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October 5, 2015

HAND DELIVERED

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

**REDACTED**

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor; FPSC Docket No. 150001-EI

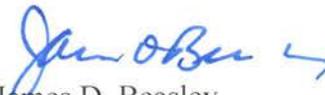
Dear Ms. Stauffer:

We submit on behalf of Tampa Electric Company one redacted version of Staff's Audit Work Papers pursuant to Audit Control No. 15-051-2-2. 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.)

RECEIVED - FPSC  
15 OCT -5 AM 11:26  
COMMISSION  
CLERK

COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
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JIMMY PATRONIS

STATE OF FLORIDA



TAMPA DISTRICT OFFICE  
1313 N. TAMPA STREET  
SUITE 220  
TAMPA, FL 33602-3328  
(813) 637-8660

## Public Service Commission

September 14, 2015

RE: Hedging Activities Audit  
Docket No. 150001-EI/ACN 15-051-2-2

Dear Sloan Lewis,

We have completed our field work in the above-referenced audit. Included with this letter are copies of the audit workpapers which the Commission is maintaining in a Temporary Confidential Status and a listing of these workpapers. Please sign and date a copy of this letter indicating that you have received these copies.

The Utility must file a request for Confidential Classification according to Rule 25-22.006, F.A.C. in order to maintain this confidentiality. This request must be filed with the Commission within twenty-one days from today or these workpapers will become public documents.

Sincerely,

Intesar Terkawi  
Audit Manager

Received By: *Adrienne Klein*

Attachments

Copy: Audit File

**Index of Confidential Workpapers  
Tampa Electric Company  
Docket No. 15001-EI/ACN 15-051-2-2  
Hedging Activities**

<b>Item No.</b>	<b>Description</b>	<b>Workpaper No.</b>	<b>No. of Pages</b>
1	Filing	2	14
2	GL	12	11
3	Market to Market Report	44	16
4	Invoices	45	88
5	Accounting Treatment	46	2
6	Budgeted and Actual	57	10
7	Seperation of Duties	58	3

Total Pages

*AS*  

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144

Company Name: TECO  
 Docket No: 150001-EI  
 Audit Purpose: Hedging Activities

Date: 9/14/2015 Confidential Document Log

Item No.	Document Description	Receipt of Materials				Disposition of Materials				Work Paper Locator
		No. of Pages	Document Request #	Received From	Received By	Date Received	Returned to	Date Returned	Received By	
1	Document Request 1,2,4,8,9	CD	1,2,4,8,9	Joe Castiglioni	Intesar Terkawi	7/22/2015	Joe Castiglioni	9-14-15	JLC	All
2	Filing	2	2	Joe Castiglioni	Intesar Terkawi	7/22/2015	Joe Castiglioni	I	JLC	2



BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 150001-EI  
IN RE: FUEL & PURCHASED POWER COST RECOVERY  
AND  
CAPACITY COST RECOVERY

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject:

*filing 08/15 IT*  
*2/11*

2014 HEDGING ACTIVITY TRUE-UP

TESTIMONY AND EXHIBIT

CONFIDENTIAL

J. BRENT CALDWELL

FILED: APRIL 7, 2015

SOURCE

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *filing 08/15*  
*IT*

TAMPA ELECTRIC COMPANY  
DOCKET NO. 150001-EI  
FILED: 4/7/2015

1 *W* BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 PREPARED DIRECT TESTIMONY

3 OF

4 J. BRENT CALDWELL

5 CONFIDENTIAL

6 Q. Please state your name, address, occupation and  
7 employer.

8  
9 A. My name is J. Brent Caldwell. My business address is  
10 702 N. Franklin Street, Tampa, Florida 33602. I am  
11 employed by Tampa Electric Company ("Tampa Electric" or  
12 "company") as Director of Bulk Fuel and Power.

13  
14 Q. Please provide a brief outline of your educational  
15 background and business experience.

16  
17 A. I received a Bachelor's degree in Electrical Engineering  
18 from Georgia Institute of Technology in 1985 and a  
19 Master of Science degree in Electrical Engineering in  
20 1988 from the University of South Florida. I have over  
21 20 years of utility experience with an emphasis in state  
22 and federal regulatory matters, fuel procurement and  
23 transportation, fuel logistics and cost reporting, and  
24 business systems analysis. In October 2010, I assumed  
25 responsibility for long term fuel supply planning and

SOURCE \_\_\_\_\_

LW Filing 08/15 IT

1 procurement for Tampa Electric's generating stations.

2

3 Q. Have you previously testified before the Florida Public  
4 Service Commission ("FPSC" or "Commission")?

5

6 A. Yes. I have submitted written testimony in the annual  
7 fuel docket since 2011, and I testified before the  
8 Commission in Docket No. 120234-EI regarding the  
9 company's fuel procurement for the Polk 2-5 Combined  
10 Cycle Conversion project

CONFIDENTIAL

11

12 Q. Please state the purpose of your testimony.

13

14 A. The purpose of my testimony is to present, for the  
15 Commission's review, information regarding the 2014  
16 results of Tampa Electric's risk management activities,  
17 as required by the terms of the stipulation entered into  
18 by the parties to Docket No. 011605-EI and approved by  
19 the Commission in Order No. PSC-02-1484-FOF-EI.

20

21 Q. Do you wish to sponsor an exhibit in support of your  
22 testimony?

23

24 A. Yes. Exhibit No. \_\_\_\_ (JBC-1), entitled Tampa Electric's  
25 ~~2014 Hedging Activity True-up~~, was prepared under my

SOURCE

*WN*

1 direction and supervision. This report explains the  
2 company's risk management activities and results for the  
3 calendar year 2014.

4  
5 Q. What is the source of the data you present in your  
6 testimony in this proceeding?

7  
8 A. Unless otherwise indicated, the source of the data is  
9 the books and records of Tampa Electric. The books and  
10 records are kept in the regular course of business in  
11 accordance with generally accepted accounting principles  
12 and practices, and provisions of the Uniform System of  
13 Accounts as prescribed by this Commission.

14  
15 Q. What were the results of Tampa Electric's risk  
16 management activities in 2014?

17  
18 **CONFIDENTIAL**

19 A. As outlined in Tampa Electric's 2014 Hedging Activity  
20 True-up, filed as an exhibit to this testimony, the  
21 company follows a non-speculative risk management  
22 strategy to reduce fuel price volatility while  
23 maintaining a reliable supply of fuel. In particular,  
24 Tampa Electric established a financial hedging program  
25 to limit customers' exposure to spikes in the price of  
SOURCE natural gas. Over time, this program has been enhanced

*2-3*

1 terms to enhance the company's supply reliability and  
2 flexibility to cost-effectively meet changing  
3 operational needs.

4  
5 Tampa Electric continually pursues new creditworthy  
6 counterparties and maintains contracts for gas supplies  
7 from various regions and on different pipelines. The  
8 company also contracts for pipeline capacity to access  
9 non-conventional shale gas production which is less  
10 sensitive to interruption by hurricanes. Additionally,  
11 Tampa Electric has storage capacity with Bay Gas Storage  
12 near Mobile, Alabama. All of these actions enhance the  
13 effectiveness of Tampa Electric's gas supply portfolio.

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15 Q. Does Tampa Electric use a hedging information system?

16  
17 A. Yes, until recently, Tampa Electric has used Sungard's  
18 Nucleus Risk Management System ("Nucleus"). In 2013,  
19 Tampa Electric initiated a project to replace Nucleus  
20 with Allegro. The natural gas portion of the Allegro  
21 project replaced Nucleus for all natural gas financial  
22 and physical transactions effective November 1, 2014.  
23 Allegro supports sound hedging practices with its  
24 contract management, separation of duties, credit  
25 tracking, transaction limits, deal confirmation, risk

SOURCE

1 exposure analysis and business report generation  
2 functions. The Allegro system records all financial  
3 natural gas hedging transactions, and the system  
4 calculates risk management reports.

5  
6 Q. Did the company use financial hedges for commodities  
7 other than natural gas in 2014?

8 **CONFIDENTIAL**

9 A. No. Tampa Electric did not use financial hedges for  
10 commodities other than natural gas in 2014.

11  
12 Tampa Electric's generation comprises mostly coal and  
13 natural gas. The price of coal has historically been  
14 stable compared to the prices of oil and natural gas.  
15 In addition, there is not an organized, nor a liquid,  
16 market for financial hedging instruments for the high-  
17 sulfur Illinois Basin coal that Tampa Electric uses at  
18 Big Bend Station, its largest coal-fired generation  
19 facility.

20  
21 Tampa Electric consumes a small amount of oil; however,  
22 its low and erratic usage pattern makes price hedging  
23 impractical.

24  
25 Similarly, Tampa Electric did not use financial hedges

1 for wholesale power transactions because a liquid,  
2 published market does not exist for power in Florida.

3  
4 Q. How does Tampa Electric assure physical supply of other  
5 commodities?

6  
7 A. Tampa Electric assures sufficient physical supply of  
8 coal and oil through supply diversification, inventory  
9 sufficiency, and delivery flexibility. For coal, the  
10 company enters into a portfolio of contracts with  
11 differing terms and various suppliers to obtain the  
12 types of coal used in its electric generation system.  
13 Through a competitive bid process, supplier diversity  
14 and transportation flexibility, Tampa Electric is able  
15 to get competitive prices with valuable quality and  
16 transportation flexibility by selecting from a wide  
17 range of purchase options.

18 CONFIDENTIAL

19 For oil, Tampa Electric fills its oil tanks prior to  
20 entering hurricane season to reduce exposure to supply  
21 or price issues that may arise during hurricane season.  
22 Competition for potentially limited oil supplies and oil  
23 transportation during a crisis emphasizes the need for  
24 maintaining sufficient inventory.

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Q. What is the basis for your request to recover the commodity and transaction costs described above?

A. Tampa Electric requests cost recovery pursuant to the Commission Order No. PSC-02-1484-FOF-EI, in Docket No. 011605-EI:

Each investor-owned electric utility shall be authorized to charge/credit to the fuel and purchased power cost recovery clause its non-speculative, prudently-incurred commodity costs and gains and losses associated with financial and/or physical hedging transactions for natural gas, residual oil, and purchased power contracts tied to the price of natural gas.

Q. Does this conclude your testimony?

A. Yes, it does.

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Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *filing 08/15 IT*

DOCKET NO. 150001-EI  
2014 HEDGING ACTIVITY TRUE-UP  
EXHIBIT NO. \_\_\_\_\_ (JBC-1)  
DOCUMENT NO. 1  
PAGE 1 OF 6

**Tampa Electric**  
**2014 Hedging Activity True-up**

Tampa Electric's Risk Management Plan identified the following objectives:

- > **Qualitative Objectives**  
Tampa Electric's primary goal in managing risk associated with fuel or power purchases focuses on minimizing supply risk to ensure reliability of electric service to its customers at a reasonable price. To the extent that price risk can be mitigated without compromising supply reliability or imposing unreasonable costs on its customers, Tampa Electric is committed to executing strategies to accomplish its risk management goal.
  
- > **Quantitative Objectives**  
Tampa Electric's quantitative objective is to prudently manage its fuel and wholesale energy procurement activities so as to minimize the variance from projected expenditures while taking advantage of cost-saving opportunities that do not result in increased supply risk. Tampa Electric has established a portfolio of fuel and purchased power products with creditworthy counterparties for known volumes and prices.

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**2014 Risk Management Activities**

The company's activities in 2014 that supported the objectives listed above are described in the following section.

- > **Coal Purchases**  
Tampa Electric maintains a portfolio of short-term (also called spot market), medium-term and long-term coal contracts with the goal of minimizing fuel costs and price risk while maintaining reliability of supply. The company procured all of its 2014 coal needs from suppliers with known, established pricing. Thus, the cost for the commodity was known. Tampa Electric continued to monitor deliveries and volume commitments in contracts as the pricing in the coal market changed. Tampa Electric takes advantage of favorable spot market pricing when the coal supply is needed. Coal was used to produce approximately 62 percent of the electricity the company generated in 2014.
  
- > **Coal Risk Management Activities**  
Tampa Electric's long-established policy of using physical hedges within its portfolio of different term coal supply contracts continued to help protect ratepayers from coal price volatility.

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Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-22  
Subject: *filing 08/15 IT*

DOCKET NO. 150001-EI  
2014 HEDGING ACTIVITY TRUE-UP  
EXHIBIT NO. \_\_\_\_\_ (JBC-1)  
DOCUMENT NO. 1  
PAGE 2 OF 6

*41*

> Natural Gas Purchases

In 2014, approximately 38 percent of the electricity Tampa Electric generated was produced using natural gas. Tampa Electric's risk management strategy continues to focus on supply reliability and price volatility reduction. The components critical to the success of the natural gas purchasing strategy are as follows:

- Execution of the natural gas hedge plan approved by the Risk Authorizing Committee;
- Maintaining liquidity by contracting with numerous qualified counterparties;
- Time horizon for natural gas hedging activity that allows the company to hedge natural gas prices into the future;
- Maintaining a minimum and maximum hedge volume percentage by month into the future;
- Maintaining physical natural gas storage capacity near Mobile Bay, Alabama;
- Diversifying interstate pipeline receipt points;
- Expanding access to additional interstate pipelines;
- Maintaining databases and reports to monitor activity;
- Maintaining coordination between power plant operations and natural gas scheduling;
- Maintaining separation of duties and installation of controls consistent with current industry practices.

> Natural Gas Hedging Activities

Natural gas prices historically have been more volatile than coal prices. Natural gas prices are more volatile due to the significant variations in natural gas consumption by natural gas fired power plants that increase and decrease generation to follow changes in demand. Additionally, hurricane activity and other weather-related production reductions or demand increases have a significant impact on the natural gas market. Therefore, Tampa Electric continued to use financial instruments to hedge the price of a portion of the natural gas consumed in 2014 to reduce customers' exposure to the volatility of natural gas prices. Tampa Electric used financial floating-price-to-fixed-price swaps to hedge natural gas prices. The costs associated with these instruments are embedded in the price of the instruments and are included in the fuel commodity costs reported by the company. The hedges are described in the following table.

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Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *Filing 08/15*  
*IT*

Tampa Electric Company  
Natural Gas Hedging Activities  
January 1, 2014 through December 31, 2014

*LN*

Contract	Type of Hedge	Realized Gain/(Loss)	Hedged Volume (MMBtu)	Consumption (MMBtu)	Percent Hedged	Budget Price	Hedge Price	Settle Price
January 2014	Swap	\$1,067,285		3,388,832				\$4.41
February 2014	Swap	\$4,942,700		3,157,828				\$5.56
March 2014	Swap	\$2,232,670		4,603,963				\$4.86
April 2014	Swap	\$1,791,450		4,973,592				\$4.58
May 2014	Swap	\$2,668,620		5,530,263				\$4.80
June 2014	Swap	\$2,677,190		5,480,316				\$4.62
July 2014	Swap	\$1,903,555		5,467,277				\$4.40
August 2014	Swap	<i>12</i> (\$382,010) <i>44</i>		5,971,293				\$3.81
September 2014	Swap	<i>12-1</i> (\$770,010) <i>44</i>		5,411,089				\$3.96
October 2014	Swap	<i>12-2</i> \$43,200 <i>44</i>		4,697,477				\$3.98
November 2014	Swap	<i>12-3</i> (\$906,615) <i>44</i>		2,776,256				\$3.73
December 2014	Swap	<i>12-4</i> \$347,750 <i>44</i>		2,638,561				\$4.28
		<b>\$15,615,785</b>		<b>54,096,745</b>				

Consistent with Tampa Electric's non-speculative risk management plan objective, Tampa Electric's natural gas hedging plan provided price stability and certainty during 2014. For 2014, the calendar year net position for natural gas hedges was slightly below the closing price of natural gas, resulting in a mark-to-market net gain of \$15.6 million. The closing price was above the fixed hedge price primarily due to an increase in demand for natural gas following the colder than normal weather for the winter of 2013/2014.

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 gain of approximately \$15.6 million in 2014; more importantly, Tampa Electric was

successful in reducing price uncertainty and maintaining fuel supply reliability for customers for both its physical and financial hedges.

**2014 Market Pricing**

Tampa Electric provides a comparison of 2014 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 specific enough to always 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 2014 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.

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *Filing* *OP/IS* *IT*

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Tampa Electric  
Natural Gas Hedging Activities  
January 1, 2015 through July 31, 2015

	Type of Hedge	Mark-to-Market Saving/(Loss)	Hedged Volume (MMBTU)	Consumption (MMBTU)	Percent Hedged	Budget Price	Hedge Price	Settle Price
Jan-15	Swaps	(\$2,576,655)		4,459,415				\$3.19
Feb-15	Swaps	(\$3,450,145)		4,073,535				\$2.87
Mar-15	Swaps	(\$3,338,845)		6,272,889				\$2.89
Apr-15	Swaps	(\$3,428,830)		5,842,268				\$2.59
May-15	Swaps	(\$4,357,580)		7,263,430				\$2.52
Jun-15	Swaps	(\$3,356,285)		8,097,636				\$2.82
Jul-15	Swaps	(\$3,627,895)		8,092,380				\$2.77
Total		(\$24,136,235)		44,101,553				

2.13

Tampa Electric Company  
Summary of Natural Gas Expenses  
For the Month Ending August 31, 2014

	Total	POLK					
		Unit 1	Unit 1 - Auxiliary	Unit 2	Unit 3	Unit 4	Unit 5
Mmbtu's	437,309	313,257	4,239	72,423	16,048	19,415	31,927
MCF's	446,592	305,915	4,140	70,726	15,672	18,960	31,179
<b>% of Total</b>	<b>100.0%</b>	<b>69.8%</b>	<b>0.9%</b>	<b>16.4%</b>	<b>3.5%</b>	<b>4.3%</b>	<b>7.0%</b>
Purchases	1,999,539.72	1,369,686.17	18,534.62	316,662.62	70,168.34	84,890.22	139,597.75
Sale	(45,029.18)	(30,845.02)	(417.40)	(7,131.17)	(1,580.18)	(1,911.71)	(3,143.70)
Imbalance - Pipeline	9,828.36	6,732.43	91.10	1,356.50	244.90	417.26	686.17
Inventory - Current Month	(395,693.90)	(271,050.61)	(3,667.86)	(62,665.15)	(13,885.79)	(16,799.14)	(27,625.35)
Inventory - Prior Month	114,693.95	78,565.44	1,063.15	18,163.82	4,024.87	4,869.32	8,007.35
Reservation Cost	553,711.60	379,292.85	5,132.60	87,690.06	19,430.98	23,507.76	38,657.35
Usage Cost	(5,770.58)	(3,952.85)	(53.49)	(913.87)	(202.50)	(244.99)	(402.88)
Storage Cost	22,010.46	15,077.18	204.02	3,485.75	772.40	934.45	1,536.66
Realized Hedging	29,274.98	20,053.38	271.36	4,636.21	1,027.32	1,242.87	2,043.84
<b>Total Fees</b>	<b>2,287,365.81</b>	<b>1,469,858.99</b>	<b>21,158.10</b>	<b>361,484.77</b>	<b>80,100.34</b>	<b>96,904.04</b>	<b>159,357.19</b>
<b>Add: Accrual Adjustments</b>							
Accrual Adjustment - June 2014	(0.86)	(0.41)	(0.02)	(0.09)	(0.13)	(0.01)	(0.20)
<b>Total Polk Natural Gas Expense</b>	<b>2,282,364.55</b>	<b>1,469,858.56</b>	<b>21,158.08</b>	<b>361,484.68</b>	<b>80,100.21</b>	<b>96,904.03</b>	<b>159,356.99</b>
\$/Mmbtu's	\$4.99						

	Total
Mmbtu's	-
MCF's	-
Purchases	-
Transportation Cost	-
<b>Total Fees</b>	-
<b>Add: Accrual Adjustments</b>	
Accrual Adj. - Jun 2014	(0.06)
<b>Total COT Natural Gas Expense</b>	<b>\$0.00</b>
\$/Mmbtu's	\$0.00

	Total	BAYSIDE					
		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
Mmbtu's	5,510,129	2,377,774	3,107,402	10,141	1,912	4,668	8,232
MCF's	5,380,985	2,322,045	3,034,572	9,903	1,867	4,559	8,039
<b>% of Total</b>	<b>100.0%</b>	<b>43.1%</b>	<b>56.3%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>
Purchases	24,208,657.32	10,431,386.70	13,632,293.02	44,488.96	8,388.02	20,478.70	36,114.10
Sale	(545,053.14)	(234,860.61)	(306,928.39)	(1,001.66)	(188.85)	(461.07)	(813.10)
Imbalance - Pipeline	118,422.22	51,027.53	66,685.50	217.63	41.03	100.18	176.66
Inventory - Current Month	(4,767,726.91)	(2,057,406.84)	(2,688,729.09)	(8,774.66)	(1,654.39)	(4,039.06)	(7,122.87)
Inventory - Prior Month	2,934,888.11	1,266,485.89	1,655,111.37	5,401.45	1,018.40	2,486.34	4,384.66
Reservation Cost	6,729,930.60	2,899,892.70	3,789,734.59	12,367.79	2,331.84	5,693.01	10,039.61
Usage Cost	(69,529.82)	(29,960.04)	(39,153.38)	(127.78)	(24.09)	(58.82)	(103.72)
Storage Cost	265,204.59	114,275.30	149,341.07	487.37	91.89	224.34	395.63
Realized Hedging	352,735.02	151,991.72	198,630.89	648.23	122.22	298.39	526.20
<b>Total Fees</b>	<b>29,227,527.99</b>	<b>12,592,812.35</b>	<b>16,456,985.58</b>	<b>53,707.33</b>	<b>-10,126.07</b>	<b>24,722.01</b>	<b>43,597.12</b>
<b>Add: Accrual Adjustments</b>							
Accrual Adjustment - June 2014	(16.41)	(6.61)	(9.58)	(0.07)	(0.02)	(0.01)	(0.05)
<b>Total Bayside Natural Gas Expense</b>	<b>29,227,511.58</b>	<b>12,592,825.74</b>	<b>16,456,976.00</b>	<b>53,707.26</b>	<b>10,126.05</b>	<b>24,722.00</b>	<b>43,597.12</b>
\$/Mmbtu's	\$5.30						

	BB CT 4
Mmbtu's	8,232
MCF's	7,904
<b>% of Total</b>	<b>0.1%</b>
Purchases	35,507.82
Sale	(799.46)
Imbalance - Pipeline	173.69
Inventory - Current Month	-
Inventory - Prior Month	4,384.66
Reservation Cost	9,871.06
Usage Cost	(101.99)
Storage Cost	388.99
Realized Hedging	517.37
<b>Total Fees</b>	<b>45,557.48</b>
<b>Add: Accrual Adjustments</b>	
Accrual Adj. - Jun 2014	(0.06)
<b>Total BB CT 4 Natural Gas Expense</b>	<b>\$0.00</b>
\$/Mmbtu's	\$5.63

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *CL 08/15 IT*

POLK PURCHASES CALCULATION	
Inventory Volume (in MMBTU's)	1,308,159
ACIOP	1,024
Inventory (in MCF's)	1,277,499
Initial MCF's	5,835,481.00
Final Inventory (MCF's)	(740,756)
Purchases (Units)	6,372,224.40

POLK PURCHASES CALCULATION	
CM Ending Inventory	31,510,076.13
Total Burn Dollars	31,510,076.13
PM Ending Inventory	(3,049,582.06)
Total Purchases (\$)	\$ 33,623,914.88

POLK CHECK TO NG ESTIMATE	
NG Expense (w/o Ad.)	31,510,093.40
less: PM Ending Inv.	(3,049,582.06)
VPEN-Baygas Storage Pymt	42,750.00
To: NG Accrual	28,503,261.34
Per: NG Estimate	28,460,511.34
Check	42,750.00

BAYSIDE ADJ. BURN DOLLARS	
Total Burn Dollars	31,510,076.13
Bayside Additives	0.00
Adj. Burn Dollars	31,510,076.13

TOTAL POLK & BAYSIDE	
MMBTU'S	5,967,438
POLK	8%
BAYSIDE	92%

TOTAL ALL GAS	
MMBTU'S	5,975,531.80
MCF'S	5,835,481.00

CONFIDENTIAL

*# D(382,010)  
2-11*

Prepared by \_\_\_\_\_  
Date: \_\_\_\_\_

Reviewed by \_\_\_\_\_  
Date: \_\_\_\_\_

**Tampa Electric Company**  
 Summary of Natural Gas Expenses  
 For the Month Ending September 30, 2014

	Total	POLK					Unit 5
		Unit 1	Unit 1 - Auxiliary	Unit 2	Unit 3	Unit 4	
MMBtu's	373,941	214,490	5,855	88,151	42,748	105	22,552
MCF's	384,466	209,055	5,745	85,917	41,565	102	21,981
<b>% of Total</b>	<b>100.0%</b>	<b>57.8%</b>	<b>1.6%</b>	<b>23.6%</b>	<b>11.4%</b>	<b>0.0%</b>	<b>6.0%</b>
Purchases	1,571,946.62	901,657.83	24,780.98	370,562.91	179,701.01	441.39	94,802.50
Sale	(49,953.84)	(28,653.18)	(787.50)	(11,775.87)	(5,710.60)	(14.03)	(3,012.66)
Imbalance - Pipeline	14,617.59	8,384.55	230.44	3,445.88	1,671.05	4.10	881.57
Inventory - Current Month	(312,131.26)	(175,036.36)	(4,920.60)	(73,580.28)	(35,682.07)	(87.64)	(18,824.31)
Inventory - Prior Month	395,693.90	226,967.31	6,237.92	93,278.92	45,234.74	111.11	23,863.90
Reservation Cost	483,041.68	277,069.40	7,614.92	113,869.85	55,220.12	135.63	29,131.76
Usage Cost	(4,702.17)	(2,697.13)	(74.13)	(1,108.47)	(537.54)	(1.32)	(283.58)
Storage Cost	19,563.15	11,221.29	308.40	4,511.72	2,236.41	5.49	1,179.84
Realized Hedging	53,254.01	30,546.14	839.52	12,553.84	6,087.87	14.95	3,211.69
<b>Total Fees</b>	<b>2,171,329.64</b>	<b>1,245,459.85</b>	<b>34,229.95</b>	<b>511,838.50</b>	<b>248,220.99</b>	<b>609.68</b>	<b>130,950.71</b>
<b>Add: Accrual Adjustments</b>							
Accrual Adjustment - July 2014	(638.98)	(96.93)	(9.74)	(134.93)	(72.64)	(111.30)	(213.45)
<b>Total Polk Natural Gas Expense</b>	<b>2,170,690.70</b>	<b>1,245,362.92</b>	<b>34,220.21</b>	<b>511,703.58</b>	<b>248,148.35</b>	<b>498.38</b>	<b>130,737.26</b>
\$/MMBtu's	55.80						

	Total
MMBtu's	-
MCF's	-
Purchases	-
Transportation Cost	-
<b>Total Fees</b>	-
<b>Add: Accrual Adjustments</b>	
<b>Total COT Natural Gas Expense</b>	-
\$/MMBtu's	50.00

	Total	BAYSIDE					
		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
MMBtu's	5,032,944	2,450,724	2,521,816	13,719	16,485	2,481	25,519
MCF's	4,905,403	2,388,620	2,459,860	13,371	16,262	2,418	24,872
<b>% of Total</b>	<b>100.0%</b>	<b>48.8%</b>	<b>50.0%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.2%</b>
Purchases	21,363,369.20	10,381,772.01	10,691,404.79	58,116.51	70,681.10	10,510.03	108,103.74
Sale	(678,661.16)	(329,803.10)	(339,639.37)	(1,846.22)	(2,245.34)	(333.88)	(3,434.19)
Imbalance - Pipeline	196,740.96	95,608.51	98,460.00	535.21	650.92	96.79	995.56
Inventory - Current Month	(4,201,034.77)	(2,045,637.05)	(2,106,647.47)	(11,451.35)	(13,927.09)	(2,020.81)	(21,300.90)
Inventory - Prior Month	4,767,726.91	2,321,580.13	2,390,820.45	12,996.06	15,805.76	2,950.26	24,174.25
Reservation Cost	6,530,463.87	3,173,548.26	3,268,198.25	17,765.33	21,606.13	3,212.75	33,045.65
Usage Cost	(63,287.43)	(30,755.25)	(31,672.51)	(172.17)	(209.39)	(91.14)	(320.25)
Storage Cost	263,304.22	127,955.68	131,771.91	716.29	871.15	129.54	1,332.38
Realized Hedging	716,755.99	348,315.72	358,704.11	1,949.85	2,371.40	352.62	3,626.96
<b>Total Fees</b>	<b>28,895,387.79</b>	<b>14,042,584.91</b>	<b>14,461,400.38</b>	<b>78,509.51</b>	<b>95,604.82</b>	<b>14,218.06</b>	<b>146,223.20</b>
<b>Add: Accrual Adjustments</b>							
Accrual Adjustment - July 2014	(16,350.83)	(6,963.31)	(9,149.05)	(64.39)	(28.35)	(31.78)	(45.90)
<b>Total Bayside Natural Gas Expense</b>	<b>28,879,036.96</b>	<b>14,035,621.60</b>	<b>14,452,251.33</b>	<b>78,445.12</b>	<b>95,576.47</b>	<b>14,186.28</b>	<b>146,177.30</b>
\$/MMBtu's	55.74						

	Total
MMBtu's	10,099
MCF's	9,843
Purchases	42,781.02
Sale	(1,359.04)
Imbalance - Pipeline	393.97
Inventory - Current Month	-
Inventory - Prior Month	-
Reservation Cost	13,077.50
Usage Cost	(126.72)
Storage Cost	527.27
Realized Hedging	1,435.33
<b>Total Fees</b>	<b>56,728.33</b>
<b>Add: Accrual Adjustments</b>	
Accrual Adjustment - July 2014	(68.05)
<b>Total Bayside Natural Gas Expense</b>	<b>56,660.28</b>
\$/MMBtu's	55.61

Tampa Electric Company  
 Hedging Activities  
 08/01/2014 - 07/31/2015  
 Docket No. 150001-EI ACN 15-051-2-2  
 Subject: G-L 08/15 IT

UNIT EXPENSE CHECK PURCHASE	
Inventory Volume (in MMBTU's)	1,262,378
CTD	1,026
NG Inventory (in MCF's)	1,230,388
add: Total MCF's	5,279,712.00
less: PM Ending Inventory (MCF's)	(1,277,499)
Total Purchases (Units)	5,232,600.89

PURCHASES CALCULATION	
CM Ending Inventory	4,513,166.03
Total Burn Dollars	31,049,707.66
PM Ending Inventory	(5,163,420.81)
Total Purchases (\$)	30,399,452.88

CHECK TO NG ESTIMATE	
NG Expense (w/o Adj)	31,066,697.47
less: PM Ending Inv.	(5,163,420.81)
VPEM-Buygas Storage Pymt	42,750.00
To: NG Accrual	15,946,026.66
Per: NG Estimate	25,903,276.65
dx	42,750.04

ADJ. BURN DOLLARS	
Total Burn Dollars	31,049,707.66
Bayside Additives	0.00
Adj. Burn Dollars	31,049,707.66

TOTAL POLK & BAYSIDE	
MMBtu's	5,406,885
POLK	7%
BAYSIDE	53%

TOTAL ALL GAS	
MMBtu's	5,416,983.90
MCF's	5,279,712.00

CONFIDENTIAL

#① = 770,010.09  
 2.11

Prepared by: \_\_\_\_\_  
 Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_  
 Date: \_\_\_\_\_

SOURCE 12.1

**Tampa Electric Company**  
Summary of Natural Gas Expenses  
For the Month Ending October 31, 2014

2.21

	Total	Unit 1	Unit 1 - Auxiliary	Unit 2	Unit 3	Unit 4	Unit 5
Mmbtu's	261,193	78,478	1,751	34,374	18,507	43,428	84,655
MCF's	255,322	76,714	1,712	33,601	18,091	42,452	82,752
<b>% of Total</b>	<b>100.0%</b>	<b>30.0%</b>	<b>0.7%</b>	<b>13.2%</b>	<b>7.1%</b>	<b>16.6%</b>	<b>32.4%</b>
Purchases	1,149,696.65	345,437.64	7,707.40	151,304.49	81,462.50	191,157.60	372,627.02
Sale	(102,740.85)	(30,869.50)	(688.76)	(13,521.09)	(7,279.77)	(17,082.50)	(33,299.23)
Imbalance - Pipeline	(10,535.83)	(3,165.59)	(70.63)	(1,386.56)	(746.52)	(1,751.77)	(3,414.76)
Inventory - Current Month	(215,270.52)	(64,680.14)	(1,443.14)	(28,330.43)	(15,253.13)	(35,792.57)	(69,771.11)
Inventory - Prior Month	312,131.26	93,782.90	2,092.48	41,077.67	22,116.26	51,897.40	101,164.55
Reservation Cost	353,792.28	106,300.36	2,371.77	46,560.42	25,068.18	58,824.28	114,567.17
Usage Cost	2,454.26	740.41	16.52	324.31	174.61	409.73	798.58
Storage Cost	15,908.35	4,779.82	106.85	2,093.60	1,127.20	2,645.05	5,156.03
Realized Hedging	(2,408.51)	(723.66)	(16.15)	(316.97)	(170.66)	(400.46)	(780.51)
<b>Total Fees</b>	<b>1,509,087.06</b>	<b>491,602.34</b>	<b>10,874.34</b>	<b>197,805.44</b>	<b>106,498.67</b>	<b>249,906.76</b>	<b>487,347.84</b>
<b>Add: Accrual Adjustments</b>							
Accrual Adjustment - August 2014	(2,109.70)	(1,445.15)	(19.56)	(334.11)	(74.03)	(89.57)	(147.29)
<b>Total Polk Natural Gas Expense</b>	<b>1,506,977.36</b>	<b>490,157.19</b>	<b>10,854.78</b>	<b>197,471.33</b>	<b>106,424.64</b>	<b>249,817.19</b>	<b>487,000.55</b>
\$/Mmbtu's	\$5.75						

	Total
Mmbtu's	-
MCF's	-
Purchases	-
Transportation Cost	-
<b>Total Fees</b>	-
<b>Add: Accrual Adjustments</b>	
<b>Total COT Natural Gas Expense</b>	\$0.00
\$/Mmbtu's	\$0.00

	Total	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
Mmbtu's	4,423,692	1,536,266	2,406,680	27,953	8,344	7,743	34,676
MCF's	4,324,205	1,892,713	2,354,529	27,325	8,156	7,569	33,896
<b>% of Total</b>	<b>100.0%</b>	<b>33.8%</b>	<b>53.4%</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.8%</b>
Purchases	19,296,465.45	8,418,835.31	10,472,879.36	121,538.93	36,279.50	33,666.37	150,770.37
Sale	(1,724,737.73)	(752,484.07)	(936,076.62)	(10,863.27)	(3,242.70)	(3,009.13)	(13,476.01)
Imbalance - Pipeline	(178,438.69)	(77,850.83)	(96,845.04)	(1,123.90)	(335.48)	(311.32)	(1,394.21)
Inventory - Current Month	(3,645,901.70)	(1,595,835.19)	(1,985,190.21)	(23,038.35)	(6,876.97)	(6,381.64)	(28,579.34)
Inventory - Prior Month	4,201,034.77	1,838,820.59	2,287,459.67	26,546.22	7,924.08	7,353.32	32,930.89
Reservation Cost	6,272,286.84	2,736,529.65	3,404,193.56	39,506.05	11,792.60	10,943.20	49,007.68
Usage Cost	41,735.59	18,208.78	22,651.39	262.87	72.82	72.82	326.10
Storage Cost	269,429.75	117,549.23	146,229.13	1,697.01	506.56	470.07	2,105.15
Realized Hedging	(40,291.49)	(17,236.88)	(22,139.00)	(256.93)	(76.69)	(71.17)	(318.72)
<b>Total Fees</b>	<b>24,491,082.29</b>	<b>10,685,878.59</b>	<b>13,293,162.24</b>	<b>154,368.63</b>	<b>48,049.37</b>	<b>42,732.53</b>	<b>191,371.81</b>
<b>Add: Accrual Adjustments</b>							
Accrual Adjustment - August 2014	(25,419.88)	(10,953.29)	(14,314.35)	(46.71)	(8.81)	(21.50)	(37.92)
<b>Total Bayside Natural Gas Expense</b>	<b>24,465,662.41</b>	<b>10,674,925.30</b>	<b>13,278,847.89</b>	<b>154,321.92</b>	<b>48,040.56</b>	<b>42,711.03</b>	<b>191,333.89</b>
\$/Mmbtu's	\$5.53						

	Total
Mmbtu's	14,374
MCF's	14,060
<b>% of Total</b>	<b>0.3%</b>
Purchases	62,495.61
Sale	(5,585.93)
Imbalance - Pipeline	(577.91)
Inventory - Current Month	-
Inventory - Prior Month	32,930.89
Reservation Cost	20,314.10
Usage Cost	135.16
Storage Cost	872.60
Realized Hedging	(132.10)
<b>Total Fees</b>	<b>77,621.51</b>
<b>Add: Accrual Adjustments</b>	
Accrual Adjustment - August 2014	(37.28)
<b>Total Bayside Natural Gas Expense</b>	<b>77,584.23</b>
\$/Mmbtu's	\$5.39

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *CL 08/15 FT*

INVENTORY CHECK FIGURE	
Inventory Volume (In MMBTU's)	1,038,258
LEACIDS	1,021
Inventory (In MCF's)	1,014,915
Less: Total MCF's	4,593,577.00
Less: PM Ending Inventory (MCF's)	(1,230,388)
Total Purchases (Units)	4,378,104.04

PURCHASES CALCULATION	
CM Ending Inventory	3,861,372.77
Total Burn Dollars	25,966,590.30
PM Ending Inventory	(4,513,166.03)
Total Purchases (\$)	25,314,596.43

CHECK TO NG ESTIMATE	
NG Expense (w/o Ac)	25,994,119.88
Less: PM Ending Inv.	(4,513,166.03)
VPEM-Baygas Storage Pymt	42,750.00
To: NG Accrual	21,523,703.85
add: Bayside Lateral	280,328.98
Per: NG Estimate	21,200,624.87
ck	42,750.00

ADJ. BURN DOLLARS	
Total Burn Dollars	25,966,590.30
Bayside Additives	0.00
Adj. Burn Dollars	25,966,590.30

TOTAL POLK & BAYSIDE	
MMBTU'S	4,684,855
POLK	6%
BAYSIDE	54%

TOTAL GAS	
MMBTU'S	4,699,228.50
MCF'S	4,593,577.00

CONFIDENTIAL

80 = 43,200  
2.11

Prepared by: \_\_\_\_\_  
Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_  
Date: \_\_\_\_\_

SOURCE

**Tampa Electric Company**  
 Natural Gas Expense Allocation  
 For the Month Ending November 30, 2014

Tampa Electric Company  
 Hedging Activities  
 08/01/2014 - 07/31/2015  
 Docket No. 150001-EI ACN 15-051-2-2  
 Subject: *GL 08/15 JT*

Allocation Factors			
	BS & BB	PK	TOTAL
MMBTU's	2,633,443	139,366	2,772,809
% of Total	95.0%	5.0%	100.0%

Natural Gas Expense			
	BS & BB	PK	TOTAL
Non-WACOG (\$)	\$ 4,965,069.26	\$ 262,759.43	\$ 5,227,828.69
WACOG (\$)	\$ 9,239,374.49	\$ 488,962.51	\$ 9,728,337.00
EXP True-Up	\$ 312,121.03	\$ 16,517.95	\$ 328,638.98
Baygas VPEM	\$ 40,601.31	\$ 2,148.69	\$ 42,750.00
Realized Hedging	\$ 861,047.01	\$ 45,567.99	\$ 906,615.00
<b>TOTAL</b>	<b>\$ 15,418,213.11</b>	<b>\$ 815,956.56</b>	<b>\$ 16,234,169.67</b>

2-11

BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	1,549,303	1,512,991	58.8%	\$ 9,070,820.35
Unit 2	1,006,970	983,369	38.2%	\$ 5,895,582.70
Unit 3	10,767	10,515	0.4%	\$ 63,038.36
Unit 4	14,560	14,219	0.6%	\$ 85,245.52
Unit 5	15,742	15,373	0.6%	\$ 92,165.87
Unit 6	28,095	27,437	1.1%	\$ 164,489.90
BB CT4	8,006	7,818	0.3%	\$ 46,870.40
<b>TOTAL</b>	<b>2,633,443</b>	<b>2,571,722</b>	<b>100%</b>	<b>\$ 15,418,213.11</b>

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	101,924	99,535	73.1%	\$ 596,742.08
Unit 1 - Aux	6,997	6,833	5.0%	\$ 40,965.86
Unit 2	4,283	4,183	3.1%	\$ 25,076.00
Unit 3	316	309	0.2%	\$ 1,850.11
Unit 4	10,863	10,608	7.8%	\$ 63,600.42
Unit 5	14,983	14,632	10.8%	\$ 87,722.09
<b>TOTAL</b>	<b>139,366</b>	<b>136,100</b>	<b>100%</b>	<b>\$ 815,956.56</b>
\$/Mmbtu's	5.85			

Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	5,261,621.92	565,211.24	5,826,833.16
Gulfstream	4,510,787.00	-	4,510,787.00
<b>Total</b>	<b>9,772,408.92</b>	<b>565,211.24</b>	<b>10,337,620.16</b>
Allocated	9,239,374.49	488,962.51	9,728,337.00
Variance	533,034.43	76,248.73	609,283.16

333102

CONFIDENTIAL

12.3

**Tampa Electric Company**  
 Natural Gas Expense Allocation  
 For the Month Ending December 31, 2014

Tampa Electric Company  
 Hedging Activities  
 08/01/2014 - 07/31/2015  
 Docket No. 150001-EI ACN 15-051-2-2  
 Subject: *GL 08/15*  
*W/ IT*

Allocation Factors				
	BS & BB		PK	TOTAL
MMBTU's	2,519,909		126,003	2,645,912
% of Total	95.2%		4.8%	100.0%

Natural Gas Expense				
	BS & BB		PK	TOTAL
Non-WACOG (\$)	\$ 5,045,370.89		\$ 252,283.70	\$ 5,297,654.59
WACOG (\$)	\$ 11,603,579.82		\$ 580,213.85	\$ 12,183,793.67
Prior Period True Up	\$ (14,421.30)		\$ (721.11)	\$ (15,142.41)
Baygas/VPEM	\$ (122,142.51)		\$ (6,107.49)	\$ (128,250.00)
Realized Hedging	\$ (331,189.53)	BTU Factor:	\$ (16,560.47)	\$ (347,750.00)
Bayside/Lateral				\$ 325,731.79
<b>TOTAL</b>	<b>\$ 16,181,197.37</b>	<b>1.028</b>	<b>\$ 809,108.48</b>	<b>\$ 17,316,037.64</b>

BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	272,282	264,866	10.8%	\$ 1,748,416.11
Unit 2	2,202,213	2,142,231	87.4%	\$ 14,141,164.96
Unit 3	4,505	4,382	0.2%	\$ 28,928.15
Unit 4	14,384	13,992	0.6%	\$ 92,364.60
Unit 5	8,632	8,397	0.3%	\$ 55,429.03
Unit 6	16,154	15,714	0.6%	\$ 103,730.37
BB/CT4	1,739	1,691	0.1%	\$ 11,164.15
<b>TOTAL</b>	<b>2,519,909</b>	<b>2,451,273</b>	<b>100%</b>	<b>\$ 16,181,197.37</b>

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	40,823	39,711	32.4%	\$ 262,138.48
Unit 1 - Aux	7,351	7,151	5.8%	\$ 47,203.29
Unit 2	26,916	26,183	21.4%	\$ 172,836.87
Unit 3	4,986	4,850	4.0%	\$ 32,016.82
Unit 4	17,832	17,346	14.2%	\$ 114,505.39
Unit 5	28,095	27,330	22.3%	\$ 180,407.63
<b>TOTAL</b>	<b>126,003</b>	<b>122,571</b>	<b>100%</b>	<b>\$ 809,108.48</b>
\$/Mmbtu's	6.42			

**CONFIDENTIAL**

Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	7,614,318.59	597,866.76	8,212,185.35
Gulfstream	2,999,898.32	-	2,999,898.32
<b>Total</b>	<b>10,614,216.91</b>	<b>597,866.76</b>	<b>11,212,083.67</b>
Allocated	11,603,579.82	580,213.85	12,183,793.67
Variance	(989,362.91)	17,652.91	(971,710.00)

SOURCE

12.4

**Tampa Electric Company**  
 Natural Gas Expense Allocation  
 For the Month Ending January 31, 2015

Tampa Electric Company  
 Hedging Activities  
 08/01/2014 - 07/31/2015  
 Docket No. 150001-EI ACN 15-051-2-2  
 Subject

*W GL 08/15*  
*IT*

Allocation Factors			
	BS & BB	PK	TOTAL
MMBTU's	4,361,723	103,747	4,465,470
% of Total	97.7%	2.3%	100.0%

Natural Gas Expense			
	BS & BB	PK	TOTAL
Non-WACOG (\$)	\$ 5,050,896.13	\$ 120,139.52	\$ 5,171,035.65
WACOG (\$)	\$ 14,496,964.53	\$ 344,821.66	\$ 14,841,786.19
Prior Period True Up	\$ 92,709.66	\$ 2,205.17	\$ 94,914.83
Baygas VPEM	\$ (41,756.78)	\$ (993.22)	\$ (42,750.00)
Realized Hedging	\$ 2,516,791.15	\$ 59,863.85	\$ 2,576,655.00
Bayside Lateral	\$ 306.00		\$ 306.00
<b>TOTAL</b>	<b>\$ 22,115,910.68</b>	<b>\$ 526,036.99</b>	<b>\$ 22,641,947.67</b>

*2.13*

BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Bayside	4,345,089	4,234,980	99.5%	\$ 22,031,263.93
Big Bend	16,634	16,212	0.4%	\$ 84,340.75
<b>TOTAL</b>	<b>4,361,723</b>	<b>4,251,192</b>	<b>100%</b>	<b>\$ 22,115,604.68</b>
\$/Mmbtu's	5.07			

BAYSIDE				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	1,180,576	1,150,659	27.2%	\$ 5,986,055.22
Unit 2	3,120,592	3,041,513	71.8%	\$ 15,822,815.34
Unit 3	11,172	10,889	0.3%	\$ 56,647.10
Unit 4	22,167	21,605	0.5%	\$ 112,396.73
Unit 5	4,783	4,662	0.1%	\$ 24,251.98
Unit 6	5,799	5,652	0.1%	\$ 29,403.56
<b>TOTAL</b>	<b>4,345,089</b>	<b>4,234,980</b>	<b>100%</b>	<b>\$ 22,031,569.93</b>
\$/Mmbtu's	5.07			

BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
BB CT4	14,918	14,540	89.7%	\$ 75,639.97
Unit 1	-	-	0.0%	\$ -
Unit 2	-	-	0.0%	\$ -
Unit 3	1,716	1,673	10.3%	\$ 8,700.78
Unit 4	-	-	0.0%	\$ -
<b>TOTAL</b>	<b>16,634</b>	<b>16,213</b>	<b>100%</b>	<b>\$ 84,340.75</b>
\$/Mmbtu's	5.07			

**CONFIDENTIAL**

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	10,280	10,019	9.9%	\$ 52,123.53
Unit 1 - Aux	4,339	4,229	4.2%	\$ 22,000.39
Unit 2	30,714	29,936	29.6%	\$ 155,731.73
Unit 3	5,818	5,671	5.6%	\$ 29,499.49
Unit 4	5,053	4,925	4.9%	\$ 25,620.64
Unit 5	47,543	46,338	45.8%	\$ 241,061.20
<b>TOTAL</b>	<b>103,747</b>	<b>101,118</b>	<b>100%</b>	<b>\$ 526,036.99</b>
\$/Mmbtu's	5.07			

<b>GRAND TOTAL</b>	<b>4,465,470</b>	<b>4,352,311</b>		<b>\$ 22,641,947.67</b>
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Btu Factor	1.026
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Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	11,346,516.79	373,457.05	11,719,968.84
Gulfstream	2,963,079.38	-	2,963,079.38
<b>Total</b>	<b>14,309,596.17</b>	<b>373,452.05</b>	<b>14,683,048.22</b>
Allocated	14,496,964.53	344,821.66	14,841,786.19
Variance	(187,368.36)	28,630.39	(158,737.97)

SOURCE \_\_\_\_\_

*12.5*

**Tampa Electric Company**  
Natural Gas Expense Allocation  
For the Month Ending February 28, 2015

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *GL 08/15*  
*WJ FT*

Allocation Factors			
	BS & BB	PK	TOTAL
MMBTU's	3,895,720	229,172	4,124,892
% of Total	94.4%	5.6%	100.0%

Natural Gas Expense			
	BS & BB	PK	TOTAL
Non-WACOG (\$)	\$ 4,347,357.16	\$ 255,740.29	\$ 4,603,097.45
WACOG (\$)	\$ 12,334,531.60	\$ 725,598.69	\$ 13,060,130.29
Prior Period True Up	\$ 153,960.62	\$ 9,056.98	\$ 163,017.60
Baygas VPEM	\$ (40,374.88)	\$ (2,375.17)	\$ (42,750.00)
Realized Hedging	\$ 3,258,460.79	\$ 191,684.21	\$ 3,450,145.00
Bayside Lateral	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 20,053,935.29</b>	<b>\$ 1,179,705.05</b>	<b>\$ 21,233,640.34</b>

BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Bayside	3,846,189	3,756,044	98.7%	\$ 19,798,965.86
Big Bend	49,531	48,370	1.3%	\$ 254,969.43
<b>TOTAL</b>	<b>3,895,720</b>	<b>3,804,414</b>	<b>100%</b>	<b>\$ 20,053,935.29</b>
\$/Mmbtu's	5.15			

BAYSIDE				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	2,396,358	2,340,193	62.3%	\$ 12,335,693.91
Unit 2	1,392,909	1,360,263	36.2%	\$ 7,170,255.48
Unit 3	17,380	16,973	0.5%	\$ 89,466.75
Unit 4	5,910	5,771	0.2%	\$ 30,422.81
Unit 5	19,351	18,897	0.5%	\$ 99,612.83
Unit 6	14,281	13,946	0.4%	\$ 73,514.08
<b>TOTAL</b>	<b>3,846,189</b>	<b>3,756,043</b>	<b>100%</b>	<b>\$ 19,798,965.86</b>
\$/Mmbtu's	5.15			

BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
BB CT4	4,438	4,334	9.0%	\$ 22,844.91
Unit 1	-	-	0.0%	\$ -
Unit 2	-	-	0.0%	\$ -
Unit 3	45,093	44,036	91.0%	\$ 232,124.52
Unit 4	-	-	0.0%	\$ -
<b>TOTAL</b>	<b>49,531</b>	<b>48,370</b>	<b>100%</b>	<b>\$ 254,969.43</b>
\$/Mmbtu's	5.15			

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	29,041	28,360	12.7%	\$ 149,493.89
Unit 1 - Aux	6,264	6,117	2.7%	\$ 32,245.09
Unit 2	29,789	29,051	13.0%	\$ 153,344.36
Unit 3	29,191	28,507	12.7%	\$ 150,266.05
Unit 4	56,662	55,334	24.7%	\$ 291,678.07
Unit 5	78,225	76,392	34.1%	\$ 402,577.59
<b>TOTAL</b>	<b>229,172</b>	<b>223,801</b>	<b>100%</b>	<b>\$ 1,179,705.05</b>
\$/Mmbtu's	5.15			

<b>GRAND TOTAL</b>	<b>4,124,892</b>	<b>4,028,214</b>	<b>\$ 21,233,640.34</b>
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BTU Factor	1.024
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Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	8,860,225.39	758,435.62	9,618,661.01
Gulfstream	3,119,955.26	-	3,119,955.26
<b>Total</b>	<b>11,980,180.65</b>	<b>758,435.62</b>	<b>12,738,616.27</b>
Allocated	12,334,531.60	725,598.69	13,060,130.29
Variance	(354,350.95)	32,836.93	(321,514.02)
			(1.17)

SOURCE \_\_\_\_\_

12.6

CONFIDENTIAL

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Tampa Electric Company  
Natural Gas Expense Allocation  
For the Month Ending March 31, 2015

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *CL 08/15*

Allocation Factors			
	BS & BB	PK	TOTAL
MMBTU's	5,707,934	566,707	6,274,641
% of Total	91.0%	9.0%	100.0%

*IT*  
*LN*

Natural Gas Expense			
	BS & BB	PK	TOTAL
Non-WACOG (\$)	\$ 4,786,453.31	\$ 475,218.63	\$ 5,261,671.94
WACOG (\$)	\$ 16,467,918.72	\$ 1,635,002.23	\$ 18,102,920.95
Prior Period True Up	\$ 281,804.07	\$ 27,978.66	\$ 309,782.73
Baygas VPEN	\$ (38,888.95)	\$ (3,861.05)	\$ (42,750.00)
Realized Hedging	\$ 3,037,290.40	\$ 301,554.60	\$ 3,338,845.00
Bayside Lateral	\$ 2,822.99		\$ 2,822.99
<b>TOTAL</b>	<b>\$ 24,537,400.55</b>	<b>\$ 2,435,893.06</b>	<b>\$ 26,973,293.61</b>

*2-13*

BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Bayside	5,698,212	5,553,813	99.8%	\$ 24,492,789.20
Big Bend	9,722	9,476	0.2%	\$ 41,788.35
<b>TOTAL</b>	<b>5,707,934</b>	<b>5,563,289</b>	<b>100%</b>	<b>\$ 24,534,577.56</b>
\$/Mmbtu's	4.30			

BAYSIDE				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	2,954,401	2,879,533	51.8%	\$ 12,700,450.80
Unit 2	2,675,212	2,607,419	46.9%	\$ 11,500,266.34
Unit 3	23,204	22,616	0.4%	\$ 99,749.92
Unit 4	13,751	13,403	0.2%	\$ 59,113.13
Unit 5	7,546	7,355	0.1%	\$ 32,438.93
Unit 6	24,098	23,487	0.4%	\$ 103,593.07
<b>TOTAL</b>	<b>5,698,212</b>	<b>5,553,813</b>	<b>100%</b>	<b>\$ 24,495,612.19</b>
\$/Mmbtu's	4.30			

BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
BB CT4	9,722	9,476	100.0%	\$ 41,788.35
Unit 1	-	-	0.0%	\$ -
Unit 2	-	-	0.0%	\$ -
Unit 3	-	-	0.0%	\$ -
Unit 4	-	-	0.0%	\$ -
<b>TOTAL</b>	<b>9,722</b>	<b>9,476</b>	<b>100%</b>	<b>\$ 41,788.35</b>
\$/Mmbtu's	4.30			

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	127,951	124,709	22.6%	\$ 549,975.48
Unit 1 - Aux	1,752	1,708	0.3%	\$ 7,530.67
Unit 2	92,154	89,819	16.3%	\$ 396,108.20
Unit 3	58,929	57,436	10.4%	\$ 253,296.22
Unit 4	171,679	167,328	30.3%	\$ 737,932.80
Unit 5	114,242	111,347	20.7%	\$ 491,049.69
<b>TOTAL</b>	<b>566,707</b>	<b>552,347</b>	<b>100%</b>	<b>\$ 2,435,893.06</b>
\$/Mmbtu's	4.30			

<b>GRAND TOTAL</b>	<b>6,274,641</b>	<b>6,115,636</b>		<b>\$ 26,973,293.61</b>
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BTU Factor:	1.026
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Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	11,768,328.03	1,719,356.99	13,487,685.02
Gulfstream	4,904,667.54	-	4,904,667.54
<b>Total</b>	<b>16,672,995.57</b>	<b>1,719,356.99</b>	<b>18,392,352.56</b>
Allocated	16,467,918.72	1,635,002.23	18,102,920.95
Variance	205,076.85	84,354.76	289,431.61
			(0.14)

SOURCE

*12.7*

**CONFIDENTIAL**

**Tampa Electric Company**  
 Natural Gas Expense Allocation  
 For the Month Ending April 30, 2015

Tampa Electric Company  
 Hedging Activities  
 08/01/2014 - 07/31/2015  
 Docket No. 150001-EI ACN 15-051-2-2  
 Subject: *GL 08/15*

*2N JT*

Allocation Factors			
	BS & BB	PK	TOTAL
MMBTU's	5,142,739	717,166	5,859,905
% of Total	87.8%	12.2%	100.0%

Natural Gas Expense			
	BS & BB	PK	TOTAL
Non-WACOG (\$)	\$ 5,602,250.96	\$ 781,245.98	\$ 6,383,496.94
WACOG (\$)	\$ 13,693,807.85	\$ 1,909,631.03	\$ 15,603,438.88
Prior Period True Up	\$ 33,488.67	\$ 4,670.07	\$ 38,158.74
Baygas VPEM	\$ (37,518.03)	\$ (5,231.97)	\$ (42,750.00)
Realized Hedging	\$ 3,009,191.73	\$ 419,638.27	\$ 3,428,830.00
Bayside Lateral	\$ 7,497.76		\$ 7,497.76
<b>TOTAL</b>	<b>\$ 22,308,718.94</b>	<b>\$ 3,109,953.38</b>	<b>\$ 25,418,672.32</b>

*2.13*

BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Bayside	5,117,796	4,992,972	99.5%	\$ 22,193,058.45
Big Bend	24,943	24,334	0.5%	\$ 108,162.73
<b>TOTAL</b>	<b>5,142,739</b>	<b>5,017,306</b>	<b>100%</b>	<b>\$ 22,301,221.18</b>
\$/Mmbtu's	<b>4.34</b>			

BAYSIDE				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	1,432,699	1,397,755	28.0%	\$ 6,214,924.29
Unit 2	3,646,942	3,557,992	71.3%	\$ 15,820,118.83
Unit 3	8,319	8,116	0.2%	\$ 36,087.10
Unit 4	15,912	15,524	0.3%	\$ 69,024.88
Unit 5	4,418	4,310	0.1%	\$ 19,164.90
Unit 6	9,506	9,274	0.2%	\$ 41,236.21
<b>TOTAL</b>	<b>5,117,796</b>	<b>4,992,971</b>	<b>100%</b>	<b>\$ 22,200,556.21</b>
\$/Mmbtu's	<b>4.34</b>			

BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
BB CT4	10,220	9,970	41.0%	\$ 44,317.20
Unit 1 1GN	-	-	0.0%	\$ -
Unit 2 1GN	-	-	0.0%	\$ -
Unit 3 1GN	14,723	14,364	59.0%	\$ 63,845.53
Unit 4 1GN	-	-	0.0%	\$ -
<b>TOTAL</b>	<b>24,943</b>	<b>24,334</b>	<b>100%</b>	<b>\$ 108,162.73</b>
\$/Mmbtu's	<b>4.34</b>			

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1 1GN	260	254	0.0%	\$ 1,127.48
Unit 1 - Aux	2,914	2,843	0.4%	\$ 12,636.41
Unit 2	209,541	204,430	29.2%	\$ 908,663.74
Unit 3	147,633	144,032	20.6%	\$ 640,202.89
Unit 4	269,532	262,958	37.6%	\$ 1,168,811.62
Unit 5	87,286	85,157	12.2%	\$ 378,511.24
<b>TOTAL</b>	<b>717,166</b>	<b>699,674</b>	<b>100%</b>	<b>\$ 3,109,953.38</b>
\$/Mmbtu's	<b>4.34</b>			

<b>GRAND TOTAL</b>	<b>5,859,905</b>	<b>5,716,979</b>		<b>\$ 25,418,672.32</b>
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BTU Factor:	1.025
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Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	9,428,315.94	1,980,456.83	11,408,772.77
Gulfstream	4,130,476.75	-	4,130,476.75
<b>Total</b>	<b>13,558,792.69</b>	<b>1,980,456.83</b>	<b>15,539,249.52</b>
Allocated	13,693,807.85	1,909,631.03	15,603,438.88
Variance	(135,015.16)	70,825.80	(64,189.36)
			0.02

SOURCE \_\_\_\_\_

*12.8*

**CONFIDENTIAL**

**Tampa Electric Company**  
 Natural Gas Expense Allocation  
 For the Month Ending May 31, 2015

Tampa Electric Company  
 Hedging Activities  
 08/01/2014 - 07/31/2015  
 Docket No. 150001-EI ACN 15-051-2-2  
 Subject: *GL 08/15*

*WN IT*

Allocation Factors			
	BS & BB	PK	TOTAL
MMBTU's	6,320,384	995,795	7,316,179
% of Total	86.4%	13.6%	100.0%

Natural Gas Expense			
	BS & BB	PK	TOTAL
Non-WACOG (\$)	\$ 6,448,005.68	\$ 1,015,902.17	\$ 7,463,907.85
WACOG (\$)	\$ 17,331,728.13	\$ 2,730,664.50	\$ 20,062,392.63
Prior Period True Up	\$ (222,744.92)	\$ (35,094.11)	\$ (257,839.03)
Bayside VPEM	\$ (36,931.36)	\$ (5,818.64)	\$ (42,750.00)
Realized Hedging	\$ 3,764,475.82	\$ 593,104.18	\$ 4,357,580.00
Bayside Lateral	\$ 217,489.34		\$ 217,489.34
<b>TOTAL</b>	<b>\$ 27,502,022.69</b>	<b>\$ 4,298,758.10</b>	<b>\$ 31,800,780.79</b>

*2.13*

BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Bayside	6,260,817	6,108,114	99.1%	\$ 27,027,387.93
Big Bend	59,567	58,114	0.9%	\$ 257,145.42
<b>TOTAL</b>	<b>6,320,384</b>	<b>6,166,228</b>	<b>100%</b>	<b>\$ 27,284,533.35</b>
\$/Mmbtu's	<b>4.32</b>			

BAYSIDE				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	2,689,615	2,624,015	43.0%	\$ 11,704,260.10
Unit 2	3,527,214	3,441,184	56.3%	\$ 15,349,196.85
Unit 3	10,380	10,127	0.2%	\$ 45,170.12
Unit 4	17,356	16,933	0.3%	\$ 75,527.22
Unit 5	5,534	5,399	0.1%	\$ 24,082.02
Unit 6	10,718	10,457	0.2%	\$ 46,640.97
<b>TOTAL</b>	<b>6,260,817</b>	<b>6,108,115</b>	<b>100%</b>	<b>\$ 27,244,877.27</b>
\$/Mmbtu's	<b>4.35</b>			

BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
BB CT4	17,485	17,059	29.4%	\$ 75,481.18
Unit 1 IGN	-	-	0.0%	\$ -
Unit 2 IGN	-	-	0.0%	\$ -
Unit 3 IGN	13,677	13,343	23.0%	\$ 59,040.88
Unit 4 IGN	28,405	27,713	47.7%	\$ 122,623.36
<b>TOTAL</b>	<b>59,567</b>	<b>58,115</b>	<b>100%</b>	<b>\$ 257,145.42</b>
\$/Mmbtu's	<b>4.32</b>			

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1 IGN	538,134	525,009	54.0%	\$ 2,323,076.43
Unit 1 Aux	10,667	10,407	1.1%	\$ 46,048.49
Unit 2	42,452	41,417	4.3%	\$ 183,261.49
Unit 3	43,021	41,972	4.3%	\$ 185,717.82
Unit 4	157,799	153,950	15.8%	\$ 681,204.19
Unit 5	203,722	198,753	20.5%	\$ 879,449.68
<b>TOTAL</b>	<b>995,795</b>	<b>971,508</b>	<b>100%</b>	<b>\$ 4,298,758.10</b>
\$/Mmbtu's	<b>4.32</b>			

<b>GRAND TOTAL</b>	<b>7,316,179</b>	<b>7,137,738</b>	<b>\$ 31,800,780.79</b>
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<b>BTU Factor</b>	<b>1.025</b>
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Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	13,601,662.20	2,934,504.85	16,536,167.05
Gulfstream	3,974,639.25		3,974,639.25
<b>Total</b>	<b>17,576,301.45</b>	<b>2,934,504.85</b>	<b>20,510,806.30</b>
Allocated	17,331,728.13	2,730,664.50	20,062,392.63
Variance	244,573.32	203,840.35	448,413.67
			0.01

SOURCE

*12.9*

CONFIDENTIAL

**Tampa Electric Company**  
Natural Gas Expense Allocation  
For the Month Ending June 30, 2015

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *GL 08/15*

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Allocation Factors			
	BS & BB	PK	TOTAL
MMBTU's	6,681,479	1,444,336	8,125,815
% of Total	82.2%	17.8%	100.0%

Natural Gas Expense			
	BS & BB	PK	TOTAL
Non-WACOG (\$)	\$ 5,519,983.12	\$ 1,193,255.25	\$ 6,713,238.37
WACOG (\$)	\$ 20,539,801.07	\$ 4,440,090.64	\$ 24,979,891.71
Prior Period True Up	\$ 19,270.52	\$ 4,165.71	\$ 23,436.23
Baygas VPEN	\$ (35,151.33)	\$ (7,598.67)	\$ (42,750.00)
Realized Hedging	\$ 2,759,716.78	\$ 596,568.22	\$ 3,356,285.00
Bayside Lateral	\$ 38,908.48		\$ 38,908.48
<b>TOTAL</b>	<b>\$ 28,842,528.65</b>	<b>\$ 6,225,481.15</b>	<b>\$ 35,069,009.80</b>

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BAYSIDE & BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
Bayside	6,638,103	6,476,198	99.4%	\$ 28,616,626.05
Big Bend	43,376	42,318	0.6%	\$ 186,994.12
<b>TOTAL</b>	<b>6,681,479</b>	<b>6,518,516</b>	<b>100%</b>	<b>\$ 28,803,620.17</b>
\$/Mmbtu's	<b>4.31</b>			

BAYSIDE				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1	2,837,374	2,768,170	42.7%	\$ 12,248,449.39
Unit 2	3,730,540	3,639,551	56.2%	\$ 16,104,091.45
Unit 3	30,217	29,480	0.5%	\$ 130,441.53
Unit 4	10,617	10,358	0.2%	\$ 45,831.74
Unit 5	3,134	3,058	0.0%	\$ 13,528.93
Unit 6	26,221	25,581	0.4%	\$ 113,191.49
<b>TOTAL</b>	<b>6,638,103</b>	<b>6,476,198</b>	<b>100%</b>	<b>\$ 28,655,534.53</b>
\$/Mmbtu's	<b>4.32</b>			

BIG BEND				
	MMBTU's	MCF's	% of Total	\$ Allocation
BB CT4	21,059	20,546	48.6%	\$ 90,786.32
Unit 1 IGN	-	-	0.0%	\$ -
Unit 2 IGN	8,240	8,039	19.0%	\$ 35,522.35
Unit 3 IGN	9,929	9,687	22.9%	\$ 42,803.57
Unit 4 IGN	4,148	4,047	9.6%	\$ 17,881.88
<b>TOTAL</b>	<b>43,376</b>	<b>42,319</b>	<b>100%</b>	<b>\$ 186,994.12</b>
\$/Mmbtu's	<b>4.31</b>			

POLK				
	MMBTU's	MCF's	% of Total	\$ Allocation
Unit 1 IGN	740,289	722,233	51.3%	\$ 3,191,359.56
Unit 1 - Aux	5,862	5,719	0.4%	\$ 25,270.87
Unit 2	110,425	107,732	7.6%	\$ 476,038.25
Unit 3	139,407	136,007	9.7%	\$ 600,978.62
Unit 4	219,564	214,209	15.2%	\$ 946,532.60
Unit 5	228,789	223,209	15.8%	\$ 986,301.25
<b>TOTAL</b>	<b>1,444,336</b>	<b>1,409,109</b>	<b>100%</b>	<b>\$ 6,226,481.15</b>
\$/Mmbtu's	<b>4.31</b>			

<b>GRAND TOTAL</b>	<b>8,125,815</b>	<b>7,927,626</b>		<b>\$ 35,069,009.80</b>
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BTU Factor:	1.025			
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Burn per Allegro			
	Bayside Burn	Polk Burn	Total
FGT	14,247,210.33	4,274,601.47	18,521,811.80
Gulfstream	5,512,192.00	-	5,512,192.00
<b>Total</b>	<b>19,759,402.33</b>	<b>4,274,601.47</b>	<b>24,034,003.80</b>
Allocated	20,539,801.07	4,440,090.64	24,979,891.71
Variance	(780,398.74)	(165,489.17)	(945,887.91)
			(0.01)

SOURCE

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**Workpaper page numbers 44-1 through 44-7.1  
have been redacted.**

REDACTED

Groupdesc	Company	Counterparty	Tradebook	Contract	Trade	Quantity	Net	Debit	Credit	Product	Beg time	End time
	TEC		TEC-NG-Deriva	100379	100077		-62,100.00	1,222,500.00	1,284,600.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
	TEC		TEC-NG-Deriva	100385			-10,520.00	1,318,900.00	1,327,420.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
	TEC		TEC-NG-Deriva	100391	100075		-6,100.00	208,000.00	214,100.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
	TEC		TEC-NG-Deriva	100396			-54,400.00	2,086,600.00	2,141,000.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
	TEC		TEC-NG-Deriva	100403	100093		-63,400.00	793,000.00	856,400.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
	TEC		TEC-NG-Deriva	100408	100091		-67,200.00	789,200.00	856,400.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
	TEC		TEC-NG-Deriva	100429			-84,180.00	2,890,400.00	2,954,580.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
	TEC		TEC-NG-Deriva	100417			-19,850.00	622,450.00	642,300.00	NG FIN	12/1/2014 12:00:00 AM	1/1/2015 12:00:00 AM
							-347,750.00					

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Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: transactions listing

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POSITION SUMMARY DETAIL REPORT  
TAMPA ELECTRIC  
SETTLEMENT DATE: 12/29/2014

AN

Position Valuation Detail	Counterparty	Trade	Trade Date	P/S	Market area	Trade Type	Start Date	End Date	Quantity	Price	Market price	MTM value	Position status	Trade Book	SummaryId
[REDACTED]															
PGS-NG-Derivative												-1,324,895		PGS-NG-Deriv	101784
												-154,320		PGS-NG-Derivative	
												-303,300		PGS-NG-Derivative	
												-115,600		PGS-NG-Derivative	
												-236,470		PGS-NG-Derivative	
												-485,205		PGS-NG-Derivative	
												2,578,655	2.13	TEC-NG-Deriv	101784
												-231,480		TEC-NG-Derivative	
												-678,500		TEC-NG-Derivative	
												-375,630		TEC-NG-Derivative	
												-168,200		TEC-NG-Derivative	
												-165,400		TEC-NG-Derivative	
												-561,345		TEC-NG-Derivative	
												-398,100		TEC-NG-Derivative	
												-3,901,550		TEC-NG-Derivative	
Total															

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Groupdesc	Company	Counterparty	Tradebook	Contract	Trade	Quantity	Net	Debit	Credit	Product	Beg time	End time
TEC	TEC		TEC-NG-Derivat				3,450,145.00	9,955,965.00	6,505,820.00	NG FIN	2/1/2015 12:00:00 AM	3/1/2015 12:00:00 AM
	TEC		TEC-NG-Derivat	100385			1,110,350.00	2,973,250.00	1,862,900.00	NG FIN	2/1/2015 12:00:00 AM	3/1/2015 12:00:00 AM
	TEC		TEC-NG-Derivat	100391	10011		127,400.00	414,000.00	286,600.00	NG FIN	2/1/2015 12:00:00 AM	3/1/2015 12:00:00 AM
	TEC		TEC-NG-Derivat	100396			802,600.00	2,235,600.00	1,433,000.00	NG FIN	2/1/2015 12:00:00 AM	3/1/2015 12:00:00 AM
	TEC		TEC-NG-Derivat	100403			720,200.00	2,299,500.00	1,576,300.00	NG FIN	2/1/2015 12:00:00 AM	3/1/2015 12:00:00 AM
	TEC		TEC-NG-Derivat	100411			407,145.00	1,352,925.00	945,780.00	NG FIN	2/1/2015 12:00:00 AM	3/1/2015 12:00:00 AM
	TEC		TEC-NG-Derivat	100417	10012		282,450.00	683,690.00	401,240.00	NG FIN	2/1/2015 12:00:00 AM	3/1/2015 12:00:00 AM
Total							3,450,145.00					

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Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
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Counterparty	Tradebook	Contract	Trade	Quantity	Net	Debit	Credit	Product	Beg time	End time
	TEC-NG-Derivat	100718	101616		-16,900.00	359,320.00	376,220.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat				3,355,745.00	11,384,165.00	8,028,420.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100385			856,710.00	2,853,570.00	1,996,860.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100391			409,900.00	1,276,100.00	866,200.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100396	100132		395,400.00	1,263,600.00	868,200.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100403	100145		211,200.00	790,000.00	578,800.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100408			218,400.00	1,376,000.00	1,157,600.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100429	100142		154,100.00	443,500.00	289,400.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100411			873,810.00	2,349,750.00	1,475,940.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100719	101616		16,900.00	376,220.00	359,320.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100414	100140		154,100.00	443,500.00	289,400.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
	TEC-NG-Derivat	100417	100141		65,225.00	209,925.00	144,700.00	NG FIN	3/1/2015 12:00:00 AM	4/1/2015 12:00:00 AM
					3,338,845.00					

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 Tampa Electric Company  
 Hedging Activities  
 08/01/2014 - 07/31/2015  
 Docket No. 150001-EI ACN 15-051-2-2  
 Subject: Transactions Listing  
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Tradebook	Contract	Trade	Quantity	Net	Debit	Credit	Bag time	End time
TEC-NG-Derivat	100385			3,428,830.00	11,121,130.00	7,692,300.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100385			704,300.00	2,778,300.00	2,072,000.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100391	100182		65,950.00	192,450.00	129,500.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100396			586,780.00	1,648,660.00	1,061,880.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100405			547,300.00	1,593,300.00	1,046,000.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100408	100151		230,400.00	748,400.00	518,000.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100429	100157		241,350.00	628,850.00	388,500.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100411			251,420.00	1,157,820.00	906,500.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100414			495,550.00	1,531,550.00	1,036,000.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
TEC-NG-Derivat	100417			305,800.00	849,700.00	543,900.00	4/1/2015 12:00:00 AM	5/1/2015 12:00:00 AM
				3,428,830.00				

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-232  
Subject: *transactions listing*  
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Group/Sec	Company	Counterparty	Tradebook	Contract	Trade	Quantity	Net	Debit	Credit	Price	Product
TEC	TEC		TEC-NG-Derivative	100379	10/1/88		3,396,295.00	13,743,655.00	16,387,360.00		NG FIN
TEC	TEC		TEC-NG-Derivative	100385			240,000.00	803,000.00	563,000.00		NG FIN
TEC	TEC		TEC-NG-Derivative	100381			732,400.00	3,406,660.00	2,674,260.00		NG FIN
TEC	TEC		TEC-NG-Derivative	100403			879,000.00	3,487,010.00	2,607,950.00		NG FIN
TEC	TEC		TEC-NG-Derivative	100408			591,900.00	1,999,400.00	1,407,500.00		NG FIN
TEC	TEC		TEC-NG-Derivative	100411			501,600.00	1,653,750.00	1,154,150.00		NG FIN
TEC	TEC		TEC-NG-Derivative	100414	10/6/17		407,225.00	2,096,225.00	1,689,000.00		NG FIN
							4,100.00	285,600.00	281,500.00		NG FIN

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: *transactions*

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Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: Transactions Listings

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Group/Date	Company	Country/Party	Tradebook	Contract	Trade	Quantity	Net	Confirm status	Debit	Credit	Begin time	End time
	TEC		TEC-NG-Derivative	100385	100000	3,827,895.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100385	100000	1,096,650.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100391	100210	370,850.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100400	100214	247,240.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100403	100214	86,150.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100408	100201	507,400.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100429	100201	598,025.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100411	100201	290,400.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100414	100199	84,100.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM
	TEC		TEC-NG-Derivative	100417	100199	61,700.00	FALSE	1,297,500.00	831,800.00	3,198,600.00	7/12/2015 12:00:00 AM	8/12/2015 12:00:00 AM

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08/15

Tampa Electric Company  
Hedging Audit  
Docket No.150001-EI  
Period Ended July 31, 2015  
Control No. 15-051-2-2

Auditor: Intesar Terkawi  
File Name: Hedging Transactions

Transaction Instrument	Transaction Number	Volume A	Market Price B	Settlement Price C	Gain/loss on Hedging Transactions A*(B-C)
<b>September Transactions</b>					
Commodity Swap Transaction	14882	45-1	45-1	45-1.1 4.0450	(17,600.00)
Commodity Swap Transaction	15133	45-1.3		45-1.3 4.0080	(10,200.00)
Commodity Swap Transaction	15420	45-1.5		45-1.5 4.481	(78,600.00)
Commodity Swap Transaction	14883	45-1.7		45-1.7 4.045	(13,200.00)
Commodity Swap Transaction	15036	45-1.9		45-1.9 4.150	(38,600.00)
Commodity Swap Transaction	15115	45-1.11		45-1.11 3.924	9,900.00
Commodity Swap Transaction	15428	45-1.13		45-1.13 4.512	(166,500.00)
Commodity Swap Transaction	15129	45-1.14		45-1.14 4.003	(5,980.00)
Commodity Swap Transaction	15200	45-1.1		45-1.16 3.805	22,800.00
Commodity Swap Transaction	15228	45-1.1		45-1.17 3.908	9,800.00
Commodity Swap Transaction	15183	45-1.1		45-1.18 3.8000	47,100.00
Commodity Swap Transaction	15207	45-1.1		45-1.19 3.8100	22,050.00
Commodity Swap Transaction	15466	45-1.2		45-1.20 4.1330	(52,800.00)
Commodity Swap Transaction	15464	45-1.2		45-1.22 4.1300	(39,790.00)
Commodity Swap Transaction	15419	45-1.2		45-1.25 4.4820	(157,500.00)
Commodity Swap Transaction	15429	45-1.2		45-1.27 4.5150	(167,400.00)
Commodity Swap Transaction	15037	45-1.2		45-1.29 4.1450	(31,960.00)
Commodity Swap Transaction	15369	45-1.3		45-1.31 4.4050	(26,880.00)
Commodity Swap Transaction	15418	45-1.3		45-1.33 4.4830	(157,800.00)
Commodity Swap Transaction	15478	45-1.3		45-1.35 3.9580	(200.00)
Commodity Swap Transaction	15155	45-1.3		45-1.37 3.7520	61,500.00
Commodity Swap Transaction	15194	45-1.3		45-1.39 3.8100	22,050.00
Commodity Swap Transaction	15474	45-1.4		45-1.41 3.9580	(200.00)

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SOURCE As Referenced

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Tampa Electric Company  
Hedging Audit  
Docket No. 150001-EI  
Period Ended July 31, 2015  
Control No. 15-051-2-2

Auditor: Intesar Terkawi  
File Name: Hedging Transactions

IT  
08/15

Transaction Instrument	Transaction Number	Volume A	Market Price B	Settlement Price C	Gain/loss on Hedging Transactions A*(B-C)
<b>October Transactions</b>					
Commodity Swap Transaction	15116	45-2-1	4.1	45-2-1 3.9430	12,300.00
Commodity Swap Transaction	15050	45-2-3		45-2-3 4.1250	(21,150.00)
Commodity Swap Transaction	14936	45-2-5		45-2-5 4.1340	(19,500.00)
Commodity Swap Transaction	15051	45-2-6		45-2-6 4.1100	(15,120.00)
Commodity Swap Transaction	15208	45-2-8		45-2-8 3.8200	24,600.00
Commodity Swap Transaction	14905	45-2-12		45-2-12 4.2080	(31,360.00)
Commodity Swap Transaction	15465	45-2-14		45-2-14 4.1350	(45,300.00)
Commodity Swap Transaction	15504	45-2-15		45-2-15 3.7810	60,900.00
Commodity Swap Transaction	15131	45-2-17		45-2-17 4.0275	(13,050.00)
Commodity Swap Transaction	15201	45-2-19		45-2-19 3.8250	23,850.00
Commodity Swap Transaction	15225	45-2-20		45-2-20 3.9200	6,400.00
Commodity Swap Transaction	15477	45-2-22		45-2-22 3.9690	4,500.00
Commodity Swap Transaction	15506	45-2-24		45-2-24 3.7810	60,900.00
Commodity Swap Transaction	15378	45-2-26		45-2-26 4.6770	(97,020.00)
Commodity Swap Transaction	14907	45-2-28		45-2-28 4.2050	(44,200.00)
Commodity Swap Transaction	15479	45-2-30		45-2-30 3.9690	4,500.00
Commodity Swap Transaction	15156	45-2-32		45-2-32 3.7740	63,000.00
Commodity Swap Transaction	15195	45-2-34		45-2-34 3.8290	23,250.00
Commodity Swap Transaction	15475	45-2-35		45-2-35 3.9700	4,200.00
Commodity Swap Transaction	15184	45-2-38		45-2-38 3.8180	41,500.00

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SOURCE As Referenced

45.1

**Workpaper page numbers 45-11 through 45-2.38  
have been redacted.**

**Tampa Electric Company  
Review of Hedging Activities  
Docket # 150001-EI  
Audit Request 6**

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: Accounting treatment

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1. A narrative describing the manner of how accounting treatment from futures, options and swap contracts between TECO and counterparties are consistent with Order No. PSC-02-1484-FOF-EI, in Docket No. 011605-EI, issued October 30, 2002, and clarified by Order No. PSC-08-0316-PAA-EI.

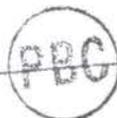
To comply with PSC Order PSC-02-1484 and FERC's new requirements on Derivative Instrument Accounting, and to capture changes in the fair market value of derivative instruments based on FAS 133, Tampa Electric created new accounts based on FERC's addition of new balance sheet accounts to the Uniform System of Accounts. These accounts were used to capture all gains and losses as well as unsettled position balances.

**FERC Account Numbers:**

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Legacy Acct. #	Legacy Account Description	Unrealized Gain	
		SAP Acct. #	SAP Account Description
17601	DEF DR - DERIVATIVE ASSET - S	1760100	Current Derivative Asset
17604	DEF DR-DERIVATIVE ASSET-L/T	1760200	Long-Term Derivative Asset
21901	OCI - DERIVATIVE GAIN/LOSS OCI - REGULATORY	2190000	Comprehensive Income - Other Pretax
21902	DERIVATIVE G	2190000	Comprehensive Income - Other Pretax
19041	DIT ST - DEFERRED DERIVATIVE	1900406	Deferred Tax SIT - FAS 133
19042	DIT FD - DEFERRED DERIVATIVE	1900306	Deferred Tax FIT - FAS 133
24502	DEF CR - REG DERIVATIVE LIABILITY	2540105	Current Derivative Liability - Regulatory
24505	DEF CR - REG DERIVATIVE LIABILITY	2540205	Long-Term Derivative Liability - Regulatory
28341	DIT ST - DEFERRED DERIVATIVE	2830440	DIT Liab-FAS 133 - State
28342	DIT FD - DEFERRED DERIVATIVE	2830340	DIT Liab-FAS 133 - Federal

SOURCE



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Unrealized Loss

Legacy Acct. #	Legacy Account Description	SAP Acct. #	SAP Account Description
17602	DEF DR - REG DERIVATIVE ASSET	1823105	Current Derivative Asset - Regulatory
17605	DEF DR-REG DERIVATIVE ASSET -	1823205	Long-Term Derivative Asset - Regulatory
21901	OCI - DERIVATIVE GAIN/LOSS	2190000	Comprehensive Income - Other Pretax
19041	DIT ST - DEFERRED DERIVATIVE	1900406	Deferred Tax SIT - FAS 133
19042	DIT FD - DEFERRED DERIVATIVE	1900306	Deferred Tax FIT - FAS 133
24501	DEF CR - DERIVATIVE LIABILITY	2450100	Current Derivative Liability
24504	DEF CR - DERIVATIVE LIABILITY	2450200	Long-Term Derivative Liability

**2. Does TECO participate in any financial hedges with any of its affiliated operations?**

TECO does not participate in any financial hedges with any of its affiliated operations.

However, Tampa Electric does hedge gas for both Tampa Electric (TEC) and Peoples Gas (PGS), a division of Tampa Electric. Since PGS is a division of TEC, they are viewed the same credit entity by the financial community.

The transactions are separated when they are entered into Nucleus, our deal entry system. Each entity has a separate portfolio which keeps the costs and transactions separated.

1

Tampa Electric Company  
Hedging Activities  
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Subject: Accounting treatment 08/15 JT

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Tampa Electric

Summary of Natural Gas Hedge Volumes Relative to Actual Consumption

August, 2014 - July, 2015

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015

Docket No. 150001-EI ACN 15-051-2-2

Subject: Budgeted & Actual

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08/15/14

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		Target Maximum	% of Actual Consumption Hedged	Above Maximum? Below Minimum?	Explanation
Aug-14	60%	80%		No	
Sep-14	60%	80%		Yes	Gas-fired generation lower than projected due to higher than projected coal-fired generation.
Oct-14	60%	80%		Yes	Gas-fired generation lower than projected due to higher than projected coal-fired generation.
Nov-14	60%	80%		Yes	Gas-fired generation lower than projected due to higher than projected coal-fired generation.
Dec-14	60%	80%		Yes	Gas-fired generation lower than projected due to higher than projected coal-fired generation.
Jan-15	60%	80%		Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.
Feb-15	60%	80%		Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.
Mar-15	60%	80%		Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.
Apr-15	60%	80%		Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.
May-15	60%	80%		Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.
Jun-15	60%	80%		Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.
Jul-15	60%	80%		Yes	Gas-fired generation higher than projected due to lower than projected coal-fired generation.

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PBC

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**TAMPA ELECTRIC COMPANY  
FUEL PROCUREMENT AND WHOLESALE POWER PURCHASES  
RISK MANAGEMENT PLAN  
2014**

Tampa Electric Company  
Hedging Activities  
08/01/2014 - 07/31/2015  
Docket No. 150001-EI ACN 15-051-2-2  
Subject: Actual & Budgeted

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**Introduction**

Tampa Electric serves its retail customers' electricity needs through a portfolio of generation and wholesale purchases. Tampa Electric's generation fuel mix is primarily a blend of coal and natural gas. While fuel mix diversity enhances long-term reliability, the reliance on natural gas can potentially increase variation in fuel prices. The company's risk management activities reduce the impact of price uncertainty and volatility to the Fuel and Purchased Power Cost Recovery Clause.

**I. Qualitative and Quantitative Risk Management Objectives**

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**A. Qualitative objectives**

Tampa Electric's goals in managing risks associated with fuel or power purchases are focused on minimizing supply risk to ensure reliability of electric service to its customers at a reasonable price. To the extent price risk can be reduced without compromising supply reliability or imposing unnecessary costs on customers, Tampa Electric is committed to executing strategies to accomplish its risk management goals.

**B. Quantitative objectives**

Tampa Electric's quantitative objective is to prudently manage its fuel and wholesale energy procurement activities to minimize the variance from projected expenditures while taking advantage of cost-saving opportunities that do not result in increased supply risk. Tampa Electric has established a portfolio of fuel and purchased power products with creditworthy counterparties for known volumes and prices.

**II. Oversight & Reporting of Fuel Procurement Activities**

The company provides fuel and wholesale energy procurement activities with independent and unavoidable oversight.

- A.** The TECO Energy Board of Directors established an Energy Risk Management Policy ("Risk Policy"). This policy governs all energy commodities transacting activities at each of TECO Energy's operating units. The scope of this policy includes:

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- Roles and responsibilities of various persons and functions with respect to risk management
- Authorized transacting activity
- Risk limits
- Valuation and data management
- Credit risk management
- Reporting
- Compliance and enforcement

Tampa Electric Company  
Hedging Activities  
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**B.** The Risk Policy established the Risk Advisory Committee ("RAC"). The responsibilities of the RAC include the following activities:

- Reviewing the Risk Management Policy periodically and recommending changes and enhancements for approval by the Board of Directors ("Board").
- Reviewing corporate risk limits for recommendation to the Board.
- Establishing the quantitative limits for operating companies within Board approved corporate risk limits. The RAC may, at its discretion, delegate approval of sub-limits to operating company management.
- Approving parameters for counterparty credit limits and the allocation of limits among the operating companies.
- Establishing guidelines for risk management and measurement.
- Overseeing and reviewing the risk management process and infrastructure.
- Reviewing and approving transacting strategies proposed by the operating companies.
- Understanding and approving methodologies used for valuation and risk measurement.
- Reviewing and approving corporate and operating company risk limits.
- Establishing credit underwriting standards, and monitoring credit risk-taking activities and related exposures.
- Reviewing risk reports, including portfolio risk summaries and profitability and performance summaries.
- Enacting, maintaining, and enforcing limit violation and trader misconduct policies.
- Taking appropriate courses of action when the risk position of a transacting group has exceeded or is approaching the established limits.
- Reviewing and approving new risk management products.
- Presenting periodic reports to the Board or its committees.

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**C.** TECO Energy established a corporate risk management function ("middle office"), which is overseen by the Director of Independent Risk Oversight.

**D.** Tampa Electric established additional oversight or control mechanisms to ensure compliance with policies and procedures. The following practices

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provide checks and balances on fuel and purchased power procurement activities.

- Fuel and wholesale energy procurement activities are conducted in accordance with company guidelines, including review by the operating stations and other management.
- All agreements are formalized in a written contract that is reviewed by legal counsel.
- The contracts are reviewed by the Director, Independent Risk Oversight of TECO Energy's Energy Risk Management Department for potential credit risks and incorporation of appropriate credit protection.
- The company maintains approval authority restrictions based on term and value of the transaction.
- Payments of invoices under each contract are settled and approved by an independent department.
- Each transaction is eligible for review by outside, internal and regulatory auditors.
- Information systems provide transaction authority control, credit monitoring, mark-to-market and value-at-risk analysis and other key controls.

E. In accordance with the Risk Policy, Tampa Electric established commodity specific transaction limits for commodity transactions.

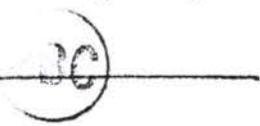
- The Risk Authorizing Committee reviews and approves commodity transaction limits on an individual basis.
- The limits include commodity, physical or financial, tenor (time limit), and dollar amount.
- Only a few individuals are authorized to execute financial hedging transactions.

F. Tampa Electric's Fuels Management Department has updated and formalized its policies and procedures. The key elements of its policies and procedures are:

- Financial hedging of fuel commodities are for mitigation of risk to fuel price uncertainty and volatility.
- Hedging will be conducted in a manner consistent with the Risk Management Plan approved by the RAC.
- Execution of hedges under the Risk Management Plan will be consistent with approved transaction limits for authorized transactors.
- Duties will be separated to assure sufficient control over hedging transactions.
- Hedging activity will be monitored regularly and reported at least once a month to insure consistency with the Risk Management Plan.

G. Reports are generated that summarize the fuel procurement activities of the company. These include monthly financial reports produced by Regulatory Accounting, FERC Electric Quarterly Reports, FERC Form 1,

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FERC Form 580, FERC Form 923, FERC Form 552, FPSC Form 423, FPSC A schedules and FPSC E schedules. In addition, position and mark-to-market reports are produced and reviewed by the Director of Independent Risk Oversight. The appropriate entries and related disclosures are made in the company's books and records as required by accounting standards.

### III. Risk Assessment

In its Risk Policy, TECO Energy has identified the following types of risks for its commodity portfolio.

#### A. Market Risk

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Market risk is the potential change in value of a commodity contract caused by adverse changes in market factors (price and volatility). The following are types of market risk.

- 1. Price Risk:** Price risk refers to the uncertainty associated with changes in the price of an underlying asset. For instance, if a company has a short position in the market (e.g., needs to meet load requirements by purchasing electricity or natural gas), it will be susceptible to price increases. Conversely, if a company is in a long position (e.g., excess generation or natural gas supply), it is exposed to decreases in market prices. Tampa Electric manages its price risk using physical and financial hedges.

In 2014, Tampa Electric is subject to limited price risk related to variation in coal prices. That price risk is mitigated in part because the company has already contracted for much of its expected coal needs at known prices. Expected market conditions do not currently require further price risk mitigation, for the reasons described in Section IV of this plan.

Tampa Electric evaluated its exposure to changes in the price for natural gas during 2014 based on the forward price and estimated uncertainty in the price of natural gas and the company's expected usage under both low and high price natural gas cases. Natural gas expenditures decrease in the low case by an estimated \$40.0 million and total fuel and purchased power costs decrease by \$68.5 million due to lower prices. In the high case, natural gas expenditures increase by an estimated \$75.2 million, and the total fuel and purchased power costs increase by \$52.6 million. This exposure estimate does not take into account any hedges the company may implement to limit its exposure. Tampa Electric's



*08/15* hedging strategy with respect to natural gas and purchased power  
*It* is outlined in Section IV of this plan.

Tampa Electric requires small quantities of fuel oil and maintains a contract that eliminates its supply risk. Due to the small quantities of fuel oil needed for generation, the cost impact caused by price risk is minimal and is therefore not quantified.

2. **Time Spread Risk:** This is the risk that the relationship between two points (i.e., one month versus six months) on the forward curve changes. Because the shape of the fuel or electricity forward curve changes to reflect the market's expectations of spot and future fuel or electricity prices, the relationship between any two points on the curve is not always constant. Because of the nature of its business Tampa Electric has little reason or opportunity to offset energy commodity requirements in one month with resources delivered in another month. Therefore, time spread risk is not a significant issue for Tampa Electric.

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3. **Liquidity Risk:** Liquidity risk is associated with the lack of marketability of a commodity. It includes the risk of an adverse cost or return variation stemming from the lack of marketability of a financial instrument. Liquidity risk may arise because a given position is very large relative to typical trading volumes of like commodity and contract tenor, or because market conditions are unsettled. Liquidity risk is usually reflected in a wide bid-ask spread and large price movements in response to any attempt to buy or sell. A firm facing the need to quickly unwind a portfolio of illiquid instruments may find it necessary to sell at prices far below fair value. Tampa Electric is not exposed to liquidity risk for natural gas financial instruments since the company does not purchase instruments for resale. Tampa Electric does have some liquidity risk for wholesale power transactions since the Florida market has a limited number of participants.

4. **Basis Risk:** Basis risk is the risk exposure due to a difference in commodity value between different delivery points. Electricity markets are regional. Prices can be different at different locations because of differences in both supply costs and the cost of transmission between the two locations. These price differences are dynamic, primarily due to changes in transmission availability between the two locations. Due to the stability of the coal market, Tampa Electric's negligible use of oil, and the indexing of its natural gas contract pricing, basis risk is not a significant issue for the company.

Fundamentally, market risk is created by the existence of "open"

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positions. An open position is the difference between an existing requirement and the ability to meet that requirement with existing resources.

**B. Volume Risk**

Volume risk is the potential adverse economic impact of unanticipated changes in supply or demand. Tampa Electric faces supply risk, because there is uncertainty associated with the availability of generating units or fuel availability for those units. If a generating unit fails, Tampa Electric must replace the power with another unit's generation or with purchased power at market prices. Tampa Electric also faces demand risk since there is uncertainty associated with customer demand, and thus uncertainty in the determination of the fuel or energy purchase volumes necessary to supply such demand. Tampa Electric's volume risk for fuel and purchased power in 2014 will be managed operationally and through contract terms enforcement, including appropriate legal remedies, should a party default.

**C. Credit Risk**

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Credit risk is the risk of financial loss due to a counterparty's failure to fulfill the terms of a contract on a timely basis. It includes both settlement risk associated with payment for fuel or energy received, as well as the potential risk that the counterparty defaults on an obligation to provide or receive fuel or energy. Credit risk depends on the probability of counterparty default, the concentration of credit exposure with a small number of counterparties, the total amount of exposure, and the volatility of markets. Tampa Electric's credit risk will vary based on the number of its trading counterparties and the mark-to-market value of its hedge transactions. Tampa Electric's existing credit risk is minimal since it uses a wide variety of counterparties, and has systems and processes in place to monitor and control credit risk.

**D. Administrative Risk**

Administrative risk is risk of loss associated with deficiencies in a company's internal control structure and management reporting due to human error, fraud or a system's inability to adequately capture, store and report transactions. The company has consistently maintained appropriate administrative controls for entering and administration of commodity transactions.

**IV. Risk Management Strategy and Current Hedging Activity**

Tampa Electric's risk management strategy is designed to limit exposure to different types of risk that are applicable to the company's operation.

**A. Market Risk**

Tampa Electric's potential market risk is the result of open positions in four commodities:

- Coal
- Natural Gas
- Fuel Oil
- Purchased Power

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System energy requirements during 2014 are projected to be served in the proportions shown in the following table.

Commodity	Percent of System Energy
Coal	59
Natural Gas	37
No. 2 Oil	0
No. 6 Oil	0
Purchased Power	4

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Based on Tampa Electric's assessment of market risk factors, the company has implemented the market risk management strategies described below.

1. **Coal:** Tampa Electric has contracted for much of its expected coal needs for 2014 through bilateral agreements with coal producers. The company will provide the projected amounts in both tons and dollars in its 2014 projection filing to be submitted August 30, 2013. Coal market pricing has retreated from record high levels in 2008. In 2013, coal prices have been relatively stable, and prices are expected to remain stable in 2014. Tampa Electric has secured a portion of its coal needs for 2014, reducing exposure to price volatility and mitigating coal volume risk. Tampa Electric's contracts with suppliers also incorporate legal remedies in the event of default, which address volume risk.
2. **Fuel Oil:** In 2014, Tampa Electric will continue to purchase its fuel oil needs at indexed market prices. Oil represents less than one percent of the company's needs on a GWH basis, and therefore, associated price impact from risk is minimal. Tampa Electric maintains a contract with a local supplier to deliver all of its needs, which mitigates supply risk.

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- 3. **Natural Gas:** Tampa Electric continues to implement prudent financial hedging strategies for natural gas requirements. In 2013, 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 2014.

Tampa Electric uses the forward pricing information of the New York Mercantile Exchange ("NYMEX") natural gas forward price curve in developing 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.

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 2013 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 2014, Tampa Electric has approximately [REDACTED] percent hedged with a currently estimated [REDACTED] of [REDACTED].

- 4. **Purchased Power:** Total forecasted purchased power for 2014 is 713 GWH. As of July 2013, Tampa Electric has physically hedged 328 GWH's of its 2014 expected purchased power needs through pre-scheduled purchased power agreements. The remaining GWH's of 2014 forecasted wholesale energy purchases will be purchased from as-available cogenerators or on the short-term, non-firm market for economy purposes, which are not hedged.

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The company's purchased power contracts include a fuel component; therefore, Tampa Electric has exposure to fuel price risk for its wholesale energy purchases, particularly for purchased power supplied from natural gas-fired generation. Tampa Electric does not currently hedge wholesale energy transactions with financial instruments due to the lack of a liquid, published wholesale energy market and appropriate available instruments.

Tampa Electric is responsible for natural gas fuel delivery on two purchase contracts for peaking power. Although this contract volume is not currently included in the company's hedging portfolio, Tampa Electric continually assesses whether it should be added.

In summary, Tampa Electric's planned operations in 2014 result in nominal market risk associated with coal and fuel oil. Non-price risks associated with natural gas and purchased power are also minimal. Therefore, while the company continues to evaluate risk for all fuel and energy commodity transactions, it is currently focused on mitigating the price risk associated with natural gas and purchased power.

5. **Volume Risk:** Hedging of volumetric risk is problematic due to a limited number of viable financial hedging instruments. Tampa Electric has identified the following hedges.
- Maintaining appropriate inventory stockpiles provides a physical hedge against volume risk.
  - "Swing" contracts enable the buyer to take variable volumes up to a predefined limit.
  - Full requirement contracts enable the buyer to take any volume up to total usage.

Tampa Electric uses inventory swing contracts and full requirements contracts where needed commodity volumes are small and in situations where commodity volumes are unpredictable in volume and/or timing. Other alternatives will continue to be identified, assessed and implemented as necessary.

6. **Credit Risk:** TECO Energy's credit risk management process is composed of the following primary steps.
- Gather counterparty information for initial evaluation.
  - Assess counterparty creditworthiness and assign credit limit.
  - Determine credit collateral requirements, as needed.
  - Request, review and monitor contractual requirements, legal covenants, collateral documents and credit provisions.
  - Quantify counterparty exposure and measure against approved limits.
  - Monitor counterparty and credit support provider qualities.

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2.4. Front Office

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Front Office management has the primary responsibility for managing risks for the individual operating companies. In executing risk management activities, they must seek the advice and involvement of qualified individuals for issues related to areas beyond the unit's expertise. For example, certain sources of risk, such as credit, tax, accounting, and legal/regulatory, give rise to a high degree of reliance on persons with specialized knowledge.

URCE Specifically, Front Office management is responsible for:



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- Developing and executing transacting strategies that are consistent with the strategies, limits and products approved by the RAC;
- Proposing strategies and market risk trading limits for RAC approval (following input from the DIRO);
- Assuring that the operations group and systems infrastructure supports the volume and complexity of transactions;
- Developing a process for identifying new products, initiating and managing the review of new products and presenting new products for RAC approval;
- Supervising transactors and all activity;
- Managing and reviewing overall transacting portfolio and risk profile as well as ensuring and verifying that hedges are appropriate and well maintained;
- Enforcing market risk limits and observing credit risk policies;
- Assuring that transactors understand the risk exposures of transactions and understand the risk policies, procedures, and limits; and
- Assuring understanding of all applicable regulatory issues.

[REDACTED]

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Tampa Electric Company  
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## 2.6. Middle Office

The Middle Office is a TECO Energy corporate function reporting through the DIRO. It consists of three main areas: market risk management, credit risk management and contract management/compliance. The Middle Office will have the following responsibilities:

- Ensure the proper recording of Front Office transactions;
- Negotiate, administer and maintain enabling agreements with counterparties;
- Exchange written and/or verbal confirmations with counterparties;
- Monitor the aging of confirmations;
- Source forward curves for portfolio valuation as needed
- Perform end-of-period portfolio valuation;
- Perform market and credit risk measurement;
- Review counterparty credit and establish appropriate credit limits;
- Determine mark-to-market valuation adjustments;
- Ensure awareness of pertinent regulatory provisions/standards and monitor transactional compliance; and
- Developing appropriate control procedures to monitor compliance with Energy and Credit risk policies.

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The activities of the Middle Office do not reduce the Front Office's primary responsibility for accurately assessing and managing the risk associated with their business profile. A strong segregation of duties must exist between Front and Middle Office activities.

## 2.7. Back Office

The Back Office function is responsible for financial and accounting activities relating to the transaction process independent of the Front Office. The Back Office will have the following responsibilities:

- Track and process transactions;
- Maintain customer information;
- Perform P&L reconciliation;
- Prepare customer billings;
- Issue payment receipt/instructions; and
- Support or perform transaction settlements.

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