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October 11, 2017

VIA: ELECTRONIC FILING

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance

Incentive Factor; FPSC Docket No. 20170001-EI

Dear Ms. Stauffer:

On October 6, 2017 we submitted on behalf of Tampa Electric Company one redacted version of Staff's audit workpapers pursuant to Audit Control No. 17-048-2-2. That filing was accompanied by a Request for Confidential Classification and Motion for Temporary Protective Order separately filed on October 6 with your office.

The redacted version of the page in question, page 2.17, inadvertently did not redact the confidential information contained in a portion of bullet point 6 listed in the middle of the page. Attached is a revised version of the redacted page with the confidential information in bullet point 6 redacted.

We would appreciate your substituting the attached redacted page in place of the one filed October 6 and deleting the October 6 redacted page from the Commission's website.

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp Attachment



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

0001-EI ACN 17-048-2-2

DOCKET NO. 170001-EI
2016 HEDGING ACTIVITY TRUE-UP
EXHIBIT NO._____ (JBC-1)
DOCUMENT NO. 1
PAGE 5 OF 6

Tampa Electric
Contract to Market Indicator Price Comparisons

Supplier	Contract (\$/MMBtu)	Market Indicator (\$/MMBtu)	Difference	Market Indicator Source	Note
Koch Carbon LLC		\$ 1. 1 3		Argus/Pace Petroleum Coke Indexes (November 2015)	4
Glencore Ltd.		\$2.38		GEN LS SALS Jan16 (Phone solicitation 1/11/16)	1
U.S. United Ocean Services LLC		\$1.82		Argus/Coaldesk Index purchase 5/6/16 (Coal purchased for resale)	5

Notes: The contract \$/MMBTU refers to the initial price of the contract at its inception. This price could be subject to escalation per the terms of

the contract. All prices are determined on a fully delivered basis. Index values have also been calculated on a delivered basis for comparison purposes.

- Market Indicator price is the average price submitted of all acceptable coal bids.
- Market Indicator price is the average price submitted of all acceptable petcoke bids.
- Index based purchase, pricing based on average of two Indices. Argus and Pace Petroleum Coke Indexes (June 2015).
- Index based purchase, pricing based on average of two Indices. Argus and Pace Petroleum Coke Indexes (November 2015)
- 5. Purchase and resale made to provide additional Inventory space at United Bulk Terminal. Gain credited to fuel clause.
- 6. Negotiated purchase with pricing based on average of two Indices. Argus Coal Daily and Coaldesk LLC Indexes (July 2015)
- Indicative pricing based on Argus Coal Daily and ICAP NAPP pricing 11/8/2013
- Price reflects the delivered cost of coal including transportation to, and storage for over a year at, a different terminal on the lower Mississippi.

Natural Gas

Tampa Electric purchases natural gas at prices that are set by published indexes that reflect the market price. Most of the monthly baseload gas is purchased at a price relative to the New York Mercantile Exchange natural gas futures last day settlement price. Tampa Electric purchases additional baseload gas at monthly index prices published in *Inside FERC, Gas Market Report*. Tampa Electric uses the indexes representing market prices for natural gas on the Gulf Coast that can be transported to Tampa Electric's service area: Henry Hub, Mobile Bay, or Florida Gas Transmission ("FGT") Zone 1, Zone 2 or Zone 3. For daily and short-term natural gas, Tampa Electric typically purchases natural gas based on the FGT index price published in *Gas Daily*. In rare instances, Tampa Electric also purchases small volumes of spot natural gas needed for short durations at fixed prices. Since the price of natural gas Tampa Electric purchases is based upon a published market index, the company's natural gas purchases are at market.

SOURCE



2.11