

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Application for authority to issue and sell securities for 12 months ending December 31, 2022, by Tampa Electric Company. | DOCKET NO. 20210153-EI<br>ORDER NO. PSC-2021-0414-FOF-EI<br>ISSUED: November 5, 2021 |
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The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman  
ART GRAHAM  
ANDREW GILES FAY  
MIKE LA ROSA  
GABRIELLA PASSIDOMO

FINAL ORDER GRANTING TAMPA ELECTRIC COMPANY APPROVAL FOR  
AUTHORITY TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

Tampa Electric Company (Tampa Electric or Company) filed an application with this Commission on September 3, 2021, pursuant to Section 366.04, Florida Statutes (F.S.), and Chapter 25-8, Florida Administrative Code (F.A.C.), requesting authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser, or surety during calendar year 2022. The Company also seeks authority to enter into interest swaps or other derivative instruments related to debt securities during calendar year 2022. Tampa Electric's application is for both Tampa Electric and its gas distribution division, Peoples Gas System.

The amount of all equity and long-term debt securities issued, sold, exchanged, or assumed and liabilities and obligations assumed or guaranteed, as guarantor, endorser, or surety will not exceed in aggregate \$1.0 billion during calendar year 2022, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt outstanding at any one time will be \$800 million during calendar year 2022.

Additionally, the amount requested by the Company (\$1.8 billion) exceeds its expected capital expenditures (\$1.2 billion). The additional amount requested exceeding the projected capital expenditures allows for financial flexibility with regard to unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances.

Notice of Tampa Electric's application was given in the Florida Administrative Register on October 22, 2021.

## **I. Proposed Transactions**

The Company seeks the authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser or surety during the period covered by this the Company's application. The Company also seeks authority to enter into interest rate swaps or other derivative instruments related to debt securities. Any exercise of the requested authority will be for the benefit of the Company. The Company maintains that the capital raised will be used in connection with the activities of the Company's regulated electric and gas divisions and not the unregulated activities of the utilities or their affiliates.

The equity securities may take the form of preferred stock, preference stock, common stock, or options or rights with respect to the foregoing with such par values, terms and conditions, conversion and relative rights and preferences as may be permitted by the Company's Restated Articles of Incorporation, as the same may be amended to permit the issuance of any such securities. The long-term debt securities may take the form of first mortgage bonds, debentures, notes, bank borrowings, convertible securities, or options, rights, interest rate swaps or other derivative instruments with respect to the foregoing, with maturities ranging from one to 100 years, and may be issued in both domestic and international markets.

The issuance and/or sale of equity securities and long-term debt requested may be through negotiated underwritten public offering, public offering at competitive bidding, direct public or private sale, sale through agents, or distribution to security holders of the Company or affiliated companies.

The short-term debt may take the form of commercial paper, short-term tax-exempt notes, borrowings under bank credit facilities, or other bank borrowings. Short-term debt sold in the commercial paper market may bear an interest rate as determined by the market price at the date of issuance and will mature not more than one year from the date of issuance.

The amount of all equity and long-term debt securities issued, sold, exchanged or assumed and liabilities and obligations assumed or guaranteed as guarantor, endorser, or surety will not exceed in the aggregate \$1.0 billion during the period covered by the Company's application, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt, as described above, outstanding at any one time, will be \$0.8 billion.

With respect to equity and long-term debt securities and liabilities and obligations to be assumed or guaranteed as grantor, endorser or surety, the maximum amount of \$250 million is needed to accommodate the potential issuance of additional notes based on projected debt maturities; the amount of \$200 million is needed for potential long term emergency funding; and the amount of \$550 million is needed based on projected short term debt levels and for other purposes (swaps, refinancings, etc.). With respect to short-term debt, the amount of up to \$800 million at any time outstanding is needed to enable the Company to fully draw existing short

term credit facilities including what may be needed to avail the Company of short-term emergency funding and other purposes.

The present estimates of the interest rates for the aforementioned debt securities, based upon current trading levels of unsecured short-term debt and 30-year notes of the Company are 0.70% and 3.00%, respectively. Actual dividend rates for the aforementioned equity securities and interest rates will be determined at the time of the issuance and/or sale of the applicable securities.

## **II. Purpose of Issuance**

Proceeds from any sale of securities will be added to the Company's general funds and used for working capital requirements and for other general business purposes, including financing of the Company's capital investments or the acquisition of additional properties or businesses. The net proceeds received from the sale of securities may also be used for the repurchase or repayment of debt or equity securities of the Company.

### **A. Construction**

Although the Company's 2022 business plan is still preliminary, the electric division of the Company currently estimates that construction expenditures during the 12 months ending December 31, 2022 will be \$964 million.

The gas division of the Company currently estimates that construction expenditures during the 12 months ending December 31, 2022 will be \$270 million for maintenance and system expansion.

### **B. Reimbursement of the Treasury**

Among the general business purposes for which any net proceeds may be used is the reimbursement of the treasury for expenditures by the Company against which securities will not have been issued in advance.

### **C. Refunding Obligations**

One of the purposes of issuing the securities referred to herein will be to repay previously issued short-term debt, of the type described in the Company's application, which matures from time to time on a regular basis. Subject to market conditions, the Company may refund such short-term debt with new short-term debt, long-term debt or preferred or preference stock.

In addition, the Company maintains that it is continuing to monitor and evaluate market conditions in anticipation of refunding or refinancing long-term obligations where it is legally and economically feasible to do so. Recognizing that changes in market conditions could make such refunding transactions feasible, the Company has requested authority to issue long-term debt and/or preferred or preference stock within a limitation that provides the Company with sufficient flexibility to respond to refunding or refinancing opportunities.

### III. Conclusion

Having reviewed the Company's application, it is the finding of this Commission that the transaction described in the application will not impair the ability of the Company to perform the services of a public utility. These transactions are for such lawful purposes within the Company's corporate powers and, as such, the application is granted.

Our approval of the proposed issuance and/or sale of securities does not indicate specific approval of any rates, terms, or conditions associated with the issuance. Such matters are properly reserved for our review within the context of a rate proceeding. Our approval of the issuance of securities constitutes approval only as to the legality of the issue. In approving the subject financing, we retain the right to disallow any of the costs incurred for ratemaking purposes.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of Tampa Electric Company for authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser, or surety during the twelve month period ending December 31, 2022, is hereby granted. It is further

ORDERED that Tampa Electric Company's request for authority to enter into interest rate swaps or other derivative instruments related to debt securities during the twelve month period ending December 31, 2022, is hereby granted. It is further

ORDERED that Tampa Electric Company's request that the amount of all equity and long-term debt securities issued, sold, exchanged, or assumed and liabilities and obligations assumed or guaranteed, as guarantor, endorser, or surety will not exceed in aggregate \$1 billion during the twelve month period ending December 31, 2022, including any amounts issued to retire existing long-term debt securities, is hereby granted. It is further

ORDERED that the maximum amount of short-term debt outstanding at any one time will be \$0.8 billion during the twelve month period ending December 31, 2022, is hereby granted. It is further

ORDERED that this docket shall remain open until May 5, 2023, to monitor the issuance and/or sale of securities until Tampa Electric Company submits and Commission staff has reviewed the Consummation Report, at which time it shall be closed administratively.

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By ORDER of the Florida Public Service Commission this 5th day of November, 2021.



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ADAM J. TEITZMAN

Commission Clerk

Florida Public Service Commission

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Tallahassee, Florida 32399

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.