

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of new  
environmental program for cost recovery  
through Environmental Cost Recovery Clause,  
by Tampa Electric Company.

DOCKET NO. 20250135-EI  
ORDER NO. PSC-2026-0067-PAA-EI  
ISSUED: March 19, 2026

The following Commissioners participated in the disposition of this matter:

GABRIELLA PASSIDOMO SMITH, Chairman  
GARY F. CLARK  
MIKE LA ROSA  
BOBBY PAYNE  
ANA ORTEGA

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING TAMPA ELECTRIC COMPANY'S NEW ENVIRONMENTAL  
PROGRAM MANATEE PROTECTION STUDY FOR COST RECOVERY  
THROUGH THE ENVIRONMENTAL COST RECOVERY CLAUSE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On November 7, 2025, Tampa Electric Company (TECO or Company) petitioned the Florida Public Service Commission (Commission) for approval of a new environmental program, known as the 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 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> We have jurisdiction over this matter pursuant to Section 366.8255, F.S.

### Decision

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 discharges that water 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, they have lowered the temperature of the discharge water 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 NDPEs 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

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<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.*

- 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. We note that Burns & McDonnell was not the lowest cost bidder.

Our 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.

We find 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 environmental regulations imposed by the government. The compliance activities are necessary to maintain compliance with TECO's Manatee Protection Plan, which is a requirement of its current NPDES permit. The costs of the proposed compliance Study are not currently being recovered through some other cost recovery mechanism or through base rates.

We note that the reasonableness and prudence of individual expenditures related to the Study will be subject to our continuing review in future ECRC proceedings. Accordingly, our finding here that the costs of this Study are eligible for the ECRC today does not mean that any future costs associated with any implementation of the study are pre-approved for recovery. Nor does it mean that any future costs or activities associated with any implementation of this study will be deemed to be prudent as a result of the decision in this docket.

We find 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 shall be allocated to appropriate rate classes on an energy basis.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's Petition for approval of a new environmental program (Manatee Protection Study) for cost recovery through the Environmental Cost Recovery Clause is granted. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 19th day of March, 2026.



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ADAM TETZMAN  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
[www.floridapsc.com](http://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.

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 that is available under Section 120.57, 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 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.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 9, 2026.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.