

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:** February 19, 2026

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (Lewis, Ramos, Smith II) *TB*  
Office of the General Counsel (Imig) *SPS*

**RE:** Docket No. 20250135-EI – Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company.

**AGENDA:** 03/03/26 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Clark

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

---

### Case Background

On November 7, 2025, Tampa Electric Company (TECO or Company) petitioned the Florida Public Service Commission (Commission) for approval of its Manatee Protection Study (Study) for cost recovery through the Environmental Cost Recovery Clause (ECRC). TECO states that the Study is required to maintain compliance with its Manatee Protection Plan, and should be completed by October 2026.

The National Pollutant Discharge Elimination System (NPDES) program is administered by the Florida Department of Environmental Protection (DEP) within the state. TECO was issued an updated NPDES permit on August 27, 2025. NPDES permits prescribe requirements and limits to cooling water discharges to surface waters. Additionally, this permit requires TECO to maintain compliance with its Manatee Protection Plan approved by the DEP. Specifically, TECO

Docket No. 20250135-EI

Date: February 19, 2026

must maintain minimum discharge temperatures of the outflow water from its Big Bend Power Station (Big Bend) from November 15 through March 31 each year.

Pursuant to Section 366.8255, Florida Statutes (F.S.), the Florida Legislature authorized the recovery of environmental compliance costs prudently incurred by investor-owned electric utilities through the ECRC. The method for cost recovery for such costs was first established by Order No. PSC-94-0044-FOF-EI, issued on January 12, 1994.<sup>1</sup> The Commission has jurisdiction over this matter pursuant to Section 366.8255, F.S.

---

<sup>1</sup> Order No. PSC-94-0044-FOF-EI, issued January 12, 1994, in Docket No. 19930613-EI, *In re: Petition to establish an environmental cost recovery clause pursuant to Section 366.825, F.S., by Gulf Power Company.*

## Discussion of Issues

**Issue 1:** Should the Commission approve Tampa Electric Company’s petition for approval of the Manatee Protective Study for cost recovery through the Environmental Cost Recovery Clause

**Recommendation:** Yes. Staff recommends that TECO’s proposed Manatee Protection Study is necessary to comply with its NPDES permit. Consistent with prior ECRC orders, operation and maintenance (O&M) costs associated with the Study should be allocated to appropriate rate classes on an energy basis. (Lewis)

**Staff Analysis:** TECO’s Big Bend Power Station is located in Hillsborough County, along the shores of Hillsborough Bay. Big Bend originally consisted of four coal-fired generating units. TECO has since repowered Unit 1 to a natural gas-fired combined cycle unit consisting of two combustion turbines and two heat recovery steam generators. TECO retired Unit 2 in November 2021, and Unit 3 in April 2022. Unit 4 is a steam turbine that can be fired with coal or natural gas.

Big Bend withdraws cooling water from Hillsborough Bay and that water is discharged back into the bay at a warmer temperature. TECO’s NPDES permit requires the Company to “minimize disruption of warm water outflows during the winter” and “maintain discharge temperatures that will sustain manatees during cold events.” TECO’s Manatee Protection Plan specifically states the following:

During the period from November 15 through March 31 each year, to coincide with the time of greatest manatee abundance, if the ambient water temperature falls below 61°F, as measured at the plant intake, the TEC Big Bend plant shall reasonably endeavor to operate in a manner that maintains the water temperature above 68°F. It is understood that due to circumstances that may compromise plant safety and reliability, other regulatory compliance issues or unusual weather conditions the target temperature level may not be achieved on a continuous basis.

During an 11-day period in January 2025, TECO was unable to maintain the temperature of the discharge water above the 68-degree threshold. The Company attributes this to the operational changes at Big Bend discussed above. While these operational changes increased the efficiency of Big Bend, it has lowered the temperature of the discharge water when exiting the facility. Based on the weather conditions experienced at Big Bend in January 2025, TECO determined it is necessary to conduct a study to evaluate options for maintaining discharge water temperatures above 68 degrees during the specified timeframe, and thus, compliance with its Manatee Protection Plan and NPDES permit.

TECO explained that the Study will consist of the following:

- Reviewing historical operating data during cold-weather conditions
- Evaluating Big Bend’s thermal discharge characteristics
- Identifying physical or operational changes that will allow the Company to maintain discharge canal temperatures compliant with its NPDES permit
- Preparing a technical report that summarizes the findings and recommendations

TECO solicited bids for the study and stated that four responses were received. The Company selected Burns & McDonnell based on their experience with Big Bend and other large power generating facilities, technical expertise in thermal systems, and proven safety record. TECO estimates that the Study will cost \$450,000 and anticipates its completion by October 2026. This amount, which was included in the engineering proposal from Burns & McDonnell, was derived using anticipated labor costs and comparisons to similar engineering studies at large generating facilities. Staff notes that Burns & McDonnell was not the lowest cost bidder.

In response to staff's data request, TECO provided data, as shown in Table 1-1, of the estimated impact to a residential customer bill.<sup>2</sup>

**Table 1-1**  
**Residential Bill Impact**

Year	\$ / 1,000 kWh	\$ / 1,200 kWh
2025	0.00	0.00
2026	0.00	0.00
2027	0.02	0.03
2028	0.00	0.00
2029	0.00	0.00

The Commission's criteria for ECRC recovery relevant to this docket, established by Order No. PSC-94-0044-FOF-EI, are:

- (1) The activities are legally required to comply with governmentally imposed environmental regulation enacted, became effective, or whose effect was triggered after the Company's last test year upon which rates are based; and
- (2) None of the expenditures are being recovered through some other cost recovery mechanism or through base rates.

Staff recommends that the Study proposed in TECO's petition meets these criteria. The Study described in the petition is necessary for the Company to comply with governmentally imposed environmental regulations. The compliance activities are necessary to maintain compliance with TECO's Manatee Protection Plan which is a requirement of its NDPES permit. The costs of the proposed compliance Study are not currently being recovered through some other cost recovery mechanism or through base rates. Staff notes that the reasonableness and prudence of individual expenditures related to the Study will be subject to the Commission's continuing review in future ECRC proceedings.

---

<sup>2</sup> Document No. 00076-2026, filed January 7, 2026.

## **Conclusion**

Staff recommends that TECO's Manatee Protection Study is necessary to comply with its NPDES permit. Consistent with prior ECRC orders, O&M costs associated with the Study should be allocated to appropriate rate classes on an energy basis.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. (Imig)

**Staff Analysis:** At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a Consummating Order.