FILED 7/8/2026
DOCUMENT NO. 03976-2026
FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 20260001-EI
In re: Review of the 2024-2025 outage of Tampa Electric Company's Bayside Steam Turbine Unit 2.	DOCKET NO. 20260053-EI
In re: Petition for approval of revised depreciation rates for Bayside Power Station assets, by Tampa Electric Company.	DOCKET NO. 20260062-EI ORDER NO. PSC-2026-0243-PCO-EI ISSUED: July 8, 2026

ORDER ESTABLISHING PROCEDURE

I. **Case Background**

Two replacement power issues associated with Tampa Electric Company's (TECO) Bayside Unit 2 were raised in the 2026 Fuel Clause docket, Docket 20260001-EI:[1] replacement power costs associated with an outage of TECO's Bayside Steam Turbine 2 lasting from October 1, 2024 to August 15, 2025, and replacement power costs associated with a forced outage of Bayside Combustion Turbine 2D from January 22, 2025 to June 12, 2025. TECO and the Office of Public Counsel (OPC) filed a Joint Motion to spin-off the Bayside Steam Turbine 2 outage into a separate docket on March 23, 2026, due to the complexity of the outage and the volume of confidential utility and third-party documents that would have to be reviewed. This request was granted by Order No. PSC-2026-0081-PCO-EI[2] and Docket No. 20260053-EI, *In re: Review of the 2024-2025 outage of Tampa Electric Company's Bayside Steam Turbine Unit 2*, was established on April 6, 2026.

The January 22, 2025 to June 12, 2025 Bayside Combustion Turbine 2D outage was not moved to the new docket, but remained at issue in Docket No. 2026001-EI.

On April 15, 2026, TECO filed a petition seeking approval of revised depreciation rates for its Bayside Power Station assets to be effective January 1, 2027. Docket No. 20260062-EI was assigned to the depreciation rate change petition.

On June 16, 2026, TECO filed a Motion to Approve 2026 Bayside Agreement (Stipulation and Settlement Agreement dated June 12, 2026, or "2026 Bayside Agreement") which proposed to resolve both Bayside Steam Turbine 2 and Bayside Combustion Turbine 2D

[1] Docket No. 20260001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.
[2] Order No. PSC-2026-0081-PCO-EI, issued April 1, 2026, in Docket No. 20260001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.*

outage issues and the depreciation rate changes for the Bayside Power Station assets. The signatories to the 2026 Bayside Agreement are TECO and OPC. There are no other parties to Docket Nos. 20260053-EI or Docket No. 20260062-EI. The Fuel Clause docket, Docket 20260001-EI, has seven parties in addition to TECO and OPC: Florida Public Utilities Company; Duke Energy Florida, LLC; Florida Power & Light Company; Florida Industrial Power Users Group; Southern Alliance for Clean Energy; PCS Phosphate; and Nucor Steel Florida. All of these parties have stated that they take no position on the 2026 Bayside Agreement. That being the case, the 2026 Bayside Agreement is an unopposed settlement.

A hearing will be held on August 4, 2026, to address the 2026 Bayside Agreement and thereby resolve both the Bayside Steam Unit 2 and Bayside Combustion Turbine 2D replacement power issues, as well as the proposed change to Bayside Power Station asset depreciation rates.

This Order sets forth the procedural requirements for all parties to these dockets with respect to the hearing. Jurisdiction over these matters is vested in the Commission through several provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S. This Order is issued pursuant to the authority granted by Rule 28-106.211, Florida Administrative Code (F.A.C.), which provides that the presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, prevent delay, and promote the just, speedy, and inexpensive determination of all aspects of the case.

II. Settlement Orders

The Commission has a long history of considering settlements as a means of resolving litigated matters. In particular, the complex nature of litigated matters before the Commission incentivizes parties to work together, in the spirit of compromise, towards a resolution that can be offered for consideration. TECO and OPC have agreed on the following major elements: base rate freeze; replacement power issues for Bayside Steam Turbine 2 and Bayside Combustion Turbine 2D; and Bayside Power Station depreciation rate revisions. These major elements will be considered by the Commission in determining whether the 2026 Bayside Agreement is in the public interest.[3]

III. Testimony and Exhibits

The parties have agreed to stipulate the direct testimony of Jeff Chronister, Kris Stryker, and Ned Allis into the record. The parties have also agreed to stipulate the following into the record:

Docket No. 20260062-EI
Staff's First Data Request Nos. 1-13, dated June 8, 2026;

Staff's Second Data Request Nos. 1-2, dated June 10, 2026;

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[3] "[W]hile the Commission need not resolve every issue independently in its final order when it is reviewing a settlement agreement, it must nonetheless discuss the major elements of the settlement agreement and explain why it is in the public interest." *Floridians Against Increased Rates v. Clark,* 371 So.3d 905, 912 (Fla. 2023) (internal quotations marks and citations omitted).

Exhibit No. (JC-1) – Document No. 1, Forecasted Bayside Station plant balances by account and subaccount for the years ended 2025; Document No. 2, Forecasted Bayside Station plant balances by account and subaccount for the years ended 2026; Document No. 3, Forecasted Bayside Station plant depreciation reserve balances by account and sub-account for the years ended 2025; and Document No. 4, Forecasted Bayside Station plant depreciation reserve balances by account and subaccount for the years ended 2026 ;

Exhibit No. (NA-1) – Document No. 1, 2026 Bayside Study and Document No. 2, List of cases in which Ned Allis submitted testimony;

Exhibit (KS-1) – Document No. 1, Bayside Unit 1 diagram and Document No. 2, Bayside Combustion Turbine Run-hour forecast.

Docket No. 20260053-EI
OPC's Third Set of Interrogatories Nos. 3-6 (Bates Nos. 173053-173067), ST2;

Staff's First Data Request Nos. 1-6 (Bates Nos. 173069-17077), ST2;

Supplemental response to Staff's First Data Request No. 5, dated June 11, 2026 (Bates No. 173078) ST2.

Docket No. 20250001-EI
Second Supplemental response to OPC's First Request for Production of Documents No. 1, dated October 8, 2025 (Bates Nos. 70-132) ST2;

Staff's First Set of Interrogatories No. 1, GE Vernova Root Cause Analysis, dated May 2, 2025 (Bates Nos. 4-42) ST2.

Docket No. 20260001-EI
Revised response to OPC's Second Set of Interrogatories No. 2, dated June 11, 2026 (Bates Nos. 30-31) CT2D;

Revised response to Staff's First Set of Interrogatories Nos. 1b, 4a, and 4d, dated June 11, 2026 (Bates Nos. 1-18 and 23-24) ST2 and CT2D.

IV. Hearing Procedures

A. Attendance at Hearing

Unless excused by the Prehearing Officer for good cause shown, each party shall personally appear at the hearing. Failure of a party, or that party's representative, to appear shall constitute waiver of that party's issues, and that party may be dismissed from the proceeding.

B. Witness Panel

TECO will produce witnesses at the final hearing, sitting as a panel, who will address the major elements in the 2026 Bayside Agreement and why it is in the public interest.

C. Cross-Examination

The parties shall avoid duplicative or repetitious cross-examination.

V. Post-Hearing Procedures

If the Commission does not render a bench decision at the hearing, it may allow each party to file a post-hearing statement of issues and positions pursuant to the schedule set forth in Section VI of this Order. In such event, a summary of each position, set off with asterisks, shall be included in that statement. If a post-hearing statement is required and a party fails to file in conformance with Rule 28-106.215, F.A.C., that party shall have waived all issues and may be dismissed from the proceeding.

Further, pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time, unless modified by the Presiding Officer.

VI. Controlling Dates

The following dates are established for Commission consideration of the 2026 Bayside Agreement:

Hearing	August 4, 2026
Post-Hearing Briefs, if any	August 14, 2026

Based on the foregoing, it is

ORDERED by Commissioner Gary F. Clark, as Prehearing Officer, that the provisions of this Order shall govern this proceeding unless modified by the Commission.

By ORDER of Commissioner Gary F. Clark, as Prehearing Officer, this 8th day of July, 2026.

GARY F. CLARK
Commissioner and Prehearing Officer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor	DOCKET NO. 20260001-EI
In re: Review of the 2024-2025 Outage of Tampa Electric Company's Bayside Steam Turbine Unit 2	DOCKET NO. 20260053-EI
In re: Petition for Approval of Revised Depreciation Rates for Bayside Power Station Assets by Tampa Electric Company	DOCKET NO. 20260062-EI

STIPULATION AND SETTLEMENT AGREEMENT

THIS AGREEMENT is dated this 12th of June, 2026 and is by and between Tampa Electric Company ("Tampa Electric" or the "company") and the Office of Public Counsel ("OPC"). Tampa Electric and OPC shall be referred to collectively as the "Parties", and the term "Party" shall be the singular form of the term "Parties". This agreement shall be referred to as the "2026 Bayside Agreement".

Recitals

Tampa Electric filed a Petition for Approval of Revised Depreciation Rates for Bayside Power Station Assets on April 15, 2026, which was assigned Docket No. 20260062-EI ("Bayside Depreciation Docket"). Therein, the company requested new depreciation rates that reflect longer remaining lives and later retirement dates for Bayside Power Station assets resulting from the retrofit of the steam turbines for Bayside Units 1 and 2 in 2026 and 2025, respectively ("Proposed Bayside Depreciation Rates").

Docket No. 20260001-EI is the Florida Public Service Commission's ("FPSC" or "Commission") annual proceeding to address fuel and purchased power cost recovery for Florida electric public utilities ("Fuel Docket"). The Parties and FPSC Staff ("Staff") identified two replacement power issues in the Fuel Docket, one of which was associated with an unplanned outage involving the Bayside 2 Steam Turbine ("Bayside ST Outage"), which was spun off and is currently under consideration in Docket No. 20260053-EI. The other replacement power issue is associated with a forced outage of Bayside Combustion Turbine 2D from January 22, 2025 through June 12, 2025 ("Bayside CT2D Outage"), which is currently under consideration in the Fuel Docket.

OPC and the Staff have conducted extensive discovery addressing the depreciation and replacement power issues in the three dockets. The company has answered interrogatories and data requests and produced approximately 14,000 documents (approximately 175,000 individual pages) in support of its positions on the prudence of its actions for the two outages and the reasonableness of the company's depreciation proposals. The Parties have undertaken to resolve these issues by agreement to: (1) protect the interests of the company's customers and the company, (2) promote regulatory efficiency, and (3) avoid the inherent risks, uncertainties, dedication of resources, and costs of further litigation.

The Parties have entered into this 2026 Bayside Agreement in compromise of positions in accordance with their rights and interests under Chapters 120, 350, and 366, Florida Statutes, as applicable, and believe that this 2026 Bayside Agreement completely and fairly resolves all of the issues presented in Docket Nos. 20260053-EI and 20260062-EI and the Bayside CT2D Outage issue in Docket No. 20260001-EI, is in the public interest, determines and approves reasonable depreciation rates for Bayside Power Station assets, will result in fuel and purchased power cost recovery factors that are fair, just, and reasonable, and will not result in changes to the company's currently approved base rates and charges.

As part of a negotiated exchange of consideration among the Parties to this 2026 Bayside Agreement, each Party has agreed to concessions to the other with the expectation, intent, and understanding that all provisions of the 2026 Bayside Agreement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to all Parties.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, which the Parties agree and acknowledge constitute good and valuable consideration, the Parties hereby stipulate and agree as follows:

Terms

1. Base Rate Freeze. Except for the rate and tariff changes to implement the company's 2027 Subsequent Year Adjustment as approved by Order No. PSC-2025-0038-FOF-EI, dated February 3, 2025, in Docket No. 20240026-EI ("2024 Rate Case Final Order"), the company may not petition to change any of its general base rates, charges, or credits for retail electric service with an effective date earlier than January 1, 2028. This provision shall not prevent the company from filing for approval, or limit the Commission's authority to act, on large load tariffs as required by Section 3 of Chapter 2026-65, Laws of Florida, as codified in Section 366.043, Florida Statutes ("Data Center Law").

2. Replacement Power Issues. The Parties agree that the replacement fuel and purchased power issues associated with the Bayside ST Outage and Bayside CT2D Outage, in Docket Nos. 20260053-EI and 20260001-EI, respectively, shall be resolved by reducing the company's recoverable fuel and purchased power expense in Docket No. 20260001-EI by a combined total of $10 million. This amount shall be a full and complete satisfaction of the company's liability for replacement fuel and purchased power issues associated with the Bayside ST Outage and Bayside CT2D Outage. This amount is a negotiated amount agreed to by the Parties based on their understanding and assessment of the litigation risks associated with the issues in the cases and was not based on specific adjustments with identified dollar amounts or a prudence determination on the merits attributable to the advocacy positions of either Party

3. Depreciation Issues. The Parties agree, as a full and complete resolution of the issues in Docket No. 20260062-EI, that the Proposed Bayside Depreciation Rates are reasonable, that the Commission should find that they are reasonable, and that the Commission should approve the Proposed Bayside Depreciation Rates to be effective July 1, 2026.

4. Approval. The provisions of this 2026 Bayside Agreement are contingent on approval of this agreement as presented and in its entirety by the Commission without modification. The Parties agree and ask that the Commission find that: (a) this 2026 Bayside Agreement is in the public interest; (b) will result in fuel and purchased power cost recovery factors that are fair, just, and reasonable; (c) will result in depreciation parameters and rates associated with the Bayside Power Station Assets that are reasonable, and (d) will not result in changes to the company's currently approved base

rates and charges. The Parties further agree that they will support this 2026 Bayside Agreement, and that they will not request or support any order, relief, outcome, or result in conflict with the terms of this 2026 Bayside Agreement in any future administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this 2026 Bayside Agreement or the subject matter hereof. Neither Party shall seek appellate review of any Commission order approving this 2026 Bayside Agreement.

5. No Precedential Value. This 2026 Bayside Agreement reflects a compromise of disputed claims and shall not be construed as a finding of, or an admission by, any Party of any liability, wrongdoing, or imprudence. No Party will assert in any proceeding before the Commission that this 2026 Bayside Agreement or any of the terms in the 2026 Bayside Agreement shall have any precedential value. The Parties' agreement to the terms in this 2026 Bayside Agreement shall be without prejudice to any Party's ability to advocate a different position in future proceedings not involving this 2026 Bayside Agreement. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party will assert or represent in any future proceeding in any forum that another Party endorses any specific provision of this 2026 Bayside Agreement by virtue of that Party's signature on, or participation in, this 2026 Bayside Agreement. It is the intent of the Parties to this 2026 Bayside Agreement that the Commission's approval of all the terms and provisions of this 2026 Bayside Agreement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this 2026 Bayside Agreement endorses a specific provision,

in isolation, of this 2026 Bayside Agreement by virtue of that Party's signature on, or participation in, this 2026 Bayside Agreement. However, nothing in this paragraph shall impact the continuing validity of this 2026 Bayside Agreement.

6. Final Order. The Parties intend and agree to request that the Commission's final order approving this 2026 Bayside Agreement find that approval of this 2026 Bayside Agreement in its entirety is in the public interest and fairly resolves all matters as specified in this agreement pursuant to and in accordance with Section 120.57(4), Florida Statutes, and that the Docket Nos. 20260053-EI and 20260062-EI will be closed effective on the date the Commission's order approving this 2026 Bayside Agreement becomes final.

7. Execution. This 2026 Bayside Agreement may be executed in counterpart originals, and a facsimile or electronic scan of an original signature shall be deemed an original.

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IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this 2026 Bayside Agreement by their signature(s):

DATED this 12th Day of June, 2026.

Tampa Electric Company
3600 Midtown Drive
Tampa, FL 33607

By: ______________________________
Archie Collins, President and Chief Executive Officer

Office of Public Counsel
Walt Trierweiler, Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

By: Walt Trierweiler
Walt Trierweiler, Public Counsel