

**AUSLEY McMULLEN**

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October 6, 2017

HAND DELIVERED

Ms. Carlotta S. Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**REDACTED**

RECEIVED-FPSC  
2017 OCT -6 AM 11:41  
COMMISSION  
CLERK

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor; FPSC Docket No. 20170001-EI

Dear Ms. Stauffer:

We submit on behalf of Tampa Electric Company one redacted version of Staff's Audit Work Papers pursuant to Audit Control No. 17-048-2-2. This filing is being accompanied by a Request for Confidential Classification and Motion for Temporary Protective Order being separately filed this date with your office.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

  
James D. Beasley

JDB/pp  
Enclosure

cc: All parties of record (w/o enc.)

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2-2  
Subject: *Piling 08/17 IT*

**Tampa Electric Company**  
**Natural Gas Hedging Activities**  
**January 1, 2016 through December 31, 2016**

	Type of Hedge	Settlement Saving/(Loss)	Hedged Volume (MMBTU)	Consumption (MMBTU)	Percent Hedged	Budget Price	Hedge Price	Settle Price
Jan-16	Swaps	(\$2,074,970)		7,131,969				\$2.37
Feb-16	Swaps	(\$2,772,810)		6,630,822				\$2.19
Mar-16	Swaps	(\$3,492,690)		7,902,554				\$1.71
Apr-16	Swaps	(\$3,262,410)		8,891,882				\$1.90
May-16	Swaps	(\$3,127,515)		6,117,238				\$2.00
Jun-16	Swaps	(\$3,403,620)		7,126,182				\$1.96
Jul-16	Swaps	\$256,280		6,601,646				\$2.92
Aug-16	Swaps	12-2 (\$380,440)		6,821,122				\$2.67
Sep-16	Swaps	12-2 (\$40,680)		6,568,368				\$2.85
Oct-16	Swaps	12-4 (\$246,310)		5,452,786				\$2.95
Nov-16	Swaps	12-6 (\$742,140)		5,436,783				\$2.76
Dec-16	Swaps	12-8 (\$46,070)		4,997,239				\$3.23
<b>Total</b>		<b>(\$19,333,375)</b>		<b>79,678,591</b>				

**CONFIDENTIAL**

Consistent with Tampa Electric's non-speculative risk management plan objective, Tampa Electric's natural gas hedging plan provided price stability and certainty during 2016. For 2016, the calendar year net position for natural gas hedges was higher than the closing price of natural gas, resulting in a settlement net loss of \$19.3 million. Natural gas prices dropped significantly in 2016 due to an abundance of natural gas production and mild weather.

Tampa Electric maintains natural gas storage capacity of 1,500,000 MMBtu in order to enhance its physical reliability of gas supply. The storage provides Tampa Electric with improved access to "intraday" natural gas when an operational need arises, provides improved hurricane coverage, and can be used to cost-effectively manage swings in gas supply needs during extreme weather conditions, weekends, holidays and unplanned power plant outages.

Tampa Electric also continues to improve its physical access to natural gas supply by diversifying its receipt points along the Gulf Coast and other areas when opportunities arise.

In summary, financial hedging activities for natural gas resulted in a net settlement loss of approximately \$19.3 million in 2016; more importantly, Tampa Electric was successful in reducing price uncertainty and maintaining fuel supply reliability for customers for both its physical and financial hedges.

SOURCE \_\_\_\_\_



*2.15*

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2-2  
Subject: *filing 08/17 IT*

**2016 Market Pricing**

Tampa Electric provides a comparison of 2016 fuel prices to the market price for the respective commodity in the following section.

> **Coal**

Coal is a commodity with a great range of quality characteristics. Market indexes provide a guide to current market pricing but are not always specific enough to accurately demonstrate the market price of a particular coal. Market prices for coal are most accurately determined by competitive bid solicitations that specify the required coal quality or characteristics. With the exception of purchases for reliability reasons, short-term purchases for changing plant operation needs and spot market purchases to take advantage of favorable pricing, Tampa Electric purchases coal at prices determined by competitive bid solicitations; therefore, the company's purchases are at market. A comparison of coal contract prices for 2016 to the average acceptable bid price or index price is provided in the following table. Unless otherwise stated, the prices represent the market at the time each contract was entered into and are not representative of today's market. Any comparison to current market prices overlooks the market conditions that existed at the time the coal was procured.

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Tampa Electric  
Coal Contract to Market Indicator Price Comparisons

Supplier	Contract (\$/MMBtu)	Market Indicator (\$/MMBtu)	Difference	Market Indicator Source	Note
Knight Hawk Coal LLC		\$3.39		Gen 2014-01 (RFP issued 11/5/13)	1
Consol Pennsylvania Coal Company LLC		\$3.65		Gen 2014-01 (RFP issued 11/5/13) Indices analysis	1,7
Alliance Coal LLC.		\$3.39		Gen 2014-01 (RFP issued 11/5/13)	1
Valero Marketing and Supply Company		\$2.78		Gen 2015-04-PC (phone solicitation for 2015 Petcoke supply Sept 2014) Contract extended through 2016	2
Armstrong Coal Company INC.		\$3.30		Gen 2015-02 (email issued 6/10/14)	1
Armstrong Coal Company INC.		\$3.38		Argus/Coaldesk Index purchase w/call options 7/15/16-7/24/16	6
Trafigura AG Branch Office Stamford		\$3.24		Sale/Purchase buyback for Inventory Mitigation	8
Koch Carbon LLC		\$1.98		Argus/Pace Petroleum Coke Indexes (June 2015)	3

REDACTED

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2-2  
Subject: *Filing 08/17 IT*

Tampa Electric  
Natural Gas Hedging Activities  
January 1, 2016 through July 31, 2017

	Type of Hedge	Mark-to-Market Saving/(Loss)	Hedged Volume (MMBTU)	Consumption (MMBTU)	Percent Hedged	Budget Price	Hedge Price	Settle Price
Jan-17	Swaps	\$ 1,504,000.00		5,290,081				\$3.930
Feb-17	Swaps	\$ 506,130.00		4,519,738				\$3.391
Mar-17	Swaps	\$ (987,895.00)		7,447,771				\$2.627
Apr-17	Swaps	\$ 516,980.00		8,066,423				\$3.175
May-17	Swaps	\$ 596,760.00		9,711,050				\$3.142
Jun-17	Swaps	\$ 581,620.00		8,274,212				\$3.236
Jul-17	Swaps	\$ 99,580.00		10,157,546				\$3.067
Total		\$ 2,817,175.00		53,466,821				

\* Required per FPSC Order No. PSC-08-0316-PAA-EI

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SOURCE



2.26

TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

44

Aug-16 Production Month <Sales>Purchase  
7/27/2016 Nymex Settlement Date  
Total Cash Flow Derivatives

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			08/03/16		\$99,490.00		\$33,910.00		\$133,400.00
			08/03/16		(\$96,300.00)				(\$96,300.00)
			08/03/16		(\$120,600.00)				(\$120,600.00)
			08/03/16		(\$55,990.00)				(\$55,990.00)
			08/03/16		\$57,300.00				\$57,300.00
			08/03/16		\$351,500.00		\$15,100.00		\$366,600.00
			08/03/16		\$265,940.00		\$81,660.00		\$347,600.00
			08/03/16		(\$120,900.00)				(\$120,900.00)
			TOTAL		\$380,440.00		\$130,670.00		\$511,110.00
			ASSETS		(\$393,790.00)		\$0.00		(\$393,790.00) Subtotal Receivables
			LIABILITIES		\$774,230.00		\$130,670.00		\$904,900.00 Subtotal Payables
					\$0.00		\$0.00		\$511,110.00 TOTAL REALIZED DERIVATIVES
									\$0.00

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		\$380,440.00		\$130,670.00		\$511,110.00
CK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

REDACTED

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EJ ACN 17-048-2-2  
Subject: Monthly Transacting details 08/17/17

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SOURCE 

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TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

Sep-16 Production Month <Sales>Purchase  
8/29/2016 Nymex Settlement Date

Total Cash Flow Derivatives				TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	Cont	Amount	Cont	Amount	Cont	Amount
			09/06/16		\$240,010.00		\$6,890.00		\$246,900.00
			09/06/16		\$6,750.00				\$6,750.00
			09/06/16		\$10,860.00				\$10,860.00
			09/06/16		(\$53,675.00)		\$57,225.00		\$3,550.00
			09/06/16		(\$164,165.00)		\$2,665.00		(\$161,500.00)
			09/06/16		\$900.00				\$900.00
			TOTAL		\$40,680.00		\$66,780.00		\$107,460.00

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Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EL ACN 17-048-2-2  
Subject: Monthly transactions details

08/17/17

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SOURCE 

14.1

TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

44.2

Oct-16 Production Month <Sales>Purchase  
9/28/2016 Nymex Settlement Date

Total Cash Flow Derivatives

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			10/05/16		\$168,600.00				\$168,600.00
			10/05/16		(\$13,350.00)				(\$13,350.00)
			10/05/16		(\$1,720.00)		(\$15,480.00)		(\$17,200.00)
			10/05/16		\$132,450.00		\$44,150.00		\$176,600.00
			10/05/16		(\$4,650.00)				(\$4,650.00)
			10/05/16		\$22,280.00		\$43,270.00		\$65,550.00
			10/05/16		(\$57,300.00)				(\$57,300.00)
			TOTAL		\$246,310.00		\$71,940.00		\$318,250.00
			ASSETS		(\$77,020.00)		(\$15,480.00)		(\$92,500.00) Subtotal Receivables
			LIABILITIES		\$323,330.00		\$87,420.00		\$410,750.00 Subtotal Payables
					\$0.00		\$0.00		\$318,250.00 TOTAL REALIZED DERIVATIVES
									\$0.00

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		\$246,310.00		\$71,940.00		\$318,250.00
OK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

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Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-El ACN 17-048-2-2  
Subject: Monthly Transacting details  
08/17  
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SOURCE 

TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

Nov-16 Production Month <Sales>Purchase  
10/27/2016 Nymex Settlement Date  
Total Cash Flow Derivatives

44.3

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			11/03/16		\$111,600.00				\$111,600.00
			11/03/16		\$71,400.00		\$5,100.00		\$76,500.00
			11/03/16		\$159,600.00				\$159,600.00
			11/03/16		\$55,800.00				\$55,800.00
			11/03/16		\$50,050.00		\$18,200.00		\$68,250.00
			11/03/16		\$243,070.00		\$98,180.00		\$341,250.00
			11/03/16		\$50,620.00		\$29,680.00		\$80,300.00
			TOTAL		\$742,140.00		\$151,160.00		\$893,300.00
			ASSETS		\$0.00		\$0.00		\$0.00 Subtotal Receivables
			LIABILITIES		\$742,140.00		\$151,160.00		\$893,300.00 Subtotal Payables
					\$0.00		\$0.00		\$893,300.00 TOTAL REALIZED DERIVATIVES
									\$0.00

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		\$742,140.00		\$151,160.00		\$893,300.00
CK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

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08/19/17

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-ELECEN 17-048-2-2  
Subject: Monthly transmission details

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SOURCE 

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TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

44.4

Dec-16 Production Month <Sales>Purchase  
11/28/2016 Nymex Settlement Date

Total Cash Flow Derivatives									
Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			12/05/16		(\$3,750.00)		(\$33,750.00)		(\$37,500.00)
			12/05/16		\$3,600.00				\$3,600.00
			12/05/16		(\$5,400.00)		\$0.00		(\$5,400.00)
			12/05/16		(\$5,900.00)		\$3,100.00		(\$2,800.00)
			12/05/16		(\$6,380.00)		(\$220.00)		(\$6,600.00)
			12/05/16		(\$20,100.00)				(\$20,100.00)
			12/05/16		\$103,800.00		\$51,900.00		\$155,700.00
			12/05/16		(\$19,800.00)		\$0.00		(\$19,800.00)
			TOTAL		\$46,070.00		\$21,030.00		\$67,100.00
				2.15	\$0.00				
			ASSETS		(\$61,330.00)	2.15	(\$33,970.00)		(\$92,200.00) Subtotal Receivables
			LIABILITIES		\$107,400.00		\$55,000.00		\$159,300.00 Subtotal Payables
					\$0.00		\$0.00		\$67,100.00 TOTAL REALIZED DERIVATIVES
									\$0.00

2

Monthly Transacted Invoices  
08/17

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		\$46,070.00		\$21,030.00		\$67,100.00
CE TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

REDACTED

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-ELACN 17-048-2-2  
Subject:

CONFIDENTIAL

SOURCE

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TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

Jan-17 Production Month <Sales>Purchase  
12/28/2016 Nymex Settlement Date  
Total Cash Flow Derivatives

49.5

Name	ALLEGRO Invoice No.	Counterparty Invoice No.	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			01/05/17		(\$280,500.00)				(\$280,500.00)
			01/05/17				(\$215,100.00)		(\$215,100.00)
			01/05/17		(\$292,800.00)				(\$292,800.00)
			01/05/17		(\$415,500.00)				(\$415,500.00)
			01/05/17		(\$117,600.00)		(\$47,700.00)		(\$165,300.00)
			01/05/17		(\$353,860.00)		(\$182,790.00)		(\$536,650.00)
			01/05/17		(\$43,740.00)		(\$4,860.00)		(\$48,600.00)
			TOTAL		(\$1,504,000.00)		(\$450,450.00)		(\$1,954,450.00)
				ASSETS	\$0.00		\$0.00		(\$1,954,450.00) Subtotal Receivables
				LIABILITIES	\$0.00		\$0.00		\$0.00 Subtotal Payables
					\$0.00		\$0.00		(\$1,954,450.00) TOTAL REALIZED DERIVATIVES
									\$0.00

2-26 \$0.00 2-26

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08/19 IT

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2-2  
Subject: Monthly Transactions Detail

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		(\$1,504,000.00)		(\$450,450.00)		(\$1,954,450.00)
CK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

CONFIDENTIAL

SOURCE


TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

Feb-17 Production Month <Sales>Purchase  
1/27/2017 Nymex Settlement Date

44.6

Total Cash Flow Derivatives

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			02/03/17		(\$228,000.00)		\$0.00		(\$228,000.00)
			02/03/17		\$22,300.00		\$11,150.00		\$33,450.00
			02/03/17		\$0.00		(\$54,000.00)		(\$54,000.00)
			02/03/17		\$59,450.00		\$7,850.00		\$67,300.00
			02/03/17		(\$17,400.00)		\$0.00		(\$17,400.00)
			02/03/17		(\$216,480.00)		(\$8,320.00)		(\$224,800.00)
			02/03/17		(\$57,200.00)		\$0.00		(\$57,200.00)
			02/03/17		\$5,400.00		\$5,400.00		\$10,800.00
			02/03/17		(\$74,200.00)		\$0.00		(\$74,200.00)
			TOTAL		(\$506,130.00)		(\$37,920.00)		(\$544,050.00)
				2.26	\$0.00	2.26			
			ASSETS		(\$593,280.00)		(\$62,320.00)		(\$655,600.00) Subtotal Receivables
			LIABILITIES		\$87,150.00		\$24,400.00		\$111,550.00 Subtotal Payables
					\$0.00		\$0.00		(\$544,050.00) TOTAL REALIZED DERIVATIVES
									\$0.00

  
 Tampa Electric Company  
 Hedging Activities  
 08/01/2016 - 07/31/2017  
 Docket No. 170001-EL ACN 17-048-2-2-  
 Subject: Monthly transactions details  
 02/17  
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CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		(\$506,130.00)		(\$37,920.00)		(\$544,050.00)
CK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

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SOURCE 

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Mar-17 Production Month <Sales>Purchase  
2/24/2017 Nymex Settlement Date  
Total Cash Flow Derivatives

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			03/03/17		\$198,500.00				\$198,500.00
			03/03/17		\$200,100.00		\$60,900.00		\$261,000.00
			03/03/17		\$97,200.00		\$64,800.00		\$162,000.00
			03/03/17		\$200,400.00				\$200,400.00
			03/03/17		\$133,400.00		\$66,700.00		\$200,100.00
			03/03/17		\$60,855.00		\$13,895.00		\$74,750.00
			03/03/17		\$97,440.00		\$41,760.00		\$139,200.00
			TOTAL		\$987,895.00		\$248,055.00		\$1,235,950.00
			ASSETS	2.26	\$0.00	2.26	\$0.00		\$0.00 Subtotal Receivables
			LIABILITIES		\$987,895.00		\$248,055.00		\$1,235,950.00 Subtotal Payables
					\$0.00		\$0.00		\$0.00 TOTAL REALIZED DERIVATIVES

44.7

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		\$987,895.00		\$248,055.00		\$1,235,950.00
CK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2-2  
Subject: Monthly transaction details

08/17 IT

CONFIDENTIAL

SOURCE

TAMPA ELECTRIC CO  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

44.8

Apr-17 Production Month <Sales>Purchase  
 3/29/2017 Nymex Settlement Date

Total Cash Flow Derivatives

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntri	Amount	Cntri	Amount	Cntri	Amount
			04/05/17		(\$81,880.00)		(\$24,920.00)		(\$106,800.00)
			04/05/17		(\$125,550.00)		\$2,450.00		(\$123,100.00)
			04/05/17		(\$109,940.00)		(\$8,460.00)		(\$118,400.00)
			04/05/17		(\$34,200.00)				(\$34,200.00)
			04/05/17		(\$163,330.00)		(\$18,920.00)		(\$182,250.00)
			04/05/17		(\$2,080.00)		(\$3,120.00)		(\$5,200.00)
			TOTAL		(\$516,980.00)		(\$52,970.00)		(\$569,950.00)
				2.26	\$0.00	2.26			
			ASSETS		(\$516,980.00)		(\$55,420.00)		(\$569,950.00) Subtotal Receivables
			LIABILITIES		\$0.00		\$2,450.00		\$0.00 Subtotal Payables
					\$0.00		\$0.00		(\$569,950.00) TOTAL REALIZED DERIVATIVES
									\$0.00

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Tampa Electric Company  
 Hedging Activities  
 08/01/2016 - 07/31/2017  
 Docket No. 170001-EI ACN 17-048-2-2  
 Subject: Monthly transactions det. 2  
 08/17/17

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		(\$516,980.00)		(\$52,970.00)		(\$569,950.00)
CA TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

REDACTED

CONFIDENTIAL

SOURCE

TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

44.9

May-17 Production Month <Sales>Purchase  
4/26/2017 Nymex Settlement Date  
Total Cash Flow Derivatives

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			05/03/17		(\$141,020.00)		\$2,720.00		(\$138,300.00)
			05/03/17		(\$81,640.00)		(\$6,360.00)		(\$88,000.00)
			05/03/17		(\$83,160.00)		(\$9,240.00)		(\$92,400.00)
			05/03/17		(\$35,600.00)		\$0.00		(\$35,600.00)
			05/03/17		\$3,500.00		\$3,500.00		\$7,000.00
			05/03/17		(\$107,040.00)		(\$29,760.00)		(\$136,800.00)
			05/03/17		(\$151,800.00)		\$0.00		(\$151,800.00)
			TOTAL		(\$596,760.00)		(\$39,140.00)		(\$635,900.00)
				2-26	\$0.00	2-26			
			ASSETS		(\$600,260.00)		(\$45,360.00)		(\$642,900.00) Subtotal Receivables
			LIABILITIES		\$3,500.00		\$6,220.00		\$7,000.00 Subtotal Payables
					\$0.00		\$0.00		(\$635,900.00) TOTAL REALIZED DERIVATIVES
									\$0.00

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		(\$596,760.00)		(\$39,140.00)		(\$635,900.00)
CX TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

*[Handwritten signature]*  
08/17/17

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2-2  
Subject: Monthly Transactions details

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SOURCE *[Handwritten signature]*

TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

44.10

Jun-17 Production Month <Sales>Purchase  
5/26/2017 Nymex Settlement Date

Total Cash Flow Derivatives		ALLEGRO	Counterparty	Invoice	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
Name	Invoice No.	Invoice No.	Invoice No.	Due Date	Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
				06/05/17		(\$73,570.00)		(\$11,580.00)		(\$85,150.00)
				06/05/17		(\$46,200.00)		\$0.00		(\$46,200.00)
				06/05/17		(\$150,750.00)		\$0.00		(\$150,750.00)
				06/05/17		(\$142,580.00)		(\$5,620.00)		(\$148,200.00)
				06/05/17		(\$102,670.00)		(\$8,780.00)		(\$111,450.00)
				06/05/17		(\$65,850.00)		\$0.00		(\$65,850.00)
				TOTAL		(\$581,620.00)		(\$25,980.00)		(\$607,600.00)
				ASSETS	2-26	\$0.00	2-26	(\$25,980.00)		(\$607,600.00) Subtotal Receivables
				LIABILITIES		\$0.00		\$0.00		\$0.00 Subtotal Payables
						\$0.00		\$0.00		(\$607,600.00) TOTAL REALIZED DERIVATIVES
										\$0.00

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		(\$581,620.00)		(\$25,980.00)		(\$607,600.00)
CK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2-2  
Subject: *Monthly transactions details*  
08/17/17

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SOURCE *(Signature)*

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TAMPA ELECTRIC CO.  
SWAPS - DERIVATIVE NATURAL GAS INVOICES

Jul-17 Production Month <Sales>Purchase  
6/28/2017 Nymex Settlement Date

44.11

Total Cash Flow Derivatives

Name	ALLEGRO Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
			07/06/17		\$8,400.00		\$0.00		\$8,400.00
			07/06/17		\$25,400.00		\$7,000.00		\$32,400.00
			07/06/17		(\$66,680.00)		\$3,080.00		(\$63,600.00)
			07/06/17		(\$66,700.00)		\$0.00		(\$66,700.00)
			TOTAL		(\$99,580.00)		\$10,080.00		(\$89,500.00)
				2.26	\$0.00	2.26			
			ASSETS		(\$133,380.00)		\$0.00		(\$130,300.00) Subtotal Receivables
			LIABILITIES		\$33,800.00		\$10,080.00		\$40,800.00 Subtotal Payables
					\$0.00		\$0.00		(\$89,500.00) TOTAL REALIZED DERIVATIVES
									\$0.00

CHECK TOTALS						
FROM						
ALLEGRO POSITION SUMMARY REPORTS		(\$99,580.00)		\$10,080.00		(\$89,500.00)
CK TOTAL	0.0	\$0.00	0.0	\$0.00	0.0	\$0.00

f  
 Tampa Electric Company  
 Hedging Activities  
 08/01/2016 - 07/31/2017  
 Docket No. 170001-EI ACN 17-048-2-2  
 Subject: Monthly Transactions Detail  
 08/17/17

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Tampa Electric Company  
Hedging Audit  
Docket No.170001-EI  
Period Ended July 31, 2017  
Control No. 17-048-2-2

Auditor: Intesar Terkawi  
File Name: 2017Hedging Transactions

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Transaction Instrument	Transaction Number	Volume A	Market Price B	Settlement Price C	Gain/loss on Hedging Transactions A*(B-C)
<b>September Transactions</b>					
Bank of Montreal	547703	45-1.1	4.0050	45-1.1	230,400.00
Bank of Montreal	711406	45-1.1	2.9060	45-1.1	15,900.00
Bank of Montreal	879158	45-1.1	2.8550	45-1.1	600.00
JPMorgan	JPM138687F	45-1.4	2.8900	45-1.4	5,550.00
JPMorgan	JPM138687F	45-1.4	2.8570	45-1.4	1,200.00
Merrill Lynch	102659	45-1.5	2.9082	45-1.5	16,560.00
Merrill Lynch	102659	45-1.5	2.8340	45-1.5	(5,700.00)
Societe Generale	1825914	45-1.7	3.9975	45-1.7	228,900.00
Societe Generale	1825914	45-1.7	2.8910	45-1.7	5,700.00
Societe Generale	1825914	45-1.7	2.4250	45-1.7	(42,800.00)
Societe Generale	1825914	45-1.7	2.2255	45-1.7	(188,250.00)
Wells Fargo	6139246	45-1.8	2.8560	45-1.8	900.00
Scotiabank	26252	45-1.9	3.1175	45-1.9	26,450.00
Scotiabank	26252	45-1.9	2.2260	45-1.9	(188,100.00)
Scotiabank	26252	45-1.9	2.8535	45-1.9	150.00
<b>October Transactions</b>					
Citigroup Energy, Inc	5449333-1	45-1.1	3.795	45-1.1	168,600.00
JPMorgan Chase Bank	100912	45-1.1	3.837	45-1.1	132,750.00
JPMorgan Chase Bank	100912	45-1.1	2.920	45-1.1	(4,800.00)
JPMorgan Chase Bank	100912	45-1.1	2.481	45-1.1	(141,300.00)
Morgan Stanley	1609011	45-1.1	2.866	45-1.1	(17,200.00)
Wells Fargo	100915	45-1.1	2.761	45-1.1	(57,300.00)
Royal Bank of Canada	2067817	45-1.2	3.8350	45-1.2	176,600.00
Societe Generale	1848924	45-1.2	2.921	45-1.2	(4,650.00)
Scotiabank	26648	45-1.2	3.887	45-1.2	140,250.00
Scotiabank	26648	45-1.2	2.865	45-1.2	(17,400.00)
Scotiabank	26648	45-1.2	2.761	45-1.2	(57,300.00)

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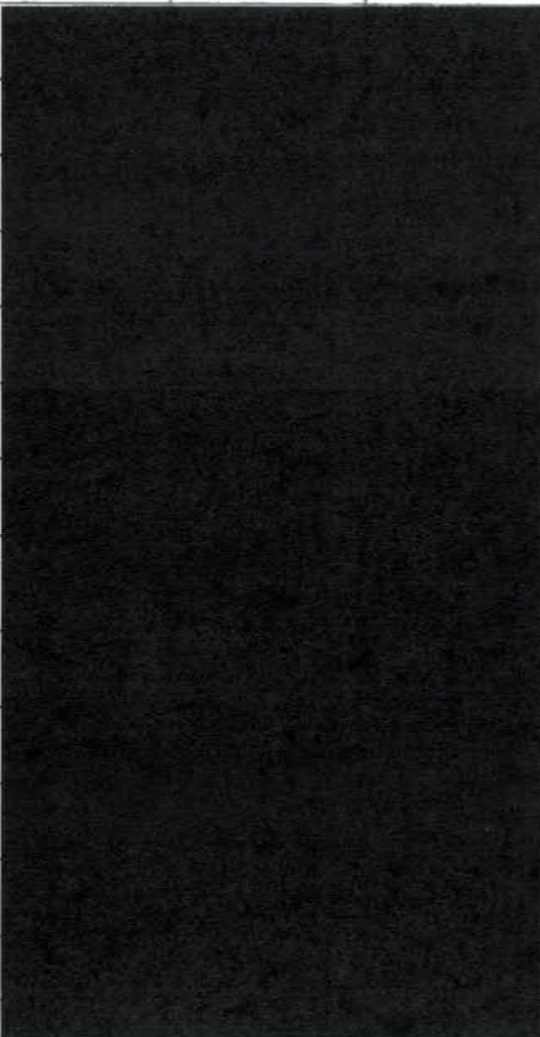
**FOR AUDIT CONTROL NO.  
17-048-2-2**

**PAGES 45-1 THROUGH 45-1.25**

**ALL INFORMATION  
IS REDACTED**

Tampa Electric  
 Summary of Natural Gas Hedge Volumes Relative to Actual Consumption  
 August, 2016 - July, 2017

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Month-Year	Target Minimum	Target Maximum	% of Actual Consumption Hedged	Above Maximum? Below Minimum?	Explanation
Aug-16				No	
Sep-16			Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.	
Oct-16			Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.	
Nov-16			Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.	
Dec-16			Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.	
Jan-17			Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.	
Feb-17			No		
Mar-17			Yes	Natural gas hedging suspended at end of 2016.	
Apr-17			Yes	Natural gas hedging suspended at end of 2016.	
May-17			Yes	Natural gas hedging suspended at end of 2016.	
Jun-17				Natural gas hedging suspended at end of 2016.	
Jul-17				Natural gas hedging suspended at end of 2016.	
12-Month Cumulative			Yes	Cumulative hedge percentage is less than the desired hedge range.	

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Tampa Electric Company  
 Hedging Activities  
 08/01/2016 - 07/31/2017  
 Docket No. 170001-ET ACN 17-048-2-2  
 Subject: *Percent of hedge diff 08/17/17*

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- 3. **Natural Gas:** Tampa Electric continues to implement prudent financial hedging strategies for natural gas requirements. In 2015, the company used swap agreements—the exchange of a payment tied to the value of a natural gas index for a fixed payment—to hedge natural gas. In keeping with the company's approved risk management plan, Tampa Electric plans to hedge a significant percentage of its projected natural gas usage in 2016.

Tampa Electric Company  
Hedging Activities  
08/01/2016 - 07/31/2017  
Docket No. 170001-EI ACN 17-048-2,2

Subject: Risk Management Plan

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Tampa Electric uses the forward pricing information of the New York Mercantile Exchange ("NYMEX") natural gas forward price to develop its natural gas price hedging strategy. Tampa Electric also subscribes to industry publications that provide information about underlying issues affecting the availability and price of natural gas and other commodities. The purpose of Tampa Electric's natural gas hedge plan is to reduce natural gas price volatility by utilizing financial instruments relying on three key variables: price, volume and time.

Tampa Electric projects prices during the company's annual fuel budgeting process. The volume of natural gas that the company will hedge falls between a minimum and a maximum percentage of the expected natural gas burn. The percentages vary according to the time remaining until the contract month. In 2016, Tampa Electric will be testing the performance of its coal units at Big Bend Station with co-fired natural gas. Due to the operational uncertainty associated with the co-firing of the Big Bend coal units, the volumes of gas used in the co-firing will be excluded from the volume hedged.

Tampa Electric's approved Risk Management Plan describes the following key elements of the company's natural gas hedging strategy: (1) natural gas prices can be hedged up to 24 months into the future; (2) nearer months can be hedged for a greater percentage of the expected volume than outer months; and (3) natural gas options can be used for financial hedging.

Currently, Tampa Electric estimates about [REDACTED] percent of its total 2015 natural gas purchases will be covered by financial hedges. The net effect of these hedges is estimated to be a [REDACTED] of approximately [REDACTED]. For 2016, Tampa Electric has approximately [REDACTED] percent hedged with a currently estimated [REDACTED] of [REDACTED].

- 4. **Purchased Power:** Total forecasted purchased power for 2016 is 421 GWH. As of July 2015, Tampa Electric has physically hedged 227 GWH's of its 2016 expected purchased power needs through pre-scheduled purchased power agreements. The remaining

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