



FILED 4/10/2026
DOCUMENT NO. 02115-2026
FPSC - COMMISSION CLERK

Attorneys and Counselors at Law
123 South Calhoun Street
P.O. Box 391 32302
Tallahassee, FL 32301

P: (850) 224-9115
F: (850) 222-7560

ausley.com

April 10, 2026

VIA ELECTRONIC FILING

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

Re: Docket 20250032-EI – Review of Incentive Mechanisms for the
Electric Investor Owned Utilities

Dear Mr. Teitzman:

Attached for filing are Tampa Electric Company's Post-Workshop Comments.

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/bl
Attachment

cc: Certificate of Service

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of Incentive Mechanisms for
Electric Investor-Owned Utilities

DOCKET NO. 20250032-EI

FILED: April 10, 2026

**TAMPA ELECTRIC COMPANY'S
POST-WORKSHOP COMMENTS**

Tampa Electric Company (“Tampa Electric” or the “company”) submits these comments on the proposals presented during the February 5, 2026 workshop conducted by the Staff of the Florida Public Service Commission (“FPSC” or “Commission”):

I. Incentive Mechanisms Benefit Customers.

1. Incentive Mechanisms are an important regulatory and ratemaking tool for the Commission. Tampa Electric and the other large investor owned electric utilities (“IOUs”) have operated under different incentive mechanisms for decades.¹ These mechanisms were developed through the ratemaking process and have evolved to meet operational changes and new market conditions. Tampa Electric’s customers received benefits of \$66.8 million through its Commission-approved Asset Optimization Mechanism (“AOM”) from 2018 to 2025.

II. Summary of Position

2. The Commission should continue to embrace incentive mechanisms for electric public utilities but should not adopt a generic incentive mechanism through rulemaking or otherwise. Rulemaking is not required and adopting a generic mechanism would limit the Commission’s flexibility to: (a) create incentive mechanisms tailored to a utility’s size, generating resources, fuel mix, service area, and other relevant factors and

¹ See Order No. 12923, issued January 24, 1984 in Docket No. 19830001-EU-B (*Fuel Adjustment Clauses of Electric Utilities – Treatment of Gains on Economy Sales*).

(b) modify such mechanisms as market conditions and technologies change. However, if the Commission proceeds, Tampa Electric supports Staff's proposed list of eligible activities and prefers "Option 2" for revenue sharing.

III. Rulemaking Is Not Required

3. Florida's Administrative Procedure Act does not require the Commission to engage in rulemaking for utility incentive mechanisms. Section 120.52(16), Florida Statutes, defines a "rule" as an "agency statement of general applicability that implements, interprets, or prescribes law or policy...." Section 120.54(1)(a), Florida Statutes, requires that agency statements meeting this definition be adopted through the formal rulemaking process.

4. Commission incentive mechanisms, however, are exempt from this rulemaking requirement. Section 120.80(13)(a), Florida Statutes, says that "[FPSC] statements that relate to cost-recovery clauses, factors, or mechanisms implemented pursuant to chapter 366, relating to public utilities, are exempt from the provisions of 120.54(1)(a)." (emphasis added) Rulemaking is not required for utility incentive mechanisms; therefore, the Commission should not engage in it, especially when the Legislature has not specifically directed the Commission to adopt a rule addressing or creating a generic utility incentive mechanism.²

² The Legislature explicitly directed the Commission to establish the Environmental Cost Recovery Clause (Section 366.8255, Florida Statutes), Nuclear Cost Recovery Clause (Section 366.93, Florida Statutes), and Storm Protection Cost Recovery Clause (Section 366.96, Florida Statutes), but has not done so for utility incentive mechanisms. The company uses the term "generic utility incentive mechanisms" to refer to mechanisms like its AOM, not the GPIF, which the company believes should continue without modification.

IV. Adopting a Generic Incentive Mechanism Would Limit Ratemaking Flexibility

5. Adopting a generic utility incentive mechanism would unnecessarily restrict the Commission's flexibility and limit its ability to exercise its broad legislative grant of authority; therefore, the Commission should not adopt one.

6. The incentive mechanisms currently in place for the large electric IOUs are company-specific and were approved in proceedings pursuant to Chapter 366 – two through approval of negotiated settlement agreements and one through a fully litigated rate case decision.³ The resulting differences between the mechanisms are a natural consequence of the ratemaking process in which the Commission applied its judgment to record evidence.

7. In approving Tampa Electric's current incentive mechanism,⁴ The Commission considered evidence showing how the company's previous AOM operated and the substantial financial benefits it provided to the company's customers. The Commission considered adding new elements to the AOM (e.g., revenues from renewable energy credits generated by its growing solar fleet) and adjusting the thresholds for sharing. The Commission ultimately approved an AOM tailored for Tampa Electric based on the record evidence in the case.

8. Adopting a generic, one size fits all incentive mechanism might promote uniformity among utilities but would do so at the expense of utility-specific evidentiary

³ The Commission approved Tampa Electric's current AOM in its final order in the company's last base rate proceeding. See Order No. PSC-2025-0038-FOF-EI. Duke Energy Florida and Florida Power & Light Company's respective incentive mechanisms were components of the settlement agreements that resolved their last base rate proceedings. See Order No. PSC-2026-0022-S-EI, issued January 22, 2026 in Docket No. 20250011-EI (*Petition for Rate Increase by Florida Power & Light Company*) and Order No. PSC-2024-0472-AS-EI, issued November 12, 2024 in Docket No. 20240025-EI (*Petition for Rate Increase by Duke Energy Florida*).

⁴ See Order No. PSC-2025-0038-FOF-EI at 173-177.

inquiries. It would also restrict the Commission's ability to create utility-specific incentives based on a utility's size, generating resources, fuel mix, service area, and other relevant factors and would limit the Commission's ability to change incentives when market conditions and generation technologies change. Tampa Electric encourages the Commission to preserve its flexibility by declining to adopt a generic utility incentive mechanism through rulemaking or otherwise.

V. If the Commission Elects to Proceed

9. If the Commission decides to create a generic incentive mechanism, the company agrees with Staff's proposed list of "allowable activities" and prefers Staff's "Option 2" for revenue sharing. Many of the Staff's "allowable activities" are included in the company's current incentive mechanism or were in prior versions.⁵ The first revenue sharing option does not incentivize all allowable activities regardless of historic activity levels, is more complicated than the second, and therefore would be more difficult to apply and administer. The second revenue sharing option would incentivize all allowable activities regardless of historic levels and therefore would be more direct and impactful than the first. The second option would best preserve the incentive structure that has generated significant benefits for Tampa Electric's customers⁶ and would simplify and streamline the mechanism by avoiding the need to establish and track thresholds. The

⁵ Tampa Electric's 2017 AOM activities included: "(1) gas storage utilization; (2) delivered gas sales; (3) gas production area sales; (4) gas transportation sales; (5) outsourcing of optimization functions; and (6) coal transportation savings." Order No. PSC-2025-0038-FOF-EI, at 174. Tampa Electric's 2021 Settlement Agreement clarified that release of natural gas pipeline capacity and retirement or release of coal railcars were not eligible activities under the 2021 iteration of the AOM. Order No. PSC-2025-0038-FOF-EI, at 174.

⁶ Commission Staff's analysis supports this conclusion, as it demonstrates that "Option 2" more closely tracks the historical results under prior incentive mechanisms. See Notice of Workshop, at Attachment A, pages 12-13.

combination of simplicity, potential impact, and ease of administration make the second revenue option preferable to the first.

VI. Conclusion

10. The Commission should continue to embrace incentive mechanisms for electric public utilities but should not adopt a generic incentive mechanism through rulemaking or otherwise. Rulemaking is not required and adopting a generic mechanism would limit the Commission’s flexibility to: (a) create incentive mechanisms tailored to a utility’s size, generating resources, fuel mix, service area, and other relevant factors and (b) modify such mechanisms as market conditions and technologies change. However, if the Commission proceeds, Tampa Electric supports Staff’s proposed list of eligible activities and prefers “Option 2” for revenue sharing.

DATED this 10th day of April, 2026.

Respectfully submitted,



J. JEFFRY WAHLEN
jwahlen@ausley.com
MALCOLM N. MEANS
mmeans@ausley.com
MATTHEW J. JONES
mjones@ausley.com
Ausley McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Post-Workshop Comments, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 10th day of April, 2026 to:

Carlos Marquez
Shaw Stiller
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
cmarquez@psc.state.fl.us
sstiller@psc.state.fl.us

Walter Trierweiler
Charles Rehwinkel
Patricia A. Christensen
Octavio Ponce
Austin Watrous
Office of Public Counsel
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
Trierweiler.Walt@leg.state.fl.us
Rehwinkel.charles@leg.state.fl.us
christensen.patty@leg.state.fl.us
ponce.octavio@leg.state.fl.us
watrous.austin@leg.state.fl.us

Dianne M. Triplett
Duke Energy Florida
299 First Avenue North
St. Petersburg, FL 33701
Dianne.triplett@duke-energy.com
FLRegulatoryLegal@duke-energy.com

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 S. Monroe St., Suite 601
Tallahassee, FL 32301
bkeating@gunster.com

Maria Moncada
Joel T. Baker
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
maria.moncada@fpl.com
joel.baker@fpl.com

Kenneth Hoffman
Vice President, Regulatory Relations
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1859
ken.hoffman@fpl.com

Matthew R. Bernier
Robert Pickles
Stephanie A. Cuello
Duke Energy Florida
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740
Matthew.bernier@duke-energy.com
Robert.pickles@duke-energy.com
Stephanie.Cuello@duke-energy.com



ATTORNEY