

State of Florida



Public Service Commission

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

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

DATE: May 20, 2026

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

FROM: Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis *LD*

RE: Docket No.: 20260010-EI
Company Name: Tampa Electric Company
Company Code: EI806
Audit Purpose: A3g: Storm Protection Plan Cost Recovery Clause
Audit Control No.: 2026-020-1-3

Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and audit report. If the Utility desired to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are no confidential work papers associated with this audit.

Attachement: Audit Report

Cc: Office of Audit & Performance Analysis

State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Tampa Electric Company
Storm Protection Plan Cost Recovery Clause

Twelve Months Ended December 31, 2025

Docket No. 20260010-EI
Audit Control No. 2026-020-1-3
May 18, 2026

Handwritten signature of Alan LaPointe in blue ink.

Alan LaPointe
Audit Manager

Handwritten signature of Kathryn Guan in blue ink.

Kathryn Guan
Audit Staff

Handwritten signature of Lynn M. Deamer in blue ink.

Lynn M. Deamer
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by Office of Industry Development & Market Analysis in its audit service request dated January 15, 2026. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Tampa Electric Company in support of its 2025 filing for the Storm Protection Plan Cost Recovery Clause in Docket No. 202600010-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

TECO/Company refers to the Tampa Electric Company.

SPPCRC refers to the Storm Protection Plan Cost Recovery Clause.

Background

On April 1, 2026, Tampa Electric Company filed support for its Storm Protection Plan Cost Recovery factor, for the period January 2025 through December 2025, and the 2025 Storm Protection Plan Accomplishments.

Rate Base

Plant

Objectives: The objective was to determine that the plant additions, retirements, and adjustments for the year ended December 31, 2025, related to the Storm Protection Plan Cost Recovery Clause programs.

Procedures: We obtained the plant additions and retirements of SPPCRC for 2025. We recalculated the total plant additions for the Programs Distribution Lateral Undergrounding, Transmission Asset Upgrades, Distribution Asset Upgrades, and Distribution Overhead Feeder Hardening, and reconciled to Form A-7. We judgmentally selected plant transactions of each program for sample testing, and traced to the supporting documentation. We obtained the supporting documentation of plant additions and clearings to plant, and traced to Form A-7. No exceptions were noted.

Capital Investment

Objectives: The objectives were to determine whether: 1) The capital investment for the Programs Distribution Lateral Undergrounding, Transmission Asset Upgrades, Distribution Asset Upgrades, and Distribution Overhead Feeder Hardening were properly booked and recorded, 2) The corresponding Plant-in-Service and Depreciation Base are appropriately recorded, and 3) CWIP Non Interest Bearing Accounts are calculated correctly for the test year ended December 31, 2025.

Procedures: We recalculated the capital investment activities for the Programs Distribution Lateral Undergrounding, Transmission Asset Upgrades, Distribution Asset Upgrades, and Distribution Overhead Feeder Hardening, and reconciled to Forms A-7. We obtained the equity and debit rates and recalculated the Return on Average Net Investment, and traced to Form A-7. We selected a judgmental sample from each program and traced to the supporting documentation. No exceptions were noted.

True-up

Objective: The objective was to determine if the True-Up and Interest Provision, as filed, was properly calculated for SPPCRC.

Procedures: We traced the December 31, 2024, True-Up Provision to Commission Order No. PSC-2025-0439-FOF-EI. We recalculated the True-Up and Interest Provision amounts as of December 31, 2025, using the Commission-approved beginning balance as of December 31, 2024, the Financial Commercial Paper rates, and the 2025 revenues and costs. No exceptions were noted.

Net Operating Income

Operating Revenue

Objectives: The objectives were to determine whether the revenue filed by the Company was supported by Company documentation and agrees to the general ledger.

Procedures: We computed revenues using the factors in the Order PSC-2025-0439-FOF-EI and actual Kilowatt Hours (kWh) sales from the Revenue Reports and reconciled them to the general ledger and the SPPCRC. No exceptions were noted.

Operation and Maintenance Expense

Objectives: The objectives were to review the expenses the company included in the clause and determine whether these expenses are properly recoverable and supported by documentation.

Procedures: We recalculated the O&M program expenses for each program from the general ledger, and reconciled to Forms A-4 and A-5. We performed a judgmental sample for each Program, and traced them to the supporting documentation. No exceptions were noted.

Depreciation and Amortization Expenses

Objectives: The objective was to determine that the most recent Commission-approved depreciation rates and amortization periods were used in the Company's Storm Protection Plan schedules and the amounts were calculated correctly for the period ended December 31, 2025.

Procedures: We traced all depreciation rates used by Program and Account number from the Company's supporting documentation to the approved Depreciation Rates in Commission Order No. PSC-2021-0324-FOF-EI. We obtained all depreciation rates used for each Program, and traced to the Commission-approved depreciation rates. We traced the Depreciation Expenses and Depreciation Savings to the supporting documentation. No exceptions were noted.

Accounting Practices

Objectives: The objectives were to: 1) Substantiate if the Company changed any of its accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause, and 2) Determine if the Company changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause.

Procedures: We requested and reviewed the accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Protection Plan Cost Recovery Clause. We reviewed whether the Company changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause. We confirmed that the Company has no change to its allocation method. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: True-up

Form A-2
Page 1 of 1

Tampa Electric Company
Storm Protection Plan Cost Recovery Clause
Final True-Up
Prior Period: January 2025 through December 2025

Calculation of True-Up Amount
(in Dollars)

Line	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1. Clause Revenues (net of Revenue Taxes)	\$ 8,980,459	\$ 9,070,647	\$ 7,945,059	\$ 8,766,595	\$ 10,253,558	\$ 11,731,749	\$ 11,738,346	\$ 12,550,008	\$ 11,827,621	\$ 10,805,550	\$ 9,385,215	\$ 8,237,236	\$ 121,295,451
2. True-Up Provision	(88,838)	(88,838)	(88,838)	(88,838)	(88,838)	(88,838)	(88,838)	(88,838)	(88,838)	(88,838)	(88,838)	(88,843)	(1,066,051)
3. Clause Revenues Applicable to Period (Lines 1 + 2)	8,891,621	8,981,809	7,856,221	8,677,757	10,164,720	11,642,911	11,649,508	12,461,170	11,738,783	10,716,712	9,296,377	8,148,393	120,229,399
4. Jurisdictional SPPCRC Costs													
a. O&M Activities (Form 5A, Line 13)	2,702,951	2,629,551	2,954,263	3,357,245	2,529,872	2,695,350	2,965,507	3,322,528	2,792,766	3,720,441	2,592,565	3,431,038	35,715,036
b. Capital Investment Projects (Form 7A, Line 6.e.)	5,535,974	5,668,832	5,801,505	5,955,758	6,111,454	6,257,359	6,378,054	6,525,685	6,680,513	6,807,882	6,545,692	7,115,755	75,785,063
c. Total Jurisdictional SPPCRC Costs	8,238,925	8,298,383	8,755,767	9,313,004	8,641,326	8,952,709	9,343,561	9,848,213	9,473,279	10,528,323	9,138,257	10,546,793	111,500,100
5. Over/Under Recovery (Line 3 - Line 4c)	652,786	683,426	(899,546)	(635,247)	1,523,394	2,689,502	2,284,937	2,612,957	2,265,504	192,799	(245,870)	(2,398,400)	8,725,242
6. Interest Provision (Form A-3, Line 10)	31,180	34,041	33,909	31,321	33,527	41,667	50,975	55,958	67,288	65,415	68,188	62,014	583,483
7. Beginning Balance True-Up & Interest Provision	8,218,848	8,991,652	9,797,957	9,022,158	8,507,070	10,152,829	12,972,836	15,397,586	18,158,339	20,579,969	20,531,021	20,842,177	8,218,848
a. Deferred True-Up from January 2024 to December 2024 (Order No. PSC-2025-0439-FOF-EI)	0	0	0	0	0	0	0	0	0	0	0	0	0
8. True-Up Collected/(Refunded) (see Line 2)	88,838	88,838	88,838	88,838	88,838	88,838	88,838	88,838	88,838	88,838	88,838	88,843	1,066,051
9. End of Period Total True-Up (Lines 5+6+7+8)	8,991,652	9,797,957	9,022,158	8,507,070	10,152,829	12,972,836	15,397,586	18,158,339	20,579,969	20,931,021	20,842,177	18,593,634	18,593,634
10. Adjustment to Period True-Up (including Interest)	0	0	0	0	0	0	0	0	0	0	0	0	0
11. End of Period Total True-Up (Lines 9 + 10)	\$ 8,991,652	\$ 9,797,957	\$ 9,022,158	\$ 8,507,070	\$ 10,152,829	\$ 12,972,836	\$ 15,397,586	\$ 18,158,339	\$ 20,579,969	\$ 20,931,021	\$ 20,842,177	\$ 18,593,634	\$ 18,593,634

Exhibit 2: Interest-Provision

Tampa Electric Company
Storm Protection Plan Cost Recovery Clause
Final True-Up
Prior Period: January 2025 through December 2025
Calculation of Interest Provision for True-Up Amount
(In Dollars)

Line	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1. Beginning True-Up Amount (Form A-2, Line 7+7a+10)	\$ 8,218,848	\$ 8,991,682	\$ 9,797,957	\$ 9,022,158	\$ 8,507,070	\$ 10,182,829	\$ 12,972,836	\$ 15,397,886	\$ 16,188,338	\$ 20,579,969	\$ 20,931,021	\$ 20,542,177	
2. Ending True-Up Amount Before Interest	9,958,472	9,763,916	8,988,249	8,475,748	10,119,302	12,931,169	15,346,511	18,098,381	20,512,681	20,861,606	20,773,989	18,531,620	
3. Total of Beginning & Ending True-Up (Lines 1 + 2)	17,178,320	18,755,588	18,786,206	17,497,907	18,626,372	23,083,998	28,319,447	33,495,967	38,671,020	41,441,575	41,705,010	39,373,757	
4. Average True-Up Amount (Line 3 x 1/2)	8,589,660	9,377,784	9,393,103	8,748,954	9,313,186	11,541,999	14,159,724	16,747,984	19,335,510	20,720,788	20,862,505	19,686,889	
5. Interest Rate (First Day of Reporting Business Month)	4.36%	4.35%	4.35%	4.32%	4.28%	4.35%	4.31%	4.32%	4.26%	4.08%	3.96%	3.89%	
6. Interest Rate (First Day of Subsequent Business Month)	4.35%	4.35%	4.32%	4.28%	4.35%	4.31%	4.32%	4.26%	4.08%	3.96%	3.89%	3.66%	
7. Total of Beginning & Ending Interest Rates (Lines 5 + 6)	8.71%	8.70%	8.67%	8.60%	8.63%	8.66%	8.63%	8.58%	8.34%	8.04%	7.85%	7.55%	
8. Average Interest Rate (Line 7 x 1/2)	4.355%	4.350%	4.336%	4.300%	4.315%	4.330%	4.315%	4.290%	4.170%	4.020%	3.925%	3.775%	
9. Monthly Average Interest Rate (Line 8 x 1/12)	0.363%	0.363%	0.361%	0.358%	0.360%	0.361%	0.360%	0.358%	0.348%	0.335%	0.327%	0.315%	
10. Interest Provision for the Month (Line 4 x Line 9)	\$ 31,180	\$ 34,041	\$ 33,909	\$ 31,321	\$ 33,527	\$ 41,667	\$ 50,975	\$ 58,958	\$ 67,288	\$ 69,415	\$ 68,188	\$ 62,014	\$ 583,483