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

In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor.	DOCKET NO. 20260001-EI
In re: Review of the 2024-2025 Outage of Tampa Electric Company's Bayside Steam Turbine Unit 2.	DOCKET NO. 20260053-EI
In re: Petition for Approval of Revised Depreciation Rates for Bayside Power Station Assets by Tampa Electric Company.	DOCKET NO. 20260062-EI

Dear Mr. Teitzman:

Attached for filing on behalf of Tampa Electric Company is Tampa Electric Company's Motion to Approve the 2026 Bayside Agreement.

Thank you for your assistance in connection with this matter.

Sincerely,

J. Jeffry Wahlen

JJW/dk
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor.	DOCKET NO. 20260001-EI
In re: Review of the 2024-2025 Outage of Tampa Electric Company's Bayside Steam Turbine Unit 2.	DOCKET NO. 20260053-EI
In re: Petition for Approval of Revised Depreciation Rates for Bayside Power Station Assets by Tampa Electric Company.	DOCKET NO. 20260062-EI

MOTION TO APPROVE
2026 BAYSIDE AGREEMENT

Tampa Electric Company ("Tampa Electric" or the "company"), pursuant to Rule 28-106.204, Florida Administrative Code, hereby requests the Florida Public Service Commission ("FPSC" or the "Commission") to approve the Stipulation and Settlement Agreement included with this motion as Attachment One ("2026 Bayside Agreement" or "Agreement"), and states:

Introduction

1. The 2026 Bayside Agreement completely and fairly resolves all of the issues presented in Docket Nos. 20260053-EI and 20260062-EI and the Bayside CT2D Outage issue in Docket No. 20260001-EI. The procedural history of these three dockets ("Three Dockets") and the issues resolved by the 2026 Bayside Agreement are reflected in its recitals.

2. The 2026 Bayside Agreement is supported and entered into by the company and the Office of Public Counsel ("OPC") after extensive discovery by OPC and FPSC Staff. Tampa Electric answered interrogatories and data requests and produced

approximately 14,000 documents (approximately 175,000 individual pages) in support of its positions on the prudence of its actions for the two outages and the reasonableness of the company's depreciation proposals.

3. OPC and Tampa Electric are well informed about the issues resolved in the 2026 Bayside Agreement and the related risks associated with continuing litigation. They entered into the 2026 Bayside Agreement to: (1) protect the interests of the company's customers and the company, (2) promote regulatory efficiency, and (3) avoid the inherent risks, uncertainties, dedication of resources, and costs of further litigation. The 2026 Bayside Agreement is in the public interest, determines and approves reasonable depreciation rates for Bayside Power Station assets, will result in fuel and purchased power cost recovery factors that are fair, just, and reasonable, and will not result in changes to the company's currently approved base rates and charges.

Key Terms of 2026 Bayside Agreement

4. The 2026 Bayside Agreement: (a) restricts Tampa Electric's ability to seek general base rate relief with an effective date before January 1, 2028; (b) approves a $10 million credit to the fuel and purchased power cost recovery clause ("Fuel Clause"); and (c) approves the company's Proposed Bayside Depreciation rates effective July 1, 2026. The Fuel Clause credit is a negotiated amount agreed to by the Parties based on their understanding and assessment of the litigation risks associated with the replacement power issues in Docket Nos. 20260001-EI and 20260053-EI, was not based on specific adjustments with identified dollar amounts, and per the agreement shall not be construed as a finding of, or an admission by, any Party of any liability, wrongdoing, or imprudence.

5. The 2026 Bayside Agreement is a unanimous agreement of the Parties in Docket Nos. 20260053-EI and 20260062-EI and between OPC and Tampa Electric in the

Fuel Clause. OPC and Tampa Electric have expressly agreed that the 2026 Bayside Agreement is in the public interest, that they will support approval of the Agreement by the Commission, and will not appeal a final order approving it.

Major Elements and Public Interest

6. The 2026 Bayside Agreement in total and its individual major elements are in the public interest and supported by materials filed and served in the Three Dockets as explained below.

7. Base Rate Freeze. Paragraph 1 of the 2026 Bayside Agreement states that the company may not petition to change any of its general base rates, charges, or credits for retail electric service with an effective date earlier than January 1, 2028, with two limited exceptions. This provision forecloses the possibility that the company might seek base rate relief to be effective in 2027 to address the earnings pressure discussed in the company's public and confidential answers to: (a) Staff's First Data Request No. 2b, dated June 8, 2026, and (b) Staff's Second Data Request (Nos. 1-2), dated June 10, 2026, in Docket No. 20260062-EI. This provision is in the public interest because it promotes customer rate predictability and a period of certainty for customers and the company so they can plan and manage their affairs without the prospects of unanticipated base rate increases and related regulatory activity. This provision allows the company to implement the 2027 SYA approved in its last rate case and comply with the new Data Center law also promotes the public interest by enabling compliance with lawful statues and orders.

8. Replacement Power Issues. Paragraph 2 of the 2026 Bayside Agreement resolves the replacement fuel and purchased power issues associated with the Bayside ST2 Outage and Bayside CT2D Outage, in Docket Nos. 20260053-EI and 20260001-EI, respectively, by reducing the company's recoverable fuel and purchased power expense

in Docket No. 20260001-EI by a combined total of $10 million. This is a negotiated amount agreed to by the Parties based on their understanding and assessment of the litigation risks associated with those two issues and is not based on specific adjustments with identified dollar amounts. This provision is in the public interest because it will moderate the company's 2027 fuel and purchased power cost recovery factors and will result in fuel and purchased power cost recovery factors that are fair, just, and reasonable. It is supported by the company's public and confidential responses to Staff and OPC data requests and discovery in Docket Nos. 20250001-EI, 20260001-EI, and 20260053-EI, including, without limitation:

(a) the company's answers to OPC's Third Set of Interrogatories (Nos. 3-6) in Docket No. 20260053-EI [Bates 173053-173067] [ST2];

(b) the company's answers to Staff's First Data Request (Nos. 1-6) in Docket No. 20260053-EI [Bates 173069-173077] [ST2];

(c) the company's supplemental response to Staff's First Data Request (No. 5) dated June 11, 2026, in Docket No. 20260053-EI [Bates 173078] [ST2];

(d) TGA Root Cause Analysis produced as Second Supplemental response to OPC's First Request for Production of Documents (No. 1), dated October 8, 2025, in Docket No 20250001-EI [Bates No. 70-132] [ST2];

(e) GE Vernova Root Cause Analysis provided in response to Staff's First Set of Interrogatories (No. 1) in Docket No. 20250001-EI, dated May 2, 2025 [Bates 4-42] [ST2];

(f) the company's revised answer to OPC's Second Set of Interrogatories (No. 2), dated June 11, 2026, in Docket No. 20260001-EI [Bates 30-31] [CT2D]; and

(g) the company's revised answers to Staff's First Set of Interrogatories (Nos. 1b, 4a, and 4d), dated June 11, 2026, in Docket No. 20260001-EI [Bates 1-18 and 23-24] [ST2 and CT2D].

9. Depreciation Issues. Paragraph 3 of the 2026 Bayside Agreement fully and completely resolves the issues in Docket No. 20260062-EI through OPC and Tampa Electric's agreement that the Proposed Bayside Depreciation Rates are reasonable, that the Commission should find that they are reasonable, and that the Commission should approve the Proposed Bayside Depreciation Rates to be effective July 1, 2026. This provision benefits customers and is in the public interest because the company's proposed depreciation rates more accurately match the costs of providing electric service to the periods in which service is provided for the Bayside assets. The July 1, 2026 effective date benefits customers and is in the public interest because it abates the growing theoretical depreciation reserve surplus that may be associated with Bayside assets arising from the life extension caused by Bayside Steam Turbine 1 and 2 retrofits completed in 2025 and 2026. This provision is supported by the following materials filed or served in Docket No. 20260062-EI:

(a) the Prepared Direct Testimony of Jeff Chronister, Kris Stryker, and Ned Allis, filed April 15, 2026;

(b) the company's public and confidential responses to Staff's First Data Request (Nos. 1-13), dated June 8, 2026; and

(c) the company's public and confidential responses to Staff's Second Data Request (Nos. 1-2), dated June 10, 2026.

10. Standard Language. Paragraphs 4 through 7 of the 2026 Bayside Agreement reflect legal and procedural terms and conditions commonly included in

settlement agreements and are in the public interest because they promote administrative certainty and efficiency and protect the procedural rights of the Parties.

11. Avoiding Further Litigation. The 2026 Bayside Agreement will avoid further litigation on the issues resolved in the Agreement, which is in the public interest because it will reduce: (a) the time and expense the Parties and the Commission will need to spend on the issues; and (b) the litigation risks to be borne by the Parties. The settlement promotes certainty, predictability, and regulatory efficiency and is supported by the public policy in Florida to encourage, where reasonable and possible, resolution of disputes by agreement rather than decision.

Standard for Approval

12. The general standard for approving a settlement agreement like this one is whether it is in the public interest.[1] The 2026 Bayside Agreement and its major elements are in the public interest for the reasons specified above and as specified in the 2026 Bayside Agreement. The Parties to the 2026 Bayside Agreement agree, and Tampa Electric, with the concurrence of OPC, asks the Commission to find that the 2026 Bayside Agreement is: (a) in the public interest; (b) will result in fuel and purchased power cost recovery factors that are fair, just, and reasonable; (c) will result in depreciation parameters and rates associated with the Bayside Power Station Assets that are

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[1] *Floridians Against Increased Rates v.* Clark, 371 So. 3d 905, 910 (Fla. 2023). Order No. PSC-11-0089-S-EI, issued February 1, 2011, in Docket Nos. 080677-EI and 090130-EI (*In re: Petition for increase in rates by Florida Power & Light Company* and *In re: 2009 depreciation and dismantlement study by Florida Power & Light Company*); Order No. PSC-10-0398-S-EI, issued June 18, 2010, in Docket Nos. 090079-EI, 090144-EI, 090145-EI, and 100136-EI (*In re: Petition for increase in rates by Progress Energy Florida, Inc., In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc.*, *In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(c), (d), and (f), F.A.C., by Progress Energy Florida, Inc.*, and *In re: Petition for approval of an accounting order to record a depreciation expense credit, by Progress Energy Florida, Inc.*); Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI (*In re: Petition for rate increase by Progress Energy Florida, Inc.*).

reasonable and, (d) will not result in changes to the company's currently approved base rates and charges.

13. The Parties entered into the 2026 Bayside Agreement and the discussions that resulted in it, each for their own reasons, but all in recognition that the cumulative total of the regulatory activity currently before the Commission is significant. To maximize the administrative and regulatory efficiency benefits inherent in the 2026 Bayside Agreement for the Parties, the Commission, and the public, Tampa Electric, with the support of OPC, requests that the Commission: (a) set this motion and the 2026 Bayside Agreement for consideration at a limited scope final hearing as soon as reasonably possible and (b) approve the 2026 Bayside Agreement by granting this motion.

14. The Parties agree that the supporting materials specified in this motion should be admitted into the record without cross-examination as competent substantial evidence supporting the 2026 Bayside Agreement and will collaborate with Staff to submit additional evidence (e.g., additional discovery responses, data request responses, etc.) as may be reasonable and appropriate. The company will make a witness or witnesses available to testify about the 2026 Bayside Agreement at the final hearing as appropriate.

WHEREFORE, Tampa Electric respectfully requests that the Commission approve the 2026 Bayside Agreement as specified above.

DATED this 16th day of June, 2026.

Respectfully submitted,

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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing motion, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on the 16th day of June 2026 to the following:

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ATTORNEY

ATTACHMENT ONE

2026 Bayside Agreement

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor	DOCKET NO. 20260001-EI
In re: Review of the 2024-2025 Outage of Tampa Electric Company's Bayside Steam Turbine Unit 2	DOCKET NO. 20260053-EI
In re: Petition for Approval of Revised Depreciation Rates for Bayside Power Station Assets by Tampa Electric Company	DOCKET NO. 20260062-EI

<u>STIPULATION AND SETTLEMENT AGREEMENT</u>

THIS AGREEMENT is dated this 12th of June, 2026 and is by and between Tampa Electric Company ("Tampa Electric" or the "company") and the Office of Public Counsel ("OPC"). Tampa Electric and OPC shall be referred to collectively as the "Parties", and the term "Party" shall be the singular form of the term "Parties". This agreement shall be referred to as the "2026 Bayside Agreement".

<u>Recitals</u>

Tampa Electric filed a Petition for Approval of Revised Depreciation Rates for Bayside Power Station Assets on April 15, 2026, which was assigned Docket No. 20260062-EI ("Bayside Depreciation Docket"). Therein, the company requested new depreciation rates that reflect longer remaining lives and later retirement dates for Bayside Power Station assets resulting from the retrofit of the steam turbines for Bayside Units 1 and 2 in 2026 and 2025, respectively ("Proposed Bayside Depreciation Rates").

Docket No. 20260001-EI is the Florida Public Service Commission's ("FPSC" or "Commission") annual proceeding to address fuel and purchased power cost recovery for Florida electric public utilities ("Fuel Docket"). The Parties and FPSC Staff ("Staff") identified two replacement power issues in the Fuel Docket, one of which was associated with an unplanned outage involving the Bayside 2 Steam Turbine ("Bayside ST Outage"), which was spun off and is currently under consideration in Docket No. 20260053-EI. The other replacement power issue is associated with a forced outage of Bayside Combustion Turbine 2D from January 22, 2025 through June 12, 2025 ("Bayside CT2D Outage"), which is currently under consideration in the Fuel Docket.

OPC and the Staff have conducted extensive discovery addressing the depreciation and replacement power issues in the three dockets. The company has answered interrogatories and data requests and produced approximately 14,000 documents (approximately 175,000 individual pages) in support of its positions on the prudence of its actions for the two outages and the reasonableness of the company's depreciation proposals. The Parties have undertaken to resolve these issues by agreement to: (1) protect the interests of the company's customers and the company, (2) promote regulatory efficiency, and (3) avoid the inherent risks, uncertainties, dedication of resources, and costs of further litigation.

The Parties have entered into this 2026 Bayside Agreement in compromise of positions in accordance with their rights and interests under Chapters 120, 350, and 366, Florida Statutes, as applicable, and believe that this 2026 Bayside Agreement completely and fairly resolves all of the issues presented in Docket Nos. 20260053-EI and 20260062-EI and the Bayside CT2D Outage issue in Docket No. 20260001-EI, is in the public interest, determines and approves reasonable depreciation rates for Bayside Power Station assets, will result in fuel and purchased power cost recovery factors that are fair, just, and reasonable, and will not result in changes to the company's currently approved base rates and charges.

As part of a negotiated exchange of consideration among the Parties to this 2026 Bayside Agreement, each Party has agreed to concessions to the other with the expectation, intent, and understanding that all provisions of the 2026 Bayside Agreement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to all Parties.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, which the Parties agree and acknowledge constitute good and valuable consideration, the Parties hereby stipulate and agree as follows:

Terms

1. Base Rate Freeze. Except for the rate and tariff changes to implement the company's 2027 Subsequent Year Adjustment as approved by Order No. PSC-2025-0038-FOF-EI, dated February 3, 2025, in Docket No. 20240026-EI ("2024 Rate Case Final Order"), the company may not petition to change any of its general base rates, charges, or credits for retail electric service with an effective date earlier than January 1, 2028. This provision shall not prevent the company from filing for approval, or limit the Commission's authority to act, on large load tariffs as required by Section 3 of Chapter 2026-65, Laws of Florida, as codified in Section 366.043, Florida Statutes ("Data Center Law").

2. Replacement Power Issues. The Parties agree that the replacement fuel and purchased power issues associated with the Bayside ST Outage and Bayside CT2D Outage, in Docket Nos. 20260053-EI and 20260001-EI, respectively, shall be resolved by reducing the company's recoverable fuel and purchased power expense in Docket No. 20260001-EI by a combined total of $10 million. This amount shall be a full and complete satisfaction of the company's liability for replacement fuel and purchased power issues associated with the Bayside ST Outage and Bayside CT2D Outage. This amount is a negotiated amount agreed to by the Parties based on their understanding and assessment of the litigation risks associated with the issues in the cases and was not based on specific adjustments with identified dollar amounts or a prudence determination on the merits attributable to the advocacy positions of either Party

3. Depreciation Issues. The Parties agree, as a full and complete resolution of the issues in Docket No. 20260062-EI, that the Proposed Bayside Depreciation Rates are reasonable, that the Commission should find that they are reasonable, and that the Commission should approve the Proposed Bayside Depreciation Rates to be effective July 1, 2026.

4. Approval. The provisions of this 2026 Bayside Agreement are contingent on approval of this agreement as presented and in its entirety by the Commission without modification. The Parties agree and ask that the Commission find that: (a) this 2026 Bayside Agreement is in the public interest; (b) will result in fuel and purchased power cost recovery factors that are fair, just, and reasonable; (c) will result in depreciation parameters and rates associated with the Bayside Power Station Assets that are reasonable, and (d) will not result in changes to the company's currently approved base

rates and charges. The Parties further agree that they will support this 2026 Bayside Agreement, and that they will not request or support any order, relief, outcome, or result in conflict with the terms of this 2026 Bayside Agreement in any future administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this 2026 Bayside Agreement or the subject matter hereof. Neither Party shall seek appellate review of any Commission order approving this 2026 Bayside Agreement.

5. No Precedential Value. This 2026 Bayside Agreement reflects a compromise of disputed claims and shall not be construed as a finding of, or an admission by, any Party of any liability, wrongdoing, or imprudence. No Party will assert in any proceeding before the Commission that this 2026 Bayside Agreement or any of the terms in the 2026 Bayside Agreement shall have any precedential value. The Parties' agreement to the terms in this 2026 Bayside Agreement shall be without prejudice to any Party's ability to advocate a different position in future proceedings not involving this 2026 Bayside Agreement. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party will assert or represent in any future proceeding in any forum that another Party endorses any specific provision of this 2026 Bayside Agreement by virtue of that Party's signature on, or participation in, this 2026 Bayside Agreement. It is the intent of the Parties to this 2026 Bayside Agreement that the Commission's approval of all the terms and provisions of this 2026 Bayside Agreement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this 2026 Bayside Agreement endorses a specific provision,

in isolation, of this 2026 Bayside Agreement by virtue of that Party's signature on, or participation in, this 2026 Bayside Agreement. However, nothing in this paragraph shall impact the continuing validity of this 2026 Bayside Agreement.

6. Final Order. The Parties intend and agree to request that the Commission's final order approving this 2026 Bayside Agreement find that approval of this 2026 Bayside Agreement in its entirety is in the public interest and fairly resolves all matters as specified in this agreement pursuant to and in accordance with Section 120.57(4), Florida Statutes, and that the Docket Nos. 20260053-EI and 20260062-EI will be closed effective on the date the Commission's order approving this 2026 Bayside Agreement becomes final.

7. Execution. This 2026 Bayside Agreement may be executed in counterpart originals, and a facsimile or electronic scan of an original signature shall be deemed an original.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this 2026 Bayside Agreement by their signature(s):

DATED this 12th Day of June, 2026.

Tampa Electric Company
3600 Midtown Drive
Tampa, FL 33607

By: ______________________________
Archie Collins, President and Chief Executive Officer

Office of Public Counsel
Walt Trierweiler, Public Counsel
c/o The Florida Legislature
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By: Walt Trierweiler
Walt Trierweiler, Public Counsel