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August 4, 2025

VIA: ELECTRONIC FILING

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

**Re: Review of Incentive Mechanisms for the Electric Investor-Owned Utilities
Dkt. 20250032-EI**

Dear Mr. Teitzman:

Please find attached for filing in the above-styled matter Tampa Electric Company's Response to Staff's Second Data Request (Nos. 1-3), served on July 14, 2025.

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

cc: Segundo Sanchez (FPSC)
All parties of record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing response, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 4th day of August, 2025 to the following:

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ATTORNEY

1. Please refer to the Utility's response to staff's first data request. For the following questions, please provide updated information for 2024, if applicable:
 - a. No. 3
 - b. No. 4
 - c. No. 13
 - d. No. 14
 - e. No. 23

- A. Tampa Electric provided its 2024 information with its responses filed on March 6, 2025.
 - a. Not applicable.
 - b. Not applicable.
 - c. Not applicable.
 - d. Not applicable.
 - e. Not applicable.

2. Please refer to the Utility's response to staff's first data request, No. 16. Explain whether the Utility would perform each of these activities absent an asset optimization mechanism. If not, why not?

A. In the absence of an Asset Optimization Mechanism (AOM"), Tampa Electric would continue to assess opportunities related to each of the activities listed in Staff's First Data Request, No. 16. However, the transactions and customer benefit would likely be decreased if there was no incentive compared to the transactions and customer benefit if there was an AOM. A well-structured AOM program, such as Tampa Electric's AOM program, is essential for delivering optimal benefits to our customers.

The AOM provides Tampa Electric with an incentive to take on the expenses, develop the skill sets and systems, and balance market opportunities with operational impacts to find or create opportunities that do not currently exist or are not currently available to Tampa Electric on a regular basis. The creation of those opportunities and the associated gains/savings will benefit customers. Those gains/savings are shared with the company in return for it taking on that expense, effort, and work. The customer benefits far exceed what the company has earned, approximately \$53 million for customers.

Prior to Tampa Electric's AOM program, Tampa Electric employed the Incentive Mechanism for Wholesale Sales Net Gains ("Gains"). From 2013 – 2017, Tampa Electric averaged \$1.4 million per year (total of approximately \$7 million) in gains under this mechanism. In contrast, the gains under the AOM program for the period 2018 – 2024 averaged \$3.3 million per year (a total of approximately \$23 million). Throughout the 2018 – 2024 period, Customers benefitted under the AOM as the gains increased by an average of 136 percent.

Tampa Electric did not have an Incentive Mechanism program for its Wholesale Power Purchases Savings prior to the current AOM. During the period 2013 – 2017, Tampa Electric averaged \$1.7 million per year in Wholesale Power Purchases Fuel Savings (a total of approximately \$8.5 million). During the period 2018 – 2024, Tampa Electric averaged \$9.4 million per year (a total of \$65.8 million) in Wholesale Power Purchases Fuel Savings under the AOM. This resulted in an average increase in fuel savings of approximately 453 percent compared to the five years prior.

During the period 2018 – 2024, Tampa Electric achieved \$53 million of Customer Savings through the AOM. In the five years prior to the AOM, Tampa Electric achieved only \$4.4 million in Customer Savings. As demonstrated above, the AOM has consistently provided considerable benefits to customers.

3. Please refer to the Utility's response to staff's first data request, No. 20. For activities that have provided savings four or fewer times in the 2013 through 2024 period, explain if the Utility expects to perform this activity again. If so, how frequently? If not, why not?
 - A. Tampa Electric's Natural Gas Storage Optimization, Delivered Gas Sales and Production Area Gas Sales activities provided savings four or fewer times over the period of 2013 to 2024. These activities, however, delivered \$4.5 million in total savings over the period 2018-2024. Tampa Electric accordingly believes that these activities should retain their eligibility for inclusion in the AOM based on their potential to deliver additional savings in the future.