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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 ORDER NO. PSC-2026-0297-FOF-EI ISSUED: August 24, 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

ORDER APPROVING TAMPA ELECTRIC COMPANY'S 2026 BAYSIDE AGREEMENT

BY THE COMMISSION:

BACKGROUND

Two replacement power issues associated with Tampa Electric Company's (TECO or Company) Bayside Unit 2 were raised in the 2026 Fuel Clause docket, Docket 20260001-EI:[1] replacement power costs associated with an outage of TECO's Bayside Steam Turbine 2 lasting from October 1, 2024 to August 15, 2025, and replacement power costs associated with a forced outage of Bayside Combustion Turbine 2D from January 22, 2025 to June 12, 2025. TECO and the Office of Public Counsel (OPC) filed a Joint Motion to spin-off the Bayside Steam Turbine 2 outage into a separate docket on March 23, 2026, due to the complexity of the outage and the volume of confidential utility and third-party documents that would have to be reviewed. This request was granted by Order No. PSC-2026-0081-PCO-EI[2] and Docket No. 20260053-EI, *In re: Review of the 2024-2025 outage of Tampa Electric Company's Bayside Steam Turbine Unit 2*, was established on April 6, 2026.

[1] Docket No. 20260001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.*

[2] Order No. PSC-2026-0081-PCO-EI, issued April 1, 2026, in Docket No. 20260001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.*

The January 22, 2025 to June 12, 2025 Bayside Combustion Turbine 2D outage was not moved to the new docket, but remained at issue in Docket No. 2026001-EI.

On April 15, 2026, TECO filed a petition seeking approval of revised depreciation rates for its Bayside Power Station assets to be effective January 1, 2027. Docket No. 20260062-EI was assigned to the depreciation rate change petition. The Company retrofitted the steam turbines of its Bayside Units 1 & 2; and placed them back in service in August 2025 and June 2026. The retrofit materially extends the remaining lives and anticipated retirement dates for these units; consequently, it also impacts the depreciation rates of various depreciation accounts for Bayside Station. TECO requested to approve its proposed new depreciation rates for the affected accounts, with an implementation date of January 1, 2027. The revised depreciation rates result in a reduction to depreciation expense of approximately $19.5 million.

On June 16, 2026, TECO filed a Motion to Approve 2026 Bayside Agreement (Stipulation and Settlement Agreement dated June 12, 2026, or "2026 Bayside Agreement") which proposed to resolve both Bayside Steam Turbine 2 and Bayside Combustion Turbine 2D outage issues and the depreciation rate changes for the Bayside Power Station assets. The signatories to the 2026 Bayside Agreement are TECO and OPC. There are no other parties to Docket No. 20260053-EI or Docket No. 20260062-EI. The 2026 Bayside Agreement is Attachment A to this order.

The Fuel Clause docket, Docket 20260001-EI, has seven parties in addition to TECO and OPC: Florida Public Utilities Company; Duke Energy Florida, LLC; Florida Power & Light Company; Florida Industrial Power Users Group; Southern Alliance for Clean Energy; White Springs Agricultural Chemicals, Inc. d/b/a/ PCS Phosphate – White Springs; and Nucor Steel Florida, Inc. All of these parties took no position on the 2026 Bayside Agreement and were excused from the attending the final hearing conducted on August 4, 2026. At the final hearing, the pre-filed testimony of TECO witnesses Ned Allis, Jeff Chronister and Kris Stryker and Exhibits Nos. 1-15 were admitted into the record. The parties waived briefs and a vote was taken after our staff gave an oral recommendation.

We have jurisdiction over this subject matter by the provisions of Chapter 366, Florida Statutes (F.S.).

DECISION

The legal standard for approval of a settlement agreement is whether, when taken as a whole, the agreement is in the public interest and results in fair, just and reasonable rates.[3] In order to do this, we must identify the major elements of the settlement and provide an explanation of how those elements affect our decision on public interest.[4]

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[3] *Floridians Against Increased Rates, Inc. v. Clark (FAIR),* 371 So. 3d 905, 910 (Fla. 2023).

[4] Order No. PSC-2024-0078-FOF-EI, issued March 25, 2024, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company.*

There are three major elements in the 2026 Bayside Agreement: a base rate freeze; Bayside outage-related replacement power costs; and modifications of depreciation rates for Bayside Unit 1 and 2 assets.

Base Rate Freeze

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. The 2026 Bayside Agreement further states that this "freeze" is with the exception for rate and tariff changes necessary to implement the Company's 2027 Subsequent Year Adjustment as approved by this Commission in TECO' s last rate case; and the exception for filing for approval of large load tariffs required by 366.043, F.S. This base rate freeze provision forecloses the possibility that TECO might seek base rate relief to be effective in 2027 to address the earnings pressure discussed in the Company's public and confidential Commission staff data request responses.

Bayside Outage-Related Replacement Power Costs

The 2026 Bayside Agreement states that the replacement fuel and purchased power issues associated with the Bayside Steam Turbine Unit 2 Outage in Docket Nos. 20260053-EI and Bayside Combustion Turbine 2D Outage shall be resolved by reducing the Company's 2027 recoverable fuel and purchased power expense by a combined total of $10 million.

Depreciation Rates

OPC and TECO agree that the Bayside depreciation rates proposed in Docket No. 20260062 are reasonable and should be approved effective July 1, 2026.

Public Interest

In the Company's responses to Commission staff’s data requests, TECO stated that, compared to its originally requested effective date of January 1, 2027, the new effective date will reduce its 2026 depreciation expense by approximately $9.6 million. TECO also confirmed that if the 2026 Bayside Agreement is approved, the Company still intends to proceed with the installation of "solar assets or other projects excluded from 2027 subsequent year adjustment revenues approved in its last rate case" without increasing customers' bills in 2027. TECO has stated that it expects three solar projects representing 166.5 MW to go into service by December 2026, but would not impact rates due to the proposed base rate freeze through 2027. The revenue requirement of such plants is estimated to be $22. 7M.

The 2026 Bayside Agreement would result in a $10 million reduction in the 2027 recoverable fuel costs. Further, the Agreement would provide stability in current base rates until at least December 31, 2027, in part through the deferral of new solar project cost recovery in 2027. Additionally, the 2026 Bayside Agreement would serve to reduce earnings pressure for

TECO and supports the decision to forego seeking additional rate relief during this same period in 2027.

Based on the record of the three associated dockets, we find that the 2026 Bayside Agreement, and its major elements, are in the public interest when taken as a whole and results in rates that are fair, just and reasonable.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's Motion to Approve 2026 Bayside Agreement, titled Stipulation and Settlement Agreement, dated June 12, 2026, Attachment A hereto, is hereby approved.

ORDERED that Docket No. 20260053-EI, *in re: Review of the 2024-2025 outage of Tampa Electric Company's Bayside Steam Turbine Unit 2* and Docket No. 20260062-EI, *In re: Petition for approval of revised depreciation rates for Bayside Power Station assets, by Tampa Electric Company,* shall be closed. Docket No. 20260001-EI shall remain open.

By ORDER of the Florida Public Service Commission this 24th day of August, 2026.

ADAM TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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.

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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.

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

STIPULATION AND SETTLEMENT AGREEMENT

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".

Recitals

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
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

By: Walt Trierweiler
Walt Trierweiler, Public Counsel