



FILED 3/28/2025  
DOCUMENT NO. 02258-2025  
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March 28, 2025

**VIA: ELECTRONIC FILING**

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

Re: Application of Tampa Electric Company for Authority to Issue and Sell Securities pursuant to Section 366.04, F.S. and Chapter 25-8, F.A.C. during the twelve months ending December 31, 2024; Docket No. 20230099-EI

Dear Mr. Teitzman:

Pursuant to Rule 25-8.009, Florida Administrative Code, and this Commission's Order No. PSC-2023-0341-FOF-EI issued on November 16, 2023, attached is Tampa Electric Company's Consummation Report regarding the issuance and sale of securities during the fiscal year ended December 31, 2024.

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/bml  
Attachment  
cc: All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority to issue and sell )  
securities for year ending December 31, 2024, by )  
Tampa Electric. )  
\_\_\_\_\_ )

DOCKET NO. 20230099-EI  
FILED: March 28, 2025

**CONSUMMATION REPORT**

The applicant, Tampa Electric Company (the “company” or “TEC”), pursuant to Commission Order No. PSC-2023-0341-FOF-EI dated November 16, 2023, submits the following information with respect to the issuance and/or sale of securities during the twelve months ending December 31, 2024.

**Facts of Issues**

*Long-Term Debt.* On January 30, 2024, the company issued \$500 million of 4.90% unsecured notes due March 1, 2029 (the 2029 Notes) under a shelf registration statement for the purpose of repaying short-term debt and for general corporate purposes

*Short-Term Debt.* TEC Term Loans. On March 1, 2023, TEC entered into a \$200 million 1-year term facility that matured on February 28, 2024. On April 3, 2023, TEC entered into a \$200 million 1-year term facility that matured on April 1, 2024.

The company regularly borrows under its revolving bank credit facility and commercial paper program, both of which permit the company to draw down, repay and re-borrow funds. Given the frequency of these borrowings and repayments, it is not practicable to give the details of each action. The company’s short-term borrowing activity in 2024 can be summarized as follows:

	<u>(\$Millions)</u>
Minimum Outstanding	\$ 0
Maximum Outstanding	\$ 739
Average Outstanding	\$ 266.4
Weighted Average Interest Cost	5.30%

### **Terms and Conditions**

The Notes due 2029 bear interest at the rate of 4.90% per annum. Interest is payable on the notes on March 1 and September 1 of each year, beginning on September 1, 2024.

### **Net Proceeds**

<b>Notes due 2029:</b>	Bond Issue	\$499,660,000
	Underwriting Fee	<u>(3,000,000)</u>
	Net Proceeds	\$496,660,000

### **Statement of Capitalization**

Statements of capitalization, pretax interest coverage, debt interest requirements and preferred stock dividend requirements of the company for the year ending December 31, 2024 are as follows:

<u>Capital Structure</u>	<u>(\$Millions)</u>
Short-term Debt	\$636
Long-term Debt (including amounts due within one year)	3,935
Preferred Stock	-
Common Equity	<u>5,322</u>
Total Capitalization	<u>\$9,893</u>

<u>Pretax Interest Coverage</u>	
Including AFUDC	3.64 times
Excluding AFUDC	3.45 times

<u>Debt Interest Requirements</u>	\$203.1
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<u>Preferred Stock Dividends</u>	-
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**\$500M Notes Due 2029**

The Notes due 2029 were offered to the public at an initial offering price of 99.932 percent of their face amount and were underwritten as indicated below.

	<u>Amount Underwritten</u>	<u>Underwriting Fees</u>
Wells Fargo Securities LLC	\$75,000,000	\$450,000
Morgan Stanley & Co., LLC	75,000,000	450,000
MUFG Securities Americas Inc	75,000,000	450,000
J.P. Morgan Securities LLC	50,000,000	300,000
RBC Capital Markets, LLC	50,000,000	300,000
Scotia Capital (USA) Inc.	50,000,000	300,000
BMO Capital Markets.	22,000,000	132,000
BofA Securities, Inc.	22,000,000	132,000
CIBC World Markets Corp.	22,000,000	132,000
TD Securities (USA) LLC	22,000,000	132,000
Truist Securities, Inc.	22,000,000	132,000
Academy Securities, Inc.	5,000,000	30,000
Loop Capital Markets LLC	5,000,000	30,000
Samuel A. Ramirez & Company, Inc.	<u>5,000,000</u>	<u>30,000</u>
Total	<u>\$500,000,000</u>	<u>\$3,000,000</u>

Underwriting fees	\$3,000,000
Legal fees	89,275
Audit fees	140,000
Rating agency fees	1,192,500
Underwriter's counsel fees	7,080
Prospectus Filing	34,755
SEC Registration & Filing fee	147,680
Stamp Tax	<u>2,450</u>
Total	<u>\$4,613,740</u>

Respectfully submitted this 28th day of March,  
2025

TAMPA ELECTRIC COMPANY

By: 

Jeffrey S. Chronister

Vice President, Finance

**Consummation Report**  
**Exhibit List**

	<b><u>Page</u></b>
TECO Energy, Inc./Tampa Electric Company – SEC Form 10-K For the Fiscal year ended December 31, 2024	6
Tampa Electric Company \$500,000,000 4.9% Notes Due 2029	86

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2024

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No.	Exact name of each Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone number	I.R.S. Employer Identification Number
1-5007	TAMPA ELECTRIC COMPANY (a Florida corporation) TECO Plaza 702 N. Franklin Street Tampa, Florida 33602 (813) 228-1111	59-0475140

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
None		

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of class)

Indicate by check mark if Tampa Electric Company is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

YES ☒ NO ☐

Indicate by check mark whether Tampa Electric Company is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark whether Tampa Electric Company has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether Tampa Electric Company is a shell company (as defined in Rule 12b-2 of the Act).  
YES ☐ NO ☒

The aggregate market value of Tampa Electric Company’s common stock held by non-affiliates of the registrant as of June 30, 2024 was zero.

As of February 20, 2025, there were 10 shares of Tampa Electric Company’s common stock issued and outstanding, all of which were held, beneficially and of record, by TECO Holdings, Inc., an indirect wholly-owned subsidiary of Emera Inc.

Tampa Electric Company meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format specified in General Instruction I(2) of Form 10-K.



## DEFINITIONS

Acronyms and defined terms used in this and other filings with the U.S. Securities and Exchange Commission include the following:

<u>Term</u>	<u>Meaning</u>
AFUDC	allowance for funds used during construction
AFUDC-debt	debt component of allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CCRs	coal combustion residuals
CO <sub>2</sub>	carbon dioxide
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada and the indirect parent company of Tampa Electric Company
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act
EUSHI	Emera US Holdings Inc., a wholly owned subsidiary of Emera, which is the sole shareholder of TECO Holdings' common stock as of April 1, 2024, and the sole shareholder of TECO Energy's common stock prior to April 1, 2024
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
GHG	greenhouse gas
IRS	Internal Revenue Service
ITCs	investment tax credits
MD&A	the section of this report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations
MGP	manufactured gas plant
MMBTU	one million British Thermal Units
MW	megawatt(s)
MWH	megawatt-hour(s)
NAV	net asset value
Note	Note to financial statements
NPNS	normal purchase normal sale
O&M expenses	operations and maintenance expenses
OCI	other comprehensive income
OPEB	other postemployment benefits
Parent	the direct parent company of Tampa Electric Company, which is TECO Holdings, Inc. as of April 1, 2024, and TECO Energy, Inc., prior to April 1, 2024
PBO	projected benefit obligation
PGS	Peoples Gas System, the former gas division of Tampa Electric Company
PGSI	Peoples Gas System, Inc.
PPA	power purchase agreement
PRP	potentially responsible party
PTCs	production tax credits
ROE	return on common equity
Regulatory ROE	return on common equity as determined for regulatory purposes
S&P	Standard and Poor's
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SPP	storm protection plan
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the direct parent company of Tampa Electric Company prior to April 1, 2024
TECO Holdings	TECO Holdings, Inc., the direct parent company of Tampa Electric Company as of April 1, 2024
U.S. GAAP	generally accepted accounting principles in the United States

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

This Form 10-K contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. Forward-looking statements generally can be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "will be," "will continue," "may," "could," "will likely result," and similar expressions. The factors that could cause actual results to differ materially from the forward-looking statements made by TEC include those factors discussed herein, including those factors discussed with respect to TEC discussed in (a) Part I, Item 1A. Risk Factors, (b) Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part II, Item 8. Financial Statements: Note 8, Commitments and Contingencies; and (d) other factors discussed in filings with the SEC by TEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. TEC does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Form 10-K.

All references to "dollars" and "\$" in this and other filings with the U.S. Securities and Exchange Commission are references to U.S. dollars, unless specifically indicated otherwise.

## **PART I**

### **Item 1. BUSINESS**

Tampa Electric Company, referred to as TEC, was incorporated in Florida in 1899 and was reincorporated in 1949. All of TEC's common stock is owned by TECO Holdings. TECO Holdings is an indirect, wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

TEC is a public utility operating within the State of Florida. TEC is comprised of the electric division, referred to as Tampa Electric, and prior to January 1, 2023, also included the natural gas division, referred to as PGS. Tampa Electric provides retail electric service to approximately 855,000 customers in West Central Florida with a net winter system generating capacity of 6,620 MW at December 31, 2024.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Holdings. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.

TEC makes its SEC filings available free of charge on Tampa Electric's website ([www.tampaelectric.com/company/about/](http://www.tampaelectric.com/company/about/)) as soon as reasonably practicable after they are filed with the SEC. TEC's electronic SEC filings are also available on the SEC's website ([www.sec.gov](http://www.sec.gov)).

#### **TEC Revenues**

TEC's revenues consist of sales to residential, commercial, industrial and other customers. TEC's residential load generally comprises individual homes, apartments and condominiums. Commercial customers include small retail operations, large office and commercial complexes, universities and hospitals. Industrial customers include manufacturing facilities, power generation customers and other large volume operations. Other sales volumes consist primarily of off-system sales to other utilities and revenues from street lighting.

For TEC's revenue and other financial information by operating segments, see **Note 11** to the **2024 Annual TEC Consolidated Financial Statements**.

#### **TEC Human Capital**

Tampa Electric had 2,587 employees as of December 31, 2024, substantially all of whom are located in Florida. Of these employees, 717 were represented by the International Brotherhood of Electrical Workers and 141 were represented by the Office and Professional Employees International Union.

Maintaining a robust pipeline of talent is crucial to TEC's ongoing success and is a key aspect of succession planning efforts across the organization. TEC is committed to investing in its employees through training and development programs as well as a tuition assistance program to promote continued professional growth. TEC provides a competitive compensation package that includes base pay, annual short-term incentives based on the achievement of corporate goals and performance, long-term incentives (applicable to eligible employee population), and health and retirement benefits.

#### **TAMPA ELECTRIC – Electric Operations**

Tampa Electric is engaged in the generation, purchase, transmission, distribution and sale of electric energy. The retail territory served comprises an area of about 2,000 square miles in West Central Florida, including Hillsborough County and parts of Polk, Pasco and Pinellas Counties. The principal communities served are Tampa, Temple Terrace, Winter Haven, Plant City and Dade City. Tampa Electric engages in wholesale sales to utilities and other resellers of electricity. At December 31, 2024, Tampa Electric had two generating stations in or near Tampa, one generating station in southwestern Polk County, 27 photovoltaic power stations (fifteen in Hillsborough County, ten in Polk County, and two in Pasco County), and one energy storage site.

The sources of Tampa Electric's operating revenue and MWH sales were as follows:

**Tampa Electric Operating Revenue**

<i>(millions)</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
<b>By Customer Type</b>			
Residential	\$ 1,507	\$ 1,711	\$ 1,381
Commercial	686	803	666
Industrial	162	203	176
Other sales of electricity	215	248	215
Regulatory deferrals and unbilled revenue	(111)	(389)	(12)
Total energy sales	2,459	2,576	2,426
Off system sales	12	8	37
Other	55	53	60
Total revenues	<u>\$ 2,526</u>	<u>\$ 2,637</u>	<u>\$ 2,523</u>
<b>By Sales Type</b>			
Base	\$ 1,490	\$ 1,458	\$ 1,342
Clause	751	802	901
Capital cost recovery for early retired assets	69	69	69
Storm surcharge	29	107	0
Gross receipts taxes and franchise fees	120	139	114
Other	67	62	97
Total revenues	<u>\$ 2,526</u>	<u>\$ 2,637</u>	<u>\$ 2,523</u>

**Megawatt-hour Sales**

<i>(thousands)</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Residential	10,269	10,307	10,109
Commercial	6,481	6,462	6,300
Industrial	2,019	2,082	2,111
Other sales of electricity	1,933	1,940	1,947
Total retail	20,702	20,791	20,467
Off system sales	343	254	405
Total energy sold	<u>21,045</u>	<u>21,045</u>	<u>20,872</u>

No significant part of Tampa Electric's business is dependent upon a single or limited number of customers where the loss of any one or several would have a significant adverse effect on Tampa Electric. Tampa Electric experiences summer peak loads due to the use of air conditioning and other cooling equipment and winter peak loads due to electric space heating and fewer daylight hours.

**Regulation**

*Base Rates*

Tampa Electric's retail operations are regulated by the FPSC. The FPSC's objective is to set rates at a level that provides an opportunity for the utility to collect revenues (revenue requirements) equal to its prudently incurred costs of providing service to customers, plus a reasonable return on invested capital.

The costs of owning, operating and maintaining the utility systems, excluding fuel, conservation costs, purchased power, storm protection plan projects and certain environmental costs, are recovered through base rates. These costs include O&M expenses, depreciation, taxes, and a return on investment in assets providing electric service (rate base). The rate of return on rate base, which is intended to approximate a company's weighted cost of capital, primarily includes its costs for debt, deferred income taxes (at a zero cost rate) and an allowed ROE. Base rates are determined in FPSC rate setting hearings which occur at the initiative of Tampa Electric, the FPSC or other interested parties.

Tampa Electric's 2024, 2023 and 2022 base rates reflect a settlement agreement approved by the FPSC on November 10, 2021. Tampa Electric's 2025 base rates reflect an FPSC order issued on February 3, 2025. See **Note 3 to the 2024 Annual TEC Consolidated Financial Statements** for information regarding Tampa Electric's base rates, ROE and other regulatory matters.

### *Other Cost Recovery*

Tampa Electric has five cost recovery clauses.

- (1) Tampa Electric has a fuel recovery clause allowing recovery of actual fuel costs from customers through annual fuel rate adjustments. Differences between actual prudently incurred fuel costs and amounts recovered from customers in a year are recovered from or returned to customers in a subsequent period.
- (2) Tampa Electric has a capacity recovery clause allowing recovery of firm demand payments associated with purchased power agreements.
- (3) Tampa Electric has an environmental cost recovery clause which allows it to earn a return on investments in new facilities to comply with new environmental regulations and to recover the costs to operate and maintain these facilities.
- (4) Through its conservation cost recovery clause, Tampa Electric offers its customers a comprehensive array of residential and commercial programs that have enabled it to meet its required demand side management goals, reduce weather-sensitive peak demand and conserve energy.
- (5) Tampa Electric has a Storm Protection Plan cost recovery clause allowing recovery of prudent transmission and distribution storm hardening costs for incremental activities not already included in base rates as outlined in the programs in its approved Storm Protection Plan.

During the fourth quarter of 2024, the FPSC approved cost-recovery rates for the above clauses effective January 1, 2025. See **Note 3** to the **2024 Annual TEC Consolidated Financial Statements** for further information. In addition, Tampa Electric's 2021 rate case settlement agreement established a mechanism to recover the costs of retiring coal generation units and meter assets over a period of 15 years. The recovery started in January 2022 and will survive the term of the settlement agreement.

### *FERC and Other Regulations*

Tampa Electric is subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices.

Tampa Electric is subject to federal, state and local environmental laws and regulations pertaining to air and water quality, land use, power plant, substation and transmission line siting, noise and aesthetics, solid waste and other environmental matters (see the **Environmental Compliance** section of the **MD&A**).

### **Competition**

Tampa Electric's retail electric business is substantially free from direct competition with other electric utilities, municipalities and public agencies. The principal form of competition at the retail level consists of self-generation available to users of electric energy. Such users may seek to expand their alternatives through various initiatives, including legislative and/or regulatory changes that would permit competition at the retail level. Tampa Electric intends to retain and expand its retail business by managing costs and providing quality service to retail customers.

### **Generation Sources**

In 2024 and 2023, 89% and 88%, respectively, of Tampa Electric's gross generation of electricity was natural gas-fired, with solar representing 11% and 8%, respectively, and coal representing less than 1% and 4%, respectively. In 2024 and 2023, Tampa Electric used its generating units to meet 91% and 92%, respectively, of the total system load requirements, with the remaining 9% and 8%, respectively coming from purchased power. Tampa Electric is required to maintain a generation capacity greater than firm peak demand. Tampa Electric meets the planning criteria for reserve capacity established by the FPSC, which is a 20% reserve margin over firm peak demand.

The table below presents information regarding Tampa Electric's generation costs.

<i>Average cost per MMBTU</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Natural Gas <sup>(1)</sup>	\$ 3.65	\$ 2.81	\$ 8.32
Coal <sup>(2)</sup>	15.47	5.00	3.52
Average generation cost per MWh <sup>(3)</sup>	28.47	30.97	37.85

(1) Represents the cost of natural gas, transportation, storage, balancing, and fuel losses for delivery to the energy center.

(2) Represents the cost of coal and transportation.

- (3) Represents the average generation cost per MWh including solar.

Tampa Electric's fuel costs are affected by commodity prices and generation mix that is largely dependent on economic dispatch of the generating fleet, dispatching the lowest fuel cost options first (solar renewable energy being zero fuel costs), such that the incremental cost of generation increases as sales volumes increase. Generation mix may also be affected by plant outages, plant performance, availability of lower priced short-term purchased power, compliance with environmental standards and regulations, and availability of solar resources.

**Natural Gas.** Tampa Electric maintains gas commodity, pipeline transportation and storage contracts. As of December 31, 2024, 69% of Tampa Electric's 2.0 million billion cubic feet of gas storage capacity was full. Tampa Electric has contracted for, on average, 48% of its expected gas needs for the January through December 2025 period. Tampa Electric expects to issue requests for proposals (RFPs) to meet its remaining 2025 gas needs and begin contracting for its 2026 requirements. Additional volume requirements are purchased in the short-term spot market.

**Coal.** Tampa Electric burned less than 0.1 million tons of coal during 2024, with similar usage anticipated in 2025. All of Tampa Electric's expected coal need in 2025 is under contract and stored on site. Tampa Electric takes coal deliveries primarily by water and uses transportation agreements with a rail provider if spot coal supplies are needed.

### Franchises and Other Rights

Florida utilities must obtain franchises to operate in certain municipalities. Tampa Electric holds franchises and other rights that, together with its charter powers, govern the placement of Tampa Electric's facilities on the public rights-of-way that it carries for its retail business in the localities it serves. The franchises specify the negotiated terms and conditions governing Tampa Electric's use of public rights-of-way and other public property within the municipalities it serves during the term of the franchise agreement. Florida municipalities are prohibited from granting any franchise for a term exceeding 30 years.

Tampa Electric has franchise agreements with 13 incorporated municipalities within its retail service area. At December 31, 2024, these agreements have various expiration dates ranging through 2052 and are expected to be renewed under similar terms and conditions.

Franchise fees expense totaled \$59 million and \$67 million in 2024 and 2023, respectively. Franchise fees are calculated using a formula based primarily on electric revenues and are recovered on a dollar-for-dollar basis from customers.

Utility operations in Hillsborough, Pinellas and Polk Counties outside of incorporated municipalities are conducted in each case under one or more permits granted by the Florida Department of Transportation or the County Commissioners of such counties. There is no law limiting the time for which such permits may be granted. There are no fixed expiration dates for the Hillsborough County, Pinellas County and Polk County agreements.

### Environmental Matters

Tampa Electric operates stationary sources with air emissions regulated by the Clean Air Act. Its operations are also impacted by provisions in the Clean Water Act and federal and state legislative initiatives on environmental matters. TEC, through its Tampa Electric division and former PGS division, is a PRP for certain superfund sites and, through its former PGS division, for certain former manufactured gas plant sites. See **Environmental Compliance** section of the **MD&A** for additional information. As a result of the separation of the PGS division, PGS is now the responsible party for those sites (in addition to third party PRPs for certain sites). See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.

### PEOPLES GAS SYSTEM – Gas Operations

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy. From and after January 1, 2023, the PGS business is no longer operated by TEC. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for further information regarding the separation of PGS from TEC. For information regarding PGS's Business in 2022, see "Item 1. Business" of **TEC's Annual Report on Form 10-K** for the year ended December 31, 2022.

**Item 1A. RISK FACTORS**

**Risks Relating to TEC's Business and Strategy**

**Regulatory, Legislative, and Legal Risks**

**Tampa Electric is regulated; changes in regulation or the regulatory environment could reduce revenues, increase costs or competition.**

Tampa Electric operates in a regulated industry. Retail operations, including the rates charged and costs eligible for recovery under clauses, are regulated by the FPSC, and Tampa Electric's wholesale power sales and transmission services are subject to regulation by the FERC. Changes in regulatory requirements or regulatory actions could have an adverse effect on TEC's financial performance by, for example, reducing revenues, increasing competition or costs, threatening investment recovery or impacting rate structure. Additionally, if regulators deny or delay cost recovery approvals, Tampa Electric's earnings could be negatively impacted.

If Tampa Electric earns returns on equity above its allowed range, indicating a trend, those earnings could be subject to review by the FPSC. Ultimately, prolonged returns above its allowed range could result in credits or refunds to customers, which could reduce future earnings and cash flow.

**Changes in the environmental and land use laws and regulations affecting its business could increase TEC's costs or curtail its activities.**

TEC's business is subject to regulation by various governmental authorities dealing with air, water and other environmental matters. Changes in compliance requirements or the interpretation by governmental authorities of existing requirements may impose additional costs on TEC, requiring cost-recovery proceedings and/or requiring it to modify its business model.

**The computation of TEC's provision for income taxes is impacted by changes in tax legislation.**

Any changes in tax legislation could affect TEC's future cash flows and financial position. The value of TEC's existing deferred tax assets and liabilities are determined by existing tax laws and could be impacted by tax law changes, including any changes to the Inflation Reduction Act, as well as additional interpretations or technical corrections impacting the amount and timing of income tax payments or reduce or limit the ability to claim certain deductions and use carryforward tax benefits and/or credits. See **Note 4** of the **2024 Annual TEC Consolidated Financial Statements** for further information regarding TEC's income taxes.

**Tampa Electric may not be able to secure adequate rights-of-way to construct transmission lines and distribution-related facilities and could be required to find alternate ways to provide adequate sources of energy and maintain reliable service for their customers.**

Tampa Electric relies on federal, state and local governmental agencies to secure rights-of-way and siting permits to construct transmission lines and distribution-related facilities. If adequate rights-of-way and siting permits to build new transportation and transmission lines cannot be secured, then Tampa Electric:

- May need to remove or abandon its facilities on the property covered by rights-of-way or franchises and seek alternative locations for its transmission or distribution facilities;
- May need to rely on more costly alternatives to provide energy to its customers;
- May not be able to maintain reliability in its service area;
- May need to exercise the power of eminent domain, which can be costly and take time; and/or
- May experience a negative impact on its ability to provide electric service to new customers.

**The franchise rights held by Tampa Electric could be lost in the event of a breach by such utilities or could expire and not be renewed.**

Tampa Electric holds franchise agreements with counterparties throughout its service area. In some cases, these rights could be lost in the event of a breach of these agreements. These agreements are for set periods and could expire and not be renewed upon

expiration of the then-current terms. From time to time municipalities seek to include provisions allowing them to purchase the portion of the utility's system located within a given municipality's boundaries under certain conditions.

### **Operational and Construction Risks**

#### **TEC's business is sensitive to variations in weather and the effects of extreme weather and has seasonal variations.**

TEC's utility business is affected by variations in general weather conditions including severe weather. Energy sales by its electric utility are particularly sensitive to seasonal variations in weather conditions, including unusually mild summer or winter weather that cause lower energy usage for cooling or heating purposes. Tampa Electric has both summer and winter peak periods that are dependent on weather conditions. Tampa Electric forecasts energy sales based on normal weather, which represents a long-term historical average. If there is unusually mild weather, or if climate change or other factors cause significant variations from normal weather, this could have a material impact on energy sales.

#### **TEC is subject to several risks that arise or may arise from climate change.**

TEC is subject to risks that may arise from the impacts of climate change. There is increasing public concern about climate change and growing support for reducing carbon dioxide emissions. Municipal, state, and federal governments have been setting policies and enacting laws and regulations to deal with climate change impacts in a variety of ways, including de-carbonization initiatives and promotion of cleaner energy and renewable energy generation of electricity. Refer to "changes in the environmental and land use laws and regulations" above. Insurance companies have begun to limit their exposure to coal-fired electricity generation and are evaluating the medium and long-term impacts of climate change which may result in fewer insurers, more restrictive coverage and increased premiums.

Climate change may lead to increased frequency and intensity of weather events and related impacts such as storms, hurricanes, cyclones, heavy rainfall, extreme winds, wildfires, flooding and storm surge. The potential impacts of climate change, such as rising sea levels and larger storm surges from more intense hurricanes, can combine to produce even greater damage to coastal generation and other facilities. Climate change is also characterized by rising global temperatures. Increased air temperatures may bring increased frequency and severity of wildfires, including within TEC's service territory. Refer to "variations in weather" above.

High winds and lack of precipitation increase the risk of wildfires resulting from TEC's infrastructure. The risk of wildfires is addressed primarily through asset management, storm hardening, and vegetation management programs for the electric utility. If it is found to be responsible for such a fire, TEC could suffer material costs, losses and damages, which could materially affect TEC's business, access to capital, financial condition and results of operations including its reputation with customers, regulators, governments and financial markets. Resulting costs could include fire suppression costs, regeneration, timber value, increased insurance costs and costs arising from damages and losses incurred by third parties.

TEC is subject to physical risks that arise, or may arise, from global climate change, including damage to operating assets from more frequent and intense weather events and from wildfires due to warming air temperatures and increasing drought conditions. Some of Tampa Electric's fossil fueled generation assets are located at or near coastal sites and as such are exposed to the separate and combined effects of rising sea levels and increasing storm intensity, including storm surges and flooding. Refer to "variations in weather" above.

Failure to address issues related to climate change could affect TEC's reputation with stakeholders, its ability to operate and grow, and TEC's access to, and cost of, capital. Refer to "Financial, Economic, and Market Risks" below.

Changing carbon-related costs, policy and regulatory changes and shifts in supply and demand factors could lead to more expensive or more scarce products and services that are required by TEC in its operations. This could lead to supply shortages, delivery delays and the need to source alternate products and services.

Depending on the regulatory response to government legislation and regulations, TEC may be exposed to the risk of reduced recovery through rates in respect of the affected assets. Valuation impairments could result from such regulatory outcomes.

TEC could face litigation or regulatory action related to environmental harms from carbon dioxide emissions or climate change public disclosure issues.

For thermal plants requiring cooling water, reduced availability of water resulting from climate change could adversely impact operations or the costs of operations.



**The facilities and operations of TEC could be affected by natural disasters or other catastrophic events.**

TEC's facilities and operations are exposed to potential damage and partial or complete loss resulting from environmental disasters (e.g., hurricanes, floods, high winds, fires and earthquakes), equipment failures, terrorist or physical attacks, vandalism, a major accident or incident at one of the sites, and other events beyond the control of TEC. The operation of generation, transmission and distribution systems involves certain risks, including fires, explosions, pipeline ruptures, damage to solar panels and other generation assets, and other hazards and risks that may cause unforeseen interruptions, personal injury, death, or property damage. There have also been physical attacks on critical infrastructure around the world. In the event of a physical attack that disrupts service to customers, revenues would be reduced, and costs would be incurred to repair and restore systems. These types of events, either impacting TEC's facilities or the industry in general, could cause TEC to incur additional security and insurance-related costs, and could have adverse effects on its business and financial results. Any costs relating to such events may not be recoverable through insurance or rates.

**TEC is exposed to potential risks related to cyberattacks and unauthorized access, which could cause system failures, disrupt operations or adversely affect safety.**

TEC increasingly relies on information technology systems and network infrastructure to manage its business and safely operate its assets, including controls for interconnected systems of generation, distribution and transmission and financial, billing and other business systems. TEC also relies on third party service providers to conduct business. As TEC operates critical infrastructure, it may be at greater risk of cyberattacks by third parties, which could include nation-state controlled parties.

Cyberattacks can reach TEC's networks with access to critical assets and information via their interfaces with less critical internal networks or via the public internet. Cyberattacks can also occur via personnel with direct access to critical assets or trusted networks. An outbreak of infectious disease, a pandemic or a similar public health threat may cause disruption in normal working patterns including wide scale "work from home" policies, which could increase cybersecurity risk as the quantity of both cyberattacks and network interfaces increases. Refer to the risk factor below regarding public health risk. Methods used to attack critical assets could include general purpose or energy-sector-specific malware delivered via network transfer, removable media, viruses, attachments or links in e-mails. The methods used by attackers are continuously evolving and can be difficult to predict and detect.

TEC's systems, assets and information could experience security breaches that could cause system failures, disrupt operations or adversely affect safety. Such breaches could compromise customer, employee-related or other information systems and could result in loss of service to customers or the unavailability, release, destruction or misuse of critical, sensitive or confidential information. These breaches could also delay delivery or result in contamination or degradation of hydrocarbon products TEC transports, stores or distributes.

Should such cyberattacks or unauthorized accesses materialize, TEC could suffer costs, losses and damages, all or some of which may not be recoverable through insurance, legal, regulatory cost recovery or other processes. If not recovered through these means, they could materially adversely affect TEC's business and financial results including its reputation and standing with customers, regulators, governments and financial markets. Resulting costs could include, amongst others, response, recovery and remediation costs, increased protection or insurance costs and costs arising from damages and losses incurred by third parties. If any such security breaches occur, there is no assurance that they can be adequately addressed in a timely manner.

With respect to certain of its assets, TEC is required to comply with rules and standards relating to cybersecurity and information technology including, but not limited to, those mandated by bodies such as the North American Electric Reliability Corporation. TEC cannot be assured that its operations will not be negatively impacted by a cyberattack.

**Effects of an outbreak of infectious disease, another pandemic or a similar public health threat could have a negative impact on TEC's operations.**

An outbreak of infectious disease, a pandemic or a similar public health threat or a fear of any of the foregoing, could adversely impact TEC, including by causing operating, supply chain and project development delays and disruptions, labor shortages and shutdowns (including as a result of government regulation and prevention measures), and delays in regulatory decisions and proceedings, which could have a negative impact on TEC's operations.

Any adverse changes in general economic and market conditions arising as a result of a public health threat could negatively impact demand for electricity, revenue, operating costs, timing and extent of capital expenditures, results of financing efforts, or credit risk, counterparty risk and collection risk, which could result in a material adverse effect on TEC's business.

**Financial, Economic, and Market Risks**

**National and local economic conditions can have a significant impact on the results of operations, net income and cash flows at TEC.**

The business of TEC is concentrated in Florida. If economic conditions decline, retail customer growth rates may stagnate or decline, and customers' energy usage may decline, adversely affecting TEC's results of operations, net income and cash flows. A factor in customer growth in Florida is net in-migration of new residents, both domestic and non-U.S. A slowdown in the U.S. economy could reduce the number of new residents and slow customer growth.

**Potential competitive changes may adversely affect TEC.**

There is competition in wholesale power sales across the United States. Some states have mandated or encouraged competition at the retail level and, in some situations, required divestiture of generating assets. While there is active wholesale competition in Florida, the retail electric business has remained substantially free from direct competition. Changes in the competitive environment occasioned by legislation, regulation, market conditions or initiatives of other electric power providers or voters, particularly with respect to retail competition, could adversely affect Tampa Electric's business and its expected performance.

Florida electric utilities, including Tampa Electric, currently benefit from operating in a regulated environment with limited competition in their market for retail customers. However, the commercial and regulatory frameworks under which Tampa Electric operates can be impacted by changes in government and shifts in government policy. These include initiatives regarding deregulation or restructuring of the energy industry, which may result in increased competition and unrecovered costs that could adversely affect operations, net income and cash flows.

**Disruption of fuel supply could have an adverse impact on the financial condition of TEC.**

Tampa Electric depends on third parties to supply fuel, including natural gas and coal. As a result, there are risks of supply interruptions and fuel-price volatility. Disruption of fuel supplies or transportation services for fuel, whether because of weather-related problems, strikes, lock-outs, break-downs of transportation facilities, pipeline failures or other events, could impair the ability to deliver or generate electricity and could adversely affect operations. The loss of fuel suppliers or the inability to renew existing coal and natural gas contracts at favorable terms could significantly affect the ability to serve customers and have an adverse impact on the financial condition and results of operations of TEC.

**Commodity price changes may affect the operating costs and competitive positions of TEC's business.**

TEC's business is sensitive to changes in gas, coal and other commodity prices. Any changes in the availability of these commodities could affect the prices charged by suppliers as well as suppliers' operating costs and the competitive positions of their products and services.

In the case of Tampa Electric, fuel costs used for generation are affected primarily by the cost of natural gas and coal. Tampa Electric is able to recover prudently incurred costs of fuel through retail customers' bills, but increases in fuel costs affect electric prices and, therefore, the competitive position of electricity against other energy sources.

The ability to make sales of, and the margins earned on, wholesale power sales are affected by the cost of fuel to Tampa Electric, particularly as it compares to the costs of other power producers.

**TEC may face risks associated with international and national trade laws and regulations which could affect operating costs.**

Trade restrictions and imposition of new tariffs or trade restrictions could impact the availability and/or price of materials and equipment needed to support operations and capital investment and may affect operating costs and financial results.

**Developments in technology could reduce demand for electricity.**

Research and development activities are ongoing for new technologies that produce power or reduce power consumption. These technologies include renewable energy, customer-oriented generation, energy storage, energy efficiency and more energy-efficient appliances and equipment. Advances in these or other technologies could reduce the cost of producing electricity, or otherwise make Tampa Electric's existing generating facilities uneconomic. Advances in such technologies could reduce demand for electricity, which could negatively impact the results of operations, net income and cash flows of TEC.

**Results at TEC may be affected by changes in customer energy-usage patterns.**

For the past several years, at Tampa Electric and electric utilities across the United States, weather-normalized electricity consumption per residential customer has declined due to the combined effects of voluntary conservation efforts and improvements in equipment efficiency.

Forecasts by TEC are based on normal weather patterns and trends in customer energy-usage patterns. TEC could be negatively impacted if customers further reduce their energy usage in response to increased energy efficiency, economic conditions or other factors.

**Increased customer use of distributed generation could adversely affect Tampa Electric.**

In many areas of the United States, including in the markets where TEC operates, there is growing use of rooftop solar panels, small wind turbines and other small-scale methods of power generation, known as distributed generation. Distributed generation is encouraged and supported by various constituent groups, tax incentives, renewable portfolio standards and special rates designed to support such generation.

Increased usage of distributed generation can reduce utility electricity sales but does not reduce the need for ongoing investment in infrastructure to maintain or expand the transmission and distribution grid to reliably serve customers. Continued utility investment that is not supported by increased energy sales causes rates to increase for customers, which could further reduce energy sales and reduce future earnings and cash flows.

**Failure to attract and retain an appropriately qualified workforce, or workforce disruptions, could adversely affect TEC's financial results.**

Events such as increased retirements due to an aging workforce or the departure of employees for other reasons without appropriate replacements, mismatch of skill sets to future needs, or unavailability of contract resources may lead to operating challenges such as lack of resources, loss of knowledge, and a lengthy time period associated with skill development. Failure to attract and hire employees, including the ability to transfer significant internal historical knowledge and expertise to the new employees, or workforce disruptions due to work stoppages or strikes, or the future availability and cost of contract labor may cause costs to operate TEC's systems to rise. If TEC is unable to successfully attract and retain an appropriately qualified workforce, results of operations could be negatively impacted.

**Liquidity and Capital Requirements Risks**

**TEC's indebtedness could adversely affect its business, financial condition and results of operations, as well as its ability to meet its payment obligations on its debt.**

TEC has indebtedness that it is obligated to pay. It must meet certain financial covenants as defined in the applicable agreements to borrow under its credit facilities. Also, TEC has certain restrictive covenants in specific agreements and debt instruments. The level of TEC's indebtedness and potential inability to meet the requirements of the restrictive covenants contained in its debt obligations could have significant consequences to its business, could create risk for the holders of its debt, and could limit its ability to obtain additional financing (see **Management's Discussion & Analysis – Significant Financial Covenants** section). Such risks include:

- making it more difficult for TEC to satisfy its debt obligations and other ongoing business obligations, which may result in defaults;
- events of default if it fails to comply with the financial and other covenants contained in the agreements governing such debt, which could result in all of its debt becoming immediately due and payable or require it to negotiate an amendment to financial or other covenants that could cause it to incur additional fees and expenses;
- reducing the availability of cash flow to finance its business and limiting its ability to obtain additional financing for these purposes;
- increasing its vulnerability to the impact of adverse economic and industry conditions;
- limiting its flexibility in planning for, or reacting to, and increasing its vulnerability to, changes in its business and the overall economy;
- and increasing its cost of borrowing.

TEC has obligations that do not appear on its balance sheet, such as letters of credit. To the extent material, these obligations are disclosed in the notes to the financial statements.

**Financial market conditions could limit TEC's access to capital and increase TEC's costs of borrowing or refinancing, or have other adverse effects on its results.**

TEC has debt maturing in subsequent years, which TEC anticipates will need to be refinanced. Future financial market conditions could limit TEC's ability to raise the capital it needs and could increase its interest costs, which could reduce earnings and cash flows.

**Declines in the financial markets or in interest rates or rates of return used to determine benefit assets or obligations could increase TEC's pension expense or the required cash contributions to maintain required levels of funding for its plan.**

TEC is a participant in the comprehensive retirement plans of TECO Energy. Under calculation requirements of the Pension Protection Act, as of the January 1, 2024 measurement date, TECO Energy's pension plan was fully funded. Any future declines in the financial markets or interest rates could increase the amount of contributions required to fund its pension plan in the future and could cause pension expense to increase.

**TEC's financial condition and results could be adversely affected if its capital expenditures are greater than forecast or costs are not recoverable through rates.**

TEC's capital plan includes significant investments in generation, infrastructure modernization and customer-focused technologies. Any projects planned or currently in construction, particularly significant capital projects, may be subject to risks including, but not limited to, impact on costs from schedule delays, risk of cost overruns, ensuring compliance with operating and environmental requirements and other events within or beyond TEC's control. Total costs may be higher than estimated, and there can be no assurance that TEC will be able to obtain the necessary project approvals, regulatory outcomes or applicable permits at the federal, state and/or local level to recover such expenditures through regulated rates. If TEC's capital expenditures exceed the forecasted levels or are not recoverable, it may need to draw on credit facilities or access the capital markets on unfavorable terms.

**TEC's financial condition and ability to access capital may be materially adversely affected by multiple ratings downgrades to below investment grade.**

The senior unsecured debt of TEC is rated by S&P at 'BBB+', by Moody's at 'A3' and by Fitch at 'A'. A downgrade to below investment grade by the rating agencies, which would require a four-notch downgrade by Moody's and Fitch and a three-notch downgrade by S&P, may affect TEC's ability to borrow, may change requirements for future collateral or margin postings, and may increase financing costs, which may decrease earnings. Downgrades could adversely affect TEC's relationships with customers and counterparties. Some of the factors that can affect TEC's credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, political, legislative, and regulatory actions, and changes in Emera's credit ratings.

In the event TEC's ratings were downgraded to below investment grade, certain agreements could require immediate payment or full collateralization of net liability positions. Counterparties to its derivative instruments could request immediate payment or full collateralization of net liability positions. Credit provisions in long-term gas transportation agreements would give the transportation providers the right to demand collateral, which is estimated to be approximately \$84 million at December 31, 2024.

**TEC may be subject to risks relating to its separation from PGS.**

On January 1, 2023, TEC completed the separation from its former PGS division to PGSI. TEC's business is less diversified as a result of the separation since its remaining Tampa Electric business serves only electric utility customers and operates in a more narrow geographic area than its former PGS division.

The separation is intended to be a tax-free transaction for U.S. federal income tax purposes. The IRS has issued a private letter ruling (IRS Ruling) to the effect that, subject to the limitations specified therein and the accuracy and compliance with certain representations, warranties and covenants, the distribution of the PGSI stock, together with certain related transactions, will qualify as a tax-free "reorganization" for U.S. federal income tax purposes. If any of these items are inaccurate, the separation may not qualify for tax-free treatment, which could result in material tax liabilities for TEC.

**Item 1C. CYBERSECURITY**

TEC assesses, identifies, and manages material risks from cybersecurity threats under the governance of its Cyber Security Framework and Information Security Policy, as well as several related policies and procedures addressing areas such as threat vulnerability management, cyber risk management, data protection and classification, network security, access control, incident

response, security awareness, employee training and asset management. These policies and related standards require identification of all Information Technology (IT) and Operational Technology (OT) critical facilities and/or cyber assets, and sufficient controls for IT and OT asset inventory, including responsibilities for assets, information owners, and asset disposition processes. From a security perspective, TEC's Information Security group is directed at protecting all aspects of data and how information is stored, transmitted, processed, and used in business processes. TEC's Corporate Security group is responsible for protecting physical assets including critical facilities, protection of employees, and related physical security risks.

TEC's Information Security group of the Information Technology department has the direct responsibility for developing, monitoring, and enforcing information security standards and procedures; reviewing and approving all network interconnections for compliance to security standards; and assisting, consulting, and training individuals throughout TEC in the use of appropriate information security practices. This group is responsible for ensuring that all IT and OT cyber systems, assets, and networks are aligned with Emera and affiliate cybersecurity framework. TEC engages independent third-party consultants from time to time to assess the adequacy of its cybersecurity measures and assist in implementing any appropriate actions to address any vulnerabilities identified. In addition, TEC participates in an Electric Power Research Institute (EPRI) research project to develop cybersecurity performance metrics. EPRI offers a web-based platform, which supports automated cybersecurity data collection, security metrics calculation, visualization, and analysis. The Vice President of Information Technology and Chief Information Officer (CIO), who reports to the President and Chief Executive Officer, oversees this group and is responsible for managing the program, in collaboration with TEC's businesses and functions. TEC's CIO has advanced degrees in computer science and extensive experience in cybersecurity and information technology, including many years of experience at large organizations leading cybersecurity, IT processes and controls, strategy, architecture, delivery and support of IT applications, and overseeing large groups of employees and contractors responsible for carrying out these responsibilities.

TEC's Vendor Risk Management process includes conducting risk assessments to identify and monitor cybersecurity risks associated with third-party service providers, including threat detection and security event notifications. TEC also has requirements for third-party service providers which include regulatory compliance and meeting policies and standards based on the National Institute of Standards and Technology Cybersecurity Frameworks. TEC's processes also provide for mitigating cybersecurity risk from third parties through seeking to include in its agreements with third-party service providers, as applicable, cybersecurity provisions designed to appropriately address such risks.

TEC's IT Business Continuity – Emergency Contingency Response Plan is updated periodically and reviewed at least annually. This plan includes guidelines for the escalation and communication of cybersecurity incidents, including a requirement to timely report to TEC's executive leadership and Board of Directors based on an assessment of the risk and other specified criteria. TEC has established a cyber incident response team to prepare for, mitigate, and remediate cybersecurity incidents, which is integrated within Emera's enterprise crisis management framework.

Cybersecurity risks are integrated into TEC's overall risk management process through the collaboration of the cybersecurity professionals and TEC's and Emera's risk management functions to assess threat levels on an affiliate and corporate basis and identify steps and resources appropriate to manage such risks. The Board of Directors oversees the management of risks from cybersecurity threats through receiving regular reports from the CIO, which include updates on TEC's performance with preparing, preventing, detecting, responding to, mitigating, and recovering from cybersecurity incidents. Should a cybersecurity threat or incident pose a significant risk to TEC, TEC's processes provide that the CIO, through the CEO, as appropriate, would promptly inform the Board regarding any such threat or incident. The CIO also provides regular updates on the key elements of its cybersecurity program to the Emera Board's Risk and Sustainability Committee, which has oversight over Emera's enterprise risk management framework, including oversight over cybersecurity risk.

While to date TEC has not detected a significant compromise of its cybersecurity systems, significant data loss or any material financial losses related to cybersecurity attacks, it is possible that TEC could experience a significant event in the future. Risks and exposures related to cybersecurity attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats. See Item 1A. Risk Factors, "TEC is exposed to potential risks related to cyberattacks and unauthorized access, which could cause system failures, disrupt operations or adversely affect safety" for a further discussion of risks related to cybersecurity.

## **Item 2. PROPERTIES**

TEC believes that its physical properties are adequate to carry on its business as currently conducted. The properties of Tampa Electric are subject to a first mortgage bond indenture under which no bonds are currently outstanding.

Tampa Electric has electric generating stations in service, with a December 2024 net winter generating capability of 6,620 MWs. Tampa Electric assets include the Big Bend Power Station (1,623 MWs capacity), the Bayside Power Station (2,212 MWs capacity) and the Polk Power Station (1,420 MWs capacity). Also included in Tampa Electric's assets as of December 31, 2024 are twenty-seven solar arrays (1,350 MWs capacity) and one energy storage site (15 MWs capacity).

Tampa Electric owns 74 transmission substations and 138 distribution substations with an aggregate transformer capacity of 16,872 mega volts amps. The Tampa Electric system has a 8,005 mega volts amps of generator step up unit capacity. The transmission system consists of 1,362 total circuit miles of high voltage transmission lines, including underground and double-circuit lines. The distribution system consists of 6,053 circuit miles of overhead lines and 6,805 circuit miles of underground lines. As of December 31, 2024, there were 869,996 meters in service. All of this property is located in Florida.

Tampa Electric's property, plant and equipment are owned, except that titles to some of the properties are subject to easements, leases, contracts, covenants and similar encumbrances common to properties of the size and character of those of Tampa Electric.

Tampa Electric has easements or other property rights for rights-of-way adequate for the maintenance and operation of its electrical transmission and distribution lines that are not constructed upon public highways, roads and streets. Transmission and distribution lines located in public ways are maintained under franchises or permits.

Tampa Electric has a lease for the office building in downtown Tampa, which serves as headquarters for TECO Holdings, Tampa Electric and PGS.

### **Item 3. LEGAL PROCEEDINGS**

From time to time, TEC is involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss. For a discussion of legal proceedings and environmental matters, see **Note 8** of the **2024 Annual TEC Consolidated Financial Statements**.

## **PART II**

### **Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

All of TEC's common stock is owned by TECO Holdings, which in turn is owned by a subsidiary of Emera and, thus, is not listed on a stock exchange. Therefore, there is no market for such stock.

### **Item 6. [RESERVED]**

### **Item 7. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS**

#### **OVERVIEW**

At December 31, 2024, Tampa Electric served approximately 855,000 customers in a 2,000-square-mile service area in West Central Florida and had electric generating plants with a winter peak generating capacity of 6,620 MW.

Prior to January 1, 2023, TEC had regulated electric and gas utility operations in Florida. From and after January 1, 2023, the gas utility operations are operated by PGSI, which is no longer a subsidiary of TEC. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC. For information regarding PGS in 2022, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of **TEC's Annual Report on Form 10-K** for the year ended December 31, 2022.

TEC is a wholly owned subsidiary of TECO Holdings, and TECO Holdings is a wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera. See **Note 10** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding related party transactions.

#### **OUTLOOK**

TEC's earnings are most directly impacted by the allowed rate of return on equity and the capital structures approved by the FPSC, the prudent management of operating costs, the approved recovery of regulatory deferrals, weather and its impact on energy sales, and the timing and amount of capital expenditures.

Tampa Electric anticipates earning within its ROE range in 2025. New base rates effective January 1, 2025, are projected to result in Tampa Electric's 2025 earnings to be higher than in 2024. Normalizing 2024 for weather, Tampa Electric sales volumes in 2025 are projected to be higher than in 2024 due to customer growth. Tampa Electric expects customer growth rates in 2025 to be comparable to 2024, reflective of the expected economic growth in Florida.

On April 2, 2024, Tampa Electric requested a base rate increase, reflecting an increased revenue requirement of \$297 million, effective January 1, 2025, and additional adjustments of \$100 million and \$72 million for 2026 and 2027, respectively. Tampa Electric's proposed rates include recovery of solar generation projects, energy storage capacity, a more resilient and modernized energy control center, and other resiliency and reliability projects. Prior to the rate case hearing, Tampa Electric submitted revisions to its requested base rate increase to reflect items that included production tax credits, energy storage life expectancy, and the company's grid reliability and resilience project. The company's August 22, 2024 requested revenue requirement reflects a base rate increase of \$288 million, effective January 1, 2025, and adjustments of \$92 million and \$65 million for 2026 and 2027, respectively. From August 26 through 30, 2024, Tampa Electric's rate case hearing was heard by the FPSC. On December 3, 2024, the FPSC rendered a decision during a Special Agenda and the final order, reflecting such decision, was issued on February 3, 2025. The FPSC decision includes an increase of \$185 million in 2025 and adjustments of \$87 million and \$9 million in 2026 and 2027, respectively. The decision also allowed for equity in the capital structure to continue to be 54% from investor sources of capital. The allowed regulatory ROE range is 9.50% to 11.50% with a 10.50% midpoint, effective January 1, 2025. On February 18, 2025, a motion for reconsideration on certain aspects of the rate case order was filed with the FPSC. Tampa Electric will respond to this motion in February 2025. Tampa Electric expects the FPSC to reach a final decision on the motion in the second quarter of 2025.

On April 2, 2024, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, reflecting a \$138 million reduction over 12 months, from June 2024 through May 2025. The requested reduction is due to a significant decrease in actual and projected 2024 natural gas prices since Tampa Electric submitted its projected 2024 costs in the fall of 2023. On May 7, 2024, the FPSC approved the mid-course adjustment.

Tampa Electric was impacted by Hurricane Idalia in September 2023. The related storm restoration costs were approximately \$35 million, which were charged to the storm reserve regulatory asset. Hurricane Helene made landfall on September 26, 2024. Tampa Electric was impacted by Hurricane Helene, resulting in a peak number of customers out of approximately 100,000. As of December 31, 2024, TEC deferred \$49 million to the storm reserve for future recovery, with a minimal impact to earnings. Hurricane Milton, the worst weather event to impact the area in over 100 years, made landfall on October 9, 2024. Tampa Electric was impacted by Hurricane Milton, resulting in a peak number of customers out of approximately 600,000. As of December 31, 2024, TEC deferred \$340 million to the storm reserve for future recovery, with a minimal impact to earnings.

Restoration costs for the storms described above are deferred and will be collected from customers in subsequent periods. On February 4, 2025, the FPSC approved Tampa Electric's petition filed on December 27, 2024 for the recovery of \$466 million for costs associated with Hurricane Idalia, Hurricane Debby, Hurricane Helene and Hurricane Milton and the associated interest to replenish the storm reserve over an 18-month recovery period beginning in March 2025. The amount of cost-recovery is subject to a true-up mechanism with the FPSC.

In 2025, Tampa Electric expects to invest approximately \$1.6 billion, excluding AFUDC, in capital projects. Capital projects include investments in solar, storm hardening, grid modernization, building resilience and energy storage. See **Capital Investments** below for further information.

These forecasts are based on our current assumptions described in the operating company discussion, which are subject to risks and uncertainties (see the **Risk Factors** section).

## **OPERATING RESULTS**

All amounts included in this MD&A are pre-tax, except net income and income taxes.

TEC's consolidated financial statements have been prepared in accordance with U.S. GAAP. TEC's reported operating results are affected by several critical accounting estimates (see the **Critical Accounting Policies and Estimates** section).

The following table shows the revenues and net income of the business segments on a U.S. GAAP basis (see **Note 11** to the **2024 Annual TEC Consolidated Financial Statements**).

<i>(millions)</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
<b>Revenues</b>			
Tampa Electric	\$ 2,526	\$ 2,637	\$ 2,523
PGS			656
Eliminations			(10)
TEC	\$ 2,526	\$ 2,637	\$ 3,169
<b>Net income</b>			
Tampa Electric	\$ 468	\$ 466	\$ 458
PGS			82
TEC	\$ 468	\$ 466	\$ 540

See **Electric Operations Results** below for detail on the results of operations at Tampa Electric during 2024 compared to 2023. For information regarding 2023 results as compared to 2022, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of **TEC’s Annual Report on Form 10-K** for the year ended December 31, 2023.

## **TAMPA ELECTRIC**

### **Electric Operations Results**

Tampa Electric’s net income in 2024 was \$468 million, compared with \$466 million in 2023. Results primarily reflected higher base revenues resulting from the 2021 rate case settlement agreement and customer growth, combined with additional storm protection plan return on investment, partially offset by higher depreciation and operations & maintenance expenses. Base revenues are energy sales excluding revenues from clauses, gross receipts taxes and franchise fees. Clauses, gross receipts taxes and franchise fees do not have a material effect on net income as these revenues substantially represent a dollar-for-dollar recovery of clause and other pass-through costs. See the **Operating Revenues** and **Operating Expenses** sections below for additional information.



The table below provides a summary of Tampa Electric's revenue and expenses and energy sales by customer type.

### Summary of Operating Results

(millions, except customers and total degree days)

	2024	% Change	2023	% Change	2022
Revenues	\$ 2,526	(4)	\$ 2,637	5	\$ 2,523
O&M expense	545	(8)	595	30	459
Depreciation and amortization expense	454	8	422	8	389
Taxes, other than income	224	(4)	234	16	201
Non-fuel operating expenses	1,223	(2)	1,251	19	1,049
Fuel expense	517	(15)	605	(11)	681
Purchased power expense	105	35	78	(48)	151
Total fuel & purchased power expense	622	(9)	683	(18)	832
Total operating expenses	1,845	(5)	1,934	3	1,881
Operating income	681	(3)	703	10	642
Other income	48	(46)	89	71	52
Interest charges	193	(19)	239	68	142
Provision for income taxes	68	(22)	87	(7)	94
Net income	\$ 468	0	\$ 466	2	\$ 458
<i>Megawatt-Hour Sales (thousands)</i>					
Residential	10,269	(0)	10,307	2	10,109
Commercial	6,481	0	6,462	3	6,300
Industrial	2,019	(3)	2,082	(1)	2,111
Other	1,933	(0)	1,940	(0)	1,947
Total retail	20,702	(0)	20,791	2	20,467
Off system sales	343	35	254	(37)	405
Total energy sold	21,045	0	21,045	1	20,872
<i>Retail customers—(thousands)</i>					
At December 31	855	2	840	2	827
Retail net energy for load	21,847	0	21,767	1	21,572
Total degree days	4,573	(2)	4,671	(3)	4,820

### Operating Revenues

Revenues were \$111 million lower in 2024 than in 2023 primarily driven by decreased fuel clause and storm surcharge revenue, less favorable weather and the unfavorable impact of Hurricane Milton (see **Note 3** to the **TEC Consolidated Financial Statements**), partially offset by customer growth and new base rates as a result of the 2021 rate case settlement agreement. Total degree days (a measure of heating and cooling demand) in Tampa Electric's service area in 2024 were 5% above normal (a 20-year statistical degree day average) and 2% below 2023, reflecting less favorable weather in 2024 compared to 2023. Total net energy for load, which is a calendar measurement of energy output, in 2024 was consistent with 2023.

### Customer and Energy Sales Growth Outlook

Population growth in the area is forecasted to continue to be a major driver of customer growth. In 2025, energy sales volumes are expected to be similar to 2024 levels. In 2024, energy sales benefited from weather that was warmer than normal. Normalizing 2024 for weather, 2025 energy sales volumes are expected to be above 2024 levels due to customer growth. Tampa Electric expects 2025 customer growth to be approximately 1.6% and to continue at that level annually over the next few years.

### Operating Expenses

In 2024, O&M expense was \$50 million lower than in 2023 due to decreased storm cost recognition of \$78 million related to storm surcharge revenue (offset in revenue), partially offset by increased operations and maintenance expenses of \$12 million and regulatory deferrals of \$16 million. The increase in operating expenses was primarily associated with increased solar operations, labor and software maintenance expenses. Depreciation and amortization expense increased \$32 million in 2024 compared to 2023 as a result of additions to facilities and the in-service of generation projects.

O&M expense in 2025 is expected to increase compared to 2024 due to inflation. In 2025, depreciation expense is expected to increase compared to 2024 due to capital projects and plant additions.

#### **Fuel Expense, Purchased Power and Fuel Cost Recovery**

Total fuel expense decreased in 2024 from 2023 primarily due to lower natural gas prices. Total 2025 fuel and purchased power costs are expected to be higher than in 2024 due to higher gas demand driving the prices of natural gas.

On January 23, 2023, Tampa Electric requested an adjustment to its fuel charges to recover the \$518 million final 2022 fuel under-recovery over a period of 21 months. The request also included an adjustment to 2023 projected fuel costs to reflect the reduction in natural gas prices since September 2022 for a projected reduction of \$170 million for the balance of 2023. The changes were approved by the FPSC on March 7, 2023, effective April 1, 2023.

On April 2, 2024, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, reflecting a \$138 million reduction over 12 months, from June 2024 through May 2025. The requested reduction is due to a significant decrease in actual and projected 2024 natural gas prices since Tampa Electric submitted its projected 2024 costs in the fall of 2023. On May 7, 2024, the FPSC approved the mid-course adjustment.

In December 2024, the FPSC approved cost-recovery rates for fuel and purchased power, capacity, environmental, conservation and storm protection plan costs for 2025. The rates include the expected cost for natural gas and coal in 2025. These rates are typically set annually, based on information provided in September of the year prior to the year the rates take effect.

#### **OTHER ITEMS IMPACTING NET INCOME**

##### **Other Income**

For the years 2024 and 2023, TEC's other income was \$48 million and \$89 million, respectively, which included AFUDC-equity of \$30 million and \$19 million, respectively, interest income from affiliate of \$0 million and \$38, respectively, and other income of \$18 million and \$32 million, respectively. The increase in AFUDC-equity was primarily due to the timing of resiliency projects. The decrease in interest income from affiliate is due to the repayment of the note receivable from PGS for PGS's allocation of short-term and long-term debt resulting from the separation of PGS from TEC as of January 1, 2023. See **Notes 1 and 10 to the TEC Consolidated Financial Statements** for details of the separation of PGS from TEC and the resulting related party transactions. The decrease in Other Income is primarily due to lower interest income on the deferred fuel balance.

AFUDC-equity is expected to increase in 2025 due to the timing of construction of capital projects, including solar generation.

##### **Interest Expense**

For the years 2024 and 2023, TEC's interest expense, including interest expense to affiliates and excluding AFUDC-debt, was \$203 million and \$245 million, respectively. The decrease in 2024 was due to lower borrowings resulting from proceeds received from affiliate loan repayments related to the separation of PGS from TEC in 2023 and lower fuel under-recoveries. In addition, the weighted-average interest rate on borrowings outstanding under the credit facilities and commercial paper at December 31, 2024 and 2023 was 4.8% and 5.7%, respectively. See **Other Income** above for information regarding the interest income from affiliate associated with PGS's allocation of short-term and long-term debt resulting from the separation of PGS from TEC as of January 1, 2023. The interest income from affiliate partially offsets the impact of TEC's interest expense within Net Income on the Consolidated Statement of Income.

Interest expense is expected to increase in 2025, reflecting higher balances (see **Note 6 to the 2024 Annual TEC Consolidated Financial Statements** for further detail).

##### **Income Taxes**

The provision for income taxes decreased in 2024 compared to 2023 primarily as a result of lower pre-tax income and production tax credits related to solar facilities. Income tax expense as a percentage of income before taxes was 12.7% in 2024 and 15.7% in 2023. TEC expects the 2025 annual effective tax rate to be approximately 14%.

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based upon a standalone return method, modified for the benefits-for-loss allocation in accordance with EUSHI's tax sharing agreement. The cash (refunds) payments for federal income taxes and state income taxes made under those tax sharing agreements totaled \$(3) million and \$102 million in 2024 and 2023, respectively.

For more information on TEC's income taxes, including a reconciliation between the statutory federal income tax rate, the effective tax rate and impacts of tax reform, see **Note 4** to the **2024 Annual TEC Consolidated Financial Statements**.

## **LIQUIDITY, CAPITAL RESOURCES**

### **Balances as of December 31, 2024**

<i>(millions)</i>	
Credit facilities/ commercial paper <sup>(1)</sup>	\$ 800
Drawn amounts/ letters of credit	637
Available credit facilities	163
Cash	4
Total liquidity	\$ 167

(1) See **Note 6** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the credit facilities.

### **Cash from Operating Activities**

Cash flows from operating activities in 2024 were \$1,164 million, a decrease of \$77 million compared to 2023. The decrease to cash from operations was primarily due to the timing of fuel cost collection, partially offset by decreases to accounts receivable balances resulting from decreased fuel and 2022 storm cost recoveries reflected in customer bills and increases to accounts payable due to the timing of invoice payments.

### **Cash from Investing Activities**

Cash flows from investing activities in 2024 resulted in a net use of cash of \$1.4 billion, which primarily reflects TEC's investment in capital. See the **Capital Investments** section for additional information.

### **Cash from Financing Activities**

Cash flows from financing activities in 2024 resulted in net cash inflows of \$254 million. TEC received \$600 million of equity contributions from Parent and \$495 million proceeds from the issuance of long-term debt. These increases in cash flows were partially offset by dividend payments to Parent of \$469 million, the repayment of \$300 million of long-term debt and a \$70 million decrease in short-term debt with maturities of less than 90 days.

### **Cash and Liquidity Outlook**

TEC's tariff-based gross margins are the principal source of cash from operating activities. A diversified retail customer mix, primarily consisting of rate-regulated residential, commercial, and industrial customers, provides TEC with a reasonably predictable source of cash. In addition to using cash generated from operating activities, TEC uses available cash, equity contributions from Parent, credit facility and commercial paper borrowings, transactions with affiliates, and debt issuances to support normal operations and capital expenditure requirements. TEC may reduce short-term borrowings with cash from operations, long-term borrowings, or capital contributions from Parent. TEC expects to make significant capital expenditures in 2025 (see **Capital Investments** section below for further detail on TEC's projected capital expenditures). Debt raised is subject to applicable regulatory approvals and Tampa Electric is required to maintain a capital structure as allowed by the regulator.

As noted earlier, cash from operating activities and short-term borrowings are used to fund normal operations and capital expenditures, which may result in periodic working capital deficits. The working capital deficit as of December 31, 2024 was primarily caused by short-term borrowings and periodic fluctuations in assets and liabilities related to FPSC clauses and riders. At December 31, 2024, TEC's unused capacity under its credit facilities was \$163 million.

TEC has a credit facility utilized with commercial paper that provides \$800 million of credit, maturing in 2028. See **Note 6** to the **2024 Annual TEC Consolidated Financial Statements** for additional information regarding the credit facilities and commercial paper. TEC expects that its liquidity will be adequate for both the near and long term, given its expected operating cash flows, capital expenditures and related financing plans.

TEC expects cash from operations in 2025 to be lower than 2024 primarily due to higher cash outflow in 2025 for storm costs incurred in 2024, a decrease in expected fuel recoveries, and higher anticipated tax payments, offset by an increase in base rates

effective in January 2025, inflow of storm surcharge revenue and customer growth (see **Note 3** to the **2024 Annual TEC Consolidated Financial Statements**). TEC plans to use cash in 2025 to fund capital spending and to pay dividends to its shareholder. Dividends are paid at the discretion of TEC's Board of Directors.

TEC's credit facilities contain certain financial covenants (see **Covenants in Financing Agreements** section). TEC estimates that it could fully utilize the total available capacity under its facilities in 2025 and remain within the covenant restrictions.

### Short-Term Borrowings

(millions)	December 31, 2024				December 31, 2023			
	Borrowings	Borrowings	Letters of		Borrowings	Borrowings	Letters of	
	Credit Facilities	Outstanding - Credit Facilities <sup>(1)</sup>	Outstanding - Commercial Paper <sup>(1)</sup>	Credit Outstanding	Credit Facilities	Credit Facilities <sup>(1)</sup>	Commercial Paper <sup>(1)</sup>	Credit Outstanding
5-year facility <sup>(2)</sup>	\$ 800	\$ 0	\$ 636	\$ 1	\$ 800	\$ 0	\$ 706	\$ 1
1-year term facility <sup>(3)</sup>	0	0	0	0	200	0	0	0
1-year term facility <sup>(4)</sup>	0	0	0	0	200	0	0	0
Total	\$ 800	\$ 0	\$ 636	\$ 1	\$ 1,200	\$ 0	\$ 706	\$ 1

- (1) Borrowings outstanding are reported as notes payable in the Consolidated Balance Sheets.
- (2) On April 1, 2024, TEC amended the credit facility agreement to extend the maturity date to December 1, 2028. TEC also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by TEC's credit facility. The amount of commercial paper issued results in an equal amount of its credit facility being considered drawn and unavailable. On January 30, 2024, TEC completed a sale of \$500 million aggregate principal amount of 4.90% Notes due March 1, 2029. TEC used the net proceeds from this offering for the repayment of a portion of the borrowings outstanding under the credit facility. Therefore, \$497 million of borrowings outstanding under the credit facility were reclassified as long-term debt on the Consolidated Balance Sheet as of December 31, 2023.
- (3) On March 1, 2023, TEC entered into a 1-year term facility that matured on February 28, 2024.
- (4) On April 3, 2023, TEC entered into a 1-year term facility that matured on April 1, 2024.

At December 31, 2024, the credit facility required a commitment fee of 12.5 basis points. The weighted average interest rate on outstanding amounts payable under the credit facilities and commercial paper program at December 31, 2024 and 2023 was 4.8% and 5.7%, respectively. For a complete description of the credit facilities see **Note 6** to the **2024 Annual TEC Consolidated Financial Statements**.

(millions)	Maximum drawn amount	Minimum drawn amount	Average drawn amount	Average interest rate
2024 credit facility utilization	\$ 739	\$ 0	\$ 266	5.30%

### Significant Financial Covenants

In order to utilize its bank credit facilities, TEC must meet certain financial tests as defined in the applicable agreements. In addition, TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2024, TEC was in compliance with all applicable financial covenants. The table that follows lists the significant financial covenants and the performance relative to them at December 31, 2024. Reference is made to the specific agreements and instruments for more details.

Instrument	Financial Covenant <sup>(1)</sup>	Requirement/Restriction	Calculation at December 31, 2024
Credit facility- \$800 million <sup>(2)</sup>	Debt/capital	Cannot exceed 65%	46.2%

- (1) As defined in the applicable instrument.
- (2) See **Note 6** to the **2024 Annual TEC Consolidated Financial Statements** for a description of the credit facilities.

### Credit Ratings at December 31, 2024

	Standard & Poor's (S&P)	Moody's	Fitch
Credit ratings of senior unsecured debt	BBB+	A3	A
Credit ratings outlook	Negative	Negative	Negative

S&P, Moody's and Fitch describe credit ratings in the A3 or A category as having a strong capacity to meet its financial commitments. Ratings in the BBB or Baa category are described as representing adequate capacity for payment of financial obligations. The lowest investment grade credit rating for S&P is BBB-, for Moody's is Baa3 and for Fitch is BBB-; thus, the three credit rating agencies assign TEC's senior unsecured debt investment-grade credit ratings.

In January 2025, S&P changed TEC's credit ratings outlook to Stable from Negative.

A credit rating agency rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. TEC's access to capital markets and cost of financing, including the applicability of restrictive financial covenants, are influenced by the ratings of its securities. In addition, certain of TEC's derivative instruments contain provisions that require TEC's debt to maintain investment grade credit ratings.

### Summary of Contractual Obligations

The following table lists the contractual obligations of TEC, including cash payments to repay long-term debt, interest payments, lease payments and unconditional commitments related to capital expenditures.

### Contractual Cash Obligations at December 31, 2024

(millions)	Payments Due by Period						
	Total	2025	2026	2027	2028	2029	After 2029
Long-term debt <sup>(1)</sup>	\$ 3,975	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 3,475
Interest payment obligations <sup>(2)</sup>	3,063	173	173	173	173	161	2,210
Transportation <sup>(3)</sup>	1,925	146	145	176	138	120	1,200
Pension plan <sup>(4)</sup>	167	11	11	26	28	27	64
Capital projects <sup>(5)</sup>	457	279	161	17	0	0	0
Fuel and gas supply	188	156	27	4	1	0	0
Long-term service agreements	177	21	22	40	30	31	33
Leases	119	4	2	2	2	2	107
Other <sup>(6)</sup>	17	15	1	1	0	0	0
Total contractual obligations	<u>\$ 10,088</u>	<u>\$ 805</u>	<u>\$ 542</u>	<u>\$ 439</u>	<u>\$ 372</u>	<u>\$ 841</u>	<u>\$ 7,089</u>

- (1) See the **Consolidated Statements of Capitalization** and **Note 7** to the **2024 Annual TEC Consolidated Financial Statements** for a list of long-term debt and the respective due dates.
- (2) Future interest payments are calculated based on the assumption that all debt is outstanding until maturity. For debt instruments with variable rates, interest is calculated for all future periods using the rates in effect at December 31, 2024.
- (3) These payment obligations under contractual agreements are recovered from customers under regulatory clauses approved by the FPSC (see the **Business** section).
- (4) The estimated contractual obligation is calculated as required contributions to the funded pension plan and estimated benefit payments related to the other unfunded benefit plans. Under calculation requirements of the Pension Protection Act, as of the January 1, 2024 measurement date, the pension plan was fully funded. Under ERISA guidelines, TEC is not required to make additional cash contributions until 2027; however, TEC may elect to make discretionary cash contributions prior to that time. Future contributions are subject to annual valuation reviews, which may vary significantly due to changes in interest rates, discount rate assumptions, plan asset performance, which is affected by investment portfolio performance, and other factors (see **Liquidity, Capital Resources** section and **Note 5** to the **2024 Annual TEC Consolidated Financial Statements**).
- (5) Represents outstanding commitments for major capital projects (see the **Capital Investments** section).
- (6) Includes contractual obligations under demand side management and purchased power agreements.

See **Notes 3, 4, 5** and **12** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding additional obligations related to regulatory liabilities, taxes, employee postretirement benefits and asset retirement obligations.

### Off-Balance Sheet Arrangements and Contingent Obligations

TEC does not have any material off-balance sheet arrangements or contingent obligations not otherwise included in our Consolidated Financial Statements as of December 31, 2024.

### Capital Investments

<i>(millions)</i>	<i>Actual 2024</i>	<i>Forecasted 2025</i>
Tampa Electric <sup>(1)</sup>		
Renewable generation	\$ 250	\$ 400
Transmission	99	120
Distribution	433	450
Generation	237	260
Facilities, equipment, vehicles and other	402	390
Tampa Electric total	1,421	1,620
Net cash effect of accruals, retentions and AFUDC	1	
Total	<u>\$ 1,422</u>	<u>\$ 1,620</u>

(1) Individual line items exclude AFUDC-debt and equity.

Tampa Electric intends to invest approximately \$599 million in 375 MW of new utility-scale solar photovoltaic projects in 2024 through 2026 (solar wave III) and approximately \$812 million in 466MW of new utility-scale solar photovoltaic projects in 2026 through 2028 (solar wave IV). In 2024 through 2026, Tampa Electric expects to spend approximately \$600 million in capital for the storm protection plan, \$535 million in grid modernization, \$350 million in its new corporate headquarters and operations center for building resilience, \$94 million for 74 MW of generation capacity expansion and \$156 million for 115 MW of energy storage. AFUDC will be earned on eligible capital projects during the construction periods and return on investment will be earned on capital projects running through certain recovery mechanisms.

Tampa Electric's 2024 capital expenditures included solar generation projects, storm hardening for the transmission and distribution systems, new technology for distribution system grid modernization, energy storage, maintenance and refurbishment of existing generating facilities, a generation capacity expansion project and the construction of a new headquarters and operations center to improve building resilience. In 2025, Tampa Electric expects capital expenditures to include solar generation and energy storage projects, completion of a generation capacity expansion project to improve system resilience, a new headquarters and operations center to improve building resilience, storm hardening for the transmission and distribution systems, new technology for distribution system grid modernization, and the maintenance and refurbishment of existing generating facilities.

The forecasted capital expenditures shown above are based on current estimates and assumptions. Actual capital expenditures could vary materially from these estimates due to changes in and timing of projects and changes in costs for materials or labor (see the **Risk Factors** section).

### Capital Structure

At December 31, 2024, TEC's year-end capital structure was 46% debt and 54% common equity. At December 31, 2023, TEC's year-end capital structure was 48% debt and 52% common equity.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of consolidated financial statements requires management to make various estimates and assumptions that affect revenues, expenses, assets, liabilities and disclosures. The policies and estimates identified below are, in the view of management, the more significant accounting policies and estimates used in the preparation of our consolidated financial statements. These estimates and assumptions are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments under different assumptions or conditions. See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for a description of TEC's significant accounting policies and the estimates and assumptions used in the preparation of the consolidated financial statements.

### **Regulatory Accounting**

Tampa Electric's retail business and the prices charged to customers are regulated by the FPSC. Tampa Electric's wholesale business is regulated by the FERC. As a result, Tampa Electric qualifies for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets and liabilities arise as a result of a difference between U.S. GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred.

TEC regularly assesses the probability of recovery of the regulatory assets by considering factors such as regulatory environment changes, recent rate orders to other regulated entities in the same jurisdiction, the current political climate in the state, and the status of any pending or potential deregulation legislation. The assumptions and judgments used by regulatory authorities will continue to have an impact on the recovery of costs, the rate earned on invested capital and the timing and amount of assets to be recovered.

TEC's most significant regulatory liability relates to non-ARO costs of removal and regulatory tax liability. The non-ARO costs of removal represent estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment upon retirement. TEC accrues for removal costs over the life of the related assets based on depreciation studies approved by the FPSC. The costs are estimated based on historical experience and future expectations, including expected timing and estimated future cash outlays. The regulatory tax liability is the offset to the adjustment to the deferred tax liability remeasured as a result of tax reform. See **Note 4** to the **2024 Annual TEC Consolidated Financial Statements** for further information.

The application of regulatory accounting guidance is a critical accounting policy and estimate since a difference in these assumptions and actual results may result in a material impact on reported assets and the results of operations (see **Note 3** to the **2024 Annual TEC Consolidated Financial Statements**).

### **Income Taxes**

TEC uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, TEC estimates the current tax exposure and assesses the temporary differences resulting from differing treatment of items, such as depreciation, for financial statement and tax purposes. These differences are reported as deferred taxes measured at enacted rates in the consolidated financial statements. Management reviews all reasonably available current and historical information, including forward-looking information, to determine if it is more likely than not that some or the entire deferred tax asset will not be realized. If TEC determines that it is likely that some or all of a deferred tax asset will not be realized, then a valuation allowance is recorded to report the balance at the amount expected to be realized. At December 31, 2024, TEC does not have a valuation allowance. At December 31, 2024, TEC had a net deferred income tax liability of \$976 million, attributable primarily to property-related items. See further discussion of uncertainty in income taxes, impacts of tax reform and other tax items in **Note 4** to the **2024 Annual TEC Consolidated Financial Statements**.

### **Employee Postretirement Benefits**

TEC is a participant in the retirement plans of TECO Energy. TECO Energy sponsors a defined benefit pension plan (pension plan), a fully-funded non-qualified, non-contributory supplemental executive retirement benefit plan available to certain members of senior management and an unfunded non-qualified, non-contributory Restoration Plan that allows certain members of senior management to receive an additional benefit to restore what is limited by the IRS under the pension plan. TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. The accounting related to employee postretirement benefits is a critical accounting estimate for TEC for the following reasons: 1) a change in the estimated benefit obligation could have a material impact on reported assets, liabilities and results of

operations; and 2) changes in assumptions could change the annual pension funding requirements, which could have a significant impact on TEC's annual cash requirements.

Several statistical and other factors which attempt to anticipate future events are used in calculating the expenses and liabilities related to these plans. Key factors include assumptions about the expected rates of return on plan assets, discount rates and mortality rates. TECO Energy determines these factors within certain guidelines and with the help of external consultants. TECO Energy considers market conditions, including but not limited to, changes in investment returns and interest rates, in making these assumptions.

Pension plan assets (plan assets) are invested in a mix of equity and fixed-income securities. The expected return on asset assumption was based on expectations of long-term inflation, real growth in the economy, fixed income spreads and equity premiums consistent with the company's portfolio, with provision for active management and expenses paid from the trust that holds the plan assets. The expected return on assets was 7.05%, 7.05% and 6.50% as of January 1, 2024, 2023 and 2022, respectively. Given recent capital market returns and market expectations for long-term interest rates, TECO Energy expects the expected return on assets to be 7.05% for 2025 (based on 20-year expected market returns). Actual returns in 2024 were 5.1%.

The discount rate assumption used to measure benefit expense was an above-mean yield curve. The above-mean yield curve technique matches the yields from 100 high-quality (AA-rated, non-callable) corporate bonds to the company's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption, which is subject to change each year.

Holding all other assumptions constant, a 1% decrease in the assumed rate of return on pension plan assets or the discount rate assumption would have had in 2024 and is anticipated to have in 2025 the following impact on TEC's after-tax pension cost:

<b>Year</b>	<b>1% Decrease in Assumed Expected Return on Assets</b>	<b>1% Decrease in Assumed Discount Rate</b>
2024	\$6 million increase	\$1 million increase
2025	\$6 million increase	\$1 million increase

Unrecognized actuarial gains and losses for the pension plan are being recognized over a period of approximately 12 years, which represents the expected remaining service life of the employee group. Unrecognized actuarial gains and losses arise from several factors including experience and assumption changes in the obligations and from the difference between expected return and actual returns on plan assets. These unrecognized gains and losses will be systematically recognized in future net periodic pension expense in accordance with applicable accounting guidance for pensions.

The key assumptions used in determining the amount of obligation and expense recorded for postretirement benefits other than pension (OPEB), under the applicable accounting guidance, include the assumed discount rate and the assumed rate of increases in future health care costs. TECO Energy determines the discount rate for the OPEB's projected benefit cash flows. In estimating the health care cost trend rate, TECO Energy considers its actual health care cost experience, future benefit structures, industry trends, and advice from our outside actuaries.

See the discussion of employee postretirement benefits in **Note 5** to the **2024 Annual TEC Consolidated Financial Statements**.

## **RECENTLY ISSUED ACCOUNTING STANDARDS**

### *Reportable Segment Disclosures*

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. The change in the standard improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The changes improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The guidance was effective for annual reporting periods beginning after December 15, 2023, and for interim periods



beginning after December 15, 2024. TEC adopted the standard for the year ended December 31, 2024. The standard was applied retrospectively. See **Note 11** to the **2024 Annual TEC Consolidated Financial Statements** for further detail.

#### *Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. The standard also requires disclosure of income (loss) before provision for income taxes and income tax expense (benefit) in accordance with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application – General Notes to Financial Statements: Income Tax Expense, and the removal of disclosures no longer considered cost beneficial or relevant. The guidance will be effective for annual reporting periods beginning after December 15, 2024, and interim periods within annual reporting periods beginning after December 15, 2025. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

#### *Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting–Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity’s expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

## **ENVIRONMENTAL COMPLIANCE**

### **Environmental Matters**

TEC has significant environmental considerations. Tampa Electric operates stationary sources with air emissions regulated by the Clean Air Act. Its operations are also impacted by provisions in the Clean Water Act and federal and state legislative initiatives on environmental matters.

### **Carbon Reductions and GHG**

Tampa Electric has historically supported voluntary efforts to reduce carbon emissions and has taken significant steps to reduce overall emissions at Tampa Electric’s facilities. Since 2000, Tampa Electric has reduced its system-wide emissions of CO<sub>2</sub> by more than 50%, bringing emissions to below 1990 levels. Tampa Electric CO<sub>2</sub> emissions continue to remain below 1990 levels. In addition to the emission decreases in 2005 as the result of the repowering of two Gannon Station coal units to natural gas and the shut-down of the remaining Gannon Station coal-fired units, Tampa Electric has optimized its existing coal units to operate on natural gas. During this same time frame, the number of retail customers and retail energy sales have risen. Tampa Electric also substantially reduced CO<sub>2</sub> emissions by significantly expanding the use of solar power, repowering Big Bend Unit 1 steam turbine, and retiring Big Bend Unit 2 and Unit 3. The Big Bend Unit 1 modernization project is capable of producing 1,090 megawatts of power and will continue to lead to lower system-wide emissions. See **Capital Investments** above for information regarding Tampa Electric’s solar projects.

On April 24, 2024, the EPA issued its final power plant rules for electric generating units, including (i) new GHG standards and (ii) Mercury and Air Toxics Standards (MATS). The new MATS will not have a material impact on TEC. The new GHG standard applies only to existing coal-fired and new natural gas electric generating units and will therefore have limited impact on Tampa Electric generating units. Big Bend Unit 4 is the only unit affected. As written, the rule would require Big Bend Unit 4 to retire in 2039 without major enhancements to the unit, instead of the current planned retirement date of 2040.

### **Coal Combustion Residuals Recycling and Regulation**

Tampa Electric produces ash and other by-products, collectively known as CCRs at its Big Bend Power Station. Greater than 90% of all CCRs produced at this facility are marketed to customers for beneficial use in commercial and industrial products. The EPA’s final CCR rule became effective on October 19, 2015 and regulates CCRs as non-hazardous solid waste. In 2016 and 2017, the FPSC approved Environmental Cost Recovery for capital and O&M expenses associated with various projects proposed as part of Tampa Electric’s CCR compliance program. Subsequently, a closure by removal and liner retrofit project for the West Slag

Dewatering Pond was completed in 2020 and closure by removal of all CCRs from the Economizer Ash and Pyrite Ponds was completed in October 2021. The final project required for compliance with the CCR Rule at Big Bend is the North Gypsum Stackout Area Drainage Improvements Project, which is scheduled for completion in 2025. FDEP has revised the existing state solid waste regulation to incorporate Florida CCR permit requirements for regulated units and these new requirements will operate in lieu of the Federal permitting program. However, TEC is largely exempt from the state permitting requirements because it completed its mandatory closure projects prior to the state rule's passage. On May 18, 2023, the EPA proposed new rules requiring identification and regulation of Legacy CCR Management Units. TEC is a member of the Utility Solid Waste Activities Group, who filed comments on behalf of its members in July 2023 contesting many of the proposed rule's provisions.

The new CCR rule finalized in April 2024 covers any landfill or impoundment in existence at an inactive power facility but not receiving CCRs as of 2015, any CCR placed into the environment for beneficial uses, or CCR units (landfills and impoundments) previously closed under state programs. TEC is currently evaluating the impact of the new CCR rule at the Big Bend Power Station and will likely require site evaluations beginning in 2025 to determine the presence or absence of CCR management units. If found, additional evaluations would be required in 2026 and based on those findings, modifications to the site groundwater monitoring could be required beginning in 2027 to determine the need for additional corrective action.

TEC expects that the costs to comply with the new environmental regulations would be eligible for recovery. If approved as prudent, the costs would be reflected in customers' bills, recovered through either the environmental cost recovery clause or base rates.

### **Water Supply and Quality**

The EPA's final rule under 316(b) of the Clean Water Act (effective October 2014) addresses perceived impacts to aquatic life by cooling water intakes and is applicable to Tampa Electric's Bayside and Big Bend Power Stations. Polk Power Station is not covered by this rule since it does not operate an intake on "waters of the United States". Tampa Electric has two ongoing projects (one for Bayside and one for Big Bend) that require compliance with the rule. Compliance includes the completion of the biological, technical, and financial study elements required by the rule. These study elements have been completed and submitted for Bayside and were used by FDEP to determine the necessity of cooling water system retrofits. FDEP agreed with Tampa Electric's proposed plan for Bayside and Tampa Electric began a multi-year construction project to install new fish-friendly modified traveling screens and a fish return in 2022. Tampa Electric is negotiating an alternative schedule for Big Bend (as allowed by the rule) but completed a portion of the compliance requirements with the Big Bend modernization project with the installation of fish-friendly modified traveling screens and a fish return on modernized Unit 1. The remainder of the compliance requirements are to be determined and completed at a later date. The full impact of the new regulations on Tampa Electric will depend on the study elements performed as part of the rules' implementation, and the actual requirements established by FDEP.

The final EPA rule for existing steam electric effluent limit guidelines (ELGs) became effective January 4, 2016 and establishes limits for wastewater discharges from flue gas desulfurization (FGD) processes, fly ash and bottom ash transport water, leachate from ponds and landfills containing coal combustion residuals, gasification processes, and flue gas mercury controls. The new ELGs will not have a material impact on TEC. Big Bend completed construction of a deep injection well system in December 2023 for disposal of FGD wastewater, bottom ash transport water and other process wastewaters rather than discharge to surface waters. This change will be made to the final National Pollutant Discharge Elimination System (NPDES) permit, anticipated in 2025. Since Polk Power Station also uses a deep injection well rather than discharging it to surface water, the effluent limitations will no longer apply to either power station. The referenced wastewaters at each power station will be regulated under the Underground Injection Control program rather than the NPDES program.

### **EPA Waters of the US**

In 2023, the EPA and Department of the Army issued a final rule amending the definition of "waters of the United States". The final rule is expected to have environmental permitting implications for new Tampa Electric solar sites and permitting renewals for existing facilities requiring approved jurisdictional determinations.

### **Ozone**

On December 31, 2020, the EPA published a final rule to retain the national ambient air quality standards (NAAQS) for photochemical oxidants including ozone, originally adopted in 2012. Under the Clean Air Act, the EPA is required to review the NAAQS every five years and, if appropriate, revise it. The EPA has announced that the NAAQS is currently under review, which could result in revisions to the standard affecting compliance in Tampa Electric's service territory. The impact of this potential new standard on the operations of Tampa Electric will depend on the standard that is ultimately adopted and on the outcome of any related litigation or other developments.

### **Superfund and Former Manufactured Gas Plant Sites**

As of December 31, 2022, TEC, through its Tampa Electric division and former PGS division, was a PRP for certain superfund sites and, through its former PGS division, for certain former MGP sites. As a result of the separation of the PGS division, PGS is now the responsible party for those sites (in addition to third party PRPs for certain sites). See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.

### **REGULATION**

See **Business - Tampa Electric – Electric Operations** and **Note 3** to the **2024 Annual TEC Consolidated Financial Statements** for a description of base rates, cost-recovery clauses and competition.

### **Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Risk Management Infrastructure**

TEC is subject to various types of market risk in the course of daily operations, as discussed below. TEC has adopted an enterprise-wide approach to the management and control of market and credit risk. Middle Office risk management functions, including credit risk management and risk control, are independent of each transacting entity (Front Office).

TECO Holding's Risk Management Policy (Policy) governs all energy transacting activity. The Policy is administered by a Risk Authorizing Committee (RAC) that is comprised of senior management. Within the bounds of the Policy, the RAC approves specific hedging strategies, new transaction types or products, limits, and transacting authorities. Transaction activity is reported daily and measured against limits. For all commodity risk management activities, derivative transaction volumes are limited to the anticipated volume for customer sales or supplier procurement activities.

TEC operates and oversees transaction activity related to interest rate risk exposures. Interest rate derivative transaction activity is directly correlated to borrowing activities.

#### **Risk Management Objectives**

The Front Office is responsible for reducing and mitigating the market risk exposures that arise from the ownership of physical assets and contractual obligations. The primary objectives of the risk management organization, the Middle Office, are to quantify, measure, and monitor the market risk exposures arising from the activities of the Front Office and the ownership of physical assets. In addition, the Middle Office is responsible for enforcing the limits and procedures established under the approved risk management policies. Based on the policies approved by TEC's board of directors and the procedures established by the RAC, from time to time, TEC enters into futures, forwards, swaps and option contracts to limit the exposure to items, such as fuel supply risk and the risk of price fluctuations for physical purchases and sales of natural gas in the course of normal operations.

TEC uses derivatives only to reduce normal operating and market risks, not for speculative purposes. The primary objective in using derivative instruments for regulated operations is to reduce the impact of market price volatility on customers.

On November 6, 2017, the FPSC approved an amended and restated settlement agreement filed by Tampa Electric, which includes a provision for a moratorium on hedging of natural gas purchases ending on December 31, 2022. On October 21, 2021, the FPSC approved a settlement agreement filed by Tampa Electric related to its 2021 rate case that extended the moratorium to December 31, 2024 (see **Note 3** to the **2024 Annual TEC Consolidated Financial Statements** for further information on the settlement agreements). As of December 31, 2024 and 2023, TEC had no hedges in place.

#### **Credit Risk**

TEC has a rigorous process for the establishment of new trading counterparties and evaluation of current counterparties. This process includes an evaluation of each counterparty's credit ratings, as applicable, and/or its financial statements, with attention paid to liquidity and capital resources; establishment of counterparty specific credit limits; optimization of credit terms; and execution of standardized enabling agreements. TEC manages credit risk with policies and procedures for counterparty analysis, exposure measurement, and exposure monitoring and mitigation. Credit assessments are conducted on all counterparties, and deposits or collateral are requested for counterparties that do not meet the creditworthiness requirements as set out in TEC's internal policies.

Certain of TEC's derivative instruments, including NPNS agreements, contain provisions that require TEC's debt to maintain an investment-grade credit rating from any or all of the major credit rating agencies. If TEC's debt ratings were to fall below investment grade or not be rated, it could trigger these provisions, and the counterparties to the derivative instruments could demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions.

#### Interest Rate Risk

TEC is exposed to changes in interest rates primarily from borrowing under the company's credit facilities and commercial paper program. A hypothetical 10% increase in TEC's weighted-average interest rate on its borrowings under the credit facilities and commercial paper outstanding at December 31, 2024 and 2023 would have resulted in a \$1 million and \$6 million impact on pre-tax earnings, respectively. This is driven by lower outstanding balances and interest rates. A hypothetical 10% increase in interest rates would have decreased the fair market value of TEC's long-term debt by 6% at December 31, 2024 and December 31, 2023. See the **Financing Activity** section and **Notes 6 and 7** to the **2024 Annual TEC Consolidated Financial Statements**. These amounts were determined based on the variable rate obligations existing on the indicated dates at TEC. The above sensitivities assume no changes to TEC's current financial structure and could be affected by changes in TEC's credit ratings, changes in general economic conditions or other external factors (see the **Risk Factors** section).

#### Commodity Risk

TEC faces varying degrees of exposure to commodity risks including natural gas, coal and other energy commodity prices. Any changes in prices could affect the prices TEC charges, its operating costs and the competitive position of its products and services. Management uses different risk measurement and monitoring tools based on the degree of exposure to commodity risks.

#### Regulated Utilities

Tampa Electric's fuel costs used for generation are affected primarily by the price of natural gas and, to a lesser degree, the cost of coal (see the **Business - Generation Sources** section). Currently, TEC's commodity price risks are largely mitigated by the fact that increases in the price of prudently incurred fuel and purchased power are recovered through FPSC-approved cost-recovery clauses, with no anticipated effect on earnings. However, increasing fuel cost-recovery has the potential to affect the relative attractiveness of alternative energy solutions to consumers. TEC manages fuel supply risk and commodity price risk by entering into long-term fuel supply agreements and prudently operating plant facilities to optimize cost. At December 31, 2024 and 2023, a change in commodity prices would not have had a material impact on TEC's earnings but could have and has had an impact on the timing of the cash recovery of the cost of fuel.

**TAMPA ELECTRIC COMPANY**

**Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Report of Independent Registered Public Accounting Firm**

To the Shareholder and the Board of Directors of Tampa Electric Company

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Tampa Electric Company (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income and comprehensive income, capitalization and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

***Accounting for the effects of regulatory matters***

<i>Description of the Matter</i>	As of December 31, 2024, the Company had \$1,441 million in regulatory assets and \$904 million in regulatory liabilities. As disclosed in Note 3 of the consolidated financial statements, Tampa Electric's retail business is regulated by the Florida Public Service Commission (FPSC), and Tampa Electric is also subject to regulation by the Federal Energy Regulatory Commission (FERC) (collectively, the regulators). The regulatory rates are designed to recover the prudently incurred costs of providing service or products, plus a reasonable return on equity invested or assets. In addition to regulatory assets and liabilities, rate regulation impacts other financial
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statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

Auditing the impact of rate regulation on the Company's consolidated financial statements is complex due to the significant judgments made by the Company to support its accounting and disclosure for regulatory matters when final regulatory decisions or orders have not yet been made or when regulatory formulas are vague or complex. There is also subjectivity involved in assessing the potential impact of future regulatory decisions on the financial statements. Although the Company expects to recover costs from customers through rates, there is a risk that the regulators may not approve full recovery of costs incurred. The Company's judgments include making an assessment of the probable recovery of, and return on, costs incurred, of the potential disallowance of part of the cost incurred, or of the probable refund to customers through future rates.

*How We Addressed  
the Matter in Our  
Audit*

We tested the Company's evaluation of the probability of future recovery for regulatory assets and refund of regulatory liabilities for regulatory matters when final regulatory decisions or orders have not yet been made or when regulatory formulas are vague or complex. Our audit procedures included, among others, obtaining and reviewing relevant regulatory orders, filings, and other correspondence. We inspected these communications for any evidence that might contradict the Company's assertions. We reviewed regulatory orders, filings, and other correspondence for other entities within the same jurisdiction or for the Company's previously approved regulatory assets and liabilities to assess the likelihood of recovery in future rates based on the regulators' treatment of similar costs under similar circumstances. We also assessed the methodology, accuracy and completeness of the Company's calculations of regulatory asset and liability balances based on provisions and formulas outlined in regulatory orders, filings, and other correspondence with the regulators. We also evaluated the Company's disclosures related to the impacts of rate regulation including the balances recorded and the regulatory developments.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Tampa, Florida  
February 21, 2025

**TAMPA ELECTRIC COMPANY**  
**Consolidated Balance Sheets**

<i>Assets</i> <i>(millions)</i>	<i>December 31,</i> <i>2024</i>	<i>December 31,</i> <i>2023</i>
<b>Property, plant and equipment</b>		
Utility plant, at original costs	\$ 14,433	\$ 13,655
Accumulated depreciation	(3,348)	(3,443)
Utility plant, net	11,085	10,212
Other property	18	16
Total property, plant and equipment, net	11,103	10,228
<b>Current assets</b>		
Cash and cash equivalents	4	5
Receivables, less allowance for credit losses of \$1 and \$2 at December 31, 2024 and 2023, respectively	220	286
Due from affiliates	13	19
Inventories, at average cost		
Fuel	45	36
Materials and supplies	191	181
Regulatory assets	343	161
Prepayments and other current assets	32	32
Total current assets	848	720
<b>Other assets</b>		
Regulatory assets	1,098	827
Deferred charges and other assets	58	56
Total other assets	1,156	883
<b>Total assets</b>	<b>\$ 13,107</b>	<b>\$ 11,831</b>

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Balance Sheets—continued**

<b>Liabilities and Capital</b> <i>(millions)</i>	<i>December 31,</i> <i>2024</i>	<i>December 31,</i> <i>2023</i>
<b>Capitalization</b>		
Common stock	\$ 5,105	\$ 4,505
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	218	219
Total capital	5,322	4,723
Long-term debt	3,935	3,933
Total capital	9,257	8,656
<b>Current liabilities</b>		
Long-term debt due within one year	0	300
Notes payable	636	209
Accounts payable	666	354
Due to affiliates	18	10
Customer deposits	126	121
Regulatory liabilities	146	94
Accrued interest	31	28
Accrued taxes	12	14
Other	58	43
Total current liabilities	1,693	1,173
<b>Other liabilities</b>		
Deferred income taxes	976	880
Regulatory liabilities	758	701
Investment tax credits	224	237
Deferred credits and other liabilities	199	184
Total other liabilities	2,157	2,002
<b>Commitments and Contingencies (see Note 8)</b>		
<b>Total liabilities and capital</b>	<b>\$ 13,107</b>	<b>\$ 11,831</b>

The accompanying notes are an integral part of the consolidated financial statements.



**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Income and Comprehensive Income**

(millions)

For the years ended December 31,

	2024	2023	2022
<b>Revenues</b>			
Electric	\$ 2,526	\$ 2,637	\$ 2,519
Gas	0	0	650
Total revenues	2,526	2,637	3,169
<b>Expenses</b>			
Fuel	517	605	676
Purchased power	105	78	151
Cost of natural gas sold	0	0	257
Operations & maintenance	545	595	619
Depreciation and amortization	454	422	436
Taxes, other than income	224	234	257
Total expenses	1,845	1,934	2,396
<b>Income from operations</b>	681	703	773
<b>Other income</b>			
Allowance for other funds used during construction	30	19	35
Interest income from affiliates	0	38	0
Other income, net	18	32	20
Total other income	48	89	55
<b>Interest charges</b>			
Interest expense	203	234	178
Interest expense to affiliates	0	11	0
Allowance for borrowed funds used during construction	(10)	(6)	(11)
Total interest charges	193	239	167
<b>Income before provision for income taxes</b>	536	553	661
Provision for income taxes	68	87	121
<b>Net income</b>	\$ 468	\$ 466	\$ 540
<b>Comprehensive income</b>	\$ 468	\$ 466	\$ 540

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Cash Flows**

(millions)

For the years ended December 31,

	2024	2023	2022
<b>Cash flows from or used in operating activities</b>			
Net income	\$ 468	\$ 466	\$ 540
Adjustments to reconcile net income to cash from operating activities:			
Depreciation and amortization	454	422	436
Deferred income taxes and investment tax credits	66	(22)	137
Allowance for equity funds used during construction	(30)	(19)	(35)
Deferred recovery clauses	134	415	(422)
Regulatory assets and liabilities	(305)	116	(100)
Pension and post-retirement asset and liabilities	(11)	(23)	(18)
Other	15	14	(1)
Changes in working capital:			
Receivables, less allowance for credit losses	72	(44)	(45)
Inventories	(19)	(39)	(41)
Taxes accrued	(3)	12	(23)
Accounts payable	315	(56)	75
Other	8	(1)	8
Cash flows from operating activities	<u>1,164</u>	<u>1,241</u>	<u>511</u>
<b>Cash flows from or used in investing activities</b>			
Capital expenditures	(1,422)	(1,294)	(1,427)
Net proceeds from sale of assets	3	0	10
Cash flows used in investing activities	<u>(1,419)</u>	<u>(1,294)</u>	<u>(1,417)</u>
<b>Cash flows from or used in financing activities</b>			
Equity contributions from Parent	600	300	605
Dividends to Parent	(469)	(472)	(517)
Proceeds from long-term debt issuance	495	0	595
Repayment of long-term debt	(300)	0	(250)
Advances to affiliate	0	(227)	0
Repayment of advances to affiliate	0	956	0
Advances from Parent	0	0	195
Repayment of advances from Parent	0	(195)	0
Net change in short-term debt (maturities of 90 days or less)	(70)	87	374
Proceeds from other short-term debt (maturities over 90 days)	0	400	400
Repayment of other short-term debt (maturities over 90 days)	0	(800)	(500)
Other financing activities	(2)	(1)	0
Cash flows from financing activities	<u>254</u>	<u>48</u>	<u>902</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1)</u>	<u>(5)</u>	<u>(4)</u>
<b>Cash and cash equivalents at beginning of the year</b>	<u>5</u>	<u>10</u>	<u>18</u>
<b>Cash and cash equivalents at end of the year</b>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ 14</u>
<b>Supplemental disclosure of cash paid (received):</b>			
Interest	\$ 182	\$ 233	\$ 152
Income taxes	\$ (3)	\$ 102	\$ 2
<b>Supplemental disclosure of non-cash activities:</b>			
Change in accrued capital expenditures	\$ 10	\$ 20	\$ (6)
Reclassification of short-term debt to long-term debt	\$ 0	\$ 497	\$ 0
Change in note receivable from PGS	\$ 0	\$ (736)	\$ 0

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Capitalization**

<i>(millions, except share amounts)</i>	Shares <sup>(1)</sup>	Common Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Capital
Balance, December 31, 2021	10	\$ 4,470	\$ 323	\$ (1)	\$ 4,792
Net income			540		540
Equity contributions from Parent		605			605
Dividends to Parent <sup>(2)</sup>			(517)		(517)
Balance, December 31, 2022	10	\$ 5,075	\$ 346	\$ (1)	\$ 5,420
Net income			466		466
Separation of PGS equity from TEC		(871)	(121)		(992)
Equity contributions from Parent		300			300
Dividends to Parent <sup>(2)</sup>			(472)		(472)
Other		1			1
Balance, December 31, 2023	10	\$ 4,505	\$ 219	\$ (1)	\$ 4,723
Net income			468		468
Equity contributions from Parent		600			600
Dividends to Parent <sup>(2)</sup>			(469)		(469)
Balance, December 31, 2024	10	\$ 5,105	\$ 218	\$ (1)	\$ 5,322

**Preferred stock – \$100 par value**

1.5 million shares authorized, none outstanding.

**Preferred stock – no par**

2.5 million shares authorized, none outstanding.

**Preference stock – no par, subordinate to the preferred stock**

2.5 million shares authorized, none outstanding.

(1) Common stock without par value, 25 million shares authorized

(2) Dividends are declared and paid at the discretion of TEC's Board of Directors.

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Capitalization – continued**

At December 31, 2024 and 2023, TEC had the following long-term debt outstanding:

**Long-Term Debt**

<i>(millions)</i>	<i>Due</i>	<i>2024</i>	<i>2023</i>
Notes <sup>(1)(2)</sup> : 3.88%	2024	\$ 0	\$ 300
4.90%	2029	500	0
2.40%	2031	400	400
6.55%	2036	250	250
6.15%	2037	250	250
4.10%	2042	300	300
4.35%	2044	300	300
4.20%	2045	250	250
4.30%	2048	350	350
4.45%	2049	375	375
3.63%	2050	300	300
3.45%	2051	400	400
5.00%	2052	300	300
Total long-term debt of Tampa Electric		3,975	3,775
Long-term debt reclassification <sup>(3)</sup>		0	500
Total long-term debt		3,975	4,275
Unamortized debt discount, net		(10)	(14)
Debt issuance costs		(30)	(28)
Total carrying amount of long-term debt		3,935	4,233
Less amount due within one year		0	300
Total long-term debt		<u>\$ 3,935</u>	<u>\$ 3,933</u>

- (1) These senior unsecured debt securities are subject to redemption in whole or in part, at any time, at the option of the issuer.  
(2) These long-term debt agreements contain various restrictive covenants.  
(3) See **Note 7** for information regarding the long-term debt reclassification of \$500 million, net of debt issuance costs.

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY**  
**Consolidated Statements of Capitalization—continued**

At December 31, 2024, long-term debt had a carrying amount of \$3,935 million and an estimated fair market value of \$3,431 million. At December 31, 2023, total long-term debt had a carrying amount of \$4,233 million and an estimated fair market value of \$3,831 million. The fair value of the debt securities is determined using Level 2 measurements (see **Note 14** for information regarding the fair value hierarchy).

A substantial part of Tampa Electric’s tangible assets is pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric’s first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time. Gross maturities and annual sinking fund requirements of long-term debt are as follows:

**Long-Term Debt Maturities**

<i>As of December 31, 2024</i> <i>(millions)</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>Thereafter</i>	<i>Total Long-Term Debt</i>
Long-term debt maturities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 3,475	\$ 3,975

The accompanying notes are an integral part of the consolidated financial statements.

**TAMPA ELECTRIC COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**Description of the Business**

TEC is comprised of the electric division, referred to as Tampa Electric, and prior to January 1, 2023, also included the natural gas division, referred to as PGS. Tampa Electric provides retail electric services in West Central Florida, and PGS is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in Florida. Prior to January 1, 2023, intercompany balances and transactions within the electric and natural gas divisions have been eliminated in consolidation. See "Separation of PGS from TEC" below for information regarding the separation that occurred on January 1, 2023. TEC's significant accounting policies are as follows:

**Principles of Consolidation and Basis of Presentation**

TEC maintains its accounts in accordance with recognized policies prescribed or permitted by the FPSC and the FERC. These policies conform with U.S. GAAP in all material respects. The use of estimates is inherent in the preparation of financial statements in accordance with U.S. GAAP. Actual results could differ from these estimates.

Prior to April 1, 2024, TEC was a wholly owned subsidiary of TECO Energy, which is an indirect, wholly owned subsidiary of Emera. On April 1, 2024, TECO Energy distributed its investment in TEC to TECO Holdings, Inc. in a transaction intended to qualify as a tax-free reorganization. This new corporation is also an indirect, wholly owned subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

**Cash Equivalents**

Cash equivalents are highly liquid, high-quality investments purchased with an original maturity of three months or less. The carrying amount of cash equivalents approximated fair market value because of the short maturity of these instruments.

**Property, Plant and Equipment**

Property, plant and equipment is stated at original cost, which includes labor, material, applicable taxes, overhead and AFUDC. Concurrent with a planned major maintenance outage or with new construction, the cost of adding or replacing retirement units-of-property is capitalized in conformity with the regulations of FERC and FPSC. The cost of maintenance, repairs and replacement of minor items of property is expensed as incurred.

As a regulated utility, TEC must file depreciation and dismantlement studies periodically and receive approval from the FPSC before implementing new depreciation rates. Included in approved depreciation rates is either an implicit net salvage factor or a cost of removal factor, expressed as a percentage. The net salvage factor is principally comprised of two components—a salvage factor and a cost of removal or dismantlement factor. TEC uses current cost of removal or dismantlement factors as part of the estimation method to approximate the amount of cost of removal in accumulated depreciation. The original cost of utility plant retired or otherwise disposed of and the cost of removal or dismantlement, less salvage value, is charged to accumulated depreciation and the accumulated cost of removal reserve reported as a regulatory liability, respectively.

For other property dispositions, the cost and accumulated depreciation are removed from the balance sheet and a gain or loss is recognized.

Property, plant and equipment consisted of the following assets:

<i>(millions)</i>	<i>Estimated Useful Lives</i>	<i>December 31, 2024</i>	<i>December 31, 2023</i>
Electric generation	10-60 years	\$ 6,574	\$ 6,732
Electric transmission	10-75 years	1,245	1,182
Electric distribution	10-60 years	3,920	3,609
General plant and other	4-60 years	1,081	997
Total cost		12,820	12,520
Less accumulated depreciation		(3,348)	(3,443)
Construction work in progress		1,631	1,151
Total property, plant and equipment, net		<u>\$ 11,103</u>	<u>\$ 10,228</u>

### Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 3.6%, 3.5% and 3.2% for 2024, 2023 and 2022, respectively. Construction work in progress is not depreciated until the asset is placed in service. TEC's total depreciation expense for the years ended December 31, 2024, 2023 and 2022 was \$417 million, \$390 million and \$402 million, respectively. For the year ended December 31, 2024, 2023 and 2022, Tampa Electric's depreciation expense was \$417 million, \$390 million and \$359 million, respectively.

TEC computes depreciation and amortization using the following methods:

- the group remaining life method, approved by the FPSC, is applied to the average investment, adjusted for anticipated costs of removal less salvage, in functional classes of depreciable property;
- the amortizable life method, approved by the FPSC, is applied to the net book value to date over the remaining life of those assets not classified as depreciable property above.

### Allowance for Funds Used During Construction

AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on other funds used for construction. The rates used to calculate AFUDC are revised periodically to reflect significant changes in cost of capital. In 2024, 2023 and 2022, Tampa Electric's rate was 6.07%, 6.07% and 6.00%, respectively. PGS's rate used to calculate its AFUDC in 2022 was 6.00%. Total AFUDC for the years ended December 31, 2024, 2023 and 2022 was \$40 million, \$25 million and \$46 million, respectively.

### Inventory

TEC values materials, supplies and fossil fuel inventory (natural gas and coal) using a weighted-average cost method. These materials, supplies and fuel inventories are carried at the lower of weighted-average cost or net realizable value.

### Regulatory Assets and Liabilities

TEC is subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

### Government Assistance

Government assistance is recognized when there is reasonable assurance that TEC will comply with the conditions and the funding will be received. Government assistance related to PP&E is deducted from the asset's carrying amount and the net amount is depreciated. Government assistance related to income is deducted from the related expense to which it is intended to compensate.

In 2024 and 2023, TEC received \$5 million and zero, respectively, of government assistance from the U.S. Department of Energy towards the front end engineering design studies for carbon capture and storage. The capital projects receiving government assistance are related to TEC's environmental compliance initiatives. Further details on significant government assistance programs are noted below.

#### *Carbon Storage Project*

In January 2025, TEC was approved for government assistance from the Department of Energy to fund an evaluation related to subsurface storage of CO<sub>2</sub> in Florida. TEC can make claims for 80% of eligible project costs to a maximum \$98 million. The term of the agreement ends on April 2028.

#### **Deferred Income Taxes**

TEC uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at enacted tax rates. TEC is regulated, and the books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding regulatory tax liability reflecting the amount payable to customers through future rates. See **Note 4** for additional details.

#### **Investment and Production Tax Credits (PTCs)**

ITCs have been recorded as deferred credits and are being amortized as reductions to income tax expense as required by regulatory practices. TEC recognizes a reduction of income tax expense for PTCs earned by its eligible solar assets. The PTCs are based on per kWh rate prescribed by applicable federal statutes.

#### **Stranded Tax Effects in Accumulated Other Comprehensive Income**

TEC utilizes a portfolio approach to determine the timing and extent to which stranded income tax effects from items that were previously recorded in accumulated other comprehensive income are released.

#### **Revenue Recognition**

##### *Regulated electric revenue*

Electric revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when electricity is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the electricity. Electric revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the sale of electricity are recognized at rates approved by the respective regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. Tampa Electric's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of MWH delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of energy demand, timing of meter reads and line losses.

##### *Regulated gas revenue*

Prior to January 1, 2023, gas revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, were recognized when obligations under the terms of a contract were satisfied. This occurred primarily when gas was delivered to customers over time as the customer simultaneously received and consumed the benefits of the gas. Gas revenues were recognized on an accrual basis and included billed and unbilled revenues. Revenues related to the distribution and sale of gas were recognized at rates approved by the regulator and recorded based on metered usage, which occurred on a periodic, systematic basis, generally monthly. At the end of each reporting period, the gas delivered to customers, but not billed, was estimated and the corresponding unbilled revenue was recognized. PGS's estimate of unbilled revenue at the end of the reporting period was calculated by estimating the number of therms delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate included assumptions as to the pattern of usage, weather, and inter-period changes to customer classes.

##### *Other*

See Accounting for Franchise Fees and Gross Receipts below for the accounting for gross receipts taxes. Sales and other taxes TEC collects concurrent with revenue-producing activities are excluded from revenue.

#### **Revenues and Cost Recovery**

Revenues include amounts resulting from cost-recovery clauses which provide for monthly billing charges to reflect increases or decreases in fuel, purchased power, conservation, environmental and storm protection plan costs for Tampa Electric and, prior to January 1, 2023, purchased gas, interstate pipeline capacity, replacement of cast iron/bare steel pipe and conservation costs for PGS. These adjustment factors are based on costs incurred and projected for a specific recovery period. Any over- or under-recovery of



costs plus an interest factor are taken into account in the process of setting adjustment factors for subsequent recovery periods. Over-recoveries of costs are recorded as regulatory liabilities, and under-recoveries of costs are recorded as regulatory assets.

Certain other costs incurred by the regulated utilities are allowed to be recovered from customers through prices approved in the regulatory process. These costs are recognized as the associated revenues are recognized.

#### **Receivables and Allowance for Credit Losses**

Receivables on the Consolidated Balance Sheets include receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, totaling \$219 million and \$284 million as of December 31, 2024 and 2023, respectively. An allowance for credit losses is established based on TEC's collection experience and reasonable and supportable forecasts that affect the collectibility of the reported amount. Circumstances that impact estimates of credit losses include, but are not limited to, customer credit issues, fuel prices, customer deposits and general economic conditions. Accounts are reserved in the allowance or written off once they are deemed to be uncollectible.

TEC accrues base revenues for services rendered but unbilled to provide for matching of revenues and expenses (see **Note 3**). As of December 31, 2024 and 2023, unbilled revenues of \$68 million and \$63 million, respectively, are included in the "Receivables" line item on TEC's Consolidated Balance Sheets.

#### **Accounting for Franchise Fees and Gross Receipts Taxes**

TEC is allowed to recover certain costs incurred on a dollar-for-dollar basis from customers through rates approved by the FPSC. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Statements of Income. Franchise fees and gross receipt taxes payable are included as an expense on the Consolidated Statements of Income in "Taxes, other than income". These amounts totaled \$120 million, \$139 million and \$145 million for the years ended December 31, 2024, 2023 and 2022, respectively.

#### **Deferred Charges and Other Assets**

Deferred charges and other assets consist primarily of pension assets net of accrued pension liabilities (see **Note 5**) and right-of-use assets related to operating leases (see **Note 13**).

#### **Deferred Credits and Other Liabilities**

Other deferred credits primarily include accrued other postretirement benefits (see **Note 5**), asset retirement obligations (see **Note 12**), lease liabilities (see **Note 13**) and a reserve for auto, general and workers' compensation liability claims.

TECO Holdings and its subsidiaries, including TEC, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company's retention amounts. TEC estimates its liabilities for auto, general and workers' compensation using discount rates mandated by statute or otherwise deemed appropriate for the circumstances. Discount rates used in estimating these other self-insurance liabilities at December 31, 2024 and 2023 ranged from 4.00% to 5.11% and 4.00% to 5.99%, respectively.

#### **Derivatives and Hedging Activities**

TEC had \$1 million and \$1 million derivative assets as of December 31, 2024 and 2023, respectively, and zero derivative liabilities as of December 31, 2024 and December 31, 2023, respectively.

TEC's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if TEC deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if TEC intends to receive physical delivery and if the transaction is reasonable in relation to TEC's business needs. As of December 31, 2024 and 2023, all of TEC's physical contracts qualified for the NPNS exception, which was elected.

TEC classifies cash inflows and outflows related to derivative and hedging instruments in the appropriate cash flow sections associated with the item being hedged. For natural gas, the cash inflows and outflows are included in the operating section of the Consolidated Statements of Cash Flows. For interest rate swaps that settle coincident with the debt issuance, the cash inflows and outflows are treated as premiums or discounts and included in the financing section of the Consolidated Statements of Cash Flows.

#### **Separation of PGS from TEC**

PGS became an operating division of TEC in 1997 when TECO Energy purchased PGS and merged that corporation into TEC. Since then, PGS has operated as a stand-alone regulated utility, including having its own tariff and its own books and records.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. (PGSI) pursuant to a Contribution Agreement. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy. On January 1, 2023, the assets, liabilities, and equity that had been recorded in the books of PGS were transferred from TEC to the newly formed PGSI at book value in a tax-free transaction. PGSI issued 100 shares of common stock to TEC related to the transfer of PGS, which were subsequently distributed to TECO Energy, Inc. and then contributed to TECO Gas Operations, Inc. This is a transaction between entities under common control; therefore, TEC did not recognize a gain or loss on the transaction. TEC is not required to recast its prior period financial statements and disclosures to exclude PGS prior to January 1, 2023. The TEC Consolidated Statement of Cash Flows for the year ended December 31, 2023 does not include the non-cash impact of separating the PGS assets, liabilities and equity from TEC on January 1, 2023 and excludes PGS's opening cash balance.

The impact of the separation of PGS from TEC on the Consolidated Statements of Capital for the year ended December 31, 2023 was \$992 million, which represents the net assets of PGS transferred as of January 1, 2023. TEC recorded \$121 million to retained earnings, which was the retained earnings of PGS as of January 1, 2023, and the remainder of \$871 million was recorded to additional paid in capital, which is presented with common stock.

Prior to the separation, as a division of TEC, PGS had received an allocation of outstanding unsecured notes and outstanding short-term borrowings issued by TEC. The obligations related to these combined borrowings were reflected in an affiliate loan agreement between TEC and PGS. The initial obligation of PGS under the loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million. The maturity date for both was December 29, 2023. On December 20, 2023, PGS repaid Tampa Electric the outstanding principal amount of the term loan and revolving loan of \$670 million and \$286 million, respectively, plus outstanding interest. The repayment terminates the affiliate loan agreement and Tampa Electric will no longer provide capital for the operations of PGS. See **Note 6** for further information.

See **Note 11** for certain financial information related to PGS. In addition, the following table presents the assets and liabilities of PGS in TEC's Consolidated Balance Sheet as of December 31, 2022:

<i>(millions)</i>	<i>December 31, 2022</i>
<b>Property, plant and equipment</b>	
Utility plant	\$ 2,938
Accumulated depreciation	(687)
Total property, plant and equipment, net	2,251
<b>Current assets</b>	
Cash and cash equivalents	4
Receivables, less allowance for credit losses of \$1 at December 31, 2022	62
Due from affiliates	4
Inventories, at average cost	
Materials and supplies	5
Regulatory assets	9
Prepayments and other current assets	4
Total current assets	88
<b>Other assets</b>	
Regulatory assets	53
Deferred charges and other assets	79
Total other assets	132
<b>Total assets</b>	<b>\$ 2,471</b>
<b>Capitalization</b>	
Common stock	\$ 871
Retained earnings	121
Total capital	992
Long-term debt	564
Total capital	1,556
<b>Current liabilities</b>	
Notes payable	166
Accounts payable	78
Due to affiliates	27

Customer deposits	30
Regulatory liabilities	11
Accrued interest	4
Accrued taxes	5
Other	4
Total current liabilities	325
<b>Other liabilities</b>	
Deferred income taxes	238
Regulatory liabilities	277
Deferred credits and other liabilities	75
Total other liabilities	590
<b>Total liabilities and capital</b>	<b>\$ 2,471</b>

## 2. New Accounting Pronouncements

### *Reportable Segment Disclosures*

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. The change in the standard improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The changes improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The guidance was effective for annual reporting periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. TEC adopted the standard for the year ended December 31, 2024. The standard was applied retrospectively. See **Note 11** for further detail.

### *Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. The standard also requires disclosure of income (loss) before provision for income taxes and income tax expense (benefit) in accordance with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application – General Notes to Financial Statements: Income Tax Expense, and the removal of disclosures no longer considered cost beneficial or relevant. The guidance will be effective for annual reporting periods beginning after December 15, 2024, and interim periods within annual reporting periods beginning after December 15, 2025. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

### *Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting–Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity’s expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. TEC is currently evaluating the impact of adoption of the standard on its financial statement disclosures.

## 3. Regulatory

Tampa Electric’s retail business and PGS are regulated by the FPSC. Tampa Electric is also subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices. The FPSC sets rates based on a cost of service methodology which allows utilities to collect total revenues (revenue requirements) equal to their prudently incurred cost of providing service or products, plus a reasonable return on equity invested or assets. As a result, Tampa Electric and PGS qualify for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or

liability. Regulatory assets and liabilities arise as a result of a difference between U.S. GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred. In addition to regulatory assets and regulatory liabilities, rate regulation impacts other financial statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

### **Tampa Electric Base Rates**

Tampa Electric's 2024, 2023 and 2022 base rates reflect a settlement agreement dated as of August 6, 2021 (the Settlement Agreement) by and among Tampa Electric and the intervenors in Tampa Electric's 2021 rate case, which was approved by an FPSC order on November 10, 2021. The Settlement Agreement agreed to an increase in base rates annually effective with January 2022 bills, to generate a \$191 million increase in revenue consisting of \$123 million of traditional base rate charges and \$68 million in a new charge to recover the costs of retiring assets. The Settlement Agreement further included two subsequent year adjustments of \$90 million and \$21 million, effective January 2023 and January 2024, respectively. Under the agreement, the allowed equity in the capital structure continued to be 54% from investor sources of capital. The Settlement Agreement included an allowed regulatory ROE range of 9.0% to 11.0% with a 9.95% midpoint. Under the agreement, base rates will not change from January 1, 2022 through December 31, 2024, unless Tampa Electric's earned ROE were to fall below the bottom of the range during that time. The Settlement Agreement contained a provision whereby Tampa Electric agrees to quantify the future impact of a decrease or increase in corporate income tax rates on net operating income through a reduction or increase in base revenues within 180 days of when such tax change becomes law or its effective date. The Settlement Agreement further created a mechanism to recover the costs of retiring coal generation units and meter assets over a period of 15 years which survives the term of that agreement. The Settlement Agreement set new depreciation and dismantlement rates effective January 1, 2022 and contained the provisions that Tampa Electric will not have to file another depreciation study during the term of the agreement but will file a new depreciation study no more than one year, nor less than 90 days, before the filing of its next general base rate proceeding. Additionally, Tampa Electric agreed to a financial hedging moratorium for natural gas ending on December 31, 2024.

The Settlement Agreement allows a 25 basis point increase in the allowed ROE range and mid-point, and \$10 million of additional revenue, if the average 30-year United States Treasury Bond yield rate for any period of six consecutive months is at least 50 basis points greater than the yield rate on the date the FPSC votes to approve the agreement. On July 1, 2022, Tampa Electric requested to adjust its base rates to collect an additional \$10 million annually (prorated in the first year) effective September 1, 2022 and increase its mid-point ROE and upper and lower allowed ranges. On August 16, 2022, the FPSC approved the change. The new mid-point ROE is 10.20%, and the range is 9.25% to 11.25% effective July 1, 2022.

On April 2, 2024, Tampa Electric requested a base rate increase, reflecting an increased revenue requirement of \$297 million, effective January 1, 2025, and additional adjustments of \$100 million and \$72 million for 2026 and 2027, respectively. Tampa Electric's proposed rates include recovery of solar generation projects, energy storage capacity, a more resilient and modernized energy control center, and other resiliency and reliability projects. Prior to the rate case hearing, Tampa Electric submitted revisions to its requested base rate increase to reflect items that included production tax credits, energy storage life expectancy, and the company's grid reliability and resilience project. The company's August 22, 2024 requested revenue requirement reflects a base rate increase of \$288 million, effective January 1, 2025, and adjustments of \$92 million and \$65 million for 2026 and 2027, respectively. From August 26 through 30, 2024, Tampa Electric's rate case hearing was heard by the FPSC. On December 3, 2024, the FPSC rendered a decision during a Special Agenda and the final order, reflecting such decision, was issued on February 3, 2025. The FPSC decision includes an increase of \$185 million in 2025 and adjustments of \$87 million and \$9 million in 2026 and 2027, respectively. The decision also allowed for equity in the capital structure to continue to be 54% from investor sources of capital. The allowed regulatory ROE range is 9.50% to 11.50% with a 10.50% midpoint, effective January 1, 2025. On February 18, 2025, a motion for reconsideration on certain aspects of the rate case order was filed with the FPSC. Tampa Electric will respond to this motion in February 2025. Tampa Electric expects the FPSC to reach a final decision on the motion in the second quarter of 2025.

### **Tampa Electric Storm Restoration Cost Recovery**

In accordance with Tampa Electric's 2021 rate case settlement agreement and continued with Tampa Electric's 2024 rate case order, in the event of a named storm that results in damage to its system, Tampa Electric can petition the FPSC to seek recovery of those costs over a 12-month period or longer as determined by the FPSC, as well as replenish its storm reserve regulatory liability of \$56 million. Based on an FPSC order, if the charges to the storm reserve exceed the reserve liability account balance, the excess is to be carried as a regulatory asset. At December 31, 2024, the balance in the regulatory asset for storm restoration costs was \$377 million.

In September 2022, Tampa Electric was impacted by Hurricane Ian. Total storm restoration costs were \$129 million, with \$121 million charged to the storm reserve. Restoration costs charged to the storm reserve exceeded the storm reserve balance and this amount was deferred to be collected from customers in subsequent periods. In November 2022, Tampa Electric incurred costs of approximately \$2 million related to Hurricane Nicole. In January 2023, Tampa Electric petitioned the FPSC for recovery of costs associated with Hurricanes Ian and Nicole that exceeded the reserve, \$10 million of storm restoration costs charged to the reserve

since 2018, and the replenishment of the balance in the reserve to the \$56 million level that existed as of October 31, 2013 for a total of approximately \$131 million. The storm cost recovery surcharge was approved by the FPSC on March 7, 2023, and Tampa Electric began applying the surcharge on April 2023 bills. Subsequently, on November 9, 2023, the FPSC approved Tampa Electric's petition filed on August 16, 2023 to update the total storm cost collection from \$129 million to approximately \$134 million and change the collection of the expected remaining balance of approximately \$29 million as of December 31, 2023, from over the first three months of 2024 to over the 12 months of 2024. On June 13, 2024, the FPSC issued an Order approving a total storm cost collection of \$135 million.

In September 2023, Tampa Electric was impacted by Hurricane Idalia. The related storm restoration costs were approximately \$35 million, which were charged to the storm reserve regulatory asset and not included in the petition above.

Hurricane Helene made landfall on September 26, 2024. Tampa Electric was impacted by Hurricane Helene, resulting in a peak number of customers out of approximately 100,000. As of December 31, 2024, TEC deferred \$49 million to the storm reserve for future recovery, with a minimal impact to earnings.

Hurricane Milton, the worst weather event to impact the area in over 100 years, made landfall on October 9, 2024. Tampa Electric was impacted by Hurricane Milton, resulting in a peak number of customers out of approximately 600,000. As of December 31, 2024, TEC deferred \$340 million to the storm reserve for future recovery, with a minimal impact to earnings.

Restoration costs for the storms described above are deferred and will be collected from customers in subsequent periods. On February 4, 2025, the FPSC approved Tampa Electric's petition filed on December 27, 2024 for the recovery of \$466 million for costs associated with Hurricane Idalia, Hurricane Debby, Hurricane Helene and Hurricane Milton and the associated interest to replenish the storm reserve over an 18-month recovery period beginning in March 2025. The amount of cost-recovery is subject to a true-up mechanism with the FPSC.

#### **Tampa Electric Big Bend Modernization Project**

Tampa Electric invested \$876 million, including \$91 million of AFUDC, during 2018 through 2022 to modernize the Big Bend Power Station. The Big Bend modernization project repowered Big Bend Unit 1 with natural gas combined-cycle technology and eliminated coal as this unit's fuel. As part of the Big Bend modernization project, Tampa Electric retired the Unit 1 components that will not be used in the modernized plant, Big Bend Unit 2 and Big Bend Unit 3 in 2020, 2021 and 2023, respectively.

Tampa Electric's Settlement Agreement provided recovery for the Big Bend modernization project in two phases. The first phase was a revenue increase to cover the costs of the assets in service during 2022, among other items. The remainder of the project costs was recovered as part of the 2023 subsequent year adjustment. The Settlement Agreement also included a new charge to recover the remaining costs of the retiring Big Bend coal generation assets, Units 1 through 3, which will be spread over 15 years and will survive the term of the Settlement Agreement. The special capital recovery schedule for all three units was applied beginning January 1, 2022.

#### **Tampa Electric Mid-Course Adjustment to Fuel Recovery**

In January 2022, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges to recover \$169 million beginning April 1, 2022 through December 2022 due to an increase in fuel commodity and capacity costs. On March 1, 2022, the FPSC voted to approve the mid-course adjustment, and the order reflecting such approval was issued on March 18, 2022.

On January 23, 2023, Tampa Electric requested an adjustment to its fuel charges to recover the \$518 million final 2022 fuel under-recovery over a period of 21 months. The request also included an adjustment to 2023 projected fuel costs to reflect the reduction in natural gas prices since September 2022 for a projected reduction of \$170 million for the balance of 2023. The changes were approved by the FPSC on March 7, 2023, effective April 1, 2023.

On April 2, 2024, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, reflecting a \$138 million reduction over 12 months, from June 2024 through May 2025. The requested reduction is due to a significant decrease in actual and projected 2024 natural gas prices since Tampa Electric submitted its projected 2024 costs in the fall of 2023. On May 7, 2024, the FPSC approved the mid-course adjustment.

#### **Tampa Electric Storm Protection Cost Recovery Clause and Settlement Agreement**

On October 3, 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. This clause provides a process for Florida investor-owned utilities, including Tampa Electric, to recover transmission and distribution storm hardening costs for incremental activities not already included in base rates. A settlement agreement was approved on August 10, 2020 and Tampa Electric's cost recovery began in January 2021. The current approved plan addresses the years 2023, 2024 and 2025 and was approved by the FPSC on October 4, 2022.

### PGS Base Rates

PGS's results for 2022 reflected a rate case settlement agreement filed by PGS and the Office of Public Counsel and approved by the FPSC on November 19, 2020. The settlement agreement provides for an increase in base rates by \$58 million annually effective January 2021, which is a \$34 million increase in revenue and \$24 million increase of revenues previously recovered through the cast iron and bare steel replacement rider. This settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint, including the ability to reverse a total of \$34 million of accumulated depreciation through 2023. During 2023 and 2022, PGS reversed \$20 million and \$14 million, respectively, of accumulated depreciation.

### Regulatory Assets and Liabilities

Details of the regulatory assets and liabilities are presented in the following table:

#### Regulatory Assets and Liabilities

<i>(millions)</i>	<i>December 31, 2024</i>	<i>December 31, 2023</i>
<b>Regulatory assets:</b>		
Regulatory tax asset <sup>(1)</sup>	\$ 117	\$ 112
Cost-recovery clauses <sup>(2)</sup>	20	94
Capital cost recovery for early retired assets <sup>(3)</sup>	513	507
Capital cost recovery for retired Polk Unit 1 components <sup>(4)</sup>	142	0
Postretirement benefits <sup>(5)</sup>	243	236
Storm reserve <sup>(6)</sup>	377	7
Other	29	32
Total regulatory assets	1,441	988
Less: Current portion	343	161
Long-term regulatory assets	<u>\$ 1,098</u>	<u>\$ 827</u>
<b>Regulatory liabilities:</b>		
Regulatory tax liability <sup>(7)</sup>	\$ 456	\$ 477
Cost-recovery clauses - deferred balances <sup>(2)</sup>	80	20
Accumulated reserve—cost of removal <sup>(8)</sup>	304	271
Deferred production tax credits <sup>(9)</sup>	57	23
Other	7	4
Total regulatory liabilities	904	795
Less: Current portion	146	94
Long-term regulatory liabilities	<u>\$ 758</u>	<u>\$ 701</u>

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets.
- (2) These assets and liabilities are related to FPSC clauses and riders. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.
- (3) This regulatory asset is related to the remaining net book value of Big Bend Units 1 through 3 and smart meter assets that were retired. The balance earns a rate of return as permitted by the FPSC and will be recovered as a separate line item on customer bills for a period of 15 years, beginning in 2022 through 2036. See "Tampa Electric Big Bend Modernization Project" above for further information.
- (4) This regulatory asset is related to the remaining net book value of certain components of Polk Unit 1 that were early retired on December 31, 2024. The balance earns a rate of return as permitted by the FPSC and will be recovered through base rates over an 11-year recovery period beginning on January 1, 2025.
- (5) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.
- (6) See "Tampa Electric Storm Restoration Cost Recovery" above for information regarding this reserve. The regulatory asset is included in rate base and earns a rate of return as permitted by the FPSC.
- (7) The regulatory tax liability is primarily related to the revaluation of TEC's deferred income tax balances recorded on December 31, 2017 at the lower corporate income tax rate due to U.S. tax reform. The liability related to the revaluation of the deferred

income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.

- (8) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.
- (9) This regulatory liability represents the deferred benefit for production tax credits (PTC) available for qualifying solar facilities placed in service on or after January 1, 2022, which reduced income tax expense. Following the recommendation of the FPSC, these PTC deferrals will be amortized over a three-year period.

#### **4. Income Taxes**

##### **Inflation Reduction Act**

On August 16, 2022, the Inflation Reduction Act was signed into legislation and includes numerous tax incentives for clean energy, such as the extension and modification of existing investment and production tax credits for projects placed in service through 2024, and new technology-neutral clean energy provisions related credits beginning in 2025. The Inflation Reduction Act also expanded the ITC for energy storage technology, including an election that permits these ITCs to be amortized over a period that is shorter than the life of the asset. During 2024, TEC placed in service its first standalone energy storage project eligible for the ITC and in accordance with the FPSC decision rendered on December 3, 2024, is amortizing this project over a five-year period.

TEC has determined that electing production tax credits for its solar plants placed in service through 2024 will be more beneficial for customers compared to ITCs and has recorded a regulatory liability in recognition of its obligation to pass the tax benefits to customers of \$57 million and \$23 million as of December 31, 2024 and 2023, respectively. In accordance with the FPSC decision rendered on December 3, 2024, the regulatory liability will be refunded to customers over a three-year period. See **Note 3**.

##### **Income Tax Expense**

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based upon a standalone return method, modified for the benefits-for-loss allocation in accordance with EUSHI's tax sharing agreement. To the extent that TEC's cash tax positions are settled differently than the amount reported as realized under the tax sharing agreement, the difference is accounted for as either a capital contribution or a distribution.

Income tax expense consists of the following components:

##### **Income Tax Expense (Benefit)**

(millions)

For the year ended December 31,

	2024	2023	2022
Current income taxes			
Federal	\$ 2	\$ 84	\$ (13)
State	0	25	(3)
Deferred income taxes			
Federal	36	(19)	105
State	34	5	38
Investment tax credits amortization	(4)	(8)	(6)
Total income tax expense	<u>\$ 68</u>	<u>\$ 87</u>	<u>\$ 121</u>



During 2024 and 2022, TEC increased its net operating loss carryforward. Total current income tax expense for the years ending December 31, 2024 and December 31, 2022 were reduced by \$13 million and \$59 million, respectively, to reflect the benefits of operating loss carryforwards.

For the three years presented, the overall effective tax rate differs from the U.S. federal statutory rate as presented below:

#### Effective Income Tax Rate

(millions)

For the year ended December 31,

	2024	2023	2022
Income before provision for income taxes	\$ 536	\$ 553	\$ 661
Federal statutory income tax rates	21%	21%	21%
Income taxes, at statutory income tax rate	113	116	139
Increase (decrease) due to			
State income tax, net of federal income tax	23	23	27
Excess deferred tax amortization	(25)	(25)	(25)
ITC amortization	(4)	(8)	(6)
AFUDC-equity	(3)	(4)	(7)
Production tax credits	(30)	(15)	(6)
Other tax credits	(7)	(4)	(3)
Other	1	4	2
Total income tax expense on consolidated statements of income	\$ 68	\$ 87	\$ 121
Income tax expense as a percent of income before income taxes	12.7%	15.7%	18.3%

#### Deferred Income Taxes

Deferred taxes result from temporary differences in the recognition of certain liabilities or assets for tax and financial reporting purposes. The principal components of TEC's deferred tax assets and liabilities recognized in the balance sheet are as follows:

(millions)

As of December 31,

	2024	2023
Deferred tax liabilities <sup>(1)</sup>		
Property related	\$ 1,314	\$ 1,227
Deferred fuel	5	23
Pension and postretirement benefits	123	100
Storm reserve	95	2
Total deferred tax liabilities	1,537	1,352
Deferred tax assets <sup>(1)</sup>		
Loss and credit carryforwards <sup>(2)</sup>	438	383
Medical benefits	22	19
Insurance reserves	2	3
Pension and postretirement benefits	62	49
Other	37	18
Total deferred tax assets	561	472
Total deferred tax liability, net	\$ 976	\$ 880

(1) Certain property related assets and liabilities have been netted.

(2) Deferred tax assets for net operating loss and tax credit carryforwards have been reduced by unrecognized tax benefits of \$10 million and \$10 million at December 31, 2024 and 2023, respectively.

The expiration of TEC's tax credits and net operating loss (NOL) carryforwards are as follows:



<i>(millions)</i>	<i>December 31, 2024</i>	<i>Expiration Year</i>
General business credits	\$ 361	2027-2044
Federal NOL carryforwards	135	2037
Federal NOL carryforwards <sup>(1)</sup>	248	indefinite
State NOL carryforwards <sup>(1)</sup>	359	indefinite
Total tax credits and NOL carryforwards	<u>\$ 1,103</u>	

- (1) Indefinite carryforward for Federal NOLs and NOLs for states that have adopted the U.S. Tax Cuts and Jobs Act of 2017 provisions, generated in tax years beginning after December 31, 2017.

TEC has unused general business credits of \$361 million expiring between 2027 and 2044, of which \$270 million relate to ITCs expiring between 2034 and 2044. As a result of TECO Energy's merger with Emera in 2016, TECs NOLs and credits will be utilized by EUSHI, in accordance with the benefits-for-loss allocation which provide that tax attributes are utilized by the consolidated tax return group of EUSHI.

### Unrecognized Tax Benefits

TEC accounts for uncertain tax positions as required by U.S. GAAP. The following table provides details of the change in unrecognized tax benefits as follows:

<i>(millions)</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Balance at January 1,	\$ 10	\$ 9	\$ 6
Increases due to tax positions related to prior year	0	0	2
Increases due to tax positions related to current year	0	1	1
Balance at December 31,	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 9</u>

As of December 31, 2024 and 2023, TEC's uncertain tax positions for federal research and development tax credits were \$10 million and \$10 million, respectively, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. The unrecognized tax benefits, if recognized, would reduce TEC's effective tax rate.

TEC recognizes interest accruals related to uncertain tax positions in "Other income" or "Interest expense", as applicable, and penalties in "Operation and maintenance expense" in the Consolidated Statements of Income. In 2024, 2023 and 2022, TEC did not recognize any pre-tax charges for interest or penalties.

The U.S. federal statute of limitations remains open for the year 2017 and forward. Florida's statute of limitations is three years from the filing of an income tax return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. Years still open to examination by Florida's tax authorities include 2013 and forward as a result of EUSHI's consolidated Florida net operating loss still being utilized.

## 5. Employee Postretirement Benefits

### Pension Benefits

TEC is a participant in the comprehensive retirement plans of TECO Energy, LLC (formerly known as TECO Energy, Inc. prior to April 1, 2024), including a qualified, non-contributory defined benefit retirement plan that covers substantially all employees. Subsequent to April 1, 2024, TECO Energy, LLC became a wholly owned subsidiary of the newly created TECO Holdings (see **Note 1** for further detail.) Effective January 1, 2025, the comprehensive retirement plans were transferred to TECO Holdings. Benefits are based on the employees' age, years of service and final average earnings. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy retirement plans.

Amounts disclosed for pension benefits in the following tables and discussion also include the fully-funded obligations for the SERP and the unfunded obligations of the Restoration Plan. The SERP is a non-qualified, non-contributory defined benefit retirement plan available to certain members of senior management. The Restoration Plan is a non-qualified, non-contributory defined benefit retirement plan that allows certain members of senior management to receive contributions as if no IRS limits were in place.

### Other Postretirement Benefits

TECO Energy and its subsidiaries currently provide certain postretirement health care and life insurance benefits (other benefits) for most employees retiring after age 50 meeting certain service requirements. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy postretirement health care and life insurance plans. Postretirement benefit levels are substantially unrelated to salary. TECO Energy reserves the right to terminate or modify the plans in whole or in part at any time.

TECO Energy has made a change to the postretirement health plan to replace the pharmacy services provider. The change was treated as a plan amendment and the plan was remeasured as of September 30, 2023. See "Plan Amendments" line item in the "Obligations and Plan Assets" table below.

### Obligations and Funded Status

TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. This status is measured as the difference between the fair value of plan assets and the PBO in the case of its defined benefit plan, or the APBO in the case of its other postretirement benefit plan. Changes in the funded status are reflected, net of estimated tax benefits, in benefit liabilities and regulatory assets. The results of operations are not impacted.

The following table provides a detail of the change in TECO Energy's benefit obligations and change in plan assets for combined pension plans (pension benefits) and TECO Energy's Florida-based other postretirement benefit plan (other benefits).

<b>TECO Energy</b> <b>Obligations and Funded Status</b> <i>(millions)</i>	<b>Pension Benefits</b>		<b>Other Benefits <sup>(2)</sup></b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<b>Change in benefit obligation</b>				
Benefit obligation at beginning of year	\$ 678	\$ 666	\$ 132	\$ 142
Service cost	17	15	1	1
Interest cost	35	35	7	7
Plan participants' contributions	0	0	4	4
Benefits paid	(57)	(59)	(10)	(19)
Actuarial loss (gain)	1	27	(4)	7
Plan amendments	0	0	0	(10)
Plan settlements <sup>(3)</sup>	0	(6)	0	0
Benefit obligation at end of year	<u>\$ 674</u>	<u>\$ 678</u>	<u>\$ 130</u>	<u>\$ 132</u>
<b>Change in plan assets</b>				
Fair value of plan assets at beginning of year	\$ 686	\$ 650	\$ 0	\$ 0
Actual gain (loss) return on plan assets	41	78	0	0
Employer contributions	16	16	0	0
Employer direct benefit payments	0	7	6	15
Plan participants' contributions	0	0	4	4
Benefits paid	(57)	(58)	0	0
Direct benefit payments	0	(1)	(10)	(19)
Plan settlements <sup>(3)</sup>	0	(6)	0	0
Fair value of plan assets at end of year <sup>(1)</sup>	<u>\$ 686</u>	<u>\$ 686</u>	<u>\$ 0</u>	<u>\$ 0</u>

- (1) The market-related value of plan assets is used as the basis for calculating the expected return on plan assets component of periodic pension expense. The market-related value reflects the fair value of plan assets adjusted for experience gains and losses (i.e. the differences between actual investment returns and expected returns) spread over five years.
- (2) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.
- (3) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC's financial statements.

Decreases in the benefit obligation for the period ended December 31, 2024 are the result of normal growth of the plan, due to the continued accrual of benefits, and increases in the discount rate used to calculate the benefit obligation.

At December 31, the aggregate financial position for TECO Energy pension plans and Florida-based other postretirement plans with projected benefit obligations and accumulated projected benefit obligations in excess of plan assets was as follows:

<b>TECO Energy</b> <b>Funded Status</b> <i>(millions)</i>	<b>Pension Benefits</b>		<b>Other Benefits <sup>(1)</sup></b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Benefit obligation (PBO/APBO)	\$ 674	\$ 678	\$ 130	\$ 132
Less: Fair value of plan assets	686	686	0	0
Funded status at end of year	<u>\$ 12</u>	<u>\$ 8</u>	<u>\$ (130)</u>	<u>\$ (132)</u>

(1) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.

The accumulated benefit obligation for TECO Energy consolidated defined benefit pension plans was \$638 million and \$642 million at December 31, 2024 and 2023, respectively.

The amounts recognized in TEC's Consolidated Balance Sheets for pension and other postretirement benefit obligations and plan assets at December 31 were as follows:

<b>TEC</b> <b>Amounts recognized in balance sheet</b> <i>(millions)</i>	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Noncurrent assets	\$ 14	\$ 10	\$ 0	\$ 0
Accrued benefit costs and other current liabilities	0	0	(10)	(10)
Deferred credits and other liabilities	(2)	(1)	(97)	(99)
	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ (107)</u>	<u>\$ (109)</u>

Unrecognized gains and losses and prior service credits and costs are recorded in regulatory assets for TEC. The following table provides a detail of the unrecognized gains and losses and prior service credits and costs.

<b>TEC</b> <b>Amounts recognized in regulatory assets</b> <i>(millions)</i>	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Net actuarial loss	\$ 213	\$ 207	\$ 29	\$ 29
Amount recognized	<u>\$ 213</u>	<u>\$ 207</u>	<u>\$ 29</u>	<u>\$ 29</u>

**Assumptions used to determine benefit obligations at December 31:**

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Discount rate	5.66%	5.27%	5.69%	5.28%
Rate of compensation increase	4.42%	4.42%	4.42%	4.42%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	7.45%	6.09%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2050	2047

The discount rate assumption used to determine the December 31, 2024 and 2023 benefit obligation was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Energy's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption.

**Amounts recognized in Net Periodic Benefit Cost, OCI and Regulatory Assets**

<b>TECO Energy</b> <i>(millions)</i>	<b>Pension Benefits</b>			<b>Other Benefits <sup>(1)</sup></b>		
	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Service cost	\$ 17	\$ 15	\$ 18	\$ 1	\$ 1	\$ 2
Interest cost	35	35	23	7	7	5
Expected return on plan assets	(55)	(54)	(51)	0	0	0
Amortization of:						
Actuarial loss	7	5	17	0	0	3
Prior service cost	0	0	0	(3)	(2)	(2)
Settlement loss <sup>(2)</sup>	0	2	2	0	0	0
Net periodic benefit cost	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 8</u>
Net loss (gain) arising during the year (includes curtailment gain)	\$ 15	\$ 2	\$ 123	\$ (4)	\$ 7	\$ (50)
Prior service cost	0	0	0	0	(11)	0
Amounts recognized as component of net periodic benefit cost:						
Amortization or curtailment recognition of prior service credit	0	0	0	3	3	2
Amortization or settlement of actuarial loss	(7)	(7)	(19)	0	0	(3)
Total recognized in OCI and regulatory assets	<u>\$ 8</u>	<u>\$ (5)</u>	<u>\$ 104</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ (51)</u>
<b>Total recognized in net periodic benefit cost, OCI and regulatory assets</b>	<u>\$ 12</u>	<u>\$ (2)</u>	<u>\$ 113</u>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ (43)</u>

- (1) Represents amounts for TECO Energy's Florida-based other postretirement benefit plan  
(2) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC's financial statements.

TEC's portion of the net periodic benefit costs for pension benefits was \$0 million, \$1 million and \$8 million for 2024, 2023 and 2022, respectively. Tampa Electric's portion of the net periodic benefit costs for pension benefits was \$0 million, \$1 million and \$4 million for 2024, 2023 and 2022, respectively. TEC's portion of the net periodic benefit costs for other benefits was \$4 million, \$5 million and \$9 million for 2024, 2023 and 2022, respectively. Tampa Electric's portion of the net periodic benefit costs for other benefits was \$4 million, \$5 million and \$8 million for 2024, 2023 and 2022, respectively. Net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in "Operations & maintenance".

**Assumptions used to determine net periodic benefit cost for years ended December 31:**

	<b>Pension Benefits</b>			<b>Other Benefits</b>		
	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Discount rate <sup>(1)</sup>	5.27%	4.19%- 5.55%	2.77%	5.28%	5.53%- 6.14%	2.84%
Expected long-term return on plan assets	7.05%	7.05%	6.50%	n/a	n/a	n/a
Rate of compensation increase	4.42%	3.79%	3.05%	4.42%	3.79%	3.04%
Healthcare cost trend rate						
Initial rate	n/a	n/a	n/a	6.09%	6.39%	5.61%
Ultimate rate	n/a	n/a	n/a	4.00%	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	n/a	2047	2047	2045

- (1) Discount rate range is the result of remeasurements that occurred in 2023.

The discount rate assumption used to determine the benefit cost for 2024, 2023 and 2022 was based on the same technique that was used to determine the December 31, 2024 and 2023 benefit obligation as discussed above.

The expected return on assets assumption was based on historical returns, fixed income spreads and equity premiums consistent with the portfolio and asset allocation. A change in asset allocations could have a significant impact on the expected return on assets. Additionally, expectations of long-term inflation, real growth in the economy and a provision for active management and expenses paid were incorporated in the assumption. For the year ended December 31, 2024, TECO Energy's pension plan's actual return was approximately 5.1%.

The compensation increase assumption was based on the same underlying expectation of long-term inflation together with assumptions regarding real growth in wages and company-specific merit and promotion increases.

#### **Pension Plan Assets**

Pension plan assets are invested in a mix of equity and fixed-income securities. TECO Energy's investment objective is to obtain above-average returns while minimizing volatility of expected returns and funding requirements over the long term. TECO Energy's strategy is to hire proven managers and allocate assets to reflect a mix of investment styles, emphasize preservation of principal to minimize the impact of declining markets, and stay fully invested except for cash to meet benefit payment obligations and plan expenses.

<b>TECO Energy</b>	<b>2024</b>	<b>2023</b>	<b>Actual Allocation, End of Year</b>	
	<b>Target Allocation</b>	<b>Target Allocation</b>	<b>2024</b>	<b>2023</b>
<b>Asset Category</b>				
Cash and cash equivalents	0%-10%	0%-10%	2%	3%
Equity securities	48%-68%	48%-68%	58%	57%
Fixed income securities	29%-49%	29%-49%	40%	40%
Total	100%	100%	100%	100%

TECO Energy reviews the plan's asset allocation periodically and re-balances the investment mix to maximize asset returns, optimize the matching of investment yields with the plan's expected benefit obligations, and minimize pension cost and funding. TECO Energy will continue to monitor the matching of plan assets with plan liabilities over the long term.

The plan's investments are held by a trust fund administered by The Bank of New York Mellon. Investments are valued using quoted market prices on an exchange when available. Such investments are classified Level 1. In some cases where a market exchange price is available but the investments are traded in a secondary market, acceptable practical expedients are used to calculate fair value.

If observable transactions and other market data are not available, fair value is based upon third-party developed models that use, when available, current market-based or independently-sourced market parameters such as interest rates, currency rates or option volatilities. Items valued using third-party generated models are classified according to the lowest level input or value driver that is most significant to the valuation. Thus, an item may be classified in Level 3 even though there may be significant inputs that are readily observable.

As required by the fair value accounting standards, the investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The plan's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. For cash equivalents, the cost approach was used in determining fair value. For bonds and U.S. government agencies, the income approach was used. For other investments, the market approach was used. The following table sets forth by level within the fair value hierarchy the plan's investments.

**Pension Plan Investments**

**TECO Energy**

(millions)

**At Fair Value as of December 31, 2024**

	Level 1	Level 2	Level 3	Using NAV <sup>(1)</sup>	Total
Cash	\$ 1	\$ 0	\$ 0	\$ 0	\$ 1
Accounts receivable	19	0	0	0	19
Accounts payable	(38)	0	0	0	(38)
Short-term investment funds (STIFs)	17	0	0	0	17
Real estate investment trusts (REITs)	2	0	0	0	2
Mutual funds	9	0	0	0	9
US Equity	99	0	0	0	99
Municipal bonds	0	2	0	0	2
Government bonds	0	71	0	0	71
Corporate bonds	0	53	0	0	53
Mortgage Backed Securities (MBS)	0	11	0	0	11
<b>Investments not utilizing the practical expedient</b>	109	137	0	0	246
Limited Partnership Pooled Fund	0	0	0	79	79
Common and collective trusts <sup>(1)</sup>	0	0	0	361	361
<b>Total investments</b>	<b>\$ 109</b>	<b>\$ 137</b>	<b>\$ 0</b>	<b>\$ 440</b>	<b>\$ 686</b>

- (1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the TECO Energy fair value of plan assets.

**TECO Energy**

(millions)

**At Fair Value as of December 31, 2023**

	Level 1	Level 2	Level 3	Using NAV <sup>(1)</sup>	Total
Cash	\$ (1)	\$ 0	\$ 0	\$ 0	\$ (1)
Accounts receivable	3	0	0	0	3
Accounts payable	(10)	0	0	0	(10)
Short-term investment funds (STIFs)	24	0	0	0	24
Common stock	1	0	0	0	1
Real estate investment trusts (REITs)	3	0	0	0	3
Mutual funds	38	0	0	0	38
Municipal bonds	0	2	0	0	2
Government bonds	0	108	0	0	108
Corporate bonds	0	57	0	0	57
Long futures	5	0	0	0	5
Short Sales	0	(1)	0	0	(1)
<b>Investments not utilizing the practical expedient</b>	63	166	0	0	229
Common and collective trusts <sup>(1)</sup>	0	0	0	443	443
Mutual fund <sup>(1)</sup>	0	0	0	14	14
<b>Total investments</b>	<b>\$ 63</b>	<b>\$ 166</b>	<b>\$ 0</b>	<b>\$ 457</b>	<b>\$ 686</b>

- (1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the TECO Energy fair value of plan assets.

The following list details the pricing inputs and methodologies used to value the investments in the pension plan:

- Cash collateral is valued at cash posted due to its short-term nature.
- The STIF is valued at net asset value (NAV). The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make the STIF a level 1 asset.
- The primary pricing inputs in determining the fair value of the Common stocks, US Equity and REITs are closing quoted prices in active markets.

- The primary pricing inputs in determining the level 1 mutual funds are the mutual funds' NAVs. The funds are registered open-end mutual funds and the NAVs are validated with purchases and sales at NAV. Since the fair values are determined and published, they are considered readily-determinable fair values and therefore level 1 assets.
- The primary pricing inputs in determining the fair value of municipal bonds are benchmark yields, historical spreads, sector curves, rating updates, and prepayment schedules. The primary pricing inputs in determining the fair value of government bonds are the U.S. treasury curve, consumer price index, and broker quotes, if available. The primary pricing inputs in determining the fair value of corporate bonds are the U.S. treasury curve, base spreads, YTM, and benchmark quotes. Collateralized mortgage obligations are priced using to-be-announced (TBA) prices, treasury curves, swap curves, cash flow information, and bids and offers as inputs. Mortgage-backed securities are priced using TBA prices, treasury curves, average lives, spreads, and cash flow information.
- The limited partnership pooled fund investment and common collective trusts are private funds valued at NAV. The NAVs are calculated based on bid prices of the underlying securities. Since the prices are not published to external sources, NAV is used as a practical expedient. Certain funds invest primarily in equity securities of domestic and foreign issuers while others invest in long duration U.S. investment-grade fixed income assets and seeks to increase return through active management of interest rate and credit risks. The redemption frequency of the funds ranges from daily to weekly and the redemption notice period ranges from 1 business day to 30 business days. There were no unfunded commitments as of December 31, 2024.
- Treasury bills are valued using benchmark yields, reported trades, broker dealer quotes, and benchmark securities.
- Futures are valued using futures data, cash rate data, swap rates, and cash flow analyses.

Additionally, the non-qualified SERP had \$4 million and \$4 million of assets as of December 31, 2024 and 2023, respectively. Since the plan is non-qualified, its assets are included in the "Deferred charges and other assets" line item in the Consolidated Balance Sheets rather than being netted with the related liability. The non-qualified trust holds investments in a money market fund. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make it a level 1 asset. The SERP was fully funded as of December 31, 2024 and 2023.

#### **Other Postretirement Benefit Plan Assets**

There are no assets associated with TECO Energy's Florida-based other postretirement benefits plan.

#### **Contributions**

The qualified pension plan's actuarial value of assets, including credit balance, was 110.22% of the Pension Protection Act funded target as of January 1, 2024 and is estimated at 100.38% of the Pension Protection Act funded target as of January 1, 2025.

TECO Energy's policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions. TEC's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, TEC's portion is based on TEC's proportion of the TECO Energy unfunded liability. TECO Holdings made contributions to this plan in 2024 and TECO Energy made contributions to this plan in 2024, 2023 and 2022, which met the minimum funding requirements for 2024, 2023 and 2022. TEC's portion of the contribution in 2024 was \$10 million, in 2023 was \$10 million and in 2022 was \$15 million. Tampa Electric's portion of the contribution was \$10 million in 2024, \$10 million in 2023 and \$12 million 2022. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. TEC estimates its portion of the 2025 contribution to be \$11 million. The amount TECO Holdings expects to contribute is in excess of the minimum funding required under ERISA guidelines.

TEC's portion of the contributions to the SERP in 2024, 2023 and 2022 was zero. Since the SERP is fully funded, TECO Holdings does not expect to make significant contributions to this plan in 2025. TEC made SERP payments of approximately \$0 million, \$5 million and \$2 million from the trust in 2024, 2023 and 2022, respectively.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Energy's contribution toward health care coverage for most employees who retired after the age of 55 between January 1, 1990 and June 30, 2001 is limited to a defined dollar benefit based on service. TECO Energy's contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. In 2025, TEC expects to make a contribution of approximately \$10 million. Postretirement benefit levels are substantially unrelated to salary.



## Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

### Expected Benefit Payments

#### TECO Energy

(including projected service and net of employee contributions)

	Pension Benefits	Other Postretirement Benefits
(millions)		
2025	\$ 70	\$ 12
2026	70	12
2027	69	12
2028	68	12
2029	66	12
2030-2034	296	51

### Defined Contribution Plan

TECO Energy has a defined contribution savings plan covering substantially all employees of TECO Energy and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Energy and its subsidiaries match 75% of the first 6% of the participant's payroll savings deductions. Effective January 1, 2017, the employer matching contributions increased from 70% to 75% with an additional incentive match of up to 25% of eligible participant contributions based on the achievement of certain operating company financial goals. For the years ended December 31, 2024, 2023 and 2022, TEC's portion of expense totaled \$20 million, \$18 million and \$22 million, respectively, related to the matching contributions made to this plan. Tampa Electric's portion of expense totaled \$20 million, \$18 million and \$19 million, respectively, related to the matching contributions made to this plan. The expense related to the matching contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

Effective October 21, 2019, TECO Energy amended the defined contribution plan such that certain participants covered by the IBEW collective bargaining agreement shall not be eligible to participate in the plan for purposes of receiving the fixed matching contribution. This has been replaced with a non-elective employer contribution on a bi-weekly basis equal to a percentage of the member's compensation for that period based on years of tenure of employment. For the years ended December 31, 2024, 2023 and 2022, Tampa Electric recognized expense totaling \$11 million, \$10 million and \$10 million, respectively, related to the contributions made to this plan. The expense related to this contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

## 6. Short-Term Debt

### Credit Facilities

(millions)	December 31, 2024				December 31, 2023			
	Credit Facilities	Borrowings Outstanding - Credit Facilities <sup>(1)</sup>	Borrowings Outstanding - Commercial Paper <sup>(1)</sup>	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding - Credit Facilities <sup>(1)</sup>	Borrowings Outstanding - Commercial Paper <sup>(1)</sup>	Letters of Credit Outstanding
5-year facility <sup>(2)</sup>	\$ 800	\$ 0	\$ 636	\$ 1	\$ 800	\$ 0	\$ 706	\$ 1
1-year term facility <sup>(3)</sup>	0	0	0	0	200	0	0	0
1-year term facility <sup>(4)</sup>	0	0	0	0	200	0	0	0
<b>Total</b>	<b>\$ 800</b>	<b>\$ 0</b>	<b>\$ 636</b>	<b>\$ 1</b>	<b>\$ 1,200</b>	<b>\$ 0</b>	<b>\$ 706</b>	<b>\$ 1</b>

- (1) Borrowings outstanding are reported as notes payable in the Consolidated Balance Sheets.
- (2) On April 1, 2024, TEC amended the credit facility agreement to extend the maturity date to December 1, 2028. TEC also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by TEC's credit facility. The amount of commercial paper issued results in an equal amount of its credit facility being considered drawn and unavailable. On January 30, 2024, TEC completed a sale of \$500 million aggregate principal amount of 4.90% Notes due March 1, 2029. TEC used the net proceeds from this offering for the repayment of a portion of the borrowings outstanding under the 5-year credit facility. Therefore, \$497 million of borrowings outstanding under the 5-year credit facility were reclassified as long-term debt on the Consolidated Balance Sheet as of December 31, 2023.
- (3) On March 1, 2023, TEC entered into a 1-year term facility that matured on February 28, 2024.
- (4) On April 3, 2023, TEC entered into a 1-year term facility that matured on April 1, 2024.



At December 31, 2024, the credit facility required a commitment fee of 12.5 basis points. The weighted-average interest rate on borrowings outstanding under the credit facilities and commercial paper at December 31, 2024 and 2023 was 4.8% and 5.7%, respectively.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called PGSI pursuant to a Contribution Agreement. Prior to the separation, as a division of TEC, PGS had received an allocation of outstanding unsecured notes and outstanding short-term borrowings issued by TEC. The obligations related to these combined borrowings were reflected in an affiliate loan agreement between Tampa Electric and PGS. The initial obligation of PGS under the loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million. The maturity date for both was December 29, 2023. On December 20, 2023, PGS repaid Tampa Electric the outstanding principal amount of the term loan and revolving loan of \$670 million and \$286 million, respectively, plus outstanding interest. The repayment terminates the affiliate loan agreement and Tampa Electric will no longer provide capital for the operations of PGS.

In December 2023, Tampa Electric used the proceeds of the PGS repayment in part to repay \$400 million in credit facility borrowings, the \$195 million note payable to TECO Energy and \$149 million of the commercial paper borrowed under the 5-year term facility.

#### *Commercial Paper Program*

On May 25, 2021, TEC established a commercial paper program (the Program) under which TEC may issue on a private placement basis unsecured commercial paper notes (the Notes). Amounts available under the Program may be borrowed, repaid and reborrowed with the aggregate amount of the Notes outstanding under the Program at any time not to exceed \$800 million. The maturities of the Notes will vary, but may not exceed 270 days from the date of issue. The rates of interest will depend on whether the Note will be a fixed or floating rate. TEC must have credit facilities in place, at least equal to the amount of its commercial paper program. TEC cannot issue commercial paper in an aggregate amount exceeding the then available capacity under its credit facility.

#### *5-Year Credit Facility*

On December 17, 2021, TEC amended and restated its \$800 million bank credit facility, entering into a Seventh Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from March 22, 2023 to December 17, 2026 (subject to further extension with the consent of each lender); and provided for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin; allows TEC to borrow funds on a same-day basis under a swingline loan provision, which loans mature on the fourth banking day after which any such loans are made and bear interest at an interest rate as agreed by the borrower and the relevant swingline lender prior to the making of any such loans; continues to allow TEC to request the lenders to increase their commitments under the credit facility by up to \$100 million in the aggregate; and made other technical changes. On April 3, 2023, TEC amended the agreement to replace the London interbank deposit rate with the SOFR. On April 1, 2024, TEC amended the credit facility agreement to extend the maturity date to December 1, 2028.

## **7. Long-Term Debt**

A substantial part of Tampa Electric's tangible assets are pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric's first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time.

### *TEC 4.90% Notes due 2029*

On January 30, 2024, TEC completed a sale of \$500 million aggregate principal amount of 4.90% Notes due March 1, 2029 (the 2029 Notes). Prior to February 1, 2029, in the case of the 2029 Notes, TEC may redeem all or any part of such series of Notes at its option at a redemption price equal to the greater of (i) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semi-annual basis at the Treasury Rate plus 15 basis points less interest accrued to the date of redemption or (ii) 100% of the principal amount of the notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to the redemption date. On or after February 1, 2029, TEC may redeem the 2029 Notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the redemption date. TEC used the net proceeds from this offering for the repayment of a portion of the borrowings outstanding under the 5-year credit facility. Therefore, \$497 million of borrowings outstanding under the 5-year credit facility were reclassified from notes payable to long-term debt on the Consolidated Balance Sheet as of December 31, 2023.

### *TEC 3.875% Notes due 2024 and 5.00% Notes due 2052*

On July 12, 2022, TEC completed a sale of (i) \$300 million aggregate principal amount of 3.875% Notes due July 12, 2024 (the 2024 Notes) and (ii) \$300 million aggregate principal amount of 5.00% Notes due July 15, 2052 (the 2052 Notes, and collectively, the Notes). Until July 12, 2024, in the case of the 2024 Notes, or January 15, 2052, in the case of the 2052 Notes, TEC may redeem all or any part of such series of Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of such series of Notes to be redeemed or (ii) the sum of the present values of the remaining payments of principal and interest on the Notes to be redeemed that would be due if the Notes matured on (a) July 12, 2024, in the case of the 2024 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate (as defined in the Indenture), plus 15 basis points, or (b) July 15, 2052, in the case of the 2052 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate, plus 30 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after January 15, 2052, in the case of the 2052 Notes, TEC may, at its option, redeem the 2052 Notes, in whole or in part, at 100% of the principal amount of such series of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption. On July 12, 2024, TEC repaid the \$300 million 2024 Notes upon maturity. This note was repaid with proceeds from commercial paper.

## **8. Commitments and Contingencies**

### **Legal Contingencies**

From time to time, TEC and its subsidiaries are involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss.

### **Superfund and Former Manufactured Gas Plant Sites**

As of December 31, 2024, TEC, through its Tampa Electric division and former PGS division, was a PRP for certain superfund sites and, through its former PGS division, for certain former MGP sites. As a result of the separation of the PGS division, PGS is now the responsible party for those sites (in addition to third party PRPs for certain sites). See **Note 1** to the **2024 Annual TEC Consolidated Financial Statements** for information regarding the separation of PGS from TEC.

### Long-Term Commitments

TEC has commitments for various purchases as disclosed below, including payment obligations for capital projects and contractual agreements for fuel, fuel transportation and power purchases that are recovered from customers under regulatory clauses. The following is a schedule of future payments under net purchase obligations/commitments at December 31, 2024:

<i>(millions)</i>	<i>Transportation</i>	<i>Capital Projects <sup>(1)</sup></i>	<i>Fuel and Gas Supply</i>	<i>Long-term Service Agreements</i>	<i>Leases</i>	<i>Other <sup>(2)</sup></i>	<i>Total</i>
<i>Year ended December 31:</i>							
2025	\$ 146	\$ 279	\$ 156	\$ 21	\$ 4	\$ 15	\$ 621
2026	145	161	27	22	2	1	358
2027	176	17	4	40	2	1	240
2028	138	0	1	30	2	0	171
2029	120	0	0	31	2	0	153
Thereafter	1,200	0	0	33	107	0	1,340
Total future minimum payments	<u>\$ 1,925</u>	<u>\$ 457</u>	<u>\$ 188</u>	<u>\$ 177</u>	<u>\$ 119</u>	<u>\$ 17</u>	<u>\$ 2,883</u>

- (1) These estimates are subject to continuing review and adjustment and actual capital expenditures may vary significantly from these estimates.
- (2) Other includes contractual obligations under demand side management and purchased power agreements.

### Financial Covenants

TEC must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2024 and 2023, TEC was in compliance with all required financial covenants.

## 9. Revenue

The following disaggregates TEC's revenue by major source:

<i>(millions)</i>	Tampa Electric	PGS	Eliminations	Tampa Electric Company
<i>For the year ended December 31, 2024</i>				
<b>Electric revenue</b>				
Residential	\$ 1,507			\$ 1,507
Commercial	686			686
Industrial	162			162
Regulatory deferrals	(116)			(116)
Unbilled revenue	5			5
Other <sup>(1)</sup>	282			282
<b>Total revenue</b>	<u>\$ 2,526</u>			<u>\$ 2,526</u>
<i>For the year ended December 31, 2023</i>				
<b>Electric revenue</b>				
Residential	\$ 1,711			\$ 1,711
Commercial	803			803
Industrial	203			203
Regulatory deferrals	(387)			(387)
Unbilled revenue	(2)			(2)
Other <sup>(1)</sup>	309			309
<b>Total revenue</b>	<u>\$ 2,637</u>			<u>\$ 2,637</u>
<i>For the year ended December 31, 2022</i>				
<b>Electric revenue</b>				
Residential	\$ 1,381	\$ 0	\$ 0	\$ 1,381
Commercial	666	0	0	666
Industrial	176	0	0	176
Regulatory deferrals	(21)	0	0	(21)
Unbilled revenue	9	0	0	9
Other <sup>(1)</sup>	312	0	(4)	308
Total electric revenue	2,523	0	(4)	2,519
<b>Gas revenue</b>				
Residential	0	229	0	229
Commercial	0	200	0	200
Industrial <sup>(2)</sup>	0	31	0	31
Other <sup>(3)</sup>	0	196	(6)	190
Total gas revenue	0	656	(6)	650
<b>Total revenue</b>	<u>\$ 2,523</u>	<u>\$ 656</u>	<u>\$ (10)</u>	<u>\$ 3,169</u>

- (1) Other includes sales to public authorities, off-system sales to other utilities and various other items.  
(2) Industrial includes sales to power generation customers.  
(3) Other includes off-system sales to other utilities and various other items.

### *Remaining Performance Obligations*

Remaining performance obligations primarily represent lighting contracts and, prior to January 1, 2023, gas transportation contracts with fixed contract terms. As of December 31, 2024 and 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$99 million and \$78 million, respectively. As allowed under ASC 606, this amount excludes contracts with an original expected length of one year or less and variable amounts for which TEC recognizes revenue at the amount to which it has the right to invoice for services performed. TEC expects to recognize revenue for the remaining performance obligations through 2044.

## 10. Related Party Transactions

A summary of activities between TEC and its affiliates follows:

### Net transactions with affiliates:

<i>(millions)</i>	2024	2023	2022
Natural gas purchases (net of sales) from affiliates	\$ 44	\$ 65	\$ 232
Services to/(from) affiliates	29	28	(4)
Interest income from affiliate	0	38	0
Interest expense to affiliate	0	11	0
Dividends to Parent	469	472	517
Equity contributions from Parent	600	300	605

### Amounts due from or to affiliates at December 31,

<i>(millions)</i>	2024	2023
Accounts receivable <sup>(1)</sup>	\$ 13	\$ 16
Taxes receivable <sup>(2)</sup>	0	3
Accounts payable <sup>(1)</sup>	16	10
Taxes payable <sup>(2)</sup>	2	0

- (1) Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.  
(2) Taxes receivable were due from EUSHI and taxes payable were due to EUSHI. See **Note 4** for additional information.

## 11. Segment Information

Segments are determined based on how TEC's chief operating decision maker (CODM) evaluates, measures and makes decisions with respect to the operations of the entity, resulting in segments based on products and services (i.e., electric and gas). Management reports segments based on each segment's contribution of revenues, net income and total assets as required by the accounting guidance for disclosures about segments of an enterprise and related information. All significant intercompany transactions are eliminated in the Consolidated Financial Statements of TEC but are included in determining operating segments.

TEC is a public utility operating within the State of Florida. Prior to January 1, 2023, TEC's segments were comprised of Tampa Electric, the electric division, and PGS, the natural gas division of TEC. Due to the separation of PGS from TEC, TEC operates under a single operating and reportable segment effective January 1, 2023 because the operations of TEC only include the operations of the electric division. See "Separation of PGS from TEC" in **Note 1** for further information regarding the separation of PGS from TEC. Through its Tampa Electric division, it is engaged in the generation, purchase, transmission, distribution and sale of electric energy to approximately 855,000 customers in West Central Florida.

TEC's CODM is the Chief Executive Officer. The CODM uses several measures to allocate capital and resources for TEC, predominantly in the annual budget and forecasting processes. The CODM evaluates performance by considering budget-to-actual variances for these measures monthly. The measure used by the CODM that is the most consistent with US GAAP measurement principles is net income.

**TAMPA ELECTRIC COMPANY**  
**DOCKET NO. 20230099-EI**  
**CONSUMMATION REPORT**  
**FILED: MARCH 28, 2025**

<i>(millions)</i>	Tampa Electric	PGS	Eliminations/ Reclassifications	TEC
<b>2024</b>				
Revenues - external	\$ 2,526			\$ 2,526
Less:				
Fuel	517			517
Purchased power	105			105
Operations & maintenance, excluding FPSC-approved regulatory deferrals	372			372
Operations & maintenance related to FPSC-approved regulatory deferrals	173			173
Depreciation and amortization	454			454
Interest charges	193			193
Other segment items <sup>(1)</sup>	176			176
Provision for income taxes	68			68
Net income	468			468
Total assets	13,107			13,107
Capital expenditures	1,422			1,422
<b>2023</b>				
Revenues - external	\$ 2,637			\$ 2,637
Less:				
Fuel	605			605
Purchased power	78			78
Operations & maintenance, excluding FPSC-approved regulatory deferrals	358			358
Operations & maintenance related to FPSC-approved regulatory deferrals	237			237
Depreciation and amortization	422			422
Interest charges	239			239
Interest income from affiliates	(38)			(38)
Other segment items <sup>(1)</sup>	183			183
Provision for income taxes	87			87
Net income	466			466
Total assets	11,831			11,831
Capital expenditures	1,294			1,294
<b>2022</b>				
Revenues - external	\$ 2,519	\$ 650	\$ 0	\$ 3,169
Intracompany sales	4	6	(10)	0
Total revenues	2,523	656	(10)	3,169
Less:				
Fuel	681	0	(5)	676
Purchased power	151	0	0	151
Cost of natural gas sold	0	257	0	257
Operations & maintenance, excluding FPSC-approved regulatory deferrals	353	129	(4)	478
Operations & maintenance related to FPSC-approved regulatory deferrals	106	35	0	141
Depreciation and amortization	389	47	0	436
Interest charges	142	25	0	167
Other segment items <sup>(1)</sup>	149	54	(1)	202
Provision for income taxes	94	27	0	121
Net income	458	82	0	540
Total assets	12,064	2,471	(732) <sup>(2)</sup>	13,803
Capital expenditures	1,099	328	0	1,427

- (1) Other segment items include taxes other than income, partially offset by AFUDC and other income, net.
- (2) Amounts relate to consolidated deferred tax reclassifications. Deferred tax assets are reclassified and netted with deferred tax liabilities upon consolidation.

## 12. Asset Retirement Obligations

Tampa Electric accounts for AROs at fair value at inception of the obligation if there is a legal obligation under applicable law, a written or oral contract, or by legal construction under the doctrine of promissory estoppel. Retirement obligations are recognized only if the legal obligation exists in connection with or as a result of the permanent retirement, abandonment or sale of a long-lived asset. When the liability is initially recorded in “Deferred credits and other liabilities” in the Consolidated Balance Sheets, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its estimated future value. The corresponding amount capitalized at inception is depreciated over the remaining useful life of the asset. The ARO estimates are reviewed quarterly. Any updates are revalued based on current market prices.

### Reconciliation of beginning and ending carrying amount of asset retirement obligations:

(millions)	December 31,	
	2024	2023
Beginning balance	\$ 32	\$ 35
Additional liabilities	8	1
Liabilities settled	0	(4)
Ending balance	<u>\$ 40</u>	<u>\$ 32</u>

## 13. Leases

TEC determines whether a contract contains a lease at inception by evaluating if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease ROU assets and operating lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of the future minimum lease payments over the lease term at commencement date. As most of TEC’s leases do not provide an implicit rate, the incremental borrowing rate at commencement of the lease is used in determining the present value of future lease payments. Lease expense is recognized on a straight-line basis over the lease term and is recorded as “Operations and maintenance expenses” on the Consolidated Statements of Income.

TEC has certain contractual agreements that include lease and non-lease components, which management has elected to account for as a single lease component for all leases in which TEC is the lessee.

### Lessee

Tampa Electric has operating leases for buildings, land, telecommunication services and rail cars. Tampa Electric’s leases have remaining lease terms of 1 year to 61 years, some of which include options to extend the leases for up to an additional 65 years. These options are included as part of the lease term when it is considered reasonably certain that they will be exercised.

(millions)	Classification	2024	2023
Right-of-use asset	Deferred charges and other assets	\$ 19	\$ 21
Lease liabilities			
Current	Other current liabilities	\$ 2	\$ 2
Long-term	Deferred credits and other liabilities	18	20
Total lease liabilities		<u>\$ 20</u>	<u>\$ 22</u>

Tampa Electric has recorded operating lease expense for the year ended December 31, 2024, 2023 and 2022 of \$5 million, \$4 million and \$4 million, respectively.

Future minimum lease payments under non-cancellable operating leases for each of the next five years and in aggregate thereafter consisted of the following at December 31, 2024:

(millions)

<i>Year ended December 31:</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>Thereafter</i>	<i>Total</i>
Minimum lease payments	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 45	\$ 51
Less imputed interest							(31)
Total future minimum payments							<u>\$ 20</u>

Additional information related to Tampa Electric's leases is as follows:

<i>Year ended December 31,</i>	<i>2024</i>	<i>2023</i>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases (millions)	\$ 5	\$ 4
Weighted average remaining lease term (years)	46	45
Weighted average discount rate - operating leases	4.4%	4.4%

#### 14. Fair Value Measurements

##### Items Measured at Fair Value on a Recurring Basis

Accounting guidance governing fair value measurements and disclosures provides that fair value represents the amount that would be received in selling an asset or the amount that would be paid in transferring a liability in an orderly transaction between market participants. As a basis for considering assumptions that market participants would use in pricing an asset or liability, accounting guidance also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs, such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

There were no Level 3 assets or liabilities for the periods presented.

As of December 31, 2024 and 2023, the fair value of TEC's short-term debt was not materially different from the carrying value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of TEC's short-term debt is determined using Level 2 measurements.

See **Note 5** and **Consolidated Statements of Capitalization** for information regarding the fair value of the pension plan investments and long-term debt, respectively.

#### 15. Long-Term PPAs

In 2019, Tampa Electric entered into a long-term PPA with a wholesale energy provider in Florida with up to 515 MW of available capacity, which expires in 2025. Because some of these provisions provide for the transfer or sharing of a number of risks inherent in the generation of energy, these agreements meet the definition of being variable interests. These risks include: operating and maintenance, regulatory, credit, commodity/fuel and energy market risk. Tampa Electric reviewed these risks and determined that the owners of these entities retain the majority of these risks over the expected life of the underlying generating assets, have the power to direct the most significant activities, and have the obligation or right to absorb losses or benefits. As a result, Tampa Electric was not the primary beneficiary and was not required to consolidate any of these entities. Tampa Electric purchased \$34 million, \$35 million and \$70 million under this long-term PPA for the three years ended December 31, 2024, 2023 and 2022, respectively.

TEC does not provide any material financial or other support to any of the variable interests it is involved with, nor is TEC under any obligation to absorb losses associated with these variable interests. Excluding the payments for energy under these contracts, TEC's involvement with these variable interests does not affect its Consolidated Balance Sheets, Statements of Income or Cash Flows.



**Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**Item 9A. CONTROLS AND PROCEDURES**

**Conclusions Regarding Effectiveness of Disclosure Controls and Procedures.**

TEC's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of TEC's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this annual report, December 31, 2024 (Evaluation Date). Based on such evaluation, TEC's principal executive officer and principal financial officer have concluded that, as of the Evaluation Date, TEC's disclosure controls and procedures are effective.

**Management's Report on Internal Control over Financial Reporting.**

TEC's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. We conducted an evaluation of the effectiveness of TEC's internal control over financial reporting as of December 31, 2024 based on the 2013 framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under this framework, our management concluded that TEC's internal control over financial reporting was effective as of December 31, 2024.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. A control system, no matter how well designed and operated, can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Changes in Internal Control over Financial Reporting.**

There was no change in TEC's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of TEC's internal controls that occurred during TEC's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, such controls.

**Item 9B. OTHER INFORMATION**

None.

**PART III**

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information required by Item 10 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 11. EXECUTIVE COMPENSATION**

Information required by Item 11 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information required by Item 12 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information required by Item 13 is omitted pursuant to General Instruction I(2) of Form 10-K.

**Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

*Fees Paid by TEC to the Independent Auditors*

The following table presents fees for professional audit services and other services rendered by Ernst & Young LLP for the audit of TEC's annual financial statements and other services for the years ended December 31, 2024 and 2023, respectively.

	2024	2023
Audit fees	\$ 737,500	\$ 612,000
Audit-related fees	0	0
Tax fees		
Tax planning fees	45,931	0
Total	<u>\$ 783,431</u>	<u>\$ 612,000</u>

Audit fees consist of fees for professional services performed for (i) the audit of TEC's annual financial statements (ii) the related reviews of the financial statements included in TEC's 10-Q filings (iii) services related to securities offerings (iv) services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-related fees consist of fees for professional services that are reasonably related to the performance of the audit or review of our financial statements, such as required activities related to agreed upon procedures.

Tax fees consist of certain property tax planning fees.

*Audit Committee Pre-Approval Policy*

All services performed by the independent auditor are approved by the Audit Committee of the Emera Board of Directors in accordance with Emera's pre-approval policy for services provided by the independent auditor.

**PART IV**

**Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

**(a) Certain Documents Filed as Part of this Form 10-K**

1. Financial Statements  
Tampa Electric Company Financial Statements  
Reports of Independent Registered Public Accounting Firms (PCAOB ID: 42)  
Consolidated Balance Sheets at December 31, 2024 and 2023  
Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2024, 2023 and 2022  
Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, 2023 and 2022  
Consolidated Statements of Capitalization for the Years Ended December 31, 2024, 2023 and 2022  
Notes to Consolidated Financial Statements
2. Financial Statement Schedules  
Tampa Electric Company Schedule II - Valuation and Qualifying Accounts and Reserves
3. Exhibits

(b) The exhibits filed as part of this Form 10-K are listed on the List of Exhibits below.

(c) The financial statement schedules filed as part of this Form 10-K are listed in paragraph (a)(2) above, and follow immediately.

**SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**

**TAMPA ELECTRIC COMPANY**  
**VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**  
**For the Years Ended December 31, 2024, 2023 and 2022**  
*(millions)*

	Balance at Beginning of Period	Additions		Payments & Deductions <sup>(1)</sup>		Balance at End of Period
		Charged to Income	Other Charges			
<b>Allowance for Credit Losses:</b>						
2024	\$ 2	\$ 9	\$ (1)	\$ 9	\$ 1	
2023	\$ 4	\$ 9	\$ (1)	\$ 10	\$ 2	
2022	\$ 7	\$ 5	\$ 0	\$ 8	\$ 4	

(1) Write-off of individual bad debt accounts

**LIST OF EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>	
3.1	Restated Articles of Incorporation of Tampa Electric Company, as amended on November 30, 1982 (Exhibit 3 to Registration Statement No. 2-70653 of Tampa Electric Company). (P)	*
3.2	<a href="#">Bylaws of Tampa Electric Company, as amended effective February 2, 2011 (Exhibit 3.4, Form 10-K for 2010 of Tampa Electric Company).</a>	*
4.1	<a href="#">Loan and Trust Agreement dated as of Jul. 2, 2007 among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee (including the form of Bond) (Exhibit 4.1, Form 8-K dated Jul. 25, 2007 of Tampa Electric Company).</a>	*
4.2	<a href="#">First Supplemental Loan and Trust Agreement dated as of March 26, 2008 among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee (Exhibit 4.1, Form 8-K dated March 26, 2008 of Tampa Electric Company).</a>	*
4.3	<a href="#">Loan and Trust Agreement dated as of November 15, 2010 among Tampa Electric Company, Polk County Industrial Development Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (including the form of bond) (Exhibit 4.1, Form 8-K dated November 23, 2010 of Tampa Electric Company).</a>	*
4.4	<a href="#">Loan and Trust Agreement among Hillsborough County Industrial Development Authority, Tampa Electric Company and The Bank of New York Trust Company, N.A., as trustee, dated as of January 5, 2006 (including the form of bond) (Exhibit 4.1, Form 8-K dated January 19, 2006 of Tampa Electric Company).</a>	*
4.5	<a href="#">Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of Jul. 1, 1998 (Exhibit 4.1, Registration Statement No. 333-55873 of Tampa Electric Company).</a>	*
4.6	<a href="#">Third Supplemental Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of Jun. 15, 2001 (Exhibit 4.2, Form 8-K dated Jun. 25, 2001 of Tampa Electric Company).</a>	*
4.7	<a href="#">Fifth Supplemental Indenture between Tampa Electric Company and The Bank of New York, as trustee, dated as of May 1, 2006 (Exhibit 4.16, Form 8-K dated May 12, 2006 of Tampa Electric Company).</a>	*
4.8	<a href="#">Sixth Supplemental Indenture dated as of May 1, 2007 between Tampa Electric Company and The Bank of New York, as trustee (Exhibit 4.18, Form 8-K dated May 25, 2007 of Tampa Electric Company).</a>	*
4.9	<a href="#">Seventh Supplemental Indenture dated as of May 1, 2008 between Tampa Electric Company and The Bank of New York, as trustee (Exhibit 4.20, Form 8-K dated May 16, 2008 of Tampa Electric Company).</a>	*
4.10	<a href="#">Eighth Supplemental Indenture dated as of November 15, 2010 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee (including the form of 5.40% Notes due 2021) (Exhibit 4.1, Form 8-K dated December 9, 2010 of Tampa Electric Company).</a>	*
4.11	<a href="#">Ninth Supplemental Indenture dated as of May 31, 2012 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (including the form of 4.10% Notes due 2042) (Exhibit 4.23, Form 8-K dated June 5, 2012 for Tampa Electric Company).</a>	*
4.12	<a href="#">Tenth Supplemental Indenture dated as of September 19, 2012 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing and amending the Indenture dated as of July 1, 1998, as amended (including the form of 2.60% Notes due 2022) (Exhibit 4.25, Form 8-K dated September 28, 2012 for Tampa Electric Company).</a>	*
4.13	<a href="#">Eleventh Supplemental Indenture dated as of May 12, 2014 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended (including the form of 4.35% Notes due 2044) (Exhibit 4.27, Form 8-K dated May 15, 2014).</a>	*

- 4.14 [Twentieth Supplemental Indenture dated as of December 1, 2013 between Tampa Electric Company and US Bank, N.A., as successor trustee, amending and restating the Indenture of Mortgage among Tampa Electric Company, State Street Trust Company and First Savings & Trust Company of Tampa, dated as of August 1, 1946 \(Exhibit 4.30, Form 10-K for 2013 of Tampa Electric Company\).](#) \*
- 4.15 [Twelfth Supplemental Indenture dated as of May 20, 2015, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(including the form of 4.20% Notes due 2045\) \(Exhibit 4.24, Form 8-K dated May 20, 2015 of Tampa Electric Company\).](#) \*
- 4.16 [Thirteenth Supplemental Indenture dated as of June 7, 2018, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.9, Form 8-K dated June 7, 2018 of Tampa Electric Company\).](#) \*
- 4.17 [Fourteenth Supplemental Indenture dated as of October 4, 2018 between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.11, Form 8-K dated October 4, 2018 of Tampa Electric Company\).](#) \*
- 4.18 [Fifteenth Supplemental Indenture dated as of July 24, 2019, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.13, Form 8-K dated July 24, 2019 of Tampa Electric Company\).](#) \*
- 4.19 [Sixteenth Supplemental Indenture dated as of March 18, 2021, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.9, Form 8-K dated March 18, 2021 of Tampa Electric Company\).](#) \*
- 4.20 [Seventeenth Supplemental Indenture dated as of July 12, 2022, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.12, Form 8-K dated July 12, 2022 of Tampa Electric Company\).](#) \*
- 4.21 [Eighteenth Supplemental Indenture dated as of January 30, 2024, between Tampa Electric Company, as issuer, and The Bank of New York Mellon, as trustee, supplementing the Indenture dated as of July 1, 1998, as amended \(Exhibit 4.9, Form 8-K dated January 30, 2024 of Tampa Electric Company\).](#) \*
- 10.1 [TECO Energy Group Supplemental Executive Retirement Plan, as amended and restated as of November 1, 2007 \(Exhibit 10.1, Form 10-K for 2007 of Tampa Electric Company\).](#) \*
- 10.2 [TECO Energy Group Supplemental Disability Income Plan, dated as of March 20, 1989 \(Exhibit 10.22, Form 10-K for 1988 of TECO Energy, Inc.\). \(P\)](#) \*
- 10.3 [TECO Energy Group Supplemental Benefits Trust Agreement effective as of January 1, 2020 \(Exhibit 10.4, Form 10-K for 2019 of Tampa Electric Company\).](#) \*
- 10.4 [TECO Energy Group Benefit Restoration Plan dated as of November 13, 2015 \(Exhibit 10.4, Form 10-K for 2015 of Tampa Electric Company\).](#) \*
- 10.5 [Insurance Agreement dated as of January 5, 2006 between Tampa Electric Company and Ambac Assurance Corporation \(Exhibit 10.1, Form 8-K dated January 19, 2006 of Tampa Electric Company\).](#) \*
- 10.6 [Amended and Restated Purchase and Contribution Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Originator, and TEC Receivables Corp., as the Purchaser \(Exhibit 10.1, Form 8-K dated March 24, 2015 of TECO Energy, Inc.\).](#) \*
- 10.7 [Loan and Servicing Agreement dated as of March 24, 2015, among TEC Receivables Corp., as Borrower, Tampa Electric Company, as Servicer, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Program Agent \(Exhibit 10.2, Form 8-K dated March 24, 2015 of TECO Energy, Inc.\).](#) \*

- 10.8 [Amendment No. 1 to Loan and Servicing Agreement dated as of August 10, 2016, among TEC Receivables Corp., as Borrower, Tampa Electric Company, as Servicer, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Program Agent \(Exhibit 10.1, Form 10-Q for the quarter ended September 30, 2016 of Tampa Electric Company\).](#) \*
- 10.9 [Amendment No. 2 dated as of March 23, 2018 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent \(Exhibit 10.1, Form 8-K dated March 23, 2018 of Tampa Electric Company\).](#) \*
- 10.10 [Fifth Amended and Restated Credit Agreement dated as of March 22, 2017, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders and LC Issuing Banks party thereto \(Exhibit 10.1, Form 8-K dated March 22, 2017 of Tampa Electric Company\).](#) \*
- 10.11 [Master Lenders' Amendment and Consent dated as of December 19, 2019 to the Fifth Amended and Restated Credit Agreement dated as of March 22, 2017, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders and LC Issuing Banks party thereto \(Exhibit 10.12, Form 10-K for 2019 of Tampa Electric Company\).](#) \*
- 10.12 [Credit Agreement dated as of February 6, 2020, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated February 6, 2020 of Tampa Electric Company\).](#) \*
- 10.13 [Amendment No. 4 dated as of July 14, 2020 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent \(Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2020 of Tampa Electric Company\).](#) \*
- 10.14 [Amendment No. 5 dated as of October 30, 2020 to Loan and Servicing Agreement dated as of March 24, 2015, between Tampa Electric Company, as the Servicer, and TEC Receivables Corp., as the Borrower, certain lenders named therein, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Program Agent \(Exhibit 10.1, Form 10-Q for the quarter ended September 30, 2020 of Tampa Electric Company\).](#) \*
- 10.15 [Amendment No. 1 dated January 29, 2021 to Credit Agreement dated as of February 6, 2020, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.15, Form 10-K for 2020 of Tampa Electric Company\).](#) \*
- 10.16 [Sixth Amended and Restated Credit Agreement dated as of December 18, 2020, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated December 18, 2020 of Tampa Electric Company\).](#) \*
- 10.17 [Seventh Amended and Restated Credit Agreement dated as of December 17, 2021, among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Credit Facility Lenders party thereto \(Exhibit 10.2, Form 8-K dated December 17, 2021 of Tampa Electric Company\).](#) \*
- 10.18 [Credit Agreement dated as of December 17, 2021, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated December 17, 2021 of Tampa Electric Company\).](#) \*
- 10.19 [Amended and Restated Credit Agreement dated as of December 14, 2022, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated as of December 14, 2022 of Tampa Electric Company\).](#) \*

- 10.20 [Contribution Agreement dated January 1, 2023 between Tampa Electric Company and Peoples Gas Systems, Inc. \(Exhibit 10.1, Form 8-K dated January 1, 2023 of Tampa Electric Company\).](#) \*
- 10.21 [Loan Agreement dated January 1, 2023 between Tampa Electric Company and Peoples Gas Systems, Inc. \(Exhibit 10.2, Form 8-K dated January 1, 2023 of Tampa Electric Company\).](#) \*
- 10.22 [Credit Agreement dated as of March 1, 2023, among Tampa Electric Company, as Borrower, The Bank of Nova Scotia, as Administrative Agent, and the Lenders party thereto. \(Exhibit 10.1, Form 8-K dated March 6, 2023 of Tampa Electric Company\).](#) \*
- 10.23 [Credit Agreement dated as of April 3, 2023, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto. \(Exhibit 10.1, Form 8-K dated April 7, 2023 of Tampa Electric Company\).](#) \*
- 10.24 [Amendment No. 1 to Seventh Amended and Restated Credit Agreement dated as of April 3, 2023, among Tampa Electric Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto. \(Exhibit 10.2, Form 8-K dated April 7, 2023 of Tampa Electric Company\).](#) \*
- 10.25 [Eighth Amended and Restated Credit Agreement, dated April 1, 2024, by and among Tampa Electric Company, as Borrower, with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto \(Exhibit 10.1, Form 8-K dated April 1, 2024 of Tampa Electric Company\).](#) \*
- 23 [Consent of Independent Certified Public Accountants.](#)
- 31.1 [Certification of the Chief Executive Officer of Tampa Electric Company pursuant to Securities Exchange Act Rules 13a-14\(a\) and 15d-14\(a\) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of the Chief Financial Officer of Tampa Electric Company to Securities Exchange Act Rules 13a-14\(a\) and 15d-14\(a\) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32 [Certification of the Chief Executive Officer and Chief Financial Officer of Tampa Electric Company pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. <sup>\(1\)</sup>](#)
- 99.1 [Stipulation and Settlement Agreement, dated as of August 6, 2021, by and among Tampa Electric Company, the Office of Public Counsel, the Florida Industrial Power Users Group, Federal Executive Agencies, the Florida Retail Federation, Walmart, Inc., and the West Central Florida Hospital Utility Alliance \(Exhibit 99.1, Form 10-Q for the quarter ended June 30, 2021 of Tampa Electric Company\).](#) \*
- 101.INS\*\* Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.
- 101.SCH\*\* Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL\*\* Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF\*\* Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB\*\* Inline XBRL Taxonomy Label Linkbase Document.
- 101.PRE\*\* Inline XBRL Taxonomy Presentation Linkbase Document.
- 104 The cover page from TEC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 has been formatted in Inline XBRL.

(1) This certification accompanies the Annual Report on Form 10-K and is not filed as part of it.

\* Indicates exhibit previously filed with the Securities and Exchange Commission and incorporated herein by reference. Exhibits filed with periodic reports of TECO Energy, Inc. and Tampa Electric Company were filed under Commission File Nos. 1-8180 and 1-5007, respectively.

Certain instruments defining the rights of holders of long-term debt of Tampa Electric Company authorizing in each case a total amount of securities not exceeding 10% of total assets on a consolidated basis are not filed herewith. Tampa Electric Company will furnish copies of such instruments to the Securities and Exchange Commission upon request.

**Executive Compensation Plans and Arrangements**

Exhibits 10.1 through 10.4, above are management contracts or compensatory plans or arrangements in which executive officers or directors of Tampa Electric Company participate.



**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMPA ELECTRIC COMPANY

Dated: February 21, 2025

By: /s/ Archie Collins  
 Archie Collins  
 President and Chief Executive Officer and  
 Director  
 (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on February 20, 2025:

	<u>Title</u>
<u>/s/ Archie Collins</u> Archie Collins	President and Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Gregory W. Blunden</u> Gregory W. Blunden	Treasurer and Chief Financial Officer (Chief Accounting Officer) (Principal Financial and Accounting Officer)

<u>Signature</u>	<u>Title</u>	
<u>/s/ Scott Balfour</u> Scott Balfour	Chairman of the Board and Director	<u>/s/ Jacqueline Bradley</u> Jacqueline Bradley
		Director
<u>/s/ Patrick J. Geraghty</u> Patrick J. Geraghty	Director	<u>/s/ Pamela D. Iorio</u> Pamela D. Iorio
		Director
<u>/s/ Rhea F. Law</u> Rhea F. Law	Director	<u>/s/ Daniel Muldoon</u> Daniel Muldoon
		Director
<u>/s/ Chris Sprowls</u> Chris Sprowls	Director	<u>/s/ Ralph Tedesco</u> Ralph Tedesco
		Director
<u>/s/ Rasesh Thakkar</u> Rasesh Thakkar	Director	

**Supplemental Information to Be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act**

No annual report or proxy material has been sent to Tampa Electric Company's security holders because all of its equity securities are held by TECO Holdings, Inc.

**Exhibit 23**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (Form S-3 No.333-267890) of Tampa Electric Company and in the related Prospectus of our report dated February 21, 2025, with respect to the consolidated financial statements and financial statement schedule of Tampa Electric Company included in this Annual Report (Form 10-K) for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Tampa, Florida  
February 21, 2025

**Exhibit 31.1**

**CERTIFICATIONS**

I, Archie Collins, certify that:

1. I have reviewed this annual report on Form 10-K of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

/s/ ARCHIE COLLINS

ARCHIE COLLINS

President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS**

I, Gregory W. Blunden, certify that:

1. I have reviewed this annual report on Form 10-K of Tampa Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

/s/ GREGORY W. BLUNDEN

GREGORY W. BLUNDEN

Treasurer and Chief Financial Officer

(Chief Accounting Officer)

(Principal Financial and Accounting Officer)

**Exhibit 32**

**TAMPA ELECTRIC COMPANY**

**Certification of Periodic Financial Report  
Pursuant to 18 U.S.C. Section 1350**

Each of the undersigned officers of Tampa Electric Company (the “Company”) certifies, under the standards set forth in and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge, the Annual Report on Form 10-K of the Company for the year ended December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 21, 2025

/s/ ARCHIE COLLINS

ARCHIE COLLINS

President and Chief Executive Officer  
(Principal Executive Officer)

Dated: February 21, 2025

/s/ GREGORY W. BLUNDEN

GREGORY W. BLUNDEN

Treasurer and Chief Financial Officer  
(Chief Accounting Officer)  
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-K and shall not be considered filed as part of the Form 10-K.

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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-267890

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus dated October 27, 2022)**

**\$500,000,000**



# Tampa Electric Company

## 4.90% Notes due 2029

The notes will bear interest at the rate of 4.90% per year. We refer to these notes in this prospectus as the “notes.” We will pay interest on the notes semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2024. The notes will mature on March 1, 2029.

We may redeem some or all of the notes at any time at the applicable redemption price described in this prospectus supplement. See “Description of the Notes — Optional Redemption.” There is no sinking fund for the notes.

The notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will be unsecured and will rank on parity with our other unsecured and unsubordinated indebtedness and will be effectively subordinated to any secured indebtedness that we incur in the future. We currently have no secured indebtedness.

**Investing in the notes involves risks. See “[Risk Factors](#)” beginning on page S-4.**

	<u>Per Note</u>	<u>Total</u>
Price to Public(1)	99.932%	\$499,660,000
Underwriting Discount	0.600%	\$ 3,000,000
Proceeds, before expenses, to Tampa Electric Company	99.332%	\$496,660,000

(1) Plus accrued interest, if any, from January 30, 2024.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or quoted on any automated quotation system. Currently, there is no public market for the notes.

The underwriters expect to deliver the notes through the book-entry form facilities of The Depository Trust Company, including Clearstream Banking S.A. and Euroclear Bank SA/NV, as operator of the Euroclear System, on or about January 30, 2024.

### *Joint Book-Running Managers*

**Wells Fargo Securities**  
**J.P. Morgan**

**Morgan Stanley**  
**RBC Capital Markets**

**MUFG**  
**Scotiabank**

### *Senior Co-Managers*

**BMO Capital Markets**

**TD Securities**

**BofA Securities**

**Truist Securities**

**CIBC Capital Markets**

### *Co-Managers*

**Academy Securities**

**Loop Capital Markets**

**Ramirez & Co., Inc.**

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**The date of this prospectus supplement is January 25, 2024.**



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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus prepared by us or on our behalf. We and the underwriters have not authorized anyone to provide you with different information. If you receive any other information, you should not rely on it. We and the underwriters are not making an offer of these securities, or soliciting an offer to buy these securities, in any jurisdiction where the offer or solicitation is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus is accurate as of any date other than the date of this prospectus supplement, the accompanying prospectus or such free writing prospectus, or the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement is a supplement to the accompanying prospectus that also is part of this document. This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration process. Under the shelf process, we may, from time to time, issue and sell to the public any combination of the securities described in the accompanying prospectus, of which this offering is a part.

This document is in two parts. The first part of this document is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us and our financial condition. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the notes we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

The information contained in this prospectus supplement may add, update or change information contained in the accompanying prospectus or in documents which we file or have filed with the SEC on or before the date of this prospectus supplement and which documents are incorporated by reference in this prospectus supplement and the accompanying prospectus. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents incorporated by reference filed before the date of this prospectus supplement, the information in this prospectus supplement will supersede such information.

This prospectus supplement and the documents we incorporate by reference contain forward-looking statements. For a description of these statements and a discussion of the factors that may cause our actual results to differ materially from these statements, see “Cautionary Note Regarding Forward-Looking Statements” in the accompanying prospectus and in the documents we incorporate by reference and “Risk Factors” beginning on page S-4 of this prospectus supplement.

In this prospectus supplement, “TEC,” “the Company,” “we,” “our,” “ours” and “us” refers to Tampa Electric Company, unless the context otherwise requires.

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**SUMMARY**

This summary contains basic information that is important to you. The “Description of the Notes” section of this prospectus supplement contains more detailed information about the terms and conditions of the notes. You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein in their entirety before making an investment decision.

**Tampa Electric Company**

Tampa Electric Company, referred to as TEC, is a public utility operating within the State of Florida. TEC provides retail electric service to approximately 839,960 customers in West Central Florida with a net winter system generating capacity of 6,433 MW at December 31, 2023. TEC had approximately 2,546 employees as of December 31, 2023. All of TEC’s common stock is owned by TECO Energy, Inc. (“TECO Energy”), a holding company. TECO Energy is in turn a wholly owned subsidiary of Emera Inc. (“Emera”), a geographically diverse energy and services company headquartered in Nova Scotia, Canada. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

On January 1, 2023, TEC transferred the assets and liabilities of its former natural gas division, referred to as PGS, into a separate corporation called Peoples Gas System, Inc. (“PGSI”). This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy.

Our principal executive offices are located at TECO Plaza, 702 North Franklin Street, Tampa, Florida 33602, telephone (813) 228-1111.

**Other Information**

For additional information regarding our business, we refer you to our filings with the SEC incorporated into this prospectus supplement by reference. Please read “Where You Can Find More Information” and “Incorporation by Reference” in this prospectus supplement.

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**The Offering**

The following summary contains selected information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section in this prospectus supplement entitled “Description of the Notes” and the section in the accompanying prospectus entitled “Description of Debt Securities of Tampa Electric Company.”

Issuer	Tampa Electric Company.
Notes Offered	\$500,000,000 aggregate principal amount of 4.90% notes due 2029.
Maturity Date	The notes will mature on March 1, 2029.
Interest Rate	The notes will bear interest at 4.90% per year.
Interest Payment Dates	Semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2024.
Denominations	\$2,000 with integral multiples of \$1,000 in excess thereof.
Optional Redemption	We may at our option redeem some or all of the notes at any time at the applicable redemption price described under “Description of the Notes—Optional Redemption.
Ranking	The notes will be unsecured and will rank on a parity with our other unsecured and unsubordinated indebtedness. The notes will be effectively subordinated to any secured indebtedness that we incur in the future. We do not currently have any secured indebtedness.
Use of Proceeds	We expect to use the net proceeds from this offering for general corporate purposes, including the possible repayment of a portion of the indebtedness outstanding under our credit facilities. See “Use of Proceeds” in this prospectus supplement.
Additional Issuances	We may, without the consent of the holders of the notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms (except for the issue date, price to public and, if applicable, the first interest payment date), and the same CUSIP number as the notes offered hereby. Any additional notes having such similar terms, together with the notes offered hereby, may constitute a single series of notes under the indenture.
Form	The notes will be represented by registered global securities registered in the name of Cede & Co., the partnership nominee of the depository, The Depository Trust Company, or DTC, or such other nominee as may be requested by an authorized representative of DTC. Beneficial interests in the notes will be shown on, and transfers will be effected through, records maintained by DTC and its participants.
Trustee	The Bank of New York Mellon

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Governing Law	The indenture and the notes will be governed by and construed in accordance with the laws of the State of New York.
Risk Factors	You should carefully consider the factors referred to or as described in the section of this prospectus supplement entitled “Risk Factors” beginning on page S-4 and the “Risk Factors” section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, before deciding to invest in the notes.
Conflicts of Interest	Because one or more of the underwriters or their affiliates may receive a portion of the net proceeds from this offering and may receive more than 5% of the net proceeds from this offering, a “conflict of interest” may be deemed to exist under FINRA Rule 5121. The offering will therefore be made in compliance with FINRA Rule 5121. See “Use of Proceeds” and “Underwriting (Conflicts of Interest)” in this prospectus supplement.

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**RISK FACTORS**

In deciding whether to purchase the notes, you should consider carefully the following factors that could cause TEC's operating results and financial condition to be materially adversely affected. You should also consider the other factors that could cause TEC's operating results and financial condition to be materially adversely affected which are set forth in Item 1A, "Risk Factors" in TEC's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as updated by TEC's subsequent filings with the SEC.

**Risks Relating to the Notes**

***TEC may choose to redeem the notes prior to maturity.***

TEC may redeem all or a portion of the notes at its option at any time. See "Description of the Notes — Optional Redemption." If prevailing interest rates are lower at the time of redemption, holders of notes which are redeemed may not be able to reinvest the redemption proceeds in a comparable security at an interest rate as high as the interest rate of the notes being redeemed.

***TEC cannot provide assurance that an active trading market will develop for the notes.***

The notes will constitute a new series of securities with no established trading market. TEC does not intend to apply for listing of the notes on any securities exchange or quotation on any automated quotation system. TEC cannot provide assurance that an active trading market for the notes will develop or as to the liquidity or sustainability of any such market, the ability of holders of the notes to sell their notes or the price at which holders of the notes will be able to sell their notes. Future trading prices of the notes will also depend on many other factors, including, among other things, prevailing interest rates, the market for similar securities, TEC's financial performance and other factors.

***The notes will be effectively subordinated to any secured indebtedness incurred by TEC in the future.***

The notes will not be secured by any of the assets of TEC. As a result, the indebtedness represented by the notes will be effectively subordinated to any secured indebtedness that TEC incurs in the future to the extent of the value of the assets securing such indebtedness. In the event of any distribution or payment of TEC's assets in any foreclosure, dissolution, winding up, liquidation or reorganization, or other bankruptcy proceeding, any secured creditors would have a claim to their collateral superior to that of the holders of the notes. TEC does not currently have any secured indebtedness.

**Risks Relating to TEC's Business and Strategy**

**Liquidity and Capital Requirements Risks**

***TEC's indebtedness could adversely affect its business, financial condition and results of operations, as well as its ability to meet its payment obligations on its debt.***

TEC has indebtedness that it is obligated to pay. It must meet certain financial covenants as defined in the applicable agreements to borrow under its credit facilities. Also, TEC has certain restrictive covenants in specific agreements and debt instruments. The level of TEC's indebtedness and potential inability to meet the requirements of the restrictive covenants contained in its debt obligations could have significant consequences to its business, could create risk for the holders of its debt, and could limit its ability to obtain additional financing. Such risks include:

- making it more difficult for TEC to satisfy its debt obligations and other ongoing business obligations, which may result in defaults;

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- events of default if it fails to comply with the financial and other covenants contained in the agreements governing such debt, which could result in all of its debt becoming immediately due and payable or require it to negotiate an amendment to financial or other covenants that could cause it to incur additional fees and expenses;
- reducing the availability of cash flow to finance its business and limiting its ability to obtain additional financing for these purposes;
- increasing its vulnerability to the impact of adverse economic and industry conditions;
- limiting its flexibility in planning for, or reacting to, and increasing its vulnerability to, changes in its business and the overall economy; and
- increasing its cost of borrowing.

TEC has obligations that do not appear on its balance sheet, such as letters of credit. To the extent material, these obligations are disclosed in the notes to TEC's consolidated financial statements.

***Financial market conditions could limit TEC's access to capital and increase TEC's costs of borrowing or refinancing, or have other adverse effects on its results.***

TEC has debt maturing in subsequent years, which TEC anticipates will need to be refinanced. Future financial market conditions could limit TEC's ability to raise the capital it needs and could increase its interest costs, which could reduce earnings and cash flows.

***Declines in the financial markets or in interest rates or rates of return used to determine benefit assets or obligations could increase TEC's pension expense or the required cash contributions to maintain required levels of funding for its plan.***

TEC is a participant in the comprehensive retirement plans of TECO Energy. Under calculation requirements of the Pension Protection Act, as of the January 1, 2022 measurement date, TECO Energy's pension plan was fully funded. Any future declines in the financial markets or interest rates could increase the amount of contributions required to fund its pension plan in the future and could cause pension expense to increase.

***TEC's financial condition and results could be adversely affected if its capital expenditures are greater than forecast or costs are not recoverable through rates.***

TEC's capital plan includes significant investments in generation, infrastructure modernization and customer-focused technologies. Any projects planned or currently in construction, particularly significant capital projects, may be subject to risks including, but not limited to, impact on costs from schedule delays, risk of cost overruns, ensuring compliance with operating and environmental requirements and other events within or beyond TEC's control. Total costs may be higher than estimated, and there can be no assurance that TEC will be able to obtain the necessary project approvals, regulatory outcomes or applicable permits at the federal, state and or local level to recover such expenditures through regulated rates. If TEC's capital expenditures exceed the forecasted levels or are not recoverable, it may need to draw on credit facilities or access the capital markets on unfavorable terms.

***TEC's financial condition and ability to access capital may be materially adversely affected by multiple ratings downgrades to below investment grade.***

The senior unsecured debt of TEC is rated by Standard and Poor's (S&P) at 'BBB+', by Moody's Investors Service (Moody's) at 'A3' and by Fitch Ratings (Fitch) at 'A'. A downgrade to below investment grade by the rating agencies, which would require a four-notch downgrade by Moody's and Fitch and a three-notch

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downgrade by S&P, may affect TEC's ability to borrow, may change requirements for future collateral or margin postings, and may increase financing costs, which may decrease earnings. Downgrades could adversely affect TEC's relationships with customers and counterparties. Some of the factors that can affect TEC's credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, political, legislative, and regulatory actions, and changes in Emera's credit ratings.

In the event TEC's ratings were downgraded to below investment grade, certain agreements could require immediate payment or full collateralization of net liability positions. Counterparties to its derivative instruments could request immediate payment or full collateralization of net liability positions. Credit provisions in long-term gas transportation agreements would give the transportation providers the right to demand collateral, which is estimated to be approximately \$166 million at December 31, 2023.

***TEC may be subject to risks relating to its separation from PGS.***

On January 1, 2023, TEC completed the separation from its former PGS division to PGSI. TEC's business is less diversified as a result of the separation since its remaining TEC business serves only electric utility customers and operates in a more narrow geographic area than its former PGS division. The separation is intended to be a tax-free transaction for U.S. federal income tax purposes. The IRS has issued a private letter ruling (IRS Ruling) to the effect that, subject to the limitations specified therein and the accuracy and compliance with certain representations, warranties and covenants, the distribution of the PGSI stock, together with certain related transactions, will qualify as a tax-free "reorganization" for U.S. federal income tax purposes. If any of these items are inaccurate, the separation may not qualify for tax-free treatment, which could result in material tax liabilities for TEC.

**Regulatory, Legislative, and Legal Risks**

***TEC is regulated; changes in regulation or the regulatory environment could reduce revenues, increase costs or competition.***

TEC operates in a regulated industry. Retail operations, including the rates charged and costs eligible for recovery under clauses, are regulated by the Florida Public Service Commission (FPSC), and TEC's wholesale power sales and transmission services are subject to regulation by the Federal Energy Regulatory Commission (FERC). Changes in regulatory requirements or regulatory actions could have an adverse effect on TEC's financial performance by, for example, reducing revenues, increasing competition or costs, threatening investment recovery or impacting rate structure. Additionally, if regulators deny or delay cost recovery approvals, TEC's earnings could be negatively impacted.

If TEC earns returns on equity above its allowed range, indicating a trend, those earnings could be subject to review by the FPSC. Ultimately, prolonged returns above its allowed range could result in credits or refunds to customers, which could reduce future earnings and cash flow.

***Changes in the environmental and land use laws and regulations affecting its business could increase***

***TEC's costs or curtail its activities.***

TEC's business is subject to regulation by various governmental authorities dealing with air, water and other environmental matters. Changes in compliance requirements or the interpretation by governmental authorities of existing requirements may impose additional costs on TEC, requiring cost-recovery proceedings and/or requiring it to modify its business model.

***Federal or state regulation of greenhouse gas (GHG) emissions, depending on how they are enacted, could increase TEC's costs or the rates charged to its customers, which could curtail sales.***

On June 19, 2019, the EPA released a final rule named the Affordable Clean Energy (ACE) rule. The ACE rule, which replaces the Clean Power Plan adopted in 2015, contained emission guidelines for states to address

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GHG emissions from existing coal-fired electric generating units. On January 19, 2021, the D.C. Circuit vacated the ACE rule and remanded it to the EPA. A replacement rule is under development.

The outcome of the pending rulemaking process and expected further litigation, and its impact on TEC's business, is uncertain at this time; however, it could result in increased operating costs and/or decreased operations at TEC's coal-fired plants. TEC currently expects prudently incurred costs for compliance to be recovered through rates. However, timing of recovery could impact earnings and cash flows, and increases in rates charged to customers could result in reduced sales.

***The computation of TEC's provision for income taxes is impacted by changes in tax legislation.***

Any changes in tax legislation could affect TEC's future cash flows and financial position. The value of TEC's existing deferred tax assets and liabilities are determined by existing tax laws and could be impacted by changes in laws. See TEC's consolidated financial statements for further information regarding TEC's income taxes.

***TEC may not be able to secure adequate rights-of-way to construct transmission lines and distribution-related facilities and could be required to find alternate ways to provide adequate sources of energy and maintain reliable service for its customers.***

TEC relies on federal, state and local governmental agencies to secure rights-of-way and siting permits to construct transmission lines and distribution-related facilities. If adequate rights-of-way and siting permits to build new transportation and transmission lines cannot be secured, then TEC:

- May need to remove or abandon its facilities on the property covered by rights-of-way or franchises and seek alternative locations for its transmission or distribution facilities;
- May need to rely on more costly alternatives to provide energy to its customers;
- May not be able to maintain reliability in its service area;
- May need to exercise the power of eminent domain, which can be costly and take time; and/or
- May experience a negative impact on its ability to provide electric service to new customers.

***The franchise rights held by TEC could be lost in the event of a breach by TEC or could expire and not be renewed.***

TEC holds franchise agreements with counterparties throughout its service area. In some cases, these rights could be lost in the event of a breach of these agreements. These agreements are for set periods and could expire and not be renewed upon expiration of the then-current terms. Some agreements contain provisions allowing municipalities to purchase the portion of the utility's system located within a given municipality's boundaries under certain conditions.

**Operational and Construction Risks**

***TEC's business is sensitive to variations in weather and the effects of extreme weather and has seasonal variations.***

TEC's utility business is affected by variations in general weather conditions including severe weather. Energy sales by its electric utility are particularly sensitive to seasonal variations in weather conditions, including unusually mild summer or winter weather that cause lower energy usage for cooling or heating purposes. TEC has both summer and winter peak periods that are dependent on weather conditions. TEC forecasts energy sales based on normal weather, which represents a long-term historical average. If there is unusually mild weather, or if climate change or other factors cause significant variations from normal weather, this could have a material impact on energy sales.

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***TEC is subject to several risks that arise or may arise from climate change.***

TEC is subject to risks that may arise from the impacts of climate change. There is increasing public concern about climate change and growing support for reducing carbon dioxide emissions. Municipal, state, and federal governments have been setting policies and enacting laws and regulations to deal with climate change impacts in a variety of ways, including de-carbonization initiatives and promotion of cleaner energy and renewable energy generation of electricity. Refer to “changes in the environmental and land use laws and regulations” above. Insurance companies have begun to limit their exposure to coal-fired electricity generation and are evaluating the medium and long-term impacts of climate change which may result in fewer insurers, more restrictive coverage and increased premiums.

Climate change may lead to increased frequency and intensity of weather events and related impacts such as storms, hurricanes, cyclones, heavy rainfall, extreme winds, wildfires, flooding and storm surge. The potential impacts of climate change, such as rising sea levels and larger storm surges from more intense hurricanes, can combine to produce even greater damage to coastal generation and other facilities. Climate change is also characterized by rising global temperatures. Increased air temperatures may bring increased frequency and severity of wildfires, including within TEC’s service territory. Refer to “variations in weather” above.

High winds and lack of precipitation increase the risk of wildfires resulting from TEC’s infrastructure. The risk of wildfires is addressed primarily through asset management, storm hardening, and vegetation management programs for the electric utility. If it is found to be responsible for such a fire, TEC could suffer material costs, losses and damages, which could materially affect TEC’s business, access to capital, financial condition and results of operations including its reputation with customers, regulators, governments and financial markets. Resulting costs could include fire suppression costs, regeneration, timber value, increased insurance costs and costs arising from damages and losses incurred by third parties.

TEC is subject to physical risks that arise, or may arise, from global climate change, including damage to operating assets from more frequent and intense weather events and from wildfires due to warming air temperatures and increasing drought conditions. Some of TEC’s fossil fueled generation assets are located at or near coastal sites and as such are exposed to the separate and combined effects of rising sea levels and increasing storm intensity, including storm surges and flooding. Refer to “variations in weather” above.

Failure to address issues related to climate change could affect TEC’s reputation with stakeholders, its ability to operate and grow, and TEC’s access to, and cost of, capital. Refer to “Financial, Economic, and Market Risks” below.

Changing carbon-related costs, policy and regulatory changes and shifts in supply and demand factors could lead to more expensive or more scarce products and services that are required by TEC in its operations. This could lead to supply shortages, delivery delays and the need to source alternate products and services.

Depending on the regulatory response to government legislation and regulations, TEC may be exposed to the risk of reduced recovery through rates in respect of the affected assets. Valuation impairments could result from such regulatory outcomes.

TEC could face litigation or regulatory action related to environmental harms from carbon dioxide emissions or climate change public disclosure issues.

For thermal plants requiring cooling water, reduced availability of water resulting from climate change could adversely impact operations or the costs of operations.

***The facilities and operations of TEC could be affected by natural disasters or other catastrophic events.***

TEC’s facilities and operations are exposed to potential damage and partial or complete loss resulting from environmental disasters (e.g., hurricanes, floods, high winds, fires and earthquakes), equipment failures, terrorist

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or physical attacks, vandalism, a major accident or incident at one of the sites, and other events beyond the control of TEC. The operation of generation, transmission and distribution systems involves certain risks, including fires, explosions, pipeline ruptures, damage to solar panels and other generation assets, and other hazards and risks that may cause unforeseen interruptions, personal injury, death, or property damage. There have also been physical attacks on critical infrastructure around the world. In the event of a physical attack that disrupts service to customers, revenues would be reduced, and costs would be incurred to repair and restore systems. These types of events, either impacting TEC's facilities or the industry in general, could cause TEC to incur additional security and insurance-related costs, and could have adverse effects on its business and financial results. Any costs relating to such events may not be recoverable through insurance or rates.

***TEC is exposed to potential risks related to cyberattacks and unauthorized access, which could cause system failures, disrupt operations or adversely affect safety.***

TEC increasingly relies on information technology systems and network infrastructure to manage its business and safely operate its assets, including controls for interconnected systems of generation, distribution and transmission and financial, billing and other business systems. TEC also relies on third-party service providers to conduct business. As TEC operates critical infrastructure, it may be at greater risk of cyberattacks by third parties, which could include nation-state controlled parties.

Cyberattacks can reach TEC's networks with access to critical assets and information via their interfaces with less critical internal networks or via the public internet. Cyberattacks can also occur via personnel with direct access to critical assets or trusted networks. An outbreak of infectious disease, a pandemic or a similar public health threat may cause disruption in normal working patterns including wide scale "work from home" policies, which could increase cybersecurity risk as the quantity of both cyberattacks and network interfaces increases. Refer to the "Public Health Risk" section below. Methods used to attack critical assets could include general purpose or energy-sector-specific malware delivered via network transfer, removable media, viruses, attachments or links in e-mails. The methods used by attackers are continuously evolving and can be difficult to predict and detect.

TEC's systems, assets and information could experience security breaches that could cause system failures, disrupt operations or adversely affect safety. Such breaches could compromise customer, employee-related or other information systems and could result in loss of service to customers or the unavailability, release, destruction or misuse of critical, sensitive or confidential information. These breaches could also delay delivery or result in contamination or degradation of hydrocarbon products TEC transports, stores or distributes.

Should such cyberattacks or unauthorized accesses materialize, TEC could suffer costs, losses and damages, all or some of which may not be recoverable through insurance, legal, regulatory cost recovery or other processes. If not recovered through these means, they could materially adversely affect TEC's business and financial results including its reputation and standing with customers, regulators, governments and financial markets. Resulting costs could include, among others, response, recovery and remediation costs, increased protection or insurance costs and costs arising from damages and losses incurred by third parties. If any such security breaches occur, there is no assurance that they can be adequately addressed in a timely manner.

With respect to certain of its assets, TEC is required to comply with rules and standards relating to cybersecurity and information technology including, but not limited to, those mandated by bodies such as the North American Electric Reliability Corporation. TEC cannot be assured that its operations will not be negatively impacted by a cyberattack.

***Effects of an outbreak of infectious disease, another pandemic or a similar public health threat could have a negative impact on TEC's operations.***

An outbreak of infectious disease, a pandemic or a similar public health threat or a fear of any of the foregoing, could adversely impact TEC, including by causing operating, supply chain and project development

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delays and disruptions, labor shortages and shutdowns (including as a result of government regulation and prevention measures), and delays in regulatory decisions and proceedings, which could have a negative impact on TEC's operations.

Any adverse changes in general economic and market conditions arising as a result of a public health threat could negatively impact demand for electricity, revenue, operating costs, timing and extent of capital expenditures, results of financing efforts, or credit risk, counterparty risk and collection risk, which could result in a material adverse effect on TEC's business.

**Financial, Economic, and Market Risks**

*National and local economic conditions can have a significant impact on the results of operations, net income and cash flows at TEC.*

The business of TEC is concentrated in Florida. If economic conditions decline, retail customer growth rates may stagnate or decline, and customers' energy usage may decline, adversely affecting TEC's results of operations, net income and cash flows. A factor in customer growth in Florida is net in-migration of new residents, both domestic and non-U.S. A slowdown in the U.S. economy could reduce the number of new residents and slow customer growth.

*Potential competitive changes may adversely affect TEC.*

There is competition in wholesale power sales across the United States. Some states have mandated or encouraged competition at the retail level and, in some situations, required divestiture of generating assets. While there is active wholesale competition in Florida, the retail electric business has remained substantially free from direct competition. Changes in the competitive environment occasioned by legislation, regulation, market conditions or initiatives of other electric power providers or voters, particularly with respect to retail competition, could adversely affect TEC's business and its expected performance.

Florida electric utilities, including TEC, currently benefit from operating in a regulated environment with limited competition in their market for retail customers. However, the commercial and regulatory frameworks under which TEC operates can be impacted by changes in government and shifts in government policy. These include initiatives regarding deregulation or restructuring of the energy industry, which may result in increased competition and unrecovered costs that could adversely affect operations, net income and cash flows.

*Disruption of fuel supply could have an adverse impact on the financial condition of TEC.*

TEC depends on third parties to supply fuel, including natural gas and coal. As a result, there are risks of supply interruptions and fuel-price volatility. Disruption of fuel supplies or transportation services for fuel, whether because of weather-related problems, strikes, lock-outs, break-downs of transportation facilities, pipeline failures or other events, could impair the ability to generate or deliver electricity and could adversely affect operations. The loss of fuel suppliers or the inability to renew existing coal and natural gas contracts at favorable terms could significantly affect the ability to serve customers and have an adverse impact on the financial condition and results of operations of TEC.

*Commodity price changes may affect the operating costs and competitive positions of TEC's business.*

TEC's business is sensitive to changes in gas, coal, and other commodity prices. Any changes in the availability of these commodities could affect the prices charged by suppliers as well as suppliers' operating costs and the competitive positions of their products and services.

In the case of TEC, fuel costs used for generation are affected primarily by the cost of natural gas and coal. TEC is able to recover prudently incurred costs of fuel through retail customers' bills, but increases in fuel costs affect electric prices and, therefore, the competitive position of electricity against other energy sources.

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The ability to make sales of, and the margins earned on, wholesale power sales are affected by the cost of fuel to TEC, particularly as it compares to the costs of other power producers.

***Developments in technology could reduce demand for electricity.***

Research and development activities are ongoing for new technologies that produce power or reduce power consumption. These technologies include renewable energy, customer-oriented generation, energy storage, energy efficiency and more energy-efficient appliances and equipment. Advances in these or other technologies could reduce the cost of producing electricity or otherwise make TEC's existing generating facilities uneconomic. Advances in such technologies could reduce demand for electricity, which could negatively impact the results of operations, net income and cash flows of TEC.

***Results at TEC may be affected by changes in customer energy-usage patterns.***

For the past several years, at TEC and electric utilities across the United States, weather-normalized electricity consumption per residential customer has declined due to the combined effects of voluntary conservation efforts and improvements in equipment efficiency.

Forecasts by TEC are based on normal weather patterns and trends in customer energy-usage patterns. TEC could be negatively impacted if customers further reduce their energy usage in response to increased energy efficiency, economic conditions or other factors.

***Increased customer use of distributed generation could adversely affect TEC.***

In many areas of the United States, including in the markets where TEC operates, there is growing use of rooftop solar panels, small wind turbines and other small-scale methods of power generation, known as distributed generation. Distributed generation is encouraged and supported by various constituent groups, tax incentives, renewable portfolio standards and special rates designed to support such generation.

Increased usage of distributed generation can reduce utility electricity sales but does not reduce the need for ongoing investment in infrastructure to maintain or expand the transmission and distribution grid to reliably serve customers. Continued utility investment that is not supported by increased energy sales causes rates to increase for customers, which could further reduce energy sales and reduce future earnings and cash flows.

***Failure to attract and retain an appropriately qualified workforce, or workforce disruptions, could adversely affect TEC's financial results.***

Events such as increased retirements due to an aging workforce or the departure of employees for other reasons without appropriate replacements, mismatch of skill sets to future needs, or unavailability of contract resources may lead to operating challenges such as lack of resources, loss of knowledge, and a lengthy time period associated with skill development. Failure to attract and hire employees, including the ability to transfer significant internal historical knowledge and expertise to the new employees, or workforce disruptions due to work stoppages or strikes, or the future availability and cost of contract labor may cause costs to operate TEC's systems to rise. If TEC is unable to successfully attract and retain an appropriately qualified workforce, results of operations could be negatively impacted.

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**CAPITALIZATION**

The following table summarizes our historical capitalization at September 30, 2023 and our capitalization as adjusted to reflect the issuance and sale of notes contemplated by this prospectus supplement based on estimated net proceeds of \$495.3 million and our application of the net proceeds in the manner described in "Use of Proceeds" in this prospectus supplement.

	<b>September 30, 2023</b>	
	<b>Actual</b>	<b>As</b>
	<b>Accounts</b>	<b>Adjusted</b>
	<b>(\$ in millions)</b>	
Cash and cash equivalents	\$ 8	\$ 8
Short-term debt	1,158	663
Long-term debt, due within one year	300	300
Long-term debt, less amount due within one year	3,435	3,930
Total debt	4,893	4,893
Common equity	4,808	4,808
Total capitalization	\$ 9,701	\$ 9,701

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**USE OF PROCEEDS**

We estimate that the net proceeds (after deducting the underwriting discount and estimated offering expenses payable by us) from this offering will be approximately \$495.3 million. We expect to use the net proceeds from this offering for general corporate purposes, including the possible repayment of a portion of the indebtedness outstanding under our credit facilities. The amounts drawn on our credit facilities, and the respective interest rates on those amounts, fluctuate daily. Our credit facilities mature on February 28, 2024, April 1, 2024, and December 17, 2026.

Certain of the underwriters or their affiliates are lenders, and in some cases agents for the lenders, under our credit facilities and, accordingly, will receive a portion of the net proceeds from this offering to the extent such proceeds are used for the repayment of indebtedness under such credit facilities. Certain of these underwriters, together with their respective affiliates and associated persons, may receive at least five percent of the net proceeds of this offering and therefore have a “conflict of interest” in this offering within the meaning of FINRA Rule 5121. Accordingly, the offering will be conducted in compliance with FINRA Rule 5121. See “Underwriting (Conflicts of Interest).”

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**DESCRIPTION OF THE NOTES**

The following description of the particular terms of the notes that we are offering hereby supplements the description of the general terms of the debt securities under the caption “Description of Debt Securities of Tampa Electric Company” in the accompanying prospectus.

The following summaries of certain provisions of the indenture do not purport to be complete, and are subject to, and are qualified in their entirety by reference to, the provisions of the indenture dated as of July 1, 1998, as amended by a third supplemental indenture thereto, and as further amended by a tenth supplemental indenture thereto, between us and The Bank of New York Mellon (formerly known as The Bank of New York), as Trustee, and as supplemented by an eighteenth supplemental indenture thereto between us and The Bank of New York Mellon, as Trustee, which has been filed with the SEC as an exhibit to the Registration Statement of which the prospectus forms a part. The indenture provides for the issuance from time to time of various series of debt securities, including the notes.

For purposes of the following description, unless otherwise indicated, a business day is any day that is not (i) a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close, or (ii) a day on which the Corporate Trust Office of the Trustee is closed for business.

**General**

The initial aggregate principal amount of the notes offered under this prospectus supplement is \$500,000,000. The notes will mature on March 1, 2029.

The notes will bear interest at the rate of 4.90% per year (computed based on a 360-day year consisting of twelve 30-day months). Interest on the notes will be payable semi-annually in arrears on March 1 and September 1 of each year, commencing September 1, 2024.

Interest payments on the notes will be made to the persons in whose names the notes are registered on the 15th calendar day preceding the respective interest payment date (whether or not a business day); provided, however, that so long as the notes are registered in the name of DTC, its nominee or a successor depository, the record date for interest payable on any interest payment date for the notes so registered will be the close of business on the business day immediately preceding such interest payment date.

Interest payable on the notes on any interest payment date or redemption date or on the maturity date will be the amount of interest accrued from and including the date of original issuance or from and including the most recent interest payment date on which interest has been paid or duly made available for payment to, but excluding, such interest payment date, redemption date or the maturity date, as the case may be. In the event that any interest payment date, redemption date or maturity date for the notes would otherwise be a day that is not a business day, the payment of interest, principal, or premium, if any, will be postponed to the next succeeding business day (and without any interest or other payment in respect of any delay).

The notes do not have a sinking fund.

We may, without the consent of the holders of the notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms (except for the issue date, price to public and, if applicable, the first interest payment date), and the same CUSIP number, as the notes offered hereby. Any additional notes having such similar terms, together with the notes offered hereby, may constitute a single series of notes under the indenture.

**Ranking**

The notes will be our unsubordinated and unsecured obligations and will rank equally in right of payment with all of our other unsubordinated and unsecured indebtedness. The notes will not limit other indebtedness or

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securities that we or any of our subsidiaries may incur or issue or contain financial or similar restrictions on us or any of our subsidiaries. The notes will be effectively subordinated to our secured indebtedness, if any, to the extent of the collateral securing those obligations. Holders of secured indebtedness will have prior claim to those of our assets that constitute their collateral in the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding. As a result, you may receive less, ratably, than holders of secured indebtedness if we incur secured indebtedness in the future. We do not currently have any secured indebtedness.

**Form**

The notes will be issued in fully registered form, without coupons, in minimum denominations of \$2,000 or integral multiples of \$1,000 in excess thereof. The notes will be initially issued as global securities. See “— Book-Entry, Delivery and Form” below for additional information concerning the notes and the book-entry system. The Depository Trust Company, or DTC, will be the depository with respect to the notes. Settlement of the sale of the notes to the underwriters will be in immediately available funds. Although there is no established trading market for the notes and there is no assurance that an active trading market for the notes will develop, if the notes do trade, they will trade in DTC’s Same-Day Funds Settlement System until maturity, and secondary market trading activity in the notes will therefore settle in immediately available funds. We will make all payments of principal and interest in immediately available funds to DTC in the City of New York.

**Optional Redemption**

Prior to February 1, 2029 (1 month prior to their maturity date) (the “*Par Call Date*”), the Company may redeem the notes at its option, in whole or in part, at any time and from time to time, to the holders of the notes at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

- (1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the notes matured on the *Par Call Date*) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points less (b) interest accrued to the date of redemption, and
- (2) 100% of the principal amount of the notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to the redemption date.

On or after the *Par Call Date*, the Company may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the redemption date.

“*Treasury Rate*” means, with respect to any redemption date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily)—H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities—Treasury constant maturities—Nominal” (or any successor caption or heading). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the *Par Call Date* (the “*Remaining Life*”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the *Remaining Life*, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on

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H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to the Par Call Date. If there is no United States Treasury security maturing on the Par Call Date, but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date, or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

Notice of any redemption will be mailed (or delivered by electronic transmission in accordance with the applicable procedures of DTC) at least 10 days but not more than 60 days before the redemption date to each holder of notes to be redeemed.

In the case of a partial redemption, selection of the notes for redemption will be made, in the case of certificated notes, by lot or by such other method as the Trustee and the Company shall deem appropriate and fair, and, in the case of global notes, in accordance with the applicable procedures of DTC. No notes of a principal amount of \$2,000 or less will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption that relates to such note will state the portion of the principal amount of such note to be redeemed. In the case of certificated notes, a new note in a principal amount equal to the unredeemed portion of such note will be issued in the name of the holder of such note upon surrender of the original note. In the case of global notes, the applicable global note shall be reduced by the Trustee in an amount equal to the principal amount of such note being redeemed in accordance with the applicable policies of DTC (or the relevant depository). For so long as the notes are held by DTC (or another depository), the redemption of the notes shall be done in accordance with the policies and procedures of DTC or such depository.

Unless the Company defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

**Book-Entry, Delivery and Form**

The information in this section concerning DTC, Clearstream, Euroclear and their respective book-entry systems has been obtained from sources that TEC believes to be reliable, but TEC takes no responsibility for its accuracy.

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The notes will be issued in global form. Each global note will be deposited on the date of the closing of the sale of the notes with, or on behalf of, DTC and registered in the name of Cede & Co., as DTC's nominee, or such other nominee as may be requested by an authorized representative of DTC.

So long as DTC, or its nominee, is the registered owner of a global note, DTC or its nominee, as the case may be, will be considered the owner of such global note for all purposes under the indenture, including for any notices and voting. Except in limited circumstances, the owners of beneficial interests in a global security:

- will not be entitled to have securities registered in their names,
- will not receive or be entitled to receive physical delivery of any such securities, and
- will not be considered the registered holder thereof under the indenture.

Accordingly, each person holding a beneficial interest in a global note must rely on the procedures of DTC and, if such person is not a direct participant, on procedures of the direct participant through which such person holds its interest, to exercise any of the rights of a registered owner of such note.

Global notes may be exchanged in whole for certificated securities only if:

- DTC notifies us that it is unwilling or unable to continue as depository for the global notes or the depository has ceased to be a clearing agency registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in either case, we fail to appoint a successor depository within 90 days;
- we, in our sole discretion, notify the Trustee in writing that we elect to cause the issuance of certificated securities; or
- there has occurred and is continuing an event of default under the indenture. The following is based solely on information furnished by DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other similar organizations. DTC is owned by The Depository Trust & Clearing Corporation, which is owned by a number of its direct participants and by the New York Stock Exchange, Inc., NYSE MKT LLC and the Financial Industry Regulatory Authority, Inc. Access to the DTC system is also available to indirect participants such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org). The references to DTC's websites are not intended to incorporate information on those websites into this prospectus by reference.

Purchases of notes under the DTC system must be made by or through direct participants, which will receive a credit for the notes on DTC's records. The ownership interest of each actual purchaser of each note is in turn to be recorded on the direct and indirect participants' records. These beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive a written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in notes, except in the event that use of the book-entry system for the notes is discontinued.

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To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes; DTC's records reflect only the identity of the direct participants to whose accounts the notes are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Delivery of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

Principal and interest payments on the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, as nominee of DTC. DTC's practice is to credit direct participants' accounts, upon DTC's receipt of funds and corresponding detail information from TEC or the Trustee, on the applicable payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers registered in "street name," and will be the responsibility of that participant and not of DTC, the Trustee or TEC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of TEC or the Trustee, disbursement of payments to direct participants is the responsibility of DTC, and disbursement of payments to beneficial owners is the responsibility of direct and indirect participants.

A beneficial owner must give notice to elect to have its notes purchased or tendered, through its participant, to a tender agent, and shall effect delivery of such notes by causing the direct participant to transfer the participant's interest in the notes, on DTC's records, to a tender agent. The requirement for physical delivery of notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the notes are transferred by direct participants on DTC's records and followed by a book-entry credit of tendered notes to the tender agent's account.

DTC may discontinue providing its services as depository with respect to the notes at any time by giving reasonable notice to TEC or the Trustee. Under such circumstances, in the event that TEC does not appoint a successor securities depository, note certificates will be printed and delivered.

TEC may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

**Euroclear and Clearstream**

You may hold interests in the global note through Clearstream Banking S.A., which we refer to as "Clearstream," or Euroclear Bank S.A./N.V., as operator of the Euroclear System, which we refer to as "Euroclear," either directly if you are a participant in Clearstream or Euroclear or indirectly through organizations which are participants in Clearstream or Euroclear. Clearstream and Euroclear will hold interests on behalf of their respective participants through customers' securities accounts in the names of Clearstream and Euroclear, respectively, on the books of their respective U.S. depositaries, which in turn will hold such interests in customers' securities accounts in such depositaries' names on DTC's books.

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Clearstream and Euroclear are securities clearance systems in Europe. Clearstream and Euroclear hold securities for their respective participating organizations and facilitate the clearance and settlement of securities transactions between those participants through electronic book-entry changes in their accounts, thereby eliminating the need for physical movement of certificates.

Payments, deliveries, transfers, exchanges, notices and other matters relating to beneficial interests in notes owned through Euroclear or Clearstream must comply with the rules and procedures of those systems. Transactions between participants in Euroclear or Clearstream, on one hand, and other participants in DTC, on the other hand, are also subject to DTC's rules and procedures.

Investors will be able to make and receive through Euroclear and Clearstream payments, deliveries, transfers and other transactions involving any beneficial interests in the notes held through those systems only on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

Cross-market transfers between participants in DTC, on the one hand, and participants in Euroclear or Clearstream, on the other hand, will be effected through DTC in accordance with the DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective U.S. depositories; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (European time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering or receiving interests in the note through DTC, and making or receiving payment in accordance with normal procedures for same-day fund settlement. Participants in Euroclear or Clearstream may not deliver instructions directly to their respective U.S. depositories.

Due to time zone differences, the securities accounts of a participant in Euroclear or Clearstream purchasing an interest in a note from a direct participant in DTC will be credited, and any such crediting will be reported to the relevant participant in Euroclear or Clearstream, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interests in a note by or through a participant in Euroclear or Clearstream to a direct participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

**The Trustee**

The Trustee is The Bank of New York Mellon, which maintains banking relationships with us and our affiliates in the ordinary course of business and serves as trustee under other indentures with some of our affiliates. If the Trustee acquires any conflicting interest (within the meaning of the Trust Indenture Act), it will be required to eliminate the conflict or resign.

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**UNDERWRITING (CONFLICTS OF INTEREST)**

Wells Fargo Securities, LLC, Morgan Stanley & Co. LLC, and MUFG Securities Americas Inc. are acting as joint book-running managers of the offering and are acting as representatives of the underwriters named below. Subject to the terms and conditions specified in an underwriting agreement dated the date of this prospectus supplement, each underwriter named below has, severally and not jointly, agreed to purchase, and we have agreed to sell to that underwriter, severally and not jointly, the principal amount of the notes set forth opposite the underwriter's name below.

<u>Underwriter</u>	<u>Principal Amount of Notes</u>
Wells Fargo Securities, LLC	\$ 75,000,000
Morgan Stanley & Co. LLC	\$ 75,000,000
MUFG Securities Americas Inc.	\$ 75,000,000
J.P. Morgan Securities LLC	\$ 50,000,000
RBC Capital Markets, LLC	\$ 50,000,000
Scotia Capital (USA) Inc.	\$ 50,000,000
BMO Capital Markets	\$ 22,000,000
BofA Securities, Inc.	\$ 22,000,000
CIBC World Markets Corp.	\$ 22,000,000
TD Securities (USA) LLC	\$ 22,000,000
Truist Securities, Inc.	\$ 22,000,000
Academy Securities, Inc.	\$ 5,000,000
Loop Capital Markets LLC	\$ 5,000,000
Samuel A. Ramirez & Company, Inc.	\$ 5,000,000
Total	<u>\$ 500,000,000</u>

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. The underwriters are obligated to purchase all of the notes if they purchase any of the notes. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be correspondingly increased or the offering may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or, if such indemnification is not available, to contribute to payments the underwriters may be required to make because of any of those liabilities.

The underwriters propose to offer the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement. The underwriters may offer the notes to dealers at the public offering price less a concession not to exceed 0.35% of the principal amount of the notes. The underwriters may allow, and the dealers may reallow, a concession on sales to other dealers not to exceed 0.25% of the principal amount of the notes. After the initial public offering, the representatives may change the public offering price and concessions.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. The underwriters have advised us that they intend to make a market in the notes after the offering, although they are under no obligation to do so. The underwriters may discontinue any market-making activities at any time without any notice. We can give no assurance as to the liquidity of the trading market for the notes or that a public trading market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may

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trade at a discount from their initial offering price, depending on factors such as prevailing interest rates, the market for similar securities and our performance, as well as other factors not listed here.

We estimate that our share of the total expenses of the offering, excluding the underwriting discount, will be approximately \$1.4 million.

We expect that the notes will be delivered against payment therefor on or about January 30, 2024, which will be the third business day following the date of pricing of the notes (this settlement cycle being referred to as “T+3”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes prior to the second business day before delivery of the notes hereunder will be required, by virtue of the fact that the notes will initially settle in T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to the second business day before the date of delivery should consult their own advisors.

In connection with the offering, the underwriters may purchase and sell the notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of notes in excess of the principal amount of notes to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the underwriting syndicate, in covering syndicate short positions or making stabilizing purchases, repurchases notes originally sold by that syndicate member.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise might exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We and the underwriters make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, we and the underwriters make no representation that the underwriters will engage in those types of transactions or that those transactions, once commenced, will not be discontinued without notice.

Certain of the underwriters, and some of their affiliates, have performed investment banking, financial advisory, commercial banking and other services for us and our affiliates from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of business, for which they will receive customary fees and commissions in connection with these services. Certain of the underwriters or their affiliates are lenders, and in some cases agents for the lenders, under our credit facilities.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and instruments of ours or our affiliates. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters and their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such

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underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

**Conflicts of Interest**

Certain of the underwriters or their affiliates are lenders, and in some cases agents for the lenders, under our credit facilities and, accordingly, will receive a portion of the net proceeds from this offering to the extent such proceeds are used for the repayment of indebtedness under such credit facilities. Certain of these underwriters, together with their respective affiliates and associated persons, may receive at least five percent of the net proceeds of this offering and therefore have a "conflict of interest" in this offering within the meaning of FINRA Rule 5121. Accordingly, this offering is being conducted in compliance with FINRA Rule 5121. Because the notes are "investment grade" rated as defined in FINRA Rule 5121, a qualified independent underwriter is not required. However, no underwriter having a conflict of interest under FINRA Rule 5121 will confirm sales to any account over which the underwriter exercises discretionary authority without the specific written approval of the account holder.

**Notice to Prospective Investors in the United Kingdom**

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/ or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

**Notice to Prospective Investors in the European Economic Area**

The notes may not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
- (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase, or subscribe for, the notes.

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**Notice to Prospective Investors in Switzerland**

The notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the notes or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, TEC, the notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of notes will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of notes has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of notes.

**Notice to Prospective Investors in Hong Kong**

The notes have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the notes has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

**Notice to Prospective Investors in Japan**

The notes offered hereby have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the account or benefit of a resident of Japan, except (i) pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable laws, regulations and ministerial guidelines of Japan.

**Notice to Prospective Investors in Singapore**

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

***Singapore Securities and Futures Act Product Classification***

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, TEC has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Notice to Prospective Investors in Canada**

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

**Notice to Prospective Investors in United Arab Emirates**

The notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus supplement and the accompanying prospectus do not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and are not intended to be a public offer. The prospectus supplement and the accompanying prospectus have not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

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**LEGAL MATTERS**

Locke Lord LLP will pass upon the validity of the notes offered hereby. Certain matters will be passed upon for the underwriters by Ropes & Gray LLP.

**EXPERTS**

The consolidated financial statements of Tampa Electric Company appearing in Tampa Electric Company's Annual Report (Form 10-K) for the year ended December 31, 2022 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

TEC is subject to the reporting requirements of the Exchange Act and files annual, quarterly and current reports and other information with the SEC. Our SEC filings are available on the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of certain information filed by us with the SEC are also available on our website at [www.tampaelectric.com/company/about](http://www.tampaelectric.com/company/about). The website is not part of this prospectus supplement or the accompanying prospectus. You may request a copy of the registration statement, including the exhibits to the registration statement, at no cost by writing or calling us at the address provided below under "Incorporation by Reference."

**INCORPORATION BY REFERENCE**

We "incorporate by reference" into this prospectus supplement certain information we file with the SEC, which means that we are disclosing important information to you by referring you to another document. Any information incorporated by reference is an important part of this prospectus supplement. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that the offering of the securities by means of this prospectus supplement is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement or incorporated by reference in this prospectus supplement. We incorporate by reference into this prospectus supplement the documents listed below, which we have filed with the SEC, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and before the termination of this offering; *except that*, unless we indicate otherwise, we do not incorporate any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K:

- our Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2022; and
- our Quarterly Reports on Form 10-Q for each of the fiscal quarters ended [March 31, 2023](#), [June 30, 2023](#), and [September 30, 2023](#); and
- our Current Reports on Form 8-K filed on [January 5, 2023](#), [March 6, 2023](#), and [April 7, 2023](#).

We will provide a copy of these filings, at no cost, upon written or oral request. Requests can be made by writing or telephoning us at the following address and phone number:

Attention: Corporate Secretary  
Tampa Electric Company  
702 North Franklin Street Tampa, Florida 33602  
(813) 228-1111

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You should rely only on the information incorporated by reference or provided in this prospectus supplement, the accompanying prospectus or any other related free writing prospectus prepared by us or on our behalf. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus is accurate as of any date other than the date of this prospectus supplement, the accompanying prospectus or such free writing prospectus, or the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

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## PROSPECTUS

**TAMPA ELECTRIC COMPANY****\$2,000,000,000****Debt Securities  
First Mortgage Bonds  
Preferred Stock**

Tampa Electric Company may offer and sell from time to time any combination of the securities described in this prospectus, up to an aggregate amount of \$2,000,000,000.

This prospectus provides you with a general description of the securities we may offer. We may offer the securities as separate series, in amounts, prices and on terms determined at the time of the sale. When we offer securities, we will provide a prospectus supplement and we may also provide an issuer free writing prospectus (such as a term sheet) describing the terms of the specific securities being offered, including the offering price. **You should read this prospectus, the applicable prospectus supplement and any issuer free writing prospectus relating to the particular offering of securities, together with the additional information described under the heading “WHERE YOU CAN FIND MORE INFORMATION” on page 1 of this prospectus, before you make your investment decision.**

**See [risk factors](#) on page 5 for information on where to find a discussion of certain factors that should be considered by prospective investors in these securities.**

We may offer and sell these securities to or through one or more underwriters, dealers or agents, or directly to investors, on a continuous or delayed basis.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.**

**The date of this prospectus is October 27, 2022.**

**Tampa Electric Company**

**TECO Plaza • 702 N. Franklin Street • Tampa, Florida 33602 • (813) 228-1111**

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the “SEC,” using a “shelf” registration process. Under the shelf process, we may, from time to time, issue and sell to the public any combination of the securities described in the registration statement in one or more offerings up to a total amount of \$2,000,000,000. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Each time we offer to sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. Whenever a reference is made in this prospectus to one of our contracts or other documents, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement through the SEC’s website as indicated below under the heading “Where You Can Find More Information.”

In this prospectus, “TEC,” the “Company,” “we,” “our,” “ours” and “us” refer to Tampa Electric Company unless otherwise specified or the context requires otherwise.

## WHERE YOU CAN FIND MORE INFORMATION

Tampa Electric Company is subject to the reporting requirements of the Securities Exchange Act of 1934 (the “Exchange Act”) and files reports and other information with the SEC. Our SEC filings are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Copies of certain information filed by us with the SEC are also available on our website at [www.tampaelectric.com/company/about](http://www.tampaelectric.com/company/about). The website is not part of this prospectus. You may request a copy of the registration statement, including the exhibits to the registration statement, at no cost by writing or calling us at the address provided below under “Incorporation by Reference.”

## INCORPORATION BY REFERENCE

We “incorporate by reference” in this prospectus certain information we file with the SEC, which means that we are disclosing important information to you by referring you to another document. Any information incorporated by reference is an important part of this prospectus. Any reports filed by us with the SEC prior to the completion or termination of this offering, including reports we may file after the date of the initial registration statement and prior to the effectiveness of the registration statement, will be incorporated by reference in this prospectus. Any information incorporated by reference in this prospectus will automatically update and, where applicable, supersede any information contained in this prospectus or previously incorporated by reference in this prospectus. We incorporate by reference in this prospectus the Annual Report on Form 10-K of Tampa Electric Company for the year ended [December 31, 2021](#), which we have filed with the SEC; the Quarterly Reports of Tampa Electric Company on Form 10-Q for the quarters ended [March 31, 2022](#), and [June 30, 2022](#), which we have filed with the SEC; the Current Reports of Tampa Electric Company on Form 8-K which we filed with the SEC on [July 8, 2022](#) and [July 18, 2022](#); and all other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since December 31, 2021, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, on or after the date of this prospectus and before the termination of this offering; *except that*, unless we indicate otherwise, we do not incorporate any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K.

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We will provide a copy of any or all of the information incorporated by reference in the prospectus, at no cost, upon written or oral request. Requests can be made by writing or telephoning us at the following address and phone number:

Attention: Corporate Secretary  
Tampa Electric Company  
TECO Plaza  
702 North Franklin Street  
Tampa, Florida 33602  
(813) 228-1111

You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement or issuer free writing prospectus (such as a term sheet) relating to a particular offering of our securities. We have not authorized anyone to provide you with different information. We are not making an offer to sell our securities, nor are we seeking an offer to buy our securities, in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or in any prospectus supplement or issuer free writing prospectus is accurate as of any date other than the date of this prospectus, any such prospectus supplement or issuer free writing prospectus, or the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those respective dates.



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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus, each prospectus supplement, the information incorporated by reference in this prospectus and each prospectus supplement, and the information included in any issuer free writing prospectus relating to a particular offering, may contain statements about future events, expectations or future financial performance. These forward-looking statements are identifiable by our use of such words as “anticipate,” “believe,” “expect,” “intend,” “may,” “project,” “will” or other similar words or expressions.

Without limiting the foregoing, any statements relating to our:

- anticipated capital expenditures;
- liquidity and financing requirements;
- projected operating results;
- future environmental matters; and
- regulatory and other plans

are forward-looking statements. These forward-looking statements are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks. New risks and uncertainties come up from time to time, and we are not able to predict these events or how they may affect us. In any event, these and other important factors may cause actual results to differ materially from those indicated by our forward-looking statements. When considering forward-looking statements, you should keep in mind the cautionary statements describing these uncertainties and business risks in this prospectus, the applicable prospectus supplement, any issuer free writing prospectus related to a particular offering, and the documents incorporated herein and therein by reference, including those set forth under “Risk Factors” in our filings with the SEC.

You should also keep in mind that any forward-looking statement made by us in this prospectus or elsewhere speaks only as of the date on which we make it. We do not undertake to update or revise the forward-looking statements in this prospectus after the date of this prospectus, except as may be required by law.

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**RISK FACTORS**

Our business is subject to uncertainties and risks. The prospectus supplement applicable to each offering of our securities will contain a discussion of the risks applicable to an investment in the securities being offered. Prior to making a decision to invest in our securities, you should carefully consider and evaluate all of the information included and incorporated by reference in the applicable prospectus supplement or included or incorporated by reference in this prospectus, including the risk factors incorporated by reference from our most recent Annual Report on Form 10-K, as updated by our Quarterly Reports on Form 10-Q and other SEC filings filed after the date of this prospectus. The risks described in this prospectus and in our SEC filings subsequent to the date of this prospectus which are incorporated by reference herein, as well as additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, could materially and adversely affect our business, results of operations, prospects, liquidity, financial condition and/or future operating results.

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**USE OF PROCEEDS**

Unless otherwise indicated in the prospectus supplement relating to a particular offering of our securities, we will use the net proceeds from the sale of securities offered by this prospectus for general corporate purposes, which may include capital expenditures, working capital, the possible repayment of the indebtedness outstanding under our credit facilities, and other corporate expenses.

**TAMPA ELECTRIC COMPANY**

We are a public utility company operating within the State of Florida. Our electric division, referred to as Tampa Electric, provides retail electric service to customers in west central Florida. Our gas division, referred to as Peoples Gas System or PGS, is engaged in the purchase, distribution and sale of natural gas to residential, commercial, industrial and electric power generation customers in Florida. All of our common stock is owned by TECO Energy, Inc., a holding company that is in turn a wholly owned subsidiary of Emera Inc. ("Emera"), a geographically diverse energy and services company headquartered in Nova Scotia, Canada.

Our principal executive offices are located at TECO Plaza, 702 North Franklin Street, Tampa, Florida 33602. Our telephone number is (813) 228-1111.

**DESCRIPTION OF DEBT SECURITIES OF TAMPA ELECTRIC COMPANY**

The debt securities (other than first mortgage bonds, which are described below) will be unsecured and, unless indicated otherwise in the applicable prospectus supplement or issuer free writing prospectus relating to a particular offering, will rank on parity with all our other unsecured and unsubordinated indebtedness. If we issue debt securities, we will issue them in one or more series under an indenture dated as of July 1, 1998 between Tampa Electric Company and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee. We filed the indenture as an exhibit to Amendment No. 1 to Tampa Electric Company's Registration Statement on Form S-3 dated July 13, 1998 (Registration No. 333-55873). The following description of the terms of the debt securities summarizes the material terms of the debt securities. The description is not complete and we refer you to the indenture, which we incorporate by reference.

**General**

The indenture does not limit the aggregate principal amount of the debt securities or of any particular series of debt securities that we may issue under it. We are not required to issue debt securities of any series at the same time nor must the debt securities within any series bear interest at the same rate or mature on the same date.

Each time that we issue a new series of debt securities, the prospectus supplement and any issuer free writing prospectus relating to that new series will describe the particular amount, price and other terms of those debt securities. These terms may include:

- the title of the debt securities;
- any limit on the total principal amount of the debt securities;
- the date or dates on which the principal of the debt securities will be payable or the method by which such date or dates will be determined;
- the rate or rates at which the debt securities will bear interest, if any, or the method by which such rate or rates will be determined, and the date or dates from which any such interest will accrue;
- the date or dates on which any such interest will be payable and the record dates, if any, for any such interest payments;

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- if applicable, whether we may extend the interest payment periods and, if so, the permitted duration of any such extensions;
- the place or places where the principal of and interest on the debt securities will be payable;
- any obligation we may have to redeem or purchase the debt securities pursuant to any sinking fund, purchase fund or similar provision or at the option of the holder and the terms and conditions on which the debt securities may be redeemed or purchased pursuant to an obligation;
- the denominations in which we will issue the debt securities, if other than denominations of \$1,000;
- the terms and conditions, if any, on which we may redeem the debt securities;
- the currency, currencies or currency units in which we will pay the principal of and any premium and interest on the debt securities, if other than U.S. dollars, and the manner of determining the equivalent in U.S. dollars;
- whether we will issue any debt securities in whole or in part in the form of one or more global securities and, if so, the identity of the depository for the global security and any provisions regarding the transfer, exchange or legending of any such global security if different from those described below under the caption "Global Securities;"
- any addition to, change in or deletion from the events of default or covenants described in this prospectus with respect to the debt securities and any change in the right of the trustee or the holders to declare the principal amount of the debt securities due and payable;
- any index or formula used to determine the amount of principal of or any premium or interest on the debt securities and the manner of determining any such amounts;
- any subordination of the debt securities to any of our other indebtedness; and
- other material terms of the debt securities not inconsistent with the terms of the indenture.

Unless the prospectus supplement or issuer free writing prospectus relating to the issuance of a series of debt securities indicates otherwise, the debt securities will have the following characteristics:

We will issue debt securities only in fully registered form, without coupons and, generally, in denominations of \$1,000 or multiples of \$1,000. We will not charge a service fee for the registration, transfer or exchange of debt securities, but we may require a payment sufficient to cover any tax or other governmental charge payable in connection with registration, transfer or exchange.

The principal of, and any premium and interest on, any series of debt securities will be payable at the corporate trust office of The Bank of New York Mellon specified for such series of securities and otherwise in New York, New York. Debt securities will be exchangeable and transfers thereof will be registrable at this corporate trust office. Payment of any interest due on any debt security will be made to the person in whose name the debt security is registered at the close of business on the regular record date for interest.

We will have the right to redeem the debt securities only upon written notice to the holders mailed between 30 and 60 days prior to the redemption date.

If we plan to redeem the debt securities, before the redemption occurs we are not required to:

- issue, register the transfer of, or exchange any debt security of that series during the period beginning 15 days before we mail the notice of redemption and ending on the day we mail the notice; or
- after we mail the notice of redemption, register the transfer of or exchange any debt security selected for redemption, except if we are only redeeming a part of a debt security, we are required to register the transfer of or exchange the unredeemed portion of the debt security if the holder so requests.

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We may offer and sell debt securities at a substantial discount below their principal amount. We will describe any applicable special federal income tax and other considerations, if any, in the prospectus supplement or issuer free writing prospectus relating to the particular offering. We may also describe in the relevant prospectus supplement or issuer free writing prospectus certain special federal income tax or other considerations, if any, applicable to any debt securities that are denominated in a currency or currency unit other than U.S. dollars.

The indenture does not provide special protection for the debt securities in the event we are involved in a highly leveraged transaction.

**Global Securities**

If we decide to issue debt securities in the form of one or more global securities, then we will register the global securities in the name of the depositary for the global securities or the nominee of the depositary and the global securities will be delivered by the trustee to the depositary for credit to the accounts of the holders of beneficial interests in the debt securities.

The applicable prospectus supplement or issuer free writing prospectus will describe the specific terms of the depositary arrangement for debt securities of a series that are issued in global form. None of our company, the trustee, any payment agent or the security registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global debt security or for maintaining, supervising or reviewing any records relating to these beneficial ownership interests.

**Consolidation, Merger, Etc.**

We will not consolidate or merge with or into any other corporation or other organization, or sell, convey or transfer all or substantially all of our assets to any individual or organization, unless:

- the successor is an individual or organization organized under the laws of the United States or any state thereof or the District of Columbia or under the laws of a foreign jurisdiction and such successor consents to the jurisdiction of the courts of the United States or any state thereof;
- the successor or transferee expressly assumes our obligations under the indenture; and
- the consolidation, merger, sale or transfer does not cause the occurrence of a default under the indenture.

Upon the assumption by the successor of our obligations under the indenture and the debt securities issued thereunder, and the satisfaction of any other conditions required by the indenture, the successor will succeed to and be substituted for us under the indenture.

**Modification of the Indenture**

The indenture provides that we and the trustee may modify or amend its terms with the consent of (i) the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of each affected series and (ii) 66 2/3% in aggregate principal amount of the outstanding debt securities of all affected series. However, without the consent of each holder of all of the outstanding debt securities affected by that modification, we may not:

- change the date stated on the debt security on which any payment of principal or interest is stated to be due;
- reduce the principal amount or any premium or interest on, any debt security, including in the case of a discounted debt security, the amount payable upon acceleration of the maturity thereof;

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- change the place of payment or currency of payment of principal of, or premium, if any, or interest on, any debt security;
- impair the right to institute suit for the enforcement of any payment on or with respect to any debt security after the stated maturity (or, in the case of redemption, on or after the redemption date); or
- reduce the percentage in principal amount of outstanding debt securities of any series, the consent of the holders of which is required for modification or amendment of the indenture, for waiver of compliance with some provisions of the indenture or for waiver of some defaults.

Under limited circumstances and only upon the fulfillment of conditions, we and the trustee may make modifications and amendments of the indenture without the consent of any holders of the debt securities.

The holders of not less than a majority in aggregate principal amount of the outstanding debt securities of any series may waive any past default under the indenture with respect to that series except:

- a default in the payment of principal of, or any premium or interest on, any debt security of that series;
- a default of a covenant or provision under the indenture that cannot be modified or amended without the consent of the holder of each outstanding debt security of the affected series.

**Events of Default**

An event of default with respect to debt securities of any series issued under the indenture is any one of the following events (unless inapplicable to the particular series, specifically modified or deleted as a term of such series or otherwise modified or deleted in an indenture supplemental to the indenture):

- we fail to pay any interest on any debt security of that series when due, and such failure has continued for 30 days;
- we fail to pay principal of or any premium on any debt security of that series when due;
- we fail to deposit any sinking fund payment in respect of any debt security of that series when due, and such failure has continued for 30 days;
- we fail to perform any other covenant in the indenture (other than a covenant included in the indenture solely for the benefit of a series of debt securities other than that series), and such failure has continued for 90 days after we receive written notice as provided in the indenture;
- events of bankruptcy, insolvency or reorganization; and
- any other event defined as an event of default with respect to debt securities of a particular series.

If an event of default with respect to any series of debt securities occurs and is continuing, the trustee or the holders of not less than 25% in principal amount of the outstanding debt securities of that series may declare the principal amount (or, if any debt securities of that series are discounted debt securities, a portion of the principal amount that the terms of the series may specify) of all debt securities of that series to be immediately due and payable. Under some circumstances, the holders of a majority in principal amount of the outstanding debt securities of that series may rescind and annul that declaration and its consequences. The prospectus supplement or issuer free writing prospectus relating to any series of debt securities that are discounted debt securities will specify the particular provisions relating to acceleration of a portion of the principal amount of the discounted debt securities upon the occurrence of an event of default and the continuation of the event of default.

Subject to the provisions of the indenture relating to the duties of the trustee in case an event of default occurs and is continuing, the trustee is not obligated to exercise any of its rights or powers under the indenture at the request or direction of any of the holders unless the holders have offered to the trustee reasonable security or

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indemnity. Subject to such provisions for security and indemnification of the trustee and other rights of the trustee, the holders of a majority in principal amount of the outstanding debt securities of any series have the right to direct the time, method and place of conducting any proceedings for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

The holder of any debt security will have an absolute and unconditional right to receive payment of the principal of and any premium and, subject to limitations specified in the indenture, interest on such debt security on its stated maturity date (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any of these payments.

We must furnish to the trustee an annual statement that to the best of our knowledge we are not in default in the performance and observance of any terms, provisions or conditions of the indenture or, if there has been such a default, specifying each default and its status.

**Satisfaction and Discharge of the Indenture**

We will have satisfied and discharged the indenture and it will cease to be in effect (except as to our obligations to compensate, reimburse and indemnify the trustee pursuant to the indenture and some other obligations) when we deposit or cause to be deposited with the trustee, in trust, an amount sufficient to pay and discharge the entire indebtedness on the debt securities not previously delivered to the trustee for cancellation, for the principal (and premium, if any) and interest to the date of the deposit (or to the stated maturity date or earlier redemption date for debt securities that have been called for redemption).

**Defeasance of Debt Securities**

Unless otherwise provided in the prospectus supplement or issuer free writing prospectus for a series of debt securities, and subject to the terms of the indenture, we may request to be discharged from any and all obligations with respect to any debt securities or series of debt securities (except for certain obligations to register the transfer or exchange of such debt securities, to replace such debt securities if stolen, lost or mutilated, to maintain paying agencies and to hold money for payment in trust) on and after the date the conditions set forth in the indenture are satisfied. Such conditions include the deposit with the trustee, in trust for such purpose, of money and/or U.S. government obligations, which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of and any premium and interest on such debt securities on the stated maturity date of such payments or upon redemption, as the case may be, in accordance with the terms of the indenture and such debt securities.

Under current federal income tax law, the defeasance of the debt securities would be treated as a taxable exchange of the relevant debt securities in which holders of debt securities would recognize gain or loss. In addition, thereafter, the amount, timing and character of amounts that holders would be required to include in income might be different from that which would be includable in the absence of such defeasance. Prospective investors should consult their own tax advisors as to the specific consequences of a defeasance, including the applicability and effect of tax laws other than the federal income tax laws.

**The Trustee**

The trustee is The Bank of New York Mellon, which maintains banking relationships with us in the ordinary course of business and serves as trustee under other indentures with us and some of our affiliates.

**Governing Law**

The indenture and the debt securities will be governed by and construed in accordance with the laws of the State of New York.

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**DESCRIPTION OF FIRST MORTGAGE BONDS OF TAMPA ELECTRIC COMPANY**

Any first mortgage bonds will be issued under and secured by the Twentieth Supplemental Indenture dated as of December 1, 2013 between Tampa Electric Company and U.S. Bank National Association, successor to State Street Bank and Trust Company, as trustee, mortgagee and secured party (which Twentieth Supplemental Indenture constitutes an amendment and restatement of the Indenture of Mortgage among Tampa Electric Company, State Street Trust Company and First Savings & Trust Company of Tampa dated as of August 1, 1946), as such Twentieth Supplemental Indenture is supplemented and modified by one or more future supplemental indentures creating each new series of first mortgage bonds, which we refer to hereinafter as the indenture.

Copies of the instruments constituting the indenture are filed as exhibits to the registration statement of which this prospectus is a part and reference is made thereto for further information including definitions of certain terms used herein. The following description of the terms of the first mortgage bonds summarizes the material terms of the first mortgage bonds. The description is not complete and we refer you to the indenture, as may be amended or restated, which we incorporate by reference.

**General**

We will issue first mortgage bonds only in fully registered form, without coupons and in denominations of \$1,000 or multiples of \$1,000 unless otherwise stated in the applicable prospectus supplement. The principal of, and any premium and interest on, any series of first mortgage bonds will be payable at the corporate trust office of U.S. Bank National Association specified for such series of first mortgage bonds and otherwise in New York, New York. First mortgage bonds will be exchangeable for a like aggregate principal amount of first mortgage bonds of other authorized denominations, and will be transferable at the trustee's corporate trust office, without payment of any charge other than for any stamp tax or other governmental charge incident thereto.

Unless otherwise indicated in a prospectus supplement relating to the first mortgage bonds, there are no provisions in the Indenture that require the us to redeem, or permit the holders to cause a redemption of, the first mortgage bonds or that otherwise protect the holders in the event that we incur substantial additional indebtedness, whether or not in connection with a change in control.

**Certain Terms and Provisions**

The relevant prospectus supplement will describe the terms of any series of first mortgage bonds being offered pursuant to this prospectus, including:

- the title of the first mortgage bonds;
- any limit on the total principal amount of the first mortgage bonds and the minimum denominations if different from multiples of \$1,000;
- the date or dates on which the principal of the first mortgage bonds will be payable or the method by which such date or dates will be determined;
- the rate or rates at which the first mortgage bonds will bear interest, if any, or the method by which such rate or rates will be determined, the date or dates from which any such interest will accrue, and the interest payment dates;
- any obligation we may have to redeem or purchase the first mortgage bonds pursuant to any sinking fund, purchase fund or similar provision or at the option of the holder and the terms and conditions on which the debt securities may be redeemed or purchased;
- the terms and conditions, if any, on which we may redeem the first mortgage bonds;



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- restrictions on the payment of dividends or our purchase or redemption of our stock; and
- other material terms of the first mortgage bonds not inconsistent with the terms of the indenture.

**Security and Priority of Lien**

The first mortgage bonds will be secured by the indenture equally and ratably with any additional first mortgage bonds that may be issued under the indenture. The indenture creates, as security for such outstanding or any additional first mortgage bonds, a first mortgage lien (subject to permitted encumbrances as defined in the indenture) upon certain electric utility property owned by us and described in the applicable prospectus supplement.

**Issuance of Additional Bonds and Withdrawal of Cash Deposited Against Such Issuance**

The principal amount of first mortgage bonds which we may issue under the indenture is not limited except as follows. First mortgage bonds of any series may be issued from time to time on the basis of (i) 60% of property additions, and (ii) 100% of cash deposited with the trustee. The issuance of new first mortgage bonds is subject to net earnings available for interest for 12 consecutive months out of the preceding 15 months being at least two times the annual interest requirements on all first mortgage bonds and all prior lien debt to be outstanding. Cash deposited with the trustee may be withdrawn upon certification that we would be able to issue at least \$1.00 of additional first mortgage bonds after such withdrawal.

**Global Securities**

If we decide to issue first mortgage bonds in the form of one or more global securities, then we will register the global securities in the name of the depository for the global securities or the nominee of the depository and the global securities will be delivered by the trustee to the depository for credit to the accounts of the holders of beneficial interests in the first mortgage bonds.

The applicable prospectus supplement or issuer free writing prospectus will describe the specific terms of the depository arrangement for first mortgage bonds of a series that are issued in global form. None of Tampa Electric Company, the trustee, any payment agent or the security registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global first mortgage bond or for maintaining, supervising or reviewing any records relating to these beneficial ownership interests.

**Defaults**

A default is defined in the indenture as (a) failure to pay the principal or premium when due, (b) failure to pay interest for 30 days after becoming due, (c) failure to discharge or satisfy any sinking, improvement, maintenance, or renewal and replacement fund obligation for 60 days after becoming due, (d) failure to perform or observe other covenants, agreements or conditions for 90 days after notice, (e) entry of an order for reorganization or appointment of a trustee or receiver and continuance of such order or appointment unstayed for 90 days, (f) certain adjudications, petitions or consents in bankruptcy, insolvency or reorganization proceedings or (g) rendering of a judgment in excess of \$50 million and its continuance unsatisfied for 90 days.

Within 90 days after the occurrence of a default (not including any period of grace and irrespective of the giving of any required notice) the trustee shall give to the first mortgage bondholders notice of all defaults known to the trustee, unless such defaults shall have been cured before the giving of such notice, but in the case of a default described in clause (d) above, no such notice shall be given until at least 60 days after the occurrence thereof; provided, however, that except in the case of default in the payment of the principal of or interest on any of the first mortgage bonds, or in the payment of any sinking, improvement or purchase fund installment, the

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trustee shall be protected in withholding such notice if and so long as its board of directors, the executive committee or a trust committee of directors and/or responsible officers of the trustee in good faith determines that the withholding of such notice is in the interests of the first mortgage bondholders. The indenture does not require the trustee to give any notice of any default that has been cured.

In case one or more defaults shall occur and be continuing, either the trustee or the holders of not less than 25% in principal amount of the first mortgage bonds outstanding may accelerate the maturity of all the first mortgage bonds then outstanding. Such acceleration and its consequences may be annulled, prior to the sale of any part of the trust estate under the indenture, by the holders of not less than a majority in principal amount of the first mortgage bonds then outstanding, but only if all defaults have been cured and all payments due (other than by acceleration) have been made.

The holders of not less than a majority in principal amount outstanding of the first mortgage bonds have the right to require the trustee to enforce the indenture, but the trustee is entitled to receive reasonable indemnity and under certain circumstances is not required to act.

**Modification of Indenture and Waiver of Default**

The rights of the first mortgage bondholders may be modified with the consent of the holders of 75% of the principal amount outstanding of the first mortgage bonds, including not less than 60% of the principal amount outstanding of each series affected, except that no modification of the terms of maturity or payment of principal, premium or interest is effective against any first mortgage bondholder without its consent and no modification permitting additional, prior or parity liens or reducing the percentage of first mortgage bonds required for modification, is effective without the consent of the holders of all of the outstanding bonds.

The holders of not less than 75% in aggregate principal amount of the first mortgage bonds then outstanding (including not less than 60% in principal amount of the first mortgage bonds of each series) may waive any past default and its consequences (except a default in the payment of principal of, premium, if any, or interest on any first mortgage bond).

We furnish written statements to the trustee annually and when certain events occur to show that we are in compliance with the indenture and that there are no defaults under the indenture.

**The Trustee**

The trustee is U.S. Bank National Association, which maintains banking relationships with us in the ordinary course of business.

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**DESCRIPTION OF PREFERRED STOCK OF TAMPA ELECTRIC COMPANY**

We currently have authorized 1,500,000 shares of undesignated preferred stock, \$100 par value per share, and 2,500,000 shares of undesignated preferred stock, no par value per share, none of which were issued and outstanding as of the date of this prospectus. Under Florida law and our charter, our board is authorized to issue shares of preferred stock from time to time in one or more series.

Subject to limitations prescribed by Florida law and our charter and by-laws, our board can determine the number of shares constituting each series of preferred stock and the designation, preferences, qualifications, and special or relative rights or privileges of that series. These may include provisions as may be desired concerning redemption, dividends, dissolution, or the distribution of assets, conversion or exchange, and other subjects or matters as may be fixed by resolution of the board or an authorized committee of the board.

The holders of Preferred Stock are not entitled to vote except:

- with respect to certain corporate actions as described in our charter that would affect the powers, preferences or special rights of the series of the outstanding preferred stock;
- with respect to the election of directors in the event of our failure to pay dividends on the series in an amount equal to or more than six quarterly dividends; or
- as required by Florida law.

On matters on which holders of shares of our preferred stock are entitled to vote, each holder of preferred stock, \$100 par value, is entitled to one vote for each share held, and each holder of preferred stock, no par value, is entitled to one vote per \$100 of liquidation value plus a pro rata fraction of one vote for each fraction of \$100 liquidation value;

If we offer a specific series of preferred stock under this prospectus, we will describe the terms of the preferred stock in the prospectus supplement for such offering and will file a copy of the charter amendment establishing the terms of the preferred stock with the SEC. This description will include:

- the title and stated value;
- the number of shares offered, the liquidation preference per share and the purchase price;
- the dividend rate(s), period(s) and/or payment date(s), or method(s) of calculation for dividends;
- whether dividends will be cumulative, partially cumulative or non-cumulative and, if cumulative or partially cumulative, the date from which the dividends will accumulate;
- the procedures for any auction or remarketing, if any;
- the provisions for a sinking fund, if any;
- the provisions for redemption, if applicable;
- any listing of the preferred stock on any securities exchange or market;
- whether interests in the preferred stock will be represented by depositary shares;
- a discussion of any material and/or special U.S. federal income tax considerations applicable to the preferred stock;
- the relative ranking and preferences of the preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs;
- any limitations on issuance of any class or series of preferred stock ranking senior to or on parity with the series of preferred stock as to dividend rights and rights upon our liquidation, dissolution or winding up; and
- any other specific terms, preferences, rights, limitations or restrictions of the preferred stock.

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The preferred stock offered by this prospectus will, when issued, be fully paid and nonassessable and will not have, or be subject to, any preemptive or similar rights.

Unless we specify otherwise in the applicable prospectus supplement, the preferred stock will, with respect to dividend rights and rights upon our liquidation, dissolution or winding up, rank as follows:

- senior to all classes or series of our common stock, and to all equity securities issued by us, the terms of which specifically provide that they rank junior to the preferred stock with respect to those rights;
- on a parity with all equity securities we issue that do not rank senior or junior to the preferred stock with respect to those rights; and
- junior to all equity securities we issue, the terms of which do not specifically provide that they rank on a parity with or junior to the preferred stock with respect to these rights.

As used for these purposes, the term “equity securities” does not include convertible debt securities.

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**PLAN OF DISTRIBUTION**

We may sell any of the securities:

- (1) directly to purchasers;
- (2) through agents;
- (3) through dealers;
- (4) through underwriters; or
- (5) through a combination of any of these methods of sale.

We and our agents and underwriters may sell any of the securities from time to time in one or more transactions:

- (1) at a fixed price or prices, which may be changed;
- (2) at market prices prevailing at the time of sale;
- (3) at prices related to the prevailing market prices; or
- (4) at negotiated prices.

We may directly solicit offers to purchase securities. We may also designate agents from time to time to solicit offers to purchase securities. Any agent, who may be deemed to be an “underwriter” as that term is defined in the Securities Act of 1933, may then resell the securities to the public at varying prices to be determined by that agent at the time of resale.

If we use underwriters to sell securities, we will enter into an underwriting agreement with them at the time of the sale to them. The names of the underwriters will be set forth in the applicable prospectus supplement that will be used by them together with this prospectus to make resales of the securities to the public. In connection with the sale of the securities offered, these underwriters may be deemed to have received compensation from us in the form of underwriting discounts or commissions. Underwriters may also receive commissions from purchasers of the securities.

Underwriters may also use dealers to sell securities. If this happens, these dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents.

Any underwriting compensation paid by us to underwriters in connection with the offering of any of the securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in the applicable prospectus supplement.

Underwriters, dealers, agents and other persons may be entitled, under agreements that may be entered into with us, to indemnification by us against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments that they may be required to make in respect of these liabilities. Underwriters and agents may engage in transactions with, or perform services for, us in the ordinary course of business.

If so indicated in the applicable prospectus supplement, we will authorize underwriters, dealers, or other persons to solicit offers by certain institutions to purchase the securities offered by us under this prospectus pursuant to contracts providing for payment and delivery on a future date or dates. The obligations of any purchaser under any these contracts will be subject only to those conditions described in the applicable prospectus supplement, and the prospectus supplement will set forth the price to be paid for securities pursuant to these contracts and the commissions payable for solicitation of these contracts.

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Any underwriter may engage in over-allotment, stabilizing and syndicate short covering transactions and penalty bids only in compliance with Regulation M of the Securities Exchange Act of 1934. If we offer securities in an “at the market” offering, stabilizing transactions will not be permitted. Over-allotment involves sales in excess of the offering size, which creates a short position. Stabilizing transactions involve bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate short covering transactions involve purchases of securities in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit the underwriters to reclaim selling concessions from dealers when the securities originally sold by the dealers are purchased in covering transactions to cover syndicate short positions. These transactions may cause the price of the securities sold in an offering to be higher than it would otherwise be. These transactions, if commenced, may be discontinued by the underwriters at any time.

Each series of securities offered under this prospectus will be a new issue with no established trading market. Any underwriters to whom we sell securities for public offering and sale may make a market in the securities, but these underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We may elect to list any of the securities we may offer from time to time for trading on an exchange, but we are not obligated to do so.

The anticipated date of delivery of the securities offered hereby will be set forth in the applicable prospectus supplement relating to each offering.

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**LEGAL MATTERS**

In connection with particular offerings of securities hereby in the future, and if stated in the applicable prospectus supplement, the validity of those securities may be passed upon for us by Locke Lord LLP, Boston, Massachusetts, or counsel named in the applicable prospectus supplement. Legal counsel to any underwriters may pass upon legal matters for such underwriters.

**EXPERTS**

The consolidated financial statements of TEC appearing in TEC's Annual Report (Form 10-K) for the year ended December 31, 2021 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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**\$500,000,000**



## **Tampa Electric Company**

**4.90% Notes due 2029**

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### **PROSPECTUS SUPPLEMENT**

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*Joint Book-Running Managers*

**Wells Fargo Securities  
Morgan Stanley  
MUFG  
J.P. Morgan  
RBC Capital Markets  
Scotiabank**

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*Senior Co-Managers*

**BMO Capital Markets  
BofA Securities  
CIBC Capital Markets  
TD Securities  
Truist Securities**

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*Co-Managers*

**Academy Securities  
Loop Capital Markets  
Ramirez & Co., Inc.**



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January 25, 2024

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