

State of Florida



# Public Service Commission

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

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

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**DATE:** August 8, 2025

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

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

**RE:** Docket No.: 20250001-EI  
Company Name: Tampa Electric Company  
Company Code: EI806  
Audit Purpose: A3a: Fuel Cost Recovery Clause  
Audit Control No.: 2025-003-1-5

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

Attachment: Audit Report

Cc: Office of Auditing & Performance Analysis

State of Florida



## Public Service Commission

Office of Auditing and Performance Analysis  
Bureau of Auditing

### Auditor's Report

Tampa Electric Company  
Fuel and Purchased Power Cost Recovery Clause

**Twelve Months Ended December 31, 2024**

Docket No. 20250001-EI  
Audit Control No. 2025-003-1-5

**August 4, 2025**

A handwritten signature in blue ink, appearing to read "Wesley Thurmond", is written over a horizontal line.

Wesley Thurmond  
Audit Manager

A handwritten signature in blue ink, appearing to read "Lynn M. Deamer", is written over a horizontal line.

Lynn M. Deamer  
Reviewer

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## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting and Finance in its audit service request dated January 2, 2025. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Tampa Electric Company in support of its 2025 filing for the Fuel and Purchased Power Cost Recovery Clause in Docket No. 20250001-EI.

The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definition

Company refers to the Tampa Electric Company.

Fuel Clause refers to the Fuel and Purchased Power Cost Recovery Clause.

### **Revenue**

**Objectives:** The objectives were to determine the actual Kilowatt Hours (kWh) sold for the period January 1, 2024, through December 31, 2024, and whether the Company applied the Commission-approved cost recovery factor to actual kWh sales for the Fuel Clause.

**Procedures:** We reconciled the 2024 filing to the Company's monthly revenue reports and general ledger. We computed the factors by rate code and compared them to the last Commission Order No. PSC-2024-0481-FOF-EI, issued November 22, 2024. We selected a sample of residential and commercial bills for the months of April and October 2024 and traced the rate factors to the respective tariffs and Orders to check that the correct rates were being used. No exceptions were noted.

### **Expense**

#### Operation and Maintenance Expense

**Objectives:** The objectives were to review the expenses which the Company included in the Fuel Clause and to determine whether those expenses were properly recoverable based on the requirements established in Commission Order No. 14546, issued July 8, 1985.

**Procedures:** We reconciled fuel expenses in the Fuel Clause to the general ledger. We reviewed and sampled fuel expenses reported on Schedules A-1 and A-2 for 2024, and other supporting documentation to determine that fuel expense included in the Fuel Clause complied with the requirements of Commission Order No. 14546. No exceptions were noted.

#### Generation-Related Gains

**Objectives:** The objectives were to determine that power sales are in agreement with Company Fuel Clause filings and that the Company has credited generation related gains derived from non-separated wholesale energy sales to the fuel clause as set forth in Commission Order No. PSC-2001-2371-FOF-EI, in Docket No. 20010283-EI, issued December 7, 2001.

**Procedures:** We selected one month (December 2024) of Energy Marketing energy sales transactions to sample for the period. The transactions were traced to invoices and Energy Marketing reports. The gains were recalculated and the credit was traced to the Fuel Clause. No exceptions were noted.

### Payments to Qualifying Facilities

**Objectives:** The objective was to determine whether energy payments to qualifying facilities on Schedule A-8 were based on the appropriate standard offer or negotiated contract rate.

**Procedures:** We obtained the interchange purchase schedule and reconciled it to Schedule A-8 for 2024. No exceptions were noted.

### Gas Storage Expense

**Objectives:** The objective was to determine if the gas storage costs included for recovery are representative of the Company's books.

**Procedures:** We reconciled the gas storage ledger, summary report, and selected one gas storage contract to reconcile to the ledger. No exceptions were noted.

### Firm Transportation Service

**Objectives:** The objective was to determine whether the firm transportation service (FTS) charge for transporting natural gas agrees with the FTS rate schedules from the pipeline company's tariff.

**Procedures:** We requested the ledger of FTS charges from the Company, acquired the FTS charges tariffs from the Florida Gas Transmission Company (FGT) Transfer website, and reconciled a FGT contract to the tariff rates. No exceptions were noted.

### Purchased Power

**Objective:** The objective was to determine whether purchased power payments on Schedules A-7 and A-9 were supported by proper source documentation.

**Procedures:** We obtained the interchange purchase schedule and reconciled it to Schedules A-7 and A-9 for 2024. No exceptions were noted.

## **Inventory**

### Coal Inventory Analysis

**Objectives:** The objective was to determine whether the Company has correctly recorded coal inventory adjustments due to the difference between per book and semi-annual survey results as discussed in Order No. PSC-1997-0359-FOF-EI, issued March 31, 1997.

**Procedures:** We obtained TECO's coal inventory analysis, inventory adjustment, and survey reports. We recalculated the adjustments and reconciled them to the survey reports and inventory analysis. We verified that the inventory adjustment calculations were consistent with the requirements of Commission Order No. PSC-1997-0359-FOF-EI. The inventory adjustments were traced to the filing and the ledger. No exceptions were noted.

## **Other**

### **Oil and Gas Purchases**

**Objectives:** The objectives were to determine whether the coal and oil purchases on Form 423 reconcile with the monthly Schedule A-5, contractual obligations, and source documentation.

**Procedures:** We reconciled the July 2024 coal and oil purchases on Form 423 with the filing and the supporting documentation. No exceptions were noted.

### **Incentive Mechanism Review**

**Objective:** The objectives were to determine that: 1) Asset Optimization measures trace to proper source documentation, that the gain calculation is reasonable and that the transactions appear to be at arms length; 2) Incremental Optimization Costs, gains on short term power sales, and savings on short term purchases appear to be reasonable.

**Procedures:** We obtained the Optimization Mechanism tables from the direct testimony of John C. Heisey, filed April 4, 2025, in Docket No. 20250001-EI and obtained Commission Order No. PSC-2017-0456-S-EI. We reconciled the above supporting documentation with the general ledger to confirm the correct amounts and thresholds were being used. We also reviewed transactions to determine if transactions were at arms-length and if transactions labeled short-term were identified correctly.

### **Generating Performance Incentive Factor**

**Objective:** The objective was to determine that service hours, reserve shutdown, and unavailable hours for Generating Performance Incentive Factor (GPIF) are in agreement with source documentation.

**Procedures:** We obtained the Actual Unit Performance Data report from the GPIF report. We also obtained a data output schedule from the Generating Availability Data System (GADS). We also selected the month of October 2024 and traced the net capability from the GPIF filing to the October 2024 A-4 filing. We also traced the net generation, net availability factor, and average net heat rate from the Actual Performance Data report. No further work performed.

### **Waterborne**

**Objective:** The objectives was to review and verify payments the Company made in 2024 under waterborne and rail coal transportation contracts.

**Procedures:** We asked the Company for a list of payments made in 2024 under waterborne and rail coal transportation and reviewed the response. No further work performed.

### **Revenue Expansion Factor**

**Objective:** The objective was to verify that the revenue expansion factor applied to any capital investment being recovered through the fuel clause does not contain a component for bad debt expense.

**Procedures:** We obtained a written statement from the Company to verify that the revenue expansion factor applied to any capital investment being recovered through the fuel clause does not contain a component for bad debt expense. No further work performed.

#### Vendor Rebates

**Objective:** The objective was to determine that the Company has credited vendor rebates and refunds to its recoverable fuel costs for the year ending December 31, 2024.

**Procedures:** We requested a schedule of all vendor rebates, quality discounts, and refunds received by the Company for the period January through December 2024. The Company stated that it did not have any vendor rebates, discounts, or refunds for the year 2024. No further work performed.

#### **True-up**

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

**Procedures:** We traced the December 31, 2023, True-Up Provision to Commission Order Nos. PSC-2023-0343-FOF-EI issued on November 16, 2023, and the Mid-Course Correction to PSC-2024-0481-FOF-EI, issued November 22, 2024. We also recalculated the True-Up and Interest Provision amounts as of December 31, 2024, using the Commission-approved beginning balance as of December 31, 2023, the Financial Commercial Paper rates, and the 2024 Fuel Clause revenues and costs. No exceptions were noted.

#### **Analytical Review**

**Objective:** The objective was to perform an analytical review of the Company's Fuel Clause Revenues and Expenses to determine if there were any material changes or inconsistencies from the prior year.

**Procedures:** We compared 2021-2024 revenues and expenses. Follow up with the Company was not required.

## Audit Findings

**None**

# Exhibit

## Exhibit 1: True Up

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Beginning	5.340%	5.340%	5.300%	5.350%	5.340%	5.310%	5.300%	5.310%	5.210%	4.910%	4.750%	4.580%	
Ending	5.340%	5.350%	5.350%	5.340%	5.310%	5.300%	5.310%	5.310%	4.910%	4.750%	4.580%	4.560%	
Total	10.680%	10.690%	10.650%	10.690%	10.650%	10.610%	10.610%	10.620%	10.120%	9.660%	9.330%	9.140%	
Average	5.340%	5.315%	5.315%	5.335%	5.325%	5.305%	5.305%	5.305%	4.960%	4.830%	4.665%	4.570%	
Monthly Average	5.445%	5.445%	5.445%	5.445%	5.445%	5.445%	5.445%	5.445%	5.445%	5.445%	5.445%	5.445%	
SUMMARY OF SCHEDULE A2:													
TOTAL COST OF GEN POWER	(41)	47,481,000	33,058,258	28,497,208	27,023,840	36,063,637	62,285,811	22,760,309	45,037,443	42,381,258	38,147,183	31,530,598	45,187,008
FUEL COST OF POWER SOLD (A6)		(1,718,000)	(834,304)	(158,810)	(100,800)	(108,840)	(822,820)	(1,443,804)	(800,054)	(254,894)	(84,081)	(221,787)	(238,799)
GAIN FROM SALES (A6)		2,136,228	(245,360)	(484,827)	(80,887)	(80,838)	(406,897)	202,215	(445,782)	(84,315)	(18,781)	(80,254)	(102,382)
FUEL COST OF PURCHASED POWER (A7)		540,928	53,546	1,797,777	1,830,467	7,749,257	6,354,845	0,209,227	5,049,850	6,820,454	14,420,388	8,868,704	5,100,869
PAYMENTS TO QUALIFYING FACILITIES (A8)		88,869	318,083	104,594	141,834	116,728	68,411	39,721	183,342	172,701	26,818	91,870	225,249
COST OF ECONOMY PURCHASES (A9)		314,340	12,402	184,291	814,352	7,280,840	1,020,237	(878,703)	557,841	60,770	62,387	1,081,341	618,023
TOTAL FUEL & NET POWER TRANSACTION *		44,572,843	32,673,228	27,423,203	28,678,735	51,860,283	61,865,421	36,086,635	58,743,438	49,391,845	43,602,963	41,360,386	51,768,923
ADJUSTMENTS TO FUEL COST		0	0	0	0	0	0	0	0	0	0	0	0
ADJ. TOTAL FUEL AND NET POWER TRANSACTIONS		44,572,843	32,673,228	27,423,203	28,678,735	51,860,283	61,865,421	36,086,635	58,743,438	49,391,845	43,602,963	41,360,386	51,768,923
KWH SALES													
KWH SALES-JURISDICTIONAL		1,454,438	1,363,716	1,385,579	1,498,797	1,656,783	2,074,010	2,073,132	2,082,772	2,182,947	1,821,327	1,594,380	1,810,317
KWH SALES-NON JURISDICTIONAL (SALE FOR RESALE)		1,454,438	1,363,716	1,385,579	1,498,797	1,656,783	2,074,010	2,073,132	2,082,772	2,182,947	1,821,327	1,594,380	1,810,317
TOTAL KWH SALES		1,454,438	1,363,716	1,385,579	1,498,797	1,656,783	2,074,010	2,073,132	2,082,772	2,182,947	1,821,327	1,594,380	1,810,317
JURIS. SALES % OF TOTAL KWH SALES		100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%
TRUE-UP CALCULATION													
JURISDICTION FUEL REVENUE NET OF REVENUE TAX	(41)	55,528,342	51,434,031	52,276,753	50,738,829	63,280,315	86,421,252	60,304,071	85,853,743	89,944,330	87,875,194	40,655,810	48,750,252
TRUE-UP (PROVISION)	(40.1)	(9,402,836)	(9,402,836)	(9,402,836)	(9,402,836)	(9,402,836)	11,488,238	11,488,238	11,488,238	11,488,238	11,488,238	11,488,238	33,488,477
QPPF PROVISION		137,411	137,411	137,411	137,411	137,411	137,411	137,411	137,411	137,411	137,411	137,411	1,648,982
2022 OPTIMIZATION MECHANISM GAIN	(40.5)	(553,320)	(553,320)	(553,320)	(553,320)	(553,320)	(553,320)	(553,320)	(553,320)	(553,320)	(553,320)	(553,320)	(10,384,680)
		45,352,598	41,303,217	42,147,933	41,323,115	53,155,591	77,184,503	77,083,388	76,819,058	80,768,547	88,338,451	60,431,878	79,552,752
PRIOR TRUE-UP PROVISION (A)		(82,436,187)	(72,554,153)	(54,953,250)	(30,884,973)	(4,611,615)	6,053,630	18,759,710	20,316,432	34,819,188	54,722,128	58,191,444	68,116,131
JURISDICTIONAL FUEL REV		8,354,363	18,251,878	21,232,683	21,331,257	101,707,284	160,468,914	164,187,548	173,354,232	158,338,343	139,133,033	178,893,338	181,231,313
ADJ. TOTAL FUEL COSTS & NET POWER TRANSACTIONS		44,572,843	32,673,228	27,423,203	28,678,735	51,860,283	61,865,421	36,086,635	58,743,438	49,391,845	43,602,963	41,360,386	51,768,923
LINE LOSS MULTIPLIER		1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
ADJ TOTAL FUEL COSTS & NET POWER		44,572,843	32,673,228	27,423,203	28,678,735	51,860,283	61,865,421	36,086,635	58,743,438	49,391,845	43,602,963	41,360,386	51,768,923
TRUE-UP PROVISION FOR THE MONTH		822,683	5,023,968	14,734,730	16,829,280	1,206,208	16,132,884	20,982,433	25,875,510	31,207,841	14,736,488	19,170,230	5,764,264
INTEREST PROVISION FOR THE MONTH		(344,059)	(281,474)	(189,330)	(78,780)	3,294	37,162	69,225	123,483	185,394	227,083	241,297	235,903
TRUE UP AND NET LOSS OF PERIOD (A)		(82,436,187)	(72,554,153)	(54,953,250)	(30,884,973)	(4,611,615)	6,053,630	18,759,710	20,316,432	34,819,188	54,722,128	58,191,444	68,116,131
PRIOR TRUE-UP PROVISION		9,402,836	9,402,836	9,402,836	9,402,836	9,402,836	(11,488,238)	(11,488,238)	(11,488,238)	(11,488,238)	(11,488,238)	(11,488,238)	(61,648,982)
TOTAL NET TRUE-UP OVER/UNDER RECOVERY		(72,534,351)	(63,151,317)	(45,550,414)	(21,482,137)	(4,608,819)	16,798,718	20,316,432	34,819,188	54,722,128	58,191,444	68,116,131	68,647,358
PER COMPANY'S FILING	(40.3)	(72,534,351)	(63,151,317)	(45,550,414)	(21,482,137)	(4,608,819)	16,798,718	20,316,432	34,819,188	54,722,128	58,191,444	68,116,131	68,647,358
DIFFERENCE IS IMMATERIAL		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
CALCULATION OF INTEREST													
BEFORE TRUE-UP & INTEREST	(40.2)	(82,436,187)	(72,554,358)	(54,953,250)	(30,884,973)	(4,611,615)	6,053,630	18,759,710	20,316,432	34,819,188	54,722,128	58,191,444	68,116,131
ENDING TRUE-UP BEFORE INTEREST		(72,534,351)	(63,151,317)	(45,550,414)	(21,482,137)	(4,608,819)	16,798,718	20,316,432	34,819,188	54,722,128	58,191,444	68,116,131	68,647,358
TOTAL		(154,970,538)	(135,705,675)	(100,503,664)	(52,367,114)	(9,220,434)	23,592,348	39,076,142	55,135,620	89,541,316	112,913,572	126,307,575	136,763,489
AVERAGE TRUE-UP		(77,235,269)	(67,852,838)	(50,251,832)	(26,183,557)	(4,610,217)	11,796,174	19,538,071	27,567,810	44,770,658	56,456,786	68,153,788	68,381,745
INTEREST RATE PER ABOVE		0.465%	0.443%	0.440%	0.465%	0.444%	0.465%	0.440%	0.438%	0.422%	0.400%	0.389%	0.373%
INTEREST PER STAFF		(344,059)	(281,474)	(189,330)	(78,780)	3,294	37,162	69,225	123,483	185,394	227,083	241,297	235,903
PER COMPANY'S FILING	(40.3)	(344,059)	(281,474)	(189,330)	(78,780)	3,294	37,162	69,225	123,483	185,394	227,083	241,297	235,903
DIFFERENCE		0	0	0	0	0	0	0	0	0	0	0	0