

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: September 22, 2022

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (D. Buys, Mouring) *ALM*
Office of the General Counsel (Sandy) *JSC*

RE: Docket No. 20210153-EI – Application for authority to issue and sell securities for 12 months ending December 31, 2022, by Tampa Electric Company.

AGENDA: 10/04/22 – Regular Agenda – Final Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On September 3, 2021, Tampa Electric Company (Tampa Electric or Company) filed an Application for Authority to Issue and Sell Securities (Initial Application) with the Commission. Tampa Electric's Initial Application requested authority to assume up to \$800 million in outstanding short-term debt at any one time during calendar year 2022. On November 5, 2021, the Commission issued Order No. PSC-2021-0414-FOF-EI, approving the Company's Initial Application.¹ On December 15, 2021, Tampa Electric filed a petition requesting that the Commission amend Order No. PSC-2021-0414-FOF-EI by increasing the Company's maximum amount of short-term debt outstanding for 2022 from \$800 million to \$1.0 billion. On March 15, 2022, the Commission issued Order No. PSC-2022-0114-FOF-EI approving the Company's Petition to amend the initial Order and increase the Company's maximum amount of short-term

¹Order No. PSC-2021-0414-FOF-EI, issued November 05, 2021, in Docket No. 20210153-EI, *In re: Request for approval of authority to issue and sell securities for 12 months ending December 31, 2022, by Tampa Electric Company.*

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debt outstanding for 2022 from \$800 million to \$1.0 billion.² On August 24, 2022, Tampa Electric filed a second petition requesting that the Commission amend Order No. PSC-2022-0114-FOF-EI by increasing the Company's maximum amount of short-term debt outstanding for 2022 from \$1.0 billion to \$2.2 billion.

The Commission has jurisdiction over this matter pursuant to Chapter 366, Florida Statutes (F.S.), including Section 366.04, F.S

²Order No. PSC-2022-0114-FOF-EI, issued March 15, 2022, in Docket No. 20210153-EI, *In re: Request for approval of authority to issue and sell securities for 12 months ending December 31, 2022, by Tampa Electric Company*

Discussion of Issues

Issue 1: Should the Commission approve Tampa Electric's petition to amend the authority granted in Order No. PSC-2022-0114-FOF-EI by increasing Tampa Electric's limit on the maximum amount of short-term debt outstanding during calendar year 2022 from \$1.0 billion to \$2.2 billion?

Recommendation: Yes. Tampa Electric's petition to amend the authority granted in Order No. PSC-2022-0114-FOF-EI to increase the Company's maximum amount of short-term debt outstanding at any one time during calendar year 2022 from \$1.0 billion to \$2.2 billion should be approved. (D. Buys)

Staff Analysis: On August 24, 2022, Tampa Electric filed a petition seeking to amend its authority to issue and sell securities during calendar year 2022. The Company is requesting to increase the maximum amount of short-term debt outstanding at any time during calendar year 2022 from \$1.0 billion to \$2.2 billion. Tampa Electric explained in its petition that due to rising natural gas prices, the Company will incur a significant under-recovery of its fuel costs for 2022. As a result, Tampa Electric is requesting that the Commission amend the previously granted authority in Order No. PSC-2022-0114-FOF-EI to issue \$1.0 billion in short-term debt and raise that limit to \$2.2 billion. This will provide the Company with sufficient flexibility to manage volatile fuel costs through the remainder of 2022. Tampa Electric is not requesting modification or amendment of any of the other terms set out in Order No. PSC-2022-0114-FOF-EI which approved the first Petition to Amend.

In compliance with paragraph (2)(d) of Rule 28-106.201, F.A.C., Tampa Electric stated that they are not aware of any disputed issues of material fact at this time, and do not believe any disputed issues of material fact will arise in this docket but acknowledge the possibility that other parties could assert disputed issues of material fact during this proceeding.

Based on its review, staff believes that the Company's request to increase the maximum amount of short-term debt outstanding at any one time during calendar year 2022 from \$1.0 billion to \$2.2 billion is appropriate and recommends it be approved.

Issue 2: Should this docket be closed?

Recommendation: For monitoring purposes, this docket should remain open until May 5, 2023, to allow the Company time to file the required Consummation Report. (Sandy)

Staff Analysis: For monitoring purposes, this docket should remain open until May 5, 2023, to allow the Company time to file the required Consummation Report.