Discount rate range is the result of remeasurements that occurred in 2023.

The discount rate assumption used to determine the benefit cost for 2024, 2023 and 2022 was based on the same technique that was used to determine the December 31, 2024 and 2023 benefit obligation as discussed above.

The expected return on assets assumption was based on historical returns, fixed income spreads and equity premiums consistent with the portfolio and asset allocation. A change in asset allocations could have a significant impact on the expected return on assets. Additionally, expectations of long-term inflation, real growth in the economy and a provision for active management and expenses paid were incorporated in the assumption. For the year ended December 31, 2024, TECO Energy's pension plan's actual return was approximately 5.1%.

The compensation increase assumption was based on the same underlying expectation of long-term inflation together with assumptions regarding real growth in wages and company-specific merit and promotion increases.

#### **Pension Plan Assets**

Pension plan assets are invested in a mix of equity and fixed-income securities. TECO Energy's investment objective is to obtain above-average returns while minimizing volatility of expected returns and funding requirements over the long term. TECO Energy's strategy is to hire proven managers and allocate assets to reflect a mix of investment styles, emphasize preservation of principal to minimize the impact of declining markets, and stay fully invested except for cash to meet benefit payment obligations and plan expenses.

<b>TECO Energy</b>	<b>2024</b>	<b>2023</b>	<b>Actual Allocation, End of Year</b>	
	<b>Target</b>	<b>Target</b>		
	<b>Allocation</b>	<b>Allocation</b>	<b>2024</b>	<b>2023</b>
<u><b>Asset Category</b></u>				
Cash and cash equivalents	0%-10%	0%-10%	2%	3%
Equity securities	48%-68%	48%-68%	58%	57%
Fixed income securities	29%-49%	29%-49%	40%	40%
Total	100%	100%	100%	100%

TECO Energy reviews the plan's asset allocation periodically and re-balances the investment mix to maximize asset returns, optimize the matching of investment yields with the plan's expected benefit obligations, and minimize pension cost and funding. TECO Energy will continue to monitor the matching of plan assets with plan liabilities over the long term.

The plan's investments are held by a trust fund administered by The Bank of New York Mellon. Investments are valued using quoted market prices on an exchange when available. Such investments are classified Level 1. In some cases where a market exchange price is available but the investments are traded in a secondary market, acceptable practical expedients are used to calculate fair value.

If observable transactions and other market data are not available, fair value is based upon third-party developed models that use, when available, current market-based or independently-sourced market parameters such as interest rates, currency rates or option volatilities. Items valued using third-party generated models are classified according to the lowest level input or value driver that is most significant to the valuation. Thus, an item may be classified in Level 3 even though there may be significant inputs that are readily observable.

As required by the fair value accounting standards, the investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The plan's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. For cash equivalents, the cost approach was used in determining fair value. For bonds and U.S. government agencies, the income approach was used. For other investments, the market approach was used. The following table sets forth by level within the fair value hierarchy the plan's investments.

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**Pension Plan Investments**

**TECO Energy**

(millions)

**At Fair Value as of December 31, 2024**

	Level 1	Level 2	Level 3	Using NAV <sup>(1)</sup>	Total
Cash	\$ 1	\$ 0	\$ 0	\$ 0	\$ 1
Accounts receivable	19	0	0	0	19
Accounts payable	(38)	0	0	0	(38)
Short-term investment funds (STIFs)	17	0	0	0	17
Real estate investment trusts (REITs)	2	0	0	0	2
Mutual funds	9	0	0	0	9
US Equity	99	0	0	0	99
Municipal bonds	0	2	0	0	2
Government bonds	0	71	0	0	71
Corporate bonds	0	53	0	0	53
Mortgage Backed Securities (MBS)	0	11	0	0	11
<b>Investments not utilizing the practical expedient</b>	<b>109</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>246</b>
Limited Partnership Pooled Fund	0	0	0	79	79
Common and collective trusts <sup>(1)</sup>	0	0	0	361	361
<b>Total investments</b>	<b>\$ 109</b>	<b>\$ 137</b>	<b>\$ 0</b>	<b>\$ 440</b>	<b>\$ 686</b>

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the TECO Energy fair value of plan assets.

**TECO Energy**

(millions)

**At Fair Value as of December 31, 2023**

	Level 1	Level 2	Level 3	Using NAV <sup>(1)</sup>	Total
Cash	\$ (1)	\$ 0	\$ 0	\$ 0	\$ (1)
Accounts receivable	3	0	0	0	3
Accounts payable	(10)	0	0	0	(10)
Short-term investment funds (STIFs)	24	0	0	0	24
Common stock	1	0	0	0	1
Real estate investment trusts (REITs)	3	0	0	0	3
Mutual funds	38	0	0	0	38
Municipal bonds	0	2	0	0	2
Government bonds	0	108	0	0	108
Corporate bonds	0	57	0	0	57
Long futures	5	0	0	0	5
Short Sales	0	(1)	0	0	(1)
<b>Investments not utilizing the practical expedient</b>	<b>63</b>	<b>166</b>	<b>0</b>	<b>0</b>	<b>229</b>
Common and collective trusts <sup>(1)</sup>	0	0	0	443	443
Mutual fund <sup>(1)</sup>	0	0	0	14	14
<b>Total investments</b>	<b>\$ 65</b>	<b>\$ 166</b>	<b>\$ 0</b>	<b>\$ 457</b>	<b>\$ 686</b>

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the TECO Energy fair value of plan assets.

The following list details the pricing inputs and methodologies used to value the investments in the pension plan:

- Cash collateral is valued at cash posted due to its short-term nature.
- The STIF is valued at net asset value (NAV). The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make the STIF a level 1 asset.
- The primary pricing inputs in determining the fair value of the Common stocks, US Equity and REITs are closing quoted prices in active markets.

- The primary pricing inputs in determining the level 1 mutual funds are the mutual funds' NAVs. The funds are registered open-end mutual funds and the NAVs are validated with purchases and sales at NAV. Since the fair values are determined and published, they are considered readily-determinable fair values and therefore level 1 assets.
- The primary pricing inputs in determining the fair value of municipal bonds are benchmark yields, historical spreads, sector curves, rating updates, and prepayment schedules. The primary pricing inputs in determining the fair value of government bonds are the U.S. treasury curve, consumer price index, and broker quotes, if available. The primary pricing inputs in determining the fair value of corporate bonds are the U.S. treasury curve, base spreads, YTM, and benchmark quotes. Collateralized mortgage obligations are priced using to-be-announced (TBA) prices, treasury curves, swap curves, cash flow information, and bids and offers as inputs. Mortgage-backed securities are priced using TBA prices, treasury curves, average lives, spreads, and cash flow information.
- The limited partnership pooled fund investment and common collective trusts are private funds valued at NAV. The NAVs are calculated based on bid prices of the underlying securities. Since the prices are not published to external sources, NAV is used as a practical expedient. Certain funds invest primarily in equity securities of domestic and foreign issuers while others invest in long duration U.S. investment-grade fixed income assets and seeks to increase return through active management of interest rate and credit risks. The redemption frequency of the funds ranges from daily to weekly and the redemption notice period ranges from 1 business day to 30 business days. There were no unfunded commitments as of December 31, 2024.
- Treasury bills are valued using benchmark yields, reported trades, broker dealer quotes, and benchmark securities.
- Futures are valued using futures data, cash rate data, swap rates, and cash flow analyses.

Additionally, the non-qualified SERP had \$4 million and \$4 million of assets as of December 31, 2024 and 2023, respectively. Since the plan is non-qualified, its assets are included in the "Deferred charges and other assets" line item in the Consolidated Balance Sheets rather than being netted with the related liability. The non-qualified trust holds investments in a money market fund. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make it a level 1 asset. The SERP was fully funded as of December 31, 2024 and 2023.

#### **Other Postretirement Benefit Plan Assets**

There are no assets associated with TECO Energy's Florida-based other postretirement benefits plan.

#### **Contributions**

The qualified pension plan's actuarial value of assets, including credit balance, was 110.22% of the Pension Protection Act funded target as of January 1, 2024 and is estimated at 100.38% of the Pension Protection Act funded target as of January 1, 2025.

TECO Energy's policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions. TEC's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, TEC's portion is based on TEC's proportion of the TECO Energy unfunded liability. TECO Holdings made contributions to this plan in 2024 and TECO Energy made contributions to this plan in 2024, 2023 and 2022, which met the minimum funding requirements for 2024, 2023 and 2022. TEC's portion of the contribution in 2024 was \$10 million, in 2023 was \$10 million and in 2022 was \$15 million. Tampa Electric's portion of the contribution was \$10 million in 2024, \$10 million in 2023 and \$12 million 2022. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. TEC estimates its portion of the 2025 contribution to be \$11 million. The amount TECO Holdings expects to contribute is in excess of the minimum funding required under ERISA guidelines.

TEC's portion of the contributions to the SERP in 2024, 2023 and 2022 was zero. Since the SERP is fully funded, TECO Holdings does not expect to make significant contributions to this plan in 2025. TEC made SERP payments of approximately \$0 million, \$5 million and \$2 million from the trust in 2024, 2023 and 2022, respectively.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Energy's contribution toward health care coverage for most employees who retired after the age of 55 between January 1, 1990 and June 30, 2001 is limited to a defined dollar benefit based on service. TECO Energy's contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. In 2025, TEC expects to make a contribution of approximately \$10 million. Postretirement benefit levels are substantially unrelated to salary.

## Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

### Expected Benefit Payments

#### TECO Energy

(including projected service and net of employee contributions)

	Pension Benefits	Other Postretirement Benefits
(millions)		
2025	\$ 70	\$ 12
2026	70	12
2027	69	12
2028	68	12
2029	66	12
2030-2034	396	51

### Defined Contribution Plan

TECO Energy has a defined contribution savings plan covering substantially all employees of TECO Energy and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Energy and its subsidiaries match 75% of the first 6% of the participant's payroll savings deductions. Effective January 1, 2017, the employer matching contributions increased from 70% to 75% with an additional incentive match of up to 25% of eligible participant contributions based on the achievement of certain operating company financial goals. For the years ended December 31, 2024, 2023 and 2022, TEC's portion of expense totaled \$20 million, \$18 million and \$22 million, respectively, related to the matching contributions made to this plan. Tampa Electric's portion of expense totaled \$20 million, \$18 million and \$19 million, respectively, related to the matching contributions made to this plan. The expense related to the matching contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

Effective October 21, 2019, TECO Energy amended the defined contribution plan such that certain participants covered by the IBEW collective bargaining agreement shall not be eligible to participate in the plan for purposes of receiving the fixed matching contribution. This has been replaced with a non-elective employer contribution on a bi-weekly basis equal to a percentage of the member's compensation for that period based on years of tenure of employment. For the years ended December 31, 2024, 2023 and 2022, Tampa Electric recognized expense totaling \$11 million, \$10 million and \$10 million, respectively, related to the contributions made to this plan. The expense related to this contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

## 6. Short-Term Debt

### Credit Facilities

	December 31, 2024				December 31, 2023			
	Credit Facilities	Borrowings Outstanding - Credit Facilities <sup>(1)</sup>	Borrowings Outstanding - Commercial Paper <sup>(1)</sup>	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding - Credit Facilities <sup>(1)</sup>	Borrowings Outstanding - Commercial Paper <sup>(1)</sup>	Letters of Credit Outstanding
(millions)								
5-year facility <sup>(2)</sup>	\$ 800	\$ 0	\$ 636	\$ 1	\$ 800	\$ 0	\$ 706	\$ 1
1-year term facility <sup>(3)</sup>	0	0	0	0	200	0	0	0
1-year term facility <sup>(4)</sup>	0	0	0	0	200	0	0	0
<b>Total</b>	<b>\$ 800</b>	<b>\$ 0</b>	<b>\$ 636</b>	<b>\$ 1</b>	<b>\$ 1,200</b>	<b>\$ 0</b>	<b>\$ 706</b>	<b>\$ 1</b>

- (1) Borrowings outstanding are reported as notes payable in the Consolidated Balance Sheets.
- (2) On April 1, 2024, TEC amended the credit facility agreement to extend the maturity date to December 1, 2028. TEC also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by TEC's credit facility. The amount of commercial paper issued results in an equal amount of its credit facility being considered drawn and unavailable. On January 30, 2024, TEC completed a sale of \$500 million aggregate principal amount of 4.90% Notes due March 1, 2029. TEC used the net proceeds from this offering for the repayment of a portion of the borrowings outstanding under the 5-year credit facility. Therefore, \$497 million of borrowings outstanding under the 5-year credit facility were reclassified as long-term debt on the Consolidated Balance Sheet as of December 31, 2023.
- (3) On March 1, 2023, TEC entered into a 1-year term facility that matured on February 28, 2024.
- (4) On April 3, 2023, TEC entered into a 1-year term facility that matured on April 1, 2024.

At December 31, 2024, the credit facility required a commitment fee of 12.5 basis points. The weighted-average interest rate on borrowings outstanding under the credit facilities and commercial paper at December 31, 2024 and 2023 was 4.8% and 5.7%, respectively.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called PGSI pursuant to a Contribution Agreement. Prior to the separation, as a division of TEC, PGS had received an allocation of outstanding unsecured notes and outstanding short-term borrowings issued by TEC. The obligations related to these combined borrowings were reflected in an affiliate loan agreement between Tampa Electric and PGS. The initial obligation of PGS under the loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million. The maturity date for both was December 29, 2023. On December 20, 2023, PGS repaid Tampa Electric the outstanding principal amount of the term loan and revolving loan of \$670 million and \$286 million, respectively, plus outstanding interest. The repayment terminates the affiliate loan agreement and Tampa Electric will no longer provide capital for the operations of PGS.

In December 2023, Tampa Electric used the proceeds of the PGS repayment in part to repay \$400 million in credit facility borrowings, the \$195 million note payable to TECO Energy and \$149 million of the commercial paper borrowed under the 5-year term facility.

#### *Commercial Paper Program*

On May 25, 2021, TEC established a commercial paper program (the Program) under which TEC may issue on a private placement basis unsecured commercial paper notes (the Notes). Amounts available under the Program may be borrowed, repaid and reborrowed with the aggregate amount of the Notes outstanding under the Program at any time not to exceed \$800 million. The maturities of the Notes will vary, but may not exceed 270 days from the date of issue. The rates of interest will depend on whether the Note will be a fixed or floating rate. TEC must have credit facilities in place, at least equal to the amount of its commercial paper program. TEC cannot issue commercial paper in an aggregate amount exceeding the then available capacity under its credit facility.

#### *5-Year Credit Facility*

On December 17, 2021, TEC amended and restated its \$800 million bank credit facility, entering into a Seventh Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from March 22, 2023 to December 17, 2026 (subject to further extension with the consent of each lender); and provided for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin; allows TEC to borrow funds on a same-day basis under a swingline loan provision, which loans mature on the fourth banking day after which any such loans are made and bear interest at an interest rate as agreed by the borrower and the relevant swingline lender prior to the making of any such loans; continues to allow TEC to request the lenders to increase their commitments under the credit facility by up to \$100 million in the aggregate; and made other technical changes. On April 3, 2023, TEC amended the agreement to replace the London interbank deposit rate with the SOFR. On April 1, 2024, TEC amended the credit facility agreement to extend the maturity date to December 1, 2028.

## **7. Long-Term Debt**

A substantial part of Tampa Electric's tangible assets are pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric's first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time.

### *TEC 4.90% Notes due 2029*

On January 30, 2024, TEC completed a sale of \$500 million aggregate principal amount of 4.90% Notes due March 1, 2029 (the 2029 Notes). Prior to February 1, 2029, in the case of the 2029 Notes, TEC may redeem all or any part of such series of Notes at its option at a redemption price equal to the greater of (i) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semi-annual basis at the Treasury Rate plus 15 basis points less interest accrued to the date of redemption or (ii) 100% of the principal amount of the notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to the redemption date. On or after February 1, 2029, TEC may redeem the 2029 Notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the redemption date. TEC used the net proceeds from this offering for the repayment of a portion of the borrowings outstanding under the 5-year credit facility. Therefore, \$497 million of borrowings outstanding under the 5-year credit facility were reclassified from notes payable to long-term debt on the Consolidated Balance Sheet as of December 31, 2023.

### *TEC 3.875% Notes due 2024 and 5.00% Notes due 2052*

On July 12, 2022, TEC completed a sale of (i) \$300 million aggregate principal amount of 3.875% Notes due July 12, 2024 (the 2024 Notes) and (ii) \$300 million aggregate principal amount of 5.00% Notes due July 15, 2052 (the 2052 Notes, and collectively, the Notes). Until July 12, 2024, in the case of the 2024 Notes, or January 15, 2052, in the case of the 2052 Notes, TEC may redeem all or any part of such series of Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of such series of Notes to be redeemed or (ii) the sum of the present values of the remaining payments of principal and interest on the Notes to be redeemed that would be due if the Notes matured on (a) July 12, 2024, in the case of the 2024 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate (as defined in the Indenture), plus 15 basis points, or (b) July 15, 2052, in the case of the 2052 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate, plus 30 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after January 15, 2052, in the case of the 2052 Notes, TEC may, at its option, redeem the 2052 Notes, in whole or in part, at 100% of the principal amount of such series of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption. On July 12, 2024, TEC repaid the \$300 million 2024 Notes upon maturity. This note was repaid with proceeds from commercial paper.

## **8. Commitments and Contingencies**

### **Legal Contingencies**

From time to time, TEC and its subsidiaries are involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss.

### **Superfund and Former Manufactured Gas Plant Sites**

As of December 31, 2024, TEC, through its Tampa Electric division and former PGS division, was a PRP for certain superfund sites and, through its former PGS division, for certain former MGP sites. As a result of the separation of the PGS division, PGS is now the responsible party for those sites (in addition to third party PRPs for certain sites). See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.



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**Long-Term Commitments**

TEC has commitments for various purchases as disclosed below, including payment obligations for capital projects and contractual agreements for fuel, fuel transportation and power purchases that are recovered from customers under regulatory clauses. The following is a schedule of future payments under net purchase obligations/commitments at December 31, 2024:

<i>(millions)</i>	<i>Transportation</i>	<i>Capital Projects <sup>(1)</sup></i>	<i>Fuel and Gas Supply</i>	<i>Long-term Service Agreements</i>	<i>Leases</i>	<i>Other <sup>(2)</sup></i>	<i>Total</i>
<i>Year ended December 31:</i>							
2025	\$ 146	\$ 279	\$ 156	\$ 21	\$ 4	\$ 15	\$ 621
2026	145	161	27	22	2	1	358
2027	176	17	4	40	2	1	240
2028	138	0	1	30	2	0	171
2029	120	0	0	31	2	0	153
Thereafter	1,200	0	0	33	107	0	1,340
<b>Total future minimum payments</b>	<b>\$ 1,925</b>	<b>\$ 457</b>	<b>\$ 188</b>	<b>\$ 177</b>	<b>\$ 119</b>	<b>\$ 17</b>	<b>\$ 2,886</b>

- (1) These estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates.
- (2) Other includes contractual obligations under demand side management and purchased power agreements.

**Financial Covenants**

TEC must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2024 and 2023, TEC was in compliance with all required financial covenants.

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**9. Revenue**

The following disaggregates TEC's revenue by major source:

<i>(millions)</i> <i>For the year ended December 31, 2024</i>	Tampa Electric	PGS	Eliminations	Tampa Electric Company
<b>Electric revenue</b>				
Residential	\$ 1,507			\$ 1,507
Commercial	686			686
Industrial	162			162
Regulatory deferrals	(116)			(116)
Unbilled revenue	5			5
Other <sup>(1)</sup>	282			282
<b>Total revenue</b>	<u>\$ 2,526</u>			<u>\$ 2,526</u>
<i>For the year ended December 31, 2023</i>				
<b>Electric revenue</b>				
Residential	\$ 1,711			\$ 1,711
Commercial	803			803
Industrial	203			203
Regulatory deferrals	(387)			(387)
Unbilled revenue	(2)			(2)
Other <sup>(1)</sup>	309			309
<b>Total revenue</b>	<u>\$ 2,637</u>			<u>\$ 2,637</u>
<i>For the year ended December 31, 2022</i>				
<b>Electric revenue</b>				
Residential	\$ 1,381	\$ 0	\$ 0	\$ 1,381
Commercial	<del>666</del>	<del>0</del>	<del>0</del>	<del>666</del>
Industrial	176	0	0	176
Regulatory deferrals	(21)	0	0	(21)
Unbilled revenue	9	0	0	9
Other <sup>(1)</sup>	312	0	(4)	308
Total electric revenue	2,523	0	(4)	2,519
<b>Gas revenue</b>				
Residential	0	229	0	229
Commercial	0	200	0	200
Industrial <sup>(2)</sup>	0	31	0	31
Other <sup>(3)</sup>	0	196	(6)	190
Total gas revenue	0	656	(6)	650
<b>Total revenue</b>	<u>\$ 2,523</u>	<u>\$ 656</u>	<u>\$ (10)</u>	<u>\$ 3,169</u>

(1) Other includes sales to public authorities, off-system sales to other utilities and various other items.

(2) Industrial includes sales to power generation customers.

(3) Other includes off-system sales to other utilities and various other items.

*Remaining Performance Obligations*

Remaining performance obligations primarily represent lighting contracts and, prior to January 1, 2023, gas transportation contracts with fixed contract terms. As of December 31, 2024 and 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$99 million and \$78 million, respectively. As allowed under ASC 606, this amount excludes contracts with an original expected length of one year or less and variable amounts for which TEC recognizes revenue at the amount to which it has the right to invoice for services performed. TEC expects to recognize revenue for the remaining performance obligations through 2044.

## 10. Related Party Transactions

A summary of activities between TEC and its affiliates follows:

### Net transactions with affiliates:

<i>(millions)</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Natural gas purchases (net of sales) from affiliates	\$ 44	\$ 65	\$ 23
Services to/(from) affiliates	29	28	(4)
Interest income from affiliate	0	38	0
Interest expense to affiliate	0	11	0
Dividends to Parent	469	472	517
Equity contributions from Parent	600	300	605

### Amounts due from or to affiliates at December 31,

<i>(millions)</i>	<i>2024</i>	<i>2023</i>
Accounts receivable <sup>(1)</sup>	\$ 13	\$ 16
Taxes receivable <sup>(2)</sup>	0	3
Accounts payable <sup>(1)</sup>	16	10
Taxes payable <sup>(2)</sup>	2	0

(1) Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.

(2) Taxes receivable were due from EUSHI and taxes payable were due to EUSHI. See **Note 4** for additional information.

## 11. Segment Information

Segments are determined based on how TEC's chief operating decision maker (CODM) evaluates, measures and makes decisions with respect to the operations of the entity, resulting in segments based on products and services (i.e., electric and gas). Management reports segments based on each segment's contribution of revenues, net income and total assets as required by the accounting guidance for disclosures about segments of an enterprise and related information. All significant intercompany transactions are eliminated in the Consolidated Financial Statements of TEC but are included in determining operating segments.

TEC is a public utility operating within the State of Florida. Prior to January 1, 2023, TEC's segments were comprised of Tampa Electric, the electric division, and PGS, the natural gas division of TEC. Due to the separation of PGS from TEC, TEC operates under a single operating and reportable segment effective January 1, 2023 because the operations of TEC only include the operations of the electric division. See "Separation of PGS from TEC" in **Note 1** for further information regarding the separation of PGS from TEC. Through its Tampa Electric division, it is engaged in the generation, purchase, transmission, distribution and sale of electric energy to approximately 855,000 customers in West Central Florida.

TEC's CODM is the Chief Executive Officer. The CODM uses several measures to allocate capital and resources for TEC, predominantly in the annual budget and forecasting processes. The CODM evaluates performance by considering budget-to-actual variances for these measures monthly. The measure used by the CODM that is the most consistent with US GAAP measurement principles is net income.

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<i>(millions)</i>	Tampa Electric	PGS	Eliminations/ Reclassifications	TEC
<b>2024</b>				
Revenues - external	\$ 2,526			\$ 2,526
Less:				
Fuel	517			517
Purchased power	105			105
Operations & maintenance, excluding FPSC-approved regulatory deferrals	372			372
Operations & maintenance related to FPSC-approved regulatory deferrals	173			173
Depreciation and amortization	454			454
Interest charges	193			193
Other segment items <sup>(1)</sup>	176			176
Provision for income taxes	68			68
Net income	468			468
Total assets	13,107			13,107
Capital expenditures	1,422			1,422
<b>2023</b>				
Revenues - external	\$ 2,657			\$ 2,657
Less:				
Fuel	605			605
Purchased power	78			78
Operations & maintenance, excluding FPSC-approved regulatory deferrals	358			358
Operations & maintenance related to FPSC-approved regulatory deferrals	237			237
Depreciation and amortization	422			422
Interest charges	239			239
Interest income from affiliates	(38)			(38)
Other segment items <sup>(1)</sup>	183			183
Provision for income taxes	87			87
Net income	466			466
Total assets	11,831			11,831
Capital expenditures	1,294			1,294
<b>2022</b>				
Revenues - external	\$ 2,519	\$ 650	\$ 0	\$ 3,169
Intracompany sales	4	6	(10)	0
Total revenues	2,523	656	(10)	3,169
Less:				
Fuel	681	0	(5)	676
Purchased power	151	0	0	151
Costs of natural gas sold	0	297	0	297
Operations & maintenance, excluding FPSC-approved regulatory deferrals	353	129	(4)	478
Operations & maintenance related to FPSC-approved regulatory deferrals	106	35	0	141
Depreciation and amortization	389	47	0	436
Interest charges	142	25	0	167
Other segment items <sup>(1)</sup>	149	54	(1)	202
Provision for income taxes	94	27	0	121
Net income	458	82	0	540
Total assets	12,064	2,471	(732) <sup>(2)</sup>	13,803
Capital expenditures	1,099	328	0	1,427

- (1) Other segment items include taxes other than income, partially offset by AFUDC and other income, net.  
(2) Amounts relate to consolidated deferred tax reclassifications. Deferred tax assets are reclassified and netted with deferred tax liabilities upon consolidation.

## 12. Asset Retirement Obligations

Tampa Electric accounts for AROs at fair value at inception of the obligation if there is a legal obligation under applicable law, a written or oral contract, or by legal construction under the doctrine of promissory estoppel. Retirement obligations are recognized only if the legal obligation exists in connection with or as a result of the permanent retirement, abandonment or sale of a long-lived asset. When the liability is initially recorded in “Deferred credits and other liabilities” in the Consolidated Balance Sheets, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its estimated future value. The corresponding amount capitalized at inception is depreciated over the remaining useful life of the asset. The ARO estimates are reviewed quarterly. Any updates are revalued based on current market prices.

### Reconciliation of beginning and ending carrying amount of asset retirement obligations:

(millions)	December 31,	
	2024	2023
Beginning balance	\$ 32	\$ 35
Additional liabilities	8	1
Liabilities settled	0	(4)
Ending balance	<u>\$ 40</u>	<u>\$ 32</u>

## 13. Leases

TEC determines whether a contract contains a lease at inception by evaluating if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease ROU assets and operating lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of the future minimum lease payments over the lease term at commencement date. As most of TEC’s leases do not provide an implicit rate, the incremental borrowing rate at commencement of the lease is used in determining the present value of future lease payments. Lease expense is recognized on a straight-line basis over the lease term and is recorded as “Operations and maintenance expenses” on the Consolidated Statements of Income.

TEC has certain contractual agreements that include lease and non-lease components, which management has elected to account for as a single lease component for all leases in which TEC is the lessee.

### Lessee

Tampa Electric has operating leases for buildings, land, telecommunication services and rail cars. Tampa Electric’s leases have remaining lease terms of 1 year to 61 years, some of which include options to extend the leases for up to an additional 65 years. These options are included as part of the lease term when it is considered reasonably certain that they will be exercised.

(millions)	Classification	2024	2023
Right-of-use asset	Deferred charges and other assets	\$ 19	\$ 21
Lease liabilities			
Current	Other current liabilities	\$ 2	\$ 2
Long-term	Deferred credits and other liabilities	<u>18</u>	<u>20</u>
Total lease liabilities		<u>\$ 20</u>	<u>\$ 22</u>

Tampa Electric has recorded operating lease expense for the year ended December 31, 2024, 2023 and 2022 of \$5 million, \$4 million and \$4 million, respectively.

Future minimum lease payments under non-cancellable operating leases for each of the next five years and in aggregate thereafter consisted of the following at December 31, 2024:

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(millions)

<i>Year ended December 31:</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>Thereafter</i>	<i>Total</i>
Minimum lease payments	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 45	\$ 51
Less imputed interest							(31)
Total future minimum payments							<u>\$ 20</u>

Additional information related to Tampa Electric's leases is as follows:

<i>Year ended December 31:</i>	<i>2024</i>	<i>2023</i>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases (millions)	\$ 5	\$ 4
Weighted average remaining lease term (years)	46	45
Weighted average discount rate - operating leases	4.4%	4.4%

#### 14. Fair Value Measurements

##### Items Measured at Fair Value on a Recurring Basis

Accounting guidance governing fair value measurements and disclosures provides that fair value represents the amount that would be received in selling an asset or the amount that would be paid in transferring a liability in an orderly transaction between market participants. As a basis for considering assumptions that market participants would use in pricing an asset or liability, accounting guidance also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs, such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

There were no Level 3 assets or liabilities for the periods presented.

As of December 31, 2024 and 2023, the fair value of TEC's short-term debt was not materially different from the carrying value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of TEC's short-term debt is determined using Level 2 measurements.

See **Note 5** and **Consolidated Statements of Capitalization** for information regarding the fair value of the pension plan investments and long-term debt, respectively.

#### 15. Long-Term PPAs

In 2019, Tampa Electric entered into a long-term PPA with a wholesale energy provider in Florida with up to 515 MW of available capacity, which expires in 2025. Because some of these provisions provide for the transfer or sharing of a number of risks inherent in the generation of energy, these agreements meet the definition of being variable interests. These risks include: operating and maintenance, regulatory, credit, commodity/fuel and energy market risk. Tampa Electric reviewed these risks and determined that the owners of these entities retain the majority of these risks over the expected life of the underlying generating assets, have the power to direct the most significant activities, and have the obligation or right to absorb losses or benefits. As a result, Tampa Electric was not the primary beneficiary and was not required to consolidate any of these entities. Tampa Electric purchased \$34 million, \$35 million and \$70 million under this long-term PPA for the three years ended December 31, 2024, 2023 and 2022, respectively.

TEC does not provide any material financial or other support to any of the variable interests it is involved with, nor is TEC under any obligation to absorb losses associated with these variable interests. Excluding the payments for energy under these contracts, TEC's involvement with these variable interests does not affect its Consolidated Balance Sheets, Statements of Income or Cash Flows.

**Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**Item 9A. CONTROLS AND PROCEDURES**

**Conclusions Regarding Effectiveness of Disclosure Controls and Procedures.**

TEC's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of TEC's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this annual report, December 31, 2024 (Evaluation Date). Based on such evaluation, TEC's principal executive officer and principal financial officer have concluded that, as of the Evaluation Date, TEC's disclosure controls and procedures are effective.

**Management's Report on Internal Control over Financial Reporting.**

TEC's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. We conducted an evaluation of the effectiveness of TEC's internal control over financial reporting as of December 31, 2024 based on the 2013 framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under this framework, our management concluded that TEC's internal control over financial reporting was effective as of December 31, 2024.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. A control system, no matter how well designed and operated, can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Changes in Internal Control over Financial Reporting.**

There was no change in TEC's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of TEC's internal controls that occurred during TEC's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, such controls.

**Item 9B. OTHER INFORMATION**

None.

**PART III**

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information required by Item 10 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 11. EXECUTIVE COMPENSATION**

Information required by Item 11 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information required by Item 12 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information required by Item 13 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

*Fees Paid by TEC to the Independent Auditors*

The following table presents fees for professional audit services and other services rendered by Ernst & Young LLP for the audit of TEC's annual financial statements and other services for the years ended December 31, 2024 and 2023, respectively.

	2024	2023
Audit fees	\$ 7,074,500	\$ 6,721,000
Audit-related fees	0	0
Tax fees		
Tax planning fees	45,931	0
Total	<u>\$ 7,120,431</u>	<u>\$ 6,721,000</u>

Audit fees consist of fees for professional services performed for (i) the audit of TEC's annual financial statements (ii) the related reviews of the financial statements included in TEC's 10-Q filings (iii) services related to securities offerings (iv) services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-related fees consist of fees for professional services that are reasonably related to the performance of the audit or review of our financial statements, such as required activities related to agreed upon procedures.

Tax fees consist of certain property tax planning fees.

*Audit Committee Pre-Approval Policy*

All services performed by the independent auditor are approved by the Audit Committee of the Emera Board of Directors in accordance with Emera's pre-approval policy for services provided by the independent auditor.



**PART IV**

**Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

**(a) Certain Documents Filed as Part of this Form 10-K**

1. Financial Statements  
Tampa Electric Company Financial Statements  
Reports of Independent Registered Public Accounting Firms (PCAOB ID: 42)  
Consolidated Balance Sheets at December 31, 2024 and 2023  
Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2024, 2023 and 2022  
Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, 2023 and 2022  
Consolidated Statements of Capitalization for the Years Ended December 31, 2024, 2023 and 2022  
Notes to Consolidated Financial Statements
2. Financial Statement Schedules  
Tampa Electric Company Schedule II - Valuation and Qualifying Accounts and Reserves
3. Exhibits

(b) The exhibits filed as part of this Form 10-K are listed on the List of Exhibits below.

(c) The financial statement schedules filed as part of this Form 10-K are listed in paragraph (a)(2) above, and follow immediately.

**SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**

**TAMPA ELECTRIC COMPANY  
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES  
For the Years Ended December 31, 2024, 2023 and 2022  
(millions)**

	Balance at Beginning of Period	Additions		Payments & Deductions <sup>(1)</sup>		Balance at End of Period
		Charged to Income	Other Charges			
<b>Allowance for Credit Losses:</b>						
2024	\$ 2	\$ 9	\$ (1)	\$ 9	\$	1
2023	\$ 4	\$ 9	\$ (1)	\$ 10	\$	2
2022	\$ 7	\$ 5	\$ 0	\$ 8	\$	4

(1) Write-off of individual bad debt accounts

**LIST OF EXHIBITS**

Exhibit No.	Description	
3.1	Restated Articles of Incorporation of Tampa Electric Company, as amended on November 30, 1982 (Exhibit 3 to Registration Statement No. 2-70653 of Tampa Electric Company). (P)	*
3.2	<a href="#">Bylaws of Tampa Electric Company, as amended effective February 2, 2011 (Exhibit 3.4, Form 10-K for 2010 of Tampa Electric Company).</a>	*
4.1	<a href="#">Loan and Trust Agreement dated as of Jul. 2, 2007 among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee (including the form of Bond) (Exhibit 4.1, Form 8-K dated Jul. 25, 2007 of Tampa Electric Company).</a>	*
4.2	<a href="#">First Supplemental Loan and Trust Agreement dated as of March 26, 2008 among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.1, Form 8-K dated March 26, 2008 of Tampa Electric Company).</a>	*
4.3	<a href="#">Loan and Trust Agreement dated as of November 15, 2010 among Tampa Electric Company, Polk County Industrial Development Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (including the form of bond) (Exhibit 4.1, Form 8-K dated November 23, 2010 of Tampa Electric Company).</a>	*
4.4	<a href="#">Loan and Trust Agreement among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee, dated as of January 5, 2006 (including the form of bond) (Exhibit 4.1, Form 8-K dated January 19, 2006 of Tampa Electric Company).</a>	*
4.5	<a href="#">Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of Jul. 1, 1998 (Exhibit 4.1, Registration Statement No. 333-55873 of Tampa Electric Company).</a>	*
4.6	<a href="#">Third Supplemental Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of Jun. 15, 2001 (Exhibit 4.2, Form 8-K dated Jun. 25, 2001 of Tampa Electric Company).</a>	*
4.7	<a href="#">Fifth Supplemental Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of May 1, 2006 (Exhibit 4.16, Form 8-K dated May 12, 2006 of Tampa Electric Company).</a>	*
4.8	<a href="#">Sixth Supplemental Indenture dated as of May 1, 2007 between Tampa Electric Company and The Bank of New York, as trustee (Exhibit 4.18, Form 8-K dated May 25, 2007 of Tampa Electric Company).</a>	*
4.9	<a href="#">Seventh Supplemental Indenture dated as of May 1, 2008 between Tampa Electric Company and The Bank of New York, as trustee (Exhibit 4.20, Form 8-K dated May 16, 2008 of Tampa Electric Company).</a>	*
4.10	<a href="#">Eighth Supplemental Indenture dated as of November 15, 2010 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee (including the form of 5.40% Notes due 2021) (Exhibit 4.1, Form 8-K dated December 9, 2010 of Tampa Electric Company).</a>	*
4.11	<a href="#">Ninth Supplemental Indenture dated as of May 31, 2012 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (including the form of 4.10% Notes due 2042) (Exhibit 4.23, Form 8-K dated June 5, 2012 for Tampa Electric Company).</a>	*
4.12	<a href="#">Tenth Supplemental Indenture dated as of September 19, 2012 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing and amending the Indenture dated as of July 1, 1998, as amended (including the form of 2.60% Notes due 2022) (Exhibit 4.25, Form 8-K dated September 28, 2012 for Tampa Electric Company).</a>	*
4.13	<a href="#">Eleventh Supplemental Indenture dated as of May 12, 2014 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (including the form of 4.35% Notes due 2044) (Exhibit 4.27, Form 8-K dated May 15, 2014).</a>	*

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- 4.14 [Twentieth Supplemental Indenture dated as of December 1, 2013 between Tampa Electric Company and US Bank, N.A., as successor trustee, amending and restating the Indenture of Mortgage among Tampa Electric Company, State Street Trust Company and First Savings & Trust Company of Tampa, dated as of August 1, 1946 \(Exhibit 4.30, Form 10-K for 2013 of Tampa Electric Company\).](#) \*
- 4.15 [Twelfth Supplemental Indenture dated as of May 20, 2015, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(including the form of 4.20% Notes due 2045\) \(Exhibit 4.24, Form 8-K dated May 20, 2015 of Tampa Electric Company\).](#) \*
- 4.16 [Thirteenth Supplemental Indenture dated as of June 7, 2018, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.9, Form 8-K dated June 7, 2018 of Tampa Electric Company\).](#) \*
- 4.17 [Fourteenth Supplemental Indenture dated as of October 4, 2018 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.11, Form 8-K dated October 4, 2018 of Tampa Electric Company\).](#) \*
- 4.18 [Fifteenth Supplemental Indenture dated as of July 24, 2019, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.13, Form 8-K dated July 24, 2019 of Tampa Electric Company\).](#) \*
- 4.19 [Sixteenth Supplemental Indenture dated as of March 18, 2021, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.9, Form 8-K dated March 18, 2021 of Tampa Electric Company\).](#) \*
- 4.20 [Seventeenth Supplemental Indenture dated as of July 12, 2022, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.12, Form 8-K dated July 12, 2022 of Tampa Electric Company\).](#) \*
- 4.21 [Eighteenth Supplemental Indenture dated as of January 30, 2024, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.9, Form 8-K dated January 30, 2024 of Tampa Electric Company\).](#) \*
- 10.1 [TECO Energy Group Supplemental Executive Retirement Plan, as amended and restated as of November 1, 2007 \(Exhibit 10.1, Form 10-K for 2007 of Tampa Electric Company\).](#) \*
- 10.2 [TECO Energy Group Supplemental Disability Income Plan, dated as of March 20, 1989 \(Exhibit 10.22, Form 10-K for 1988 of TECO Energy, Inc.\). \(P\)](#) \*
- 10.3 [TECO Energy Group Supplemental Benefits Trust Agreement effective as of January 1, 2020 \(Exhibit 10.4, Form 10-K for 2019 of Tampa Electric Company\).](#) \*
- 10.4 [TECO Energy Group Benefit Restoration Plan dated as of November 13, 2015 \(Exhibit 10.4, Form 10-K for 2015 of Tampa Electric Company\).](#) \*
- 10.5 [Insurance Agreement dated as of January 5, 2006 between Tampa Electric Company and Ambac Assurance Corporation \(Exhibit 10.1, Form 8-K dated January 19, 2006 of Tampa Electric Company\).](#) \*
- 10.6 [Amended and Restated Purchase and Contribution Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Originator, and TEC Receivables Corp., as the Purchaser \(Exhibit 10.1, Form 8-K dated March 24, 2015 of TECO Energy, Inc.\).](#) \*
- 10.7 [Loan and Servicing Agreement dated as of March 24, 2015, among TEC Receivables Corp., as Borrower, Tampa Electric Company, as Servicer, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Program Agent \(Exhibit 10.2, Form 8-K dated March 24, 2015 of TECO Energy, Inc.\).](#) \*

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- 10.8 [Amendment No. 1 to Loan and Servicing Agreement dated as of August 10, 2016, among TEC Receivables Corp., as Borrower, Tampa Electric Company, as Servicer, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Program Agent \(Exhibit 10.1, Form 10-Q for the quarter ended September 30, 2016 of Tampa Electric Company\).](#) \*
- 10.9 [Amendment No. 2 dated as of March 23, 2018 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent \(Exhibit 10.1, Form 8-K dated March 23, 2018 of Tampa Electric Company\).](#) \*
- 10.10 [Fifth Amended and Restated Credit Agreement dated as of March 22, 2017, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders and LC Issuing Banks party thereto \(Exhibit 10.1, Form 8-K dated March 22, 2017 of Tampa Electric Company\).](#) \*
- 10.11 [Master Lenders' Amendment and Consent dated as of December 19, 2019 to the Fifth Amended and Restated Credit Agreement dated as of March 22, 2017, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders and LC Issuing Banks party thereto \(Exhibit 10.12, Form 10-K for 2019 of Tampa Electric Company\).](#) \*
- 10.12 [Credit Agreement dated as of February 6, 2020, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated February 6, 2020 of Tampa Electric Company\).](#) \*
- 10.13 [Amendment No. 4 dated as of July 14, 2020 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent \(Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2020 of Tampa Electric Company\).](#) \*
- 10.14 [Amendment No. 5 dated as of October 30, 2020 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent \(Exhibit 10.1, Form 10-Q for the quarter ended September 30, 2020 of Tampa Electric Company\).](#) \*
- 10.15 [Amendment No. 1 dated January 29, 2021 to Credit Agreement dated as of February 6, 2020, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.15, Form 10-K for 2020 of Tampa Electric Company\).](#) \*
- 10.16 [Sixth Amended and Restated Credit Agreement dated as of December 18, 2020, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated December 18, 2020 of Tampa Electric Company\).](#) \*
- 10.17 [Seventh Amended and Restated Credit Agreement dated as of December 17, 2021, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Credit Facility Lenders party thereto \(Exhibit 10.2, Form 8-K dated December 17, 2021 of Tampa Electric Company\).](#) \*
- 10.18 [Credit Agreement dated as of December 17, 2021, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated December 17, 2021 of Tampa Electric Company\).](#) \*
- 10.19 [Amended and Restated Credit Agreement dated as of December 14, 2022, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated as of December 14, 2022 of Tampa Electric Company\).](#) \*

**TAMPA ELECTRIC COMPANY  
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FILED: AUGUST 28, 2025**

- 10.20 [Contribution Agreement dated January 1, 2023 between Tampa Electric Company and Peoples Gas Systems, Inc. \(Exhibit 10.1, Form 8-K dated January 1, 2023 of Tampa Electric Company\).](#) \*
- 10.21 [Loan Agreement dated January 1, 2023 between Tampa Electric Company and Peoples Gas Systems, Inc. \(Exhibit 10.2, Form 8-K dated January 1, 2023 of Tampa Electric Company\).](#) \*
- 10.22 [Credit Agreement dated as of March 1, 2023, among Tampa Electric Company, as Borrower, The Bank of Nova Scotia, as Administrative Agent, and the Lenders party thereto. \(Exhibit 10.1, Form 8-K dated March 6, 2023 of Tampa Electric Company\).](#) \*
- 10.23 [Credit Agreement dated as of April 3, 2023, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto. \(Exhibit 10.1, Form 8-K dated April 7, 2023 of Tampa Electric Company\).](#) \*
- 10.24 [Amendment No. 1 to Seventh Amended and Restated Credit Agreement dated as of April 3, 2023, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto. \(Exhibit 10.2, Form 8-K dated April 7, 2023 of Tampa Electric Company\).](#) \*
- 10.25 [Eighth Amended and Restated Credit Agreement, dated April 1, 2024, by and among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated April 1, 2024 of Tampa Electric Company\).](#) \*
- 23 [Consent of Independent Certified Public Accountants.](#)
- 31.1 [Certification of the Chief Executive Officer of Tampa Electric Company pursuant to Securities Exchange Act Rules 13a-14\(a\) and 15d-14\(a\) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of the Chief Financial Officer of Tampa Electric Company to Securities Exchange Act Rules 13a-14\(a\) and 15d-14\(a\) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32 [Certification of the Chief Executive Officer and Chief Financial Officer of Tampa Electric Company pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. <sup>\(1\)</sup>](#)
- 99.1 [Stipulation and Settlement Agreement, dated as of August 6, 2021, by and among Tampa Electric Company, the Office of Public Counsel, the Florida Industrial Power Users Group, Federal Executive Agencies, the Florida Retail Federation, Walmart, Inc., and the West Central Florida Hospital Utility Alliance \(Exhibit 99.1, Form 10-Q for the quarter ended June 30, 2021 of Tampa Electric Company\).](#) \*
- 101.INS\*\* Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.
- 101.SCH\*\* Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL\*\* Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF\*\* Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB\*\* Inline XBRL Taxonomy Label Linkbase Document.
- 101.PRE\*\* Inline XBRL Taxonomy Presentation Linkbase Document.
- 104 The cover page from TEC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 has been formatted in Inline XBRL.

(1) This certification accompanies the Annual Report on Form 10-K and is not filed as part of it.

\* Indicates exhibit previously filed with the Securities and Exchange Commission and incorporated herein by reference. Exhibits filed with periodic reports of TECO Energy, Inc. and Tampa Electric Company were filed under Commission File Nos. 1-8180 and 1-5007, respectively.

Certain instruments defining the rights of holders of long-term debt of Tampa Electric Company authorizing in each case a total amount of securities not exceeding 10% of total assets on a consolidated basis are not filed herewith. Tampa Electric Company will furnish copies of such instruments to the Securities and Exchange Commission upon request.

**Executive Compensation Plans and Arrangements**

Exhibits 10.1 through 10.4, above are management contracts or compensatory plans or arrangements in which executive officers or directors of Tampa Electric Company participate.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMPA ELECTRIC COMPANY

Dated: February 21, 2025

By: /s/ Archie Collins  
Archie Collins  
President and Chief Executive Officer and  
Director  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on February 20, 2025:

	<u>Title</u>
<u>/s/ Archie Collins</u> Archie Collins	President and Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Gregory W. Blunden</u> Gregory W. Blunden	Treasurer and Chief Financial Officer (Chief Accounting Officer) (Principal Financial and Accounting Officer)

<u>Signature</u>	<u>Title</u>
<u>/s/ Scott Balfour</u> Scott Balfour	Chairman of the Board and Director
<u>/s/ Patrick J. Geraghty</u> Patrick J. Geraghty	Director
<u>/s/ Rhea F. Law</u> Rhea F. Law	Director
<u>/s/ Chris Sprowls</u> Chris Sprowls	Director
<u>/s/ Rasesh Thakkar</u> Rasesh Thakkar	Director
<u>/s/ Jacqueline Bradley</u> Jacqueline Bradley	Director
<u>/s/ Pamela D. Iorio</u> Pamela D. Iorio	Director
<u>/s/ Daniel Muldoon</u> Daniel Muldoon	Director
<u>/s/ Ralph Tedesco</u> Ralph Tedesco	Director

**Supplemental Information to Be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act**

No annual report or proxy material has been sent to Tampa Electric Company's security holders because all of its equity securities are held by TECO Holdings, Inc.



**Exhibit 23**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (Form S-3 No.333-267890) of Tampa Electric Company and in the related Prospectus of our report dated February 21, 2025, with respect to the consolidated financial statements and financial statement schedule of Tampa Electric Company included in this Annual Report (Form 10-K) for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Tampa, Florida  
February 21, 2025

**Exhibit 31.1**

**CERTIFICATIONS**

I, Archie Collins, certify that:

1. I have reviewed this annual report on Form 10-K of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

/s/ ARCHIE COLLINS

ARCHIE COLLINS

President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS**

I, Gregory W. Blunden, certify that:

1. I have reviewed this annual report on Form 10-K of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

/s/ GREGORY W. BLUNDEN  
GREGORY W. BLUNDEN  
Treasurer and Chief Financial Officer  
(Chief Accounting Officer)  
(Principal Financial and Accounting Officer)

**TAMPA ELECTRIC COMPANY**

**Certification of Periodic Financial Report  
Pursuant to 18 U.S.C. Section 1350**

Each of the undersigned officers of Tampa Electric Company (the "Company") certifies, under the standards set forth in and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge, the Annual Report on Form 10-K of the Company for the year ended December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 21, 2025

/s/ ARCHIE COLLINS

ARCHIE COLLINS

President and Chief Executive Officer  
(Principal Executive Officer)

Dated: February 21, 2025

/s/ GREGORY W. BLUNDEN

GREGORY W. BLUNDEN

Treasurer and Chief Financial Officer  
(Chief Accounting Officer)  
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-K and shall not be considered filed as part of the Form 10-K.

## **Exhibit A-2**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission  
File No  
1-5007

Exact name of each registrant as specified in its charter, state of  
incorporation, address of principal executive offices, telephone number

I.R.S. Employer  
Identification Number  
59-0475140

**TAMPA ELECTRIC COMPANY**

(a Florida corporation)  
TECO Plaza  
702 N. Franklin Street  
Tampa, Florida 33602  
(813) 228-1111

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
None.		

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether Tampa Electric Company is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark whether Tampa Electric Company has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether Tampa Electric Company is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

As of August 7, 2025, there were 10 shares of Tampa Electric Company's common stock issued and outstanding, all of which were held, beneficially and of record, by TECO Holdings, Inc.

Tampa Electric Company meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format specified in General Instruction H(2) of Form 10-Q.

### ACRONYMS

Acronyms used in this and other filings with the U.S. Securities and Exchange Commission in 2025 and 2024 include the following:

<u>Term</u>	<u>Meaning</u>
AFUDC	allowance for funds used during construction
AFUDC-debt	debt component of allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CCRs	coal combustion residuals
CO <sub>2</sub>	carbon dioxide
CODM	chief operating decision maker
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada and the indirect parent company of Tampa Electric Company
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act
EUSHI	Emera US Holdings Inc., a wholly owned subsidiary of Emera, which is the sole shareholder of TECO Holdings' common stock as of April 1, 2024, and the sole shareholder of TECO Energy's common stock prior to April 1, 2024
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
GHG	greenhouse gas
IRS	Internal Revenue Service
ITCs	investment tax credits
MD&A	the section of this report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations
MGP	manufactured gas plant
MMBTU	one million British Thermal Units
MW	megawatt(s)
MWH	megawatt-hour(s)
NAV	net asset value
Note	Note to financial statements
NPNS	normal purchase normal sale
O&M expenses	operations and maintenance expenses
OCI	other comprehensive income
OPEB	other postemployment benefits
Parent	the direct parent company of Tampa Electric Company, which is TECO Holdings, Inc. as of April 1, 2024, and TECO Energy, Inc., prior to April 1, 2024
PBO	projected benefit obligation
PGS	Peoples Gas System, the former gas division of Tampa Electric Company
PGSI	Peoples Gas System, Inc.
PPA	power purchase agreement
PRP	potentially responsible party
PTCs	production tax credits
ROE	return on common equity
Regulatory ROE	return on common equity as determined for regulatory purposes
S&P	Standard and Poor's
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SPP	storm protection plan
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the direct parent company of Tampa Electric Company prior to April 1, 2024
TECO Holdings	TECO Holdings, Inc., the direct parent company of Tampa Electric Company as of April 1, 2024
U.S. GAAP	generally accepted accounting principles in the United States

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

This Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. Forward-looking statements generally can be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "will be," "will continue," "may," "could," "will likely result," and similar expressions. The factors that could cause actual results to differ materially from the forward-looking statements made by TEC include those factors discussed herein, including those factors discussed with respect to TEC in (1) TEC's 2024 Annual Report on Form 10-K in (a) Part I, Item 1A. Risk Factors, (b) Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part II, Item 8. Financial Statements: Note 8, Commitments and Contingencies; (2) this Quarterly Report on Form 10-Q in (a) Part 1, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (b) Part 1, Item 1. Financial Statements: Note 8, Commitments and Contingencies, and (3) other factors discussed in filings with the SEC by TEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. TEC does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Form 10-Q.

All references to "dollars" and "\$" in this and other filings with the U.S. Securities and Exchange Commission are references to U.S. dollars, unless specifically indicated otherwise.



**TAMPA ELECTRIC COMPANY  
APPLICATION FOR AUTHORITY  
TO ISSUE AND SELL SECURITIES  
FILED: AUGUST 28, 2025**

**PART I. FINANCIAL INFORMATION**

**Item 1. FINANCIAL STATEMENTS**

**TAMPA ELECTRIC COMPANY  
Condensed Balance Sheets  
Unaudited**

<i>Assets</i> <i>(millions)</i>	<i>June 30,</i> <i>2025</i>	<i>December 31,</i> <i>2024</i>
<b>Property, plant and equipment</b>		
Utility plant, at original costs	\$ 15,146	\$ 14,433
Accumulated depreciation	<del>(3,516)</del>	<del>(3,448)</del>
Utility plant, net	11,630	11,085
Other property	19	18
Total property, plant and equipment, net	11,649	11,103
<b>Current assets</b>		
Cash and cash equivalents	12	4
Receivables, less allowance for credit losses of \$1 and \$1 at June 30, 2025 and December 31, 2024, respectively	330	220
Due from affiliates	18	13
Inventories, at average cost		
Fuel	39	45
Materials and supplies	199	191
Regulatory assets	390	343
Prepayments and other current assets	33	32
Total current assets	1,021	848
<b>Other assets</b>		
Regulatory assets	986	1,098
Other	74	58
Total other assets	1,060	1,156
<b>Total assets</b>	<u>\$ 13,730</u>	<u>\$ 13,107</u>

The accompanying notes are an integral part of the condensed financial statements.

**TAMPA ELECTRIC COMPANY  
APPLICATION FOR AUTHORITY  
TO ISSUE AND SELL SECURITIES  
FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY  
Condensed Balance Sheets - continued  
Unaudited**

<i>Liabilities and Capitalization (millions)</i>	<i>June 30, 2025</i>	<i>December 31, 2024</i>
<b>Capitalization</b>		
Common stock	\$ 5,380	\$ 5,105
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	322	218
Total capita.	5,701	5,322
Long-term debt	4,529	3,935
Total capitalization	10,230	9,257
<b>Current liabilities</b>		
Notes payable	464	636
Accounts payable	464	666
Due to affiliates	14	18
Customer deposits	126	126
Regulatory liabilities	101	146
Accrued interest	42	34
Accrued taxes	62	12
Other	65	58
Total current liabilities	1,338	1,693
<b>Long-term liabilities</b>		
Deferred income taxes	971	976
Regulatory liabilities	741	758
Investment tax credits	239	224
Deferred credits and other liabilities	211	199
Total long-term liabilities	2,162	2,157
<b>Commitments and Contingencies</b> (see Note 8)		
<b>Total liabilities and capitalization</b>	<b>\$ 13,730</b>	<b>\$ 13,107</b>

The accompanying notes are an integral part of the condensed financial statements.

**TAMPA ELECTRIC COMPANY**  
**APPLICATION FOR AUTHORITY**  
**TO ISSUE AND SELL SECURITIES**  
**FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY**  
**Condensed Statements of Income and Comprehensive Income**  
**Unaudited**

<i>(millions)</i>	<i>Three months ended June 30,</i>	
	<i>2025</i>	<i>2024</i>
<b>Revenues</b>		
Electric	\$ 839	\$ 672
<b>Expenses</b>		
Fuel	120	131
Purchased power	68	35
Operations and maintenance	206	142
Depreciation and amortization	127	115
Taxes, other than income	65	59
Total expenses	583	480
<b>Income from operations</b>	256	192
<b>Other income</b>		
Allowance for equity funds used during construction	11	6
Other income, net	6	3
Total other income	17	9
<b>Interest charges</b>		
Interest expense	57	49
Allowance for borrowed funds used during construction	(5)	(2)
Total interest charges	52	47
<b>Income before provision for income taxes</b>	221	154
Provision for income taxes	33	18
<b>Net income</b>	\$ 188	\$ 136
<b>Comprehensive income</b>	\$ 188	\$ 136

The accompanying notes are an integral part of the condensed financial statements.

**TAMPA ELECTRIC COMPANY**  
**APPLICATION FOR AUTHORITY**  
**TO ISSUE AND SELL SECURITIES**  
**FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY**  
**Condensed Statements of Income and Comprehensive Income**  
**Unaudited**

<i>(millions)</i>	<i>Six months ended June 30,</i>	
	<i>2025</i>	<i>2024</i>
<b>Revenues</b>		
Electric	\$ 1,488	\$ 1,220
<b>Expenses</b>		
Fuel	243	264
Purchased power	106	43
Operations and maintenance	348	276
Depreciation and amortization	246	225
Taxes, other than income	121	111
Total expenses	1,064	919
<b>Income from operations</b>	424	301
<b>Other income</b>		
Allowance for equity funds used during construction	21	11
Other income, net	12	9
Total other income	33	20
<b>Interest charges</b>		
Interest expense	112	100
Allowance for borrowed funds used during construction	(8)	(4)
Total interest charges	104	96
<b>Income before provision for income taxes</b>	353	225
Provision for income taxes	51	26
<b>Net income</b>	\$ 302	\$ 199
<b>Comprehensive income</b>	\$ 302	\$ 199

The accompanying notes are an integral part of the condensed financial statements.

**TAMPA ELECTRIC COMPANY**  
**APPLICATION FOR AUTHORITY**  
**TO ISSUE AND SELL SECURITIES**  
**FILED: AUGUST 28, 2025**

**TAMPA ELECTRIC COMPANY**  
**Condensed Statements of Cash Flows**  
**Unaudited**

<i>(millions)</i>	<i>Six months ended June 30,</i>	
	<i>2025</i>	<i>2024</i>
<b>Cash flows from operating activities</b>		
Net income	\$ 302	\$ 199
Adjustments to reconcile net income to cash from operating activities:		
Depreciation and amortization	246	225
Deferred income taxes and investment tax credits	(2)	0
Allowance for equity funds used during construction	(21)	(11)
Deferred recovery clauses	(72)	82
Regulatory assets and liabilities	95	45
Pension and post-retirement asset and liabilities	(5)	(7)
Other	(1)	1
Changes in working capital:		
Receivables, less allowance for credit losses	(115)	(12)
Inventories	(2)	(2)
Taxes accrued	50	32
Interest accrued	11	12
Accounts payable	(224)	(65)
Other	(3)	(4)
Cash flows from operating activities	259	495
<b>Cash flows used in investing activities</b>		
Capital expenditures	(768)	(607)
Net proceeds from sale of assets	19	3
Cash flows used in investing activities	(749)	(604)
<b>Cash flows from financing activities</b>		
Equity contributions from Parent	275	420
Proceeds from long-term debt issuance	595	495
Net decrease in short-term debt (maturities of 90 days or less)	(172)	(641)
Dividends to Parent	(198)	(148)
Other	0	(2)
Cash flows from financing activities	498	124
<b>Net increase in cash, cash equivalents and restricted cash</b>	8	15
<b>Cash and cash equivalents at beginning of period</b>	4	5
<b>Cash, cash equivalents and restricted cash at end of period</b>	\$ 12	\$ 20
<b>Cash, cash equivalents and restricted cash consists of:</b>		
Cash and cash equivalents	\$ 12	\$ 10
Restricted cash	0	10
Cash, cash equivalents and restricted cash	\$ 12	\$ 20
<b>Supplemental disclosure of non-cash activities</b>		
Change in accrued capital expenditures	\$ 19	\$ 15

The accompanying notes are an integral part of the condensed financial statements.

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**TAMPA ELECTRIC COMPANY  
Condensed Statements of Capitalization  
Unaudited**

<i>(millions, except share amounts)</i>	Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Capital
<b><u>Three months ended June 30, 2025</u></b>					
Balance, March 31, 2025	10	\$ 5,255	\$ 248	\$ (1)	\$ 5,502
Net income			188		188
Equity contributions from Parent		125			125
Dividends to Parent			(114)		(114)
Balance, June 30, 2025	<u>10</u>	<u>\$ 5,380</u>	<u>\$ 322</u>	<u>\$ (1)</u>	<u>\$ 5,701</u>
<b><u>Three months ended June 30, 2024</u></b>					
Balance, March 31, 2024	10	\$ 4,805	\$ 197	\$ (1)	\$ 5,001
Net income			136		136
Equity contributions from Parent		120			120
Dividends to Parent			(63)		(63)
Balance, June 30, 2024	<u>10</u>	<u>\$ 25</u>	<u>\$ 270</u>	<u>\$ (1)</u>	<u>\$ 94</u>
<b><u>Six months ended June 30, 2025</u></b>					
Balance, December 31, 2024	10	\$ 5,105	\$ 218	\$ (1)	\$ 5,322
Net income			302		302
Equity contributions from Parent		275			275
Dividends to Parent			(198)		(198)
Balance, June 30, 2025	<u>10</u>	<u>\$ 5,380</u>	<u>\$ 322</u>	<u>\$ (1)</u>	<u>\$ 5,701</u>
<b><u>Six months ended June 30, 2024</u></b>					
Balance, December 31, 2023	10	4,505	\$ 219	\$ (1)	\$ 4,723
Net income			199		199
Equity contributions from Parent		420			420
Dividends to Parent			(148)		(148)
Balance, June 30, 2024	<u>10</u>	<u>\$ 4,925</u>	<u>\$ 270</u>	<u>\$ (1)</u>	<u>\$ 5,194</u>

The accompanying notes are an integral part of the condensed financial statements.

**TAMPA ELECTRIC COMPANY  
NOTES TO CONDENSED FINANCIAL STATEMENTS  
UNAUDITED**

**1. Summary of Significant Accounting Policies**

See TEC's Annual Report on Form 10-K for the year ended December 31, 2024 for a complete discussion of accounting policies. The significant accounting policies for TEC include the following:

**Principles of Consolidation and Basis of Presentation**

TEC is comprised of the electric division, referred to as Tampa Electric, which is engaged in the generation, purchase, transmission, distribution and sale of electric energy in West Central Florida. Prior to April 1, 2024, TEC was a wholly owned subsidiary of TECO Energy, which is an indirect, wholly owned subsidiary of Emera. On April 1, 2024, TECO Energy distributed its investment in TEC to TECO Holdings, Inc. in a transaction intended to qualify as a tax-free reorganization. This new corporation is also an indirect, wholly owned subsidiary of Emera.

In the opinion of management, the unaudited condensed financial statements include all adjustments that are of a recurring nature and necessary to state fairly the financial position of TEC as of June 30, 2025 and December 31, 2024, and the results of operations and cash flows for the periods ended June 30, 2025 and 2024. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results that can be expected for the entire fiscal year ending December 31, 2025.

The use of estimates is inherent in the preparation of financial statements in accordance with U.S. GAAP. Actual results could differ from these estimates. The year-end Condensed Balance Sheet was derived from audited financial statements; however, this quarterly report on Form 10-Q does not include all year-end disclosures required for an annual report on Form 10-K by U.S. GAAP.

**Receivables and Allowance for Credit Losses**

Receivables on the Condensed Balance Sheets include receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, totaling \$330 million and \$219 million as of June 30, 2025 and December 31, 2024, respectively. An allowance for credit losses is established based on TEC's collection experience and reasonable and supportable forecasts that affect the collectibility of the reported amount. Circumstances that could affect TEC's estimates of credit losses include, but are not limited to, customer credit issues, generating fuel prices, customer deposits and general economic conditions. Accounts are reserved in the allowance or written off once they are deemed to be uncollectible.

As of June 30, 2025 and December 31, 2024, unbilled revenues of \$98 million and \$68 million, respectively, are included in the "Receivables" line item on the Condensed Balance Sheets.

**Accounting for Franchise Fees and Gross Receipts**

TEC is allowed to recover certain costs from customers on a dollar-for-dollar basis through rates approved by the FPSC. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Condensed Statements of Income. Franchise fees and gross receipt taxes payable by TEC are included as an expense on the Condensed Statements of Income in "Taxes, other than income". These amounts totaled \$37 million and \$31 million for the three months ended June 30, 2025 and 2024, respectively, and totaled \$66 million and \$57 million for the six months ended June 30, 2025 and 2024, respectively.

**2. New Accounting Pronouncements**

*Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosures. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. The standard also requires disclosure of income (loss) before provision for income taxes and income tax expense (benefit) in accordance with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application – General Notes to Financial Statements: Income Tax Expense, and the removal of disclosures no longer considered cost beneficial or relevant. The guidance will be effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

### *Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting—Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard updates are to be applied prospectively with the option for retrospective application. TEC is currently evaluating the impact of adoption of the standard update on its financial statement disclosures.

## **3. Regulatory**

### **Tampa Electric Base Rates**

On April 2, 2024, Tampa Electric requested a base rate increase, reflecting an increased revenue requirement of \$297 million, effective January 1, 2025, and additional adjustments of \$100 million and \$72 million for 2026 and 2027, respectively. Prior to the rate case hearing, Tampa Electric submitted revisions to its requested base rate increase to reflect items that included production tax credits, energy storage life expectancy, and the company's grid reliability and resilience project. On December 3, 2024, the FPSC rendered a decision during a Special Agenda and the final order, reflecting such decision, was issued on February 3, 2025. The FPSC decision includes an increase of \$185 million in 2025 and adjustments of \$87 million and \$9 million in 2026 and 2027, respectively. The decision also allowed for equity in the capital structure to continue to be 54% from investor sources of capital. The allowed regulatory ROE range is 9.50% to 11.50% with a 10.50% midpoint, effective January 1, 2025. On February 18, 2025, a motion for reconsideration on certain aspects of the rate case order was filed by an intervening party with the FPSC. On May 6, 2025, the FPSC denied the motion for reconsideration, except with respect to immaterial calculation corrections, and a final order was issued on June 11, 2025. On March 3, 2025, two intervening parties each filed a notice of appeal to the Florida Supreme Court regarding the outcome of Tampa Electric's 2024 base rate proceeding. As of August 8, 2025, the intervening parties have not filed their briefs related to the appeal.

### **Tampa Electric Storm Restoration Cost Recovery**

In accordance with Tampa Electric's 2021 rate case settlement agreement and continued with Tampa Electric's 2024 rate case order, in the event of a named storm that results in damage to its system, Tampa Electric can petition the FPSC to seek recovery of those costs over a 12-month period or longer as determined by the FPSC, as well as replenish its storm reserve regulatory liability of \$56 million. Based on an FPSC order, if the charges to the storm reserve exceed the reserve liability account balance, the excess is to be carried as a regulatory asset. At June 30, 2025 and December 31, 2024, the balance in the regulatory asset for storm restoration costs was \$285 million and \$377 million, respectively.

Hurricane Helene made landfall on September 26, 2024. Tampa Electric was impacted by Hurricane Helene, resulting in a peak number of customers out of approximately 100,000. As of June 30, 2025, TEC deferred \$48 million related to Hurricane Helene to the storm reserve for future recovery, with a minimal impact to earnings.

Hurricane Milton, the worst weather event to impact the area in over 100 years, made landfall on October 9, 2024. Tampa Electric was impacted by Hurricane Milton, resulting in a peak number of customers out of approximately 600,000. As of June 30, 2025, TEC deferred \$340 million related to Hurricane Milton to the storm reserve for future recovery, with a minimal impact to earnings.

Restoration costs for the storms described above are deferred and will be collected from customers in subsequent periods. On February 4, 2025, the FPSC approved Tampa Electric's petition filed on December 27, 2024 for the recovery, over an 18-month period beginning in March 2025, of \$466 million to replenish the storm reserve for costs associated with Hurricane Idalia, Hurricane Debby, Hurricane Helene and Hurricane Milton and the associated interest, of which \$98 million has been collected as of June 30, 2025. The amount of cost-recovery is subject to a true-up mechanism with the FPSC.

## **Regulatory Assets and Liabilities**

Details of the regulatory assets and liabilities are presented in the following table:



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**Regulatory Assets and Liabilities**

(millions)

	June 30, 2025	December 31, 2024
<b>Regulatory assets:</b>		
Regulatory tax asset <sup>(1)</sup>	\$ 125	\$ 117
Cost-recovery clauses <sup>(2)</sup>	36	20
Capital cost recovery for early retired assets <sup>(3)</sup>	520	513
Capital cost recovery for retired Polk Unit 1 components <sup>(4)</sup>	136	142
Postretirement benefits <sup>(5)</sup>	240	243
Storm reserve <sup>(6)</sup>	285	377
Other	34	29
Total regulatory assets	1,376	1,441
Less: Current portion	390	343
Long-term regulatory assets	\$ - 986	\$ 1,098
<b>Regulatory liabilities:</b>		
Regulatory tax liability	\$ 446	\$ 456
Cost-recovery clauses - deferred balances <sup>(2)</sup>	24	80
Accumulated reserve - cost of removal <sup>(8)</sup>	259	307
Deferred production tax credits <sup>(9)</sup>	48	57
Other	25	7
Total regulatory liabilities	842	904
Less: Current portion	101	146
Long-term regulatory liabilities	\$ 741	\$ 758

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected regulatory life of the related assets.
- (2) These assets and liabilities are related to FPSC clauses and riders. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.
- (3) This regulatory asset is related to the remaining net book value of Big Bend Units 1 through 3 and smart meter assets that were retired. The balance earns a rate of return as permitted by the FPSC and will be recovered as a separate line item on customer bills for a period of 15 years, beginning in 2022 through 2036.
- (4) This regulatory asset is related to the remaining net book value of certain components of Polk Unit 1 that were early retired on December 31, 2024. The balance earns a rate of return as permitted by the FPSC and will be recovered through base rates over an 11-year recovery period beginning on January 1, 2025.
- (5) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.
- (6) See "Tampa Electric Storm Restoration Cost Recovery" above for information regarding this reserve. The regulatory asset is included in rate base and earns a rate of return as permitted by the FPSC.
- (7) The regulatory tax liability is primarily related to the revaluation of TEC's deferred income tax balances recorded on December 31, 2017 at the lower corporate income tax rate due to U.S. tax reform. The liability related to the revaluation of the deferred income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.
- (8) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.
- (9) This regulatory liability represents the deferred benefit for PTCs available for qualifying solar facilities placed in service beginning January 1, 2022 through December 31, 2024, which reduced income tax expense and reduces rate base for ratemaking purposes. Following the recommendation of the FPSC, these PTC deferrals are being amortized over a three-year period starting in 2025.

#### 4. Income Taxes

##### One Big Beautiful Bill Act

On July 4, 2025, H.R. 1 – One Big Beautiful Bill Act (OBBBA) was signed into law. The OBBBA makes permanent many of the expired and expiring tax provisions originally enacted in the Tax Cuts and Jobs Act of 2017. It also includes significant changes in future years to the timing and availability of several clean energy tax credits previously enacted in the Inflation Reduction Act, including the investment tax credit and production tax credit. TEC is currently evaluating the impact of the enacted changes but does not anticipate they will have a material impact on its financial statements.

##### Income Tax Expense

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based upon a standalone return method, modified for the benefits-for-loss allocation in accordance with EUSHI's tax sharing agreement. To the extent that TEC's cash tax positions are settled differently than the amount reported as realized under the tax sharing agreement, the difference is accounted for as either a capital contribution or a distribution.

TEC's effective tax rates for the six months ended June 30, 2025 and 2024 were 14.4% and 11.6%, respectively. The June 30, 2025 and 2024 effective tax rates are an estimate of the annual effective income tax rate. TEC's effective tax rate for the six months ended June 30, 2025 and 2024 differed from the statutory rate principally due to the tax benefit from production tax credits and amortization of the regulatory tax liability resulting from tax reform. The effective tax rate for the six months ended June 30, 2025 is higher compared to the same period in 2024 primarily due to an increase in pre-tax income, partially offset by higher benefit from production tax credits related to solar facilities. See **Note 3** for further information regarding the regulatory tax liability.

#### 5. Employee Postretirement Benefits

In 2024, TEC was a participant in the comprehensive retirement plans of TECO Energy, LLC (formerly known as TECO Energy, Inc. prior to April 1, 2024). Effective January 1, 2025, the comprehensive retirement plans were transferred to TECO Holdings, Inc. The following table presents detail related to TECO Holdings' periodic benefit cost for pension and other postretirement benefits. Amounts disclosed for TECO Holdings' pension benefits include the amounts related to its qualified pension plan and non-qualified, non-contributory SERP and Restoration Plan.

##### **TECO Holdings Benefit Cost**

(millions)

Three months ended June 30,

##### **Components of net periodic benefit cost**

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 5	\$ 5	\$ 0	\$ 0
Interest cost	9	8	1	1
Expected return on assets	(14)	(13)	0	0
Amortization of actuarial loss (gain)	2	1	0	0
Net periodic benefit cost	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

Six months ended June 30,

##### **Components of net periodic benefit cost**

Service cost	\$ 9	\$ 9	\$ 0	\$ 0
Interest cost	18	17	3	3
Expected return on assets	(27)	(27)	0	0
Amortization of actuarial loss (gain)	4	3	0	(1)
Net periodic benefit cost	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 2</u>

TEC's portion of the net periodic benefit cost for the three months ended June 30, 2025 and 2024, respectively, was \$1 million and zero for pension benefits, and \$2 million and \$1 million for other postretirement benefits. TEC's portion of the net periodic benefit cost for the six months ended June 30, 2025 and 2024, respectively, was \$2 million and zero for pension benefits, and

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\$3 million and \$2 million for other postretirement benefits. TEC's portion of net periodic benefit costs for pension and other benefits is included as an expense on the Condensed Statements of Income in "Operations & maintenance".

TECO Holdings assumed a long-term EROA of 7.05% and a discount rate of 5.66% for pension benefits under its qualified pension plan for 2025. For TECO Holdings' other postretirement benefits, TECO Holdings used a discount rate of 5.69% for 2025.

TECO Holdings made contributions of \$9 million and \$12 million to its qualified pension plan in the six months ended June 30, 2025 and 2024, respectively. TEC's portion of these contributions was \$6 million and \$7 million during the six months ended June 30, 2025 and 2024, respectively. TECO Holdings expects to make contributions to the pension plan of \$9 million for the remainder of 2025. TEC estimates its portion of the remaining 2025 contributions to be \$5 million. See **Note 1** for further information regarding TECO Holdings.

Included in the benefit cost discussed above, for the three and six months ended June 30, 2025, \$2 million and \$3 million, respectively, of unamortized prior service benefits and costs and actuarial gains and losses were reclassified by TEC from regulatory assets to the Condensed Statement of Income, compared with \$1 million and \$2 million for the three and six months ended June 30, 2024, respectively.

## 6. Short-Term Debt

Details of TEC's short-term borrowings are presented in the following table:

	June 30, 2025				December 31, 2024			
	Credit Facilities	Borrowings Outstanding - Credit Facilities <sup>(1)</sup>	Borrowings Outstanding - Commercial Paper <sup>(1)</sup>	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding - Credit Facilities <sup>(1)</sup>	Borrowings Outstanding - Commercial Paper <sup>(1)</sup>	Letters of Credit Outstanding
(millions)								
Credit facilities	\$ 800	\$ 0	\$ 464	\$ -	\$ 800	\$ 0	\$ 696	\$ 1

(1) Borrowings outstanding are reported as notes payable.

(2) This credit facility was planned to mature on December 17, 2026. On April 1, 2024, TEC amended the credit facility agreement to extend the maturity date to December 1, 2028. TEC also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by TEC's credit facility. The amount of commercial paper issued results in an equal amount of its credit facility being considered drawn and unavailable.

At June 30, 2025, these credit facilities required a commitment fee of 12.5 basis points. The weighted-average interest rate on borrowings outstanding under the credit facilities and commercial paper at June 30, 2025 and December 31, 2024 was 4.7% and 4.8%, respectively.

As of June 30, 2025 and December 31, 2024, the carrying value of TEC's short-term debt was not materially different from the fair value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of TEC's short-term debt is determined using Level 2 measurements.

## 7. Long-Term Debt

### Fair Value of Long-Term Debt

At June 30, 2025, TEC's long-term debt, including the current portion, had a carrying amount of \$4,529 million and an estimated fair market value of \$4,042 million. At December 31, 2024, long-term debt had a carrying amount of \$3,935 million and an estimated fair market value of \$3,431 million. The fair value of the debt securities is determined using Level 2 measurements.

### TEC 5.15% Notes due 2035

On March 6, 2025, TEC completed a sale of \$600 million aggregate principal amount of 5.15% Notes due March 1, 2035 (the 2035 Notes). Prior to December 1, 2034, in the case of the 2035 Notes, TEC may redeem all or any part of such series of Notes at its option at a redemption price equal to the greater of (i) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semi-annual basis at the Treasury Rate plus 15 basis points less interest accrued to the date of redemption or (ii) 100% of the principal amount of the notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to the redemption date. On or after December 1, 2034, TEC may redeem the 2035 Notes, in whole or in part, at

any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the redemption date. TEC used the net proceeds from this offering for the repayment of a portion of the borrowings outstanding under the 5-year credit facility as disclosed in **Note 6**.

## 8. Commitments and Contingencies

### Legal Contingencies

From time to time, TEC and its subsidiaries are involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss.

### Long-Term Commitments

TEC has commitments for various purchases as disclosed below, including payment obligations under contractual agreements for fuel, fuel transportation and power purchases that are recovered from customers under regulatory clauses. The following is a schedule of future payments under net purchase obligations/commitments at June 30, 2025:

<i>(millions)</i>	Transportation	Capital Projects <sup>(1)</sup>	Fuel and Gas Supply	Long-term Service Agreements	Leases	Purchased Power Agreements	Demand Side Management	Total
2025	\$ 75	\$ 132	\$ 160	\$ 14	\$ 2	\$ 18	\$ 3	\$ 404
2026	146	48	77	18	2	7	1	299
2027	178	19	24	23	2	7	1	254
2028	140	2	1	20	2	7	0	172
2029	121	0	0	20	2	7	0	150
Thereafter	1,208	0	0	32	108	39	0	1,387
Total future minimum payments	\$ 1,868	\$ 201	\$ 262	\$ 127	\$ 118	\$ 85	\$ 5	\$ 2,666

- (1) These estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates.

### Debt Covenants

TEC must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements and has certain restrictive covenants in specific agreements and debt instruments. At June 30, 2025, TEC was in compliance with all required covenants.

## 9. Revenue

The following disaggregates TEC's revenue by major source:

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(millions)

Three months ended June 30,

	<u>2025</u>	<u>2024</u>
<b>Electric revenue</b>		
Residential	\$ 462	\$ 385
Commercial	269	177
Industrial	49	42
Regulatory deferrals	6	(28)
Unbilled revenue	26	24
Other <sup>(1)</sup>	87	72
<b>Total revenue</b>	<u>\$ 839</u>	<u>\$ 672</u>

Six months ended June 30,

	<u>2025</u>	<u>2024</u>
<b>Electric revenue</b>		
Residential	\$ 798	\$ 689
Commercial	381	332
Industrial	95	82
Regulatory deferrals	16	(50)
Unbilled revenue	30	27
Other <sup>(1)</sup>	168	140
<b>Total revenue</b>	<u>\$ 1,488</u>	<u>\$ 1,220</u>

(1) Other electric revenue includes sales to public authorities, off-system sales to other utilities and various other items.

#### *Remaining Performance Obligations*

Remaining performance obligations primarily represent lighting contracts with fixed contract terms. As of June 30, 2025 and December 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$99 million. As allowed under ASC 606, Revenue from Contracts with Customers, these amounts exclude contracts with an original expected length of one year or less and variable amounts for which TEC recognizes revenue at the amount to which it has the right to invoice for services performed. TEC expects to recognize revenue for the remaining performance obligations through 2045.

#### **10. Segment Information**

Segments are determined based on how TEC's chief operating decision maker (CODM) evaluates, measures and makes decisions with respect to the operations of the entity, resulting in segments based on products and services. TEC operates under a single operating and reportable segment because the operations of TEC only include the operations of the electric division. TEC is a public utility operating within the State of Florida and is engaged in the generation, purchase, transmission, distribution and sale of electric energy in West Central Florida.

TEC's CODM is the Chief Executive Officer. The CODM uses several measures to allocate capital and resources for TEC, predominantly in the annual budget and forecasting processes. The CODM evaluates performance by considering budget-to-actual variances for these measures monthly. The measure used by the CODM that is the most consistent with US GAAP measurement principles is net income.

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(millions)

Three months ended June 30,

	2025	2024
Revenues	\$ 839	\$ 672
Less:		
Fuel	120	13
Purchased power	68	35
Operations & maintenance, excluding FPSC-approved regulatory deferrals	100	46
Operations & maintenance related to FPSC-approved regulatory deferrals	106	46
Depreciation and amortization	124	113
Interest charges	52	47
Other segment items <sup>(1)</sup>	48	38
Provision for income taxes	33	18
Net income	\$ 188	\$ 136
Capital expenditures	\$ 459	\$ 339

Six months ended June 30,

Revenues	\$ 1,488	\$ 1,220
Less:		
Fuel	243	264
Purchased power	106	43
Operations & maintenance, excluding FPSC-approved regulatory deferrals	197	191
Operations & maintenance related to FPSC-approved regulatory deferrals	151	85
Depreciation and amortization	246	225
Interest charges	104	96
Other segment items <sup>(1)</sup>	88	91
Provision for income taxes	51	26
Net income	\$ 302	\$ 199
Capital expenditures	\$ 768	\$ 607
Total assets at June 30, 2025	\$ 13,730	
Total assets at December 31, 2024	\$ 13,107	

(1) Other segment items include taxes other than income, partially offset by AFUDC and other income, net.

**Item 2. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION & RESULTS OF OPERATIONS**

**Operating Company Results**

Amounts included below are pre-tax, except net income and income taxes.

Tampa Electric's net income for the second quarter of 2025 was \$188 million, compared with \$136 million for the same period in 2024. Results primarily reflected higher base revenue resulting from the 2024 rate case. Base revenues are energy sales excluding revenues from clauses, gross receipts taxes and franchise fees. Clauses, gross receipts taxes and franchise fees do not have a material effect on net income as these revenues substantially represent a dollar-for-dollar recovery of clause and other pass-through costs.

Revenues for the second quarter of 2025 were \$167 million higher than in the same period in 2024, driven by higher base revenue due to new base rates as a result of the 2024 rate case, favorable weather compared to the same period in 2024, customer growth, storm surcharge revenue and increased regulatory deferral revenue. Total degree days (a measure of heating and cooling demand) in Tampa Electric's service area in the second quarter of 2025 were 16% above normal (a 20-year statistical degree day average) and 6% above the 2024 period, reflecting favorable weather in the second quarter of 2025 compared to 2024.

O&M expense for the second quarter of 2025 was \$64 million higher than in 2024 due to increased storm cost recognition of \$71 million related to storm surcharge revenue (offset in revenue) and increased operational expenses of \$7 million, partially offset by decreased regulatory deferrals of \$14 million. The increase in operating expenses was primarily due to higher solar operations, software maintenance and benefit costs partially offset by timing of generation outages. The decrease in regulatory deferrals is primarily due to the 2024 deferral of the benefit from production tax credits. During 2022 through 2024, TEC recorded a regulatory liability of \$57 million to defer the benefit of PTCs. Starting in 2025, the deferred PTC benefit is being amortized over a three-year period (see **Note 3 to the TEC Condensed Financial Statements** for further information). O&M decreased by \$16 million in 2025 due to the absence of the \$11 million deferral of benefits from PTCs in the second quarter of 2024 and the \$5 million amortization of the regulatory liability in the second quarter of 2025. Depreciation and amortization expense increased \$11 million for the second quarter of 2025 compared to 2024 as a result of additions to facilities and the in-service of capital projects.

Tampa Electric's net income year-to-date 2025 was \$302 million, compared with \$199 million for the same period in 2024. Results primarily reflected higher base revenues resulting from the 2024 rate case.

Revenues were \$268 million higher than year-to-date 2024 primarily driven by higher base revenue due to new base rates as a result of the 2024 rate case, favorable weather compared to the same period in 2024, customer growth, storm surcharge revenue and increased regulatory deferral revenue. Total degree days (a measure of heating and cooling demand) in Tampa Electric's service area year-to-date 2025 were 10% above normal (a 20-year statistical degree day average) and 7% above the 2024 period, reflecting favorable weather year-to-date in 2025 compared to 2024. Results also reflect a 1% increase in the number of customers year-to-date in 2025 compared to the same period in 2024.

O&M expense was \$72 million higher than year-to-date 2024 due to storm cost recognition of \$85 million related to storm surcharge revenue (offset in revenue) and increased operational expenses of \$9 million, partially offset by decreased regulatory deferrals of \$22 million. The increase in operating expenses was primarily due to higher solar operations, software maintenance and benefit costs partially offset by timing of generation outages. The decrease in regulatory deferrals is primarily due to the deferred benefit from production tax credits. During 2022 through 2024, TEC recorded a regulatory liability of \$57 million to defer the benefit of PTCs. Starting in 2025, the deferred PTC benefit is being amortized over a three-year period (see **Note 3 to the TEC Condensed Financial Statements** for further information). O&M decreased by \$27 million in 2025 due to the absence of the \$17 million deferral of benefits from PTCs in year-to-date 2024 and the \$10 million amortization of the regulatory liability in year-to-date 2025. Depreciation and amortization expense increased \$21 million year-to-date 2025 compared to the same period in 2024 primarily due to additions to facilities and the in-service of capital projects.

TEC's regulated operating statistics for the three and six months ended June 30, 2025 and 2024 were as follows:

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<i>(millions, except customers and total degree days)</i>			<i>Operating Revenues</i>			<i>Kilowatt-Hours Billed</i>		
<b>Three months ended June 30,</b>			2025	2024	% Change	2025	2024	% Change
<b>By Customer Type</b>								
Residential <sup>(1)</sup>	\$	462	\$	385	20	2,631	2,600	1
Commercial <sup>(1)</sup>		209		177	18	1,647	1,649	(1)
Industrial <sup>(1)</sup>		49		42	17	532	507	5
Other <sup>(1)</sup>		63		54	17	488	476	3
Regulatory deferrals and unbilled revenue <sup>(2)</sup>		32		(3)	1,167			
Total retail sales of electricity		815		655	24	5,298	5,232	1
Off system sales of electricity		4		2	100	102	61	67
Other operating revenue		20		15	33			
Total revenues	\$	839	\$	672	25	5,400	5,293	2
<b>By Sales Type</b>								
Base	\$	453	\$	399	14			
Clause		229		200	15			
Capital cost recovery for early retired assets		17		17	0			
Storm surcharge		78		7	1,014			
Gross receipts taxes and franchise fees		37		31	19			
Other		25		18	39			
Total revenues	\$	839	\$	672	25			
Retail net energy for load (kilowatt-hours)		5,895		5,884	0			
Total degree days		1,470		1,390	6			

<i>(millions, except customers and total degree days)</i>			<i>Operating Revenues</i>			<i>Kilowatt-Hours Billed</i>		
<b>Six months ended June 30,</b>			2025	2024	% Change	2025	2024	% Change
<b>By Customer Type</b>								
Residential <sup>(1)</sup>	\$	798	\$	689	16	4,718	4,558	4
Commercial <sup>(1)</sup>		381		332	15	3,059	3,011	2
Industrial <sup>(1)</sup>		95		82	16	1,053	984	7
Other <sup>(1)</sup>		119		105	13	997	898	11
Regulatory deferrals and unbilled revenue <sup>(2)</sup>		46		(23)	300			
Total retail sales of electricity		1,439		1,185	21	9,767	9,451	3
Off system sales of electricity		14		7	100	269	192	40
Other operating revenue		35		28	25			
Total revenues	\$	1,488	\$	1,220	22	10,036	9,643	4
<b>By Sales Type</b>								
Base	\$	825	\$	714	15			
Clause		420		369	14			
Capital cost recovery for early retired assets		32		32	0			
Storm surcharge		98		13	654			
Gross receipts taxes and franchise fees		66		57	16			
Other		49		35	40			
Total revenues	\$	1,488	\$	1,220	22			
Customers at June 30, (thousands)		862		850	1			
Retail net energy for load (kilowatt-hours)		10,504		10,343	2			
Total degree days		2,063		1,920	7			

(1) Reflects a billing cycle measurement.

(2) Primarily reflects unbilled revenue, which incorporates a calendar measurement, and postings for clause recovery deferrals.



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### Other Income

For the second quarter of 2025 and 2024, respectively, TEC's other income was \$17 million and \$9 million, which included AFUDC-equity of \$11 million and \$6 million and other income of \$6 million and \$3 million. For the year-to-date periods in 2025 and 2024, respectively, TEC's other income was \$33 million and \$20 million, which included AFUDC-equity of \$21 million and \$11 million and other income of \$12 million and \$9 million. The increase in AFUDC-equity is primarily due to the timing of solar, resiliency and other projects and an increase in the applicable AFUDC rate. On April 24, 2025, the FPSC approved to change the rate used to account for AFUDC from 6.07% to 6.65% effective January 1, 2025.

### Interest Expense

For the second quarter of 2025 and 2024, TEC's interest expense, excluding AFUDC-debt, was \$57 million and \$49 million, respectively. For the year-to-date periods in 2025 and 2024, TEC's interest expense, excluding AFUDC-debt, was \$112 million and \$100 million, respectively. The increase is due to higher borrowings, primarily resulting from storm costs incurred in 2024 and support of TEC's capital program.

### Income Taxes

The provisions for income taxes were \$33 million and \$18 million for the three months ended June 30, 2025 and 2024, respectively, and \$51 million and \$26 million for the six months ended June 30, 2025 and 2024, respectively. Compared to the 2024 periods, the increase in the provision for income taxes for the three and six months ended June 30, 2025 was primarily due to higher pre-tax income, partly offset by higher benefit from production tax credits related to solar facilities.

### Liquidity and Capital Resources

The table below sets forth the June 30, 2025 liquidity, cash balances and amounts available under the TEC credit facilities.

<i>(millions)</i>	
Credit facilities/ commercial paper	\$ 800
Drawn amounts/letters of credit	(465)
Available credit facilities	335
Cash	12
<b>Total liquidity</b>	<b>\$ 347</b>

### Cash Impacts Related to Operating Activities

Cash flows from operating activities in the six months ended June 30, 2025 were \$259 million, a decrease of \$236 million compared to the same period in 2024. Decreases to cash from operations were primarily due to higher fuel costs driving under-recoveries and changes in accounts receivable balances resulting from increased base rates and storm cost recoveries reflected in customer bills, partially offset by higher net income.

### Cash Impacts Related to Financing Activities

Cash flows from financing activities for the six months ended June 30, 2025 resulted in net cash inflows of \$498 million. TEC received \$275 million of equity contributions from Parent and \$593 million of net proceeds from a long-term debt issuance, partially offset by \$172 million of net payments in short-term debt with maturities with 90 days or less and \$198 million of dividends to Parent.

### Covenants in Financing Agreements

In order to utilize its bank credit facilities, TEC must meet certain financial tests as defined in the applicable agreements. In addition, TEC has certain restrictive covenants in specific agreements and debt instruments. At June 30, 2025, TEC was in compliance with all applicable financial covenants. The following table contains the significant financial covenant and the performance relative to it at June 30, 2025.

### Significant Financial Covenants

Instrument <sup>(1)</sup>	Financial Covenant <sup>(2)</sup>	Requirement/Restriction	Calculation at June 30, 2025
Credit facility - \$800 million	Debt/capital	Cannot exceed 65%	46.7%

- (1) See **Note 6** to the **TEC Condensed Financial Statements** for details of the credit facility.  
(2) As defined in the instrument.

#### **Credit Ratings of Senior Unsecured Debt at June 30, 2025**

	S&P	Moody's	Fitch
Credit ratings of senior unsecured deb	BBB+	A3	
Credit ratings outlook	Stable	Negative	Stable

Certain of TEC's derivative instruments contain provisions that require TEC's debt to maintain investment-grade credit ratings.

#### **Commitments and Contingencies**

See **Note 8** to the **TEC Condensed Financial Statements** for information regarding TEC's commitments and contingencies as of June 30, 2025.

#### **Regulatory Matters**

See **Note 3** to the **TEC Condensed Financial Statements** for information regarding TEC's regulatory matters, including TEC's request for a base rate increase and TEC's storm restoration cost recovery.

#### **Fair Value Measurements**

TEC considered the impact of nonperformance risk in determining the fair value of derivatives. TEC considered the net position with each counterparty, past performance and the intent of the parties, indications of credit deterioration and whether the markets in which TEC transacts have experienced dislocation. At June 30, 2025, the fair value of derivatives was not materially affected by nonperformance risk.

#### **Critical Accounting Policies and Estimates**

Critical accounting policies and estimates have not materially changed in 2025. For further discussion of critical accounting policies and estimates, see **TEC's Annual Report on Form 10-K** for the year ended December 31, 2024.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Information required by Item 3 is omitted pursuant to General Instruction H(2) of Form 10-Q.

### **Item 4. CONTROLS AND PROCEDURES**

- (a) **Evaluation of Disclosure Controls and Procedures.** TEC's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of TEC's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2025. Based on such evaluation, TEC's principal financial officer and principal executive officer have concluded that, as of June 30, 2025, TEC's disclosure controls and procedures are effective.
- (b) **Changes in Internal Controls.** There was no change in TEC's internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of TEC's internal control over financial reporting that occurred during TEC's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, such controls.

**PART II. OTHER INFORMATION**

**Item 1. LEGAL PROCEEDINGS**

From time to time, TEC is involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss. For a discussion of legal proceedings and environmental matters, see **Note 8** of the **TEC Condensed Financial Statements**.

**Item 6. EXHIBITS**

Exhibit No.	Description
3.1	Restated Articles of Incorporation of Tampa Electric Company, as amended on November 30, 1982 (Exhibit 3 to Registration Statement No. 2-70653 of Tampa Electric Company). (P) *
3.2	<a href="#">Bylaws of Tampa Electric Company, as amended effective February 2, 2011 (Exhibit 3.4, Form 10-K for 2010 of Tampa Electric Company).</a> *
4.1	<a href="#">Nineteenth Supplemental Indenture dated as of March 6, 2025, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (Exhibit 4.11, Form 8-K dated March 6, 2025 of Tampa Electric Company).</a> *
31.1	<a href="#">Certification of the Chief Executive Officer of Tampa Electric Company pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of the Chief Financial Officer of Tampa Electric Company pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer of Tampa Electric Company pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a> <sup>(1)</sup>
101.INS**	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document with Embedded Linkbase Documents.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Label Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

(1) This certification accompanies the Quarterly Report on Form 10-Q and is not filed as part of it.

\* Indicates exhibit previously filed with the Securities and Exchange Commission and incorporated herein by reference. Exhibits filed with periodic reports of TECO Energy, Inc. and TEC were filed under Commission File Nos. 1-8180 and 1-5007, respectively.

\*\* The XBRL related information in Exhibit 101 to this quarterly report on Form 10-Q shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

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FILED: AUGUST 28, 2025**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMPA ELECTRIC COMPANY  
(Registrant)

Date: August 8, 2025

By: /s/ Gregory W. Blunden

Gregory W. Blunden  
Treasurer and Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATIONS**

I, Archie Collins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ ARCHIE COLLINS

ARCHIE COLLINS  
President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS**

Exhibit 31.2

I, Gregory W. Blunden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ GREGORY W. BLUNDEN  
\_\_\_\_\_  
GREGORY W. BLUNDEN  
Treasurer and Chief Financial Officer  
(Principal Financial and Accounting Officer)

**Certification of Periodic Financial Report  
Pursuant to 18 U.S.C. Section 1350**

Each of the undersigned officers of Tampa Electric Company (the "Company") certifies, under the standards set forth in and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

/s/ ARCHIE COLLINS  
\_\_\_\_\_  
ARCHIE COLLINS  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: August 8, 2025

/s/ GREGORY W. BLUNDEN  
\_\_\_\_\_  
GREGORY W. BLUNDEN  
Treasurer and Chief Financial Officer  
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.

# **Exhibit B**



EXHIBIT B

PAGE 1 OF 1

**TAMPA ELECTRIC DIVISION  
PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2026  
(MILLIONS)**

Cash Flows from Operating Activities:	
Depreciation	\$ 573
Deferred Income Taxes	(21)
Other	<u>238</u>
	790
Cash Flows from Investing Activities:	
Capital Expenditures, excluding AFUDC	(1,650)
Cash Flows from Financing Activities:	
Changes in Financing	<u>860</u>
Total Cash Flows, excluding Net Income	\$ <u><u>0</u></u>

**TAMPA ELECTRIC DIVISION  
PROJECTED CONSTRUCTION BUDGET  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2026  
(MILLIONS)**

Generation	\$ 724
Transmission & Distribution	857
Other	<u>69</u>
Total Projected Construction Budget, excluding AFUDC	\$ <u><u>1,650</u></u>