

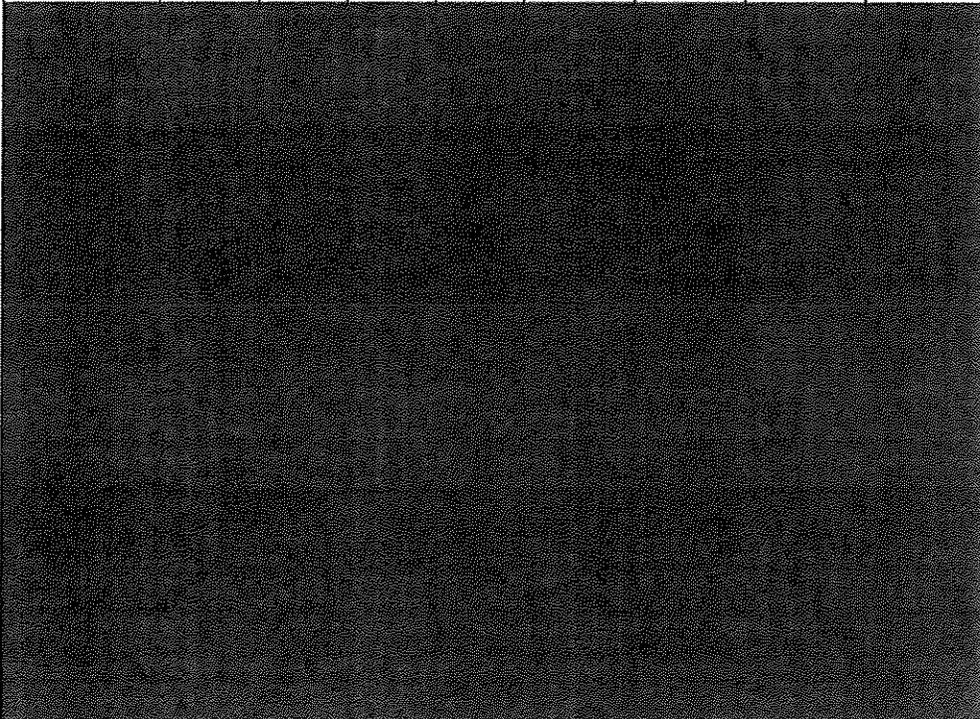
TECO's Responses to Staff's First Set of Interrogatories Nos. 1-4 (Redacted), 5-7.

REDACTED

TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 1
PAGE 1 OF 2
FILED: FEBRUARY 23, 2017

1. For each Request for Proposal (RFP) for coal issued in 2016 by or on behalf of TECO, list the bids received. For each bid, include the supplier, tonnage bid, coal quality, and delivered price information, as well as the method and route of delivery.
 - A. In 2016, Tampa Electric issued two RFP's for solid fuel. Tampa Electric issued Gen 2017-02 for spot coal contracts for Big Bend Station. The bids are described below. Tampa Electric evaluated the bids based on the total delivered cost per mmBtu. Tampa Electric purchased 300,000 tons through this solicitation. The selected purchases were the operationally acceptable, quality adjusted, lowest priced alternatives on a utilized basis. Also, see the company's response to Interrogatory No. 2.

Gen 2017-02

Supplier	Tons Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton Delivered	\$/MMBtu Delivered	Delivery Method	Delivery Route	Awarded
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	
									Ocean Vessel	River Barge, Ocean Vessel	

REDACTED

TAMPA ELECTRIC COMPANY
 DOCKET NO. 170001-EI
 STAFF'S FIRST SET OF
 INTERROGATORIES
 INTERROGATORY NO. 1
 PAGE 2 OF 2
 FILED: FEBRUARY 23, 2017

Supplier	Tons Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton Delivered	\$/MMBtu Delivered	Delivery Method	Delivery Route	Awarded
[REDACTED]									Ocean Vessel	River Barge, Ocean Vessel	
									Rail	CSX Rail	
									Rail	CSX Rail	
									Rail or Ocean Delivery	CSX Rail or River barge to Ocean Vessel	Yes
									Rail	CSX Rail	
									Rail	CSX Rail	

Tampa Electric issued Gen 2017-SALS for spot coal contracts for Polk Power Station. The bids received are described below. Tampa Electric evaluated the bids below based on the total delivered cost per mmBtu. Tampa Electric purchased 35,000 tons through this solicitation.

Gen 2017-SALS

Supplier	Tons Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton Delivered	\$/MMBtu Delivered	Delivery Method	Delivery Route	Awarded
[REDACTED]									Ocean Vessel	Ocean Vessel	
									Ocean Vessel	Ocean Vessel	
									Ocean Vessel	Ocean Vessel	

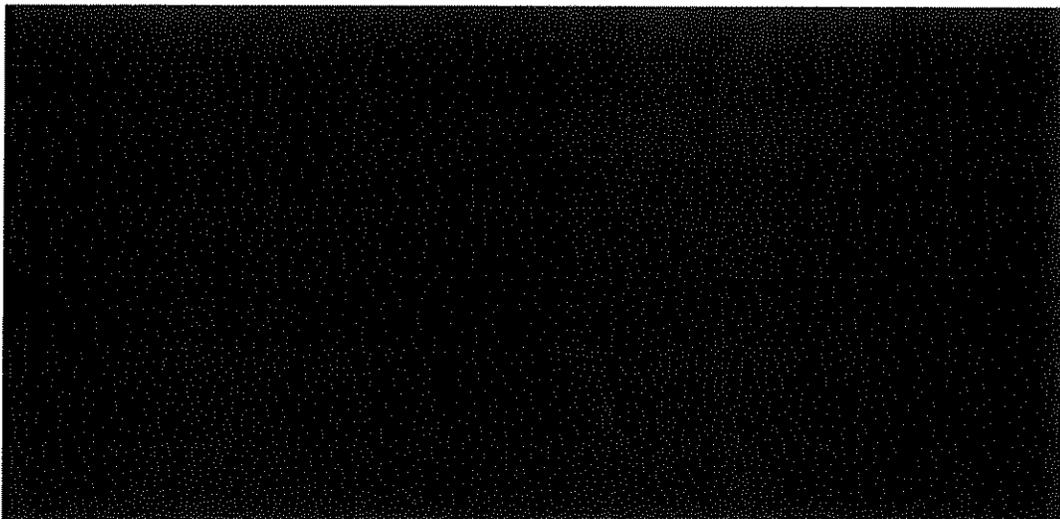
Supplier	Tons Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton Delivered	\$/MMBtu Delivered	Delivery Method	Delivery Route	Awarded
[REDACTED]									Ocean Vessel	Ocean Vessel	
									Ocean Vessel	Ocean Vessel	x

REDACTED

TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 2
PAGE 1 OF 2
FILED: FEBRUARY 23, 2017

2. Please describe the action taken for each bid identified in response to Interrogatory No. 1. Include in your response an explanation of the evaluation process and how successful proposals were selected.
 - A. All bids were evaluated based on the total delivered cost per mmBtu. To identify a short list of qualifying bidders, Tampa Electric also evaluated bids based on projected commodity and transportation costs, quality, proposed terms and conditions, blending impacts, supplier reliability and supplier financial strength. Qualifying bids were those that, after accounting for operational impacts contain acceptable fuel quality, terms and conditions and supplier reliability as specified in the RFP. Once qualifying bids were identified, Tampa Electric selected the quality-adjusted lowest priced alternative on a utilized, portfolio basis.

As indicated in Interrogatory No. 1, above, Tampa Electric issued RFP number Gen 2017-02 on September 26, 2016, for spot domestic high sulfur coal to be delivered in 2017 for Big Bend Station. Tampa Electric experienced higher than normal inventory at United Bulk Terminal in 2016 due to natural gas testing at Big Bend Station and lower natural gas prices in the first half of 2016. While Tampa Electric solicited for all coals suited for Big Bend Station, Tampa Electric targeted purchasing bi-modal transport or rail-delivered coals. Tampa Electric received offers from seventeen suppliers. The offers were for coal originating in the Illinois Basin and the Northern Appalachian coal mines.



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TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 2
PAGE 2 OF 2
FILED: FEBRUARY 23, 2017



Tampa Electric issued Gen 2017-SALS on October 26, 2016 for low sulfur coal for Polk Power Station. Tampa Electric asked for bids for three vessels over 2017 and/or a single vessel for early 2017. Because of the uncertainty surrounding dispatch of Polk Unit 1 due to rising petcoke and low sulfur coal prices, Tampa Electric elected to purchase only one vessel of low sulfur coal.

3. During 2016, did TECO experience any detention and demurrage charges, or any transportation constraints for coal deliveries? If so, please explain your response and state the charges by event.
- A. During 2016, except for the two named storms in the Gulf of Mexico that restricted vessel movement, there were not any unusual or singularly identifiable events that caused the demurrage and detention charges. For example, there were not any floods, or strikes that contributed to the demurrage and detention charges. Instead, the demurrage and detention charges resulted from normally occurring operational constraints associated with the delivery and handling of bulk commodities. Each vessel or truck may have encountered one or more issues. The issues that caused the charges include equipment failure, dock or coal field belt repairs, channel navigation restrictions, inclement weather, communication equipment issues, shifting vessel, blending coal as it comes off the vessel, and waiting for completion of a vessel at the dock.

The table below shows the demurrage and detention charges that were incurred in 2016.

Date	Vessel/Truck	Demurrage
1/5/16		
1/7/16		
1/14/16		
1/29/16		
1/31/16		
2/13/16		
2/22/16		
3/2/16		
3/7/16		
3/24/16		
4/4/16		
5/7/16		
5/11/16		
5/27/16		
6/11/16		

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TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 3
PAGE 2 OF 2
FILED: FEBRUARY 23, 2017

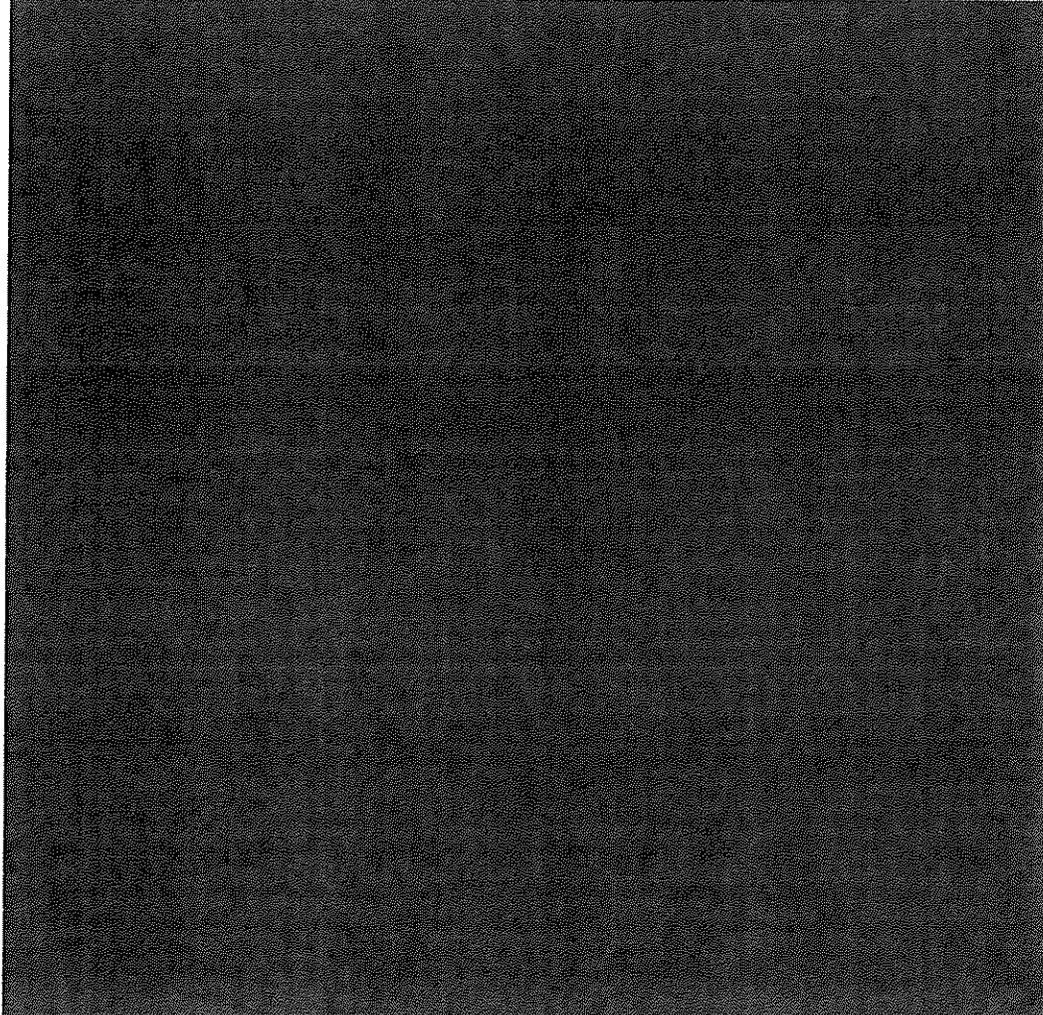
Demurrage and Detention Charges

Date	Vessel/Truck	Demurrage
6/27/16		
7/13/16		
7/28/16		
8/10/16		
8/17/16		
8/23/16		
8/30/16		
9/4/16		
9/7/16		
9/10/16		
9/10/16		
9/14/16		
9/17/16		
9/28/16		
9/30/16		
9/30/16		
10/2/16		
10/31/16		
11/1/16		
11/19/16		
11/27/16		
12/10/16		
12/14/16		
12/24/16		
12/30/16		
12/31/16		
Total		

REDACTED

TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 4
PAGE 1 OF 2
FILED: FEBRUARY 23, 2017

4. For each RFP for natural gas issued in 2016 by TECO, list the bids received. For each bid, include the supplier, volume bid, and delivered price information, as well as the primary pipeline used for delivery.
- A. Tampa Electric issued an RFP for natural gas supply during 2016. The bids received are described in the following table.

Supplier	Volume/day	NYMEX Offer	Index Offer	Gas Daily	Pipeline	Awarded
						
						Yes
						Yes
						Yes

REDACTED

TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 4
PAGE 2 OF 2
FILED: FEBRUARY 23, 2017

Supplier	Volume/day	NYMEX Offer	Index Offer	Gas Daily	Pipeline	Awarded
[REDACTED]						
[REDACTED]						
[REDACTED]						
[REDACTED]						
[REDACTED]						Yes
[REDACTED]						
[REDACTED]						
[REDACTED]						
[REDACTED]						Yes
[REDACTED]						
[REDACTED]						Yes
[REDACTED]						
[REDACTED]						****Yes
[REDACTED]						Yes
[REDACTED]						Yes
[REDACTED]						
[REDACTED]						
[REDACTED]						
[REDACTED]						Yes
[REDACTED]						

Notes:
*Per RFP indicates where a vendor is willing to shape volumes to match changing point capacity on a monthly basis.

[REDACTED]

TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 5
PAGE 1 OF 1
FILED: FEBRUARY 23, 2017

5. Please describe the action taken for each bid identified in response to Interrogatory No. 4. Include in your response an explanation of the evaluation process and how successful proposals were selected.
- A. Tampa Electric issued one RFP for natural gas supply in 2016. The RFP was issued in September 2016, and Tampa Electric sent the RFP to approximately ninety-three qualified suppliers. In response to the RFP, Tampa Electric received approximately fifty-four gas supply package options from fifteen respondents. Each gas supply option was evaluated based on price, pipeline, receipt point, supply type, firmness, time frame, and special conditions. Special conditions included the following items:
- pipeline optionality, or the ability to move supply from one pipeline to another at Tampa Electric's option;
 - volume flexibility, the ability to adjust the daily baseload gas volume at the beginning of each month; and
 - pricing conversion, an indexed gas price that can be converted to a fixed price at Tampa Electric's request.

Tampa Electric grouped the packages by time frame (e.g., winter packages), gas supply type (e.g., baseload, swing, or peaking), and pipeline. For each group, the packages were ranked by price. Special provisions and strategic considerations related to price and supplier risk were considered. The company selected the lowest cost supply packages while accounting for needed reliability, optionality and flexibility. Finally, Tampa Electric contacted the selected suppliers to execute a deal confirmation. If an agreement could not be reached, the next best vendor was contacted.

As a result of the 2016 RFP, eight vendors were awarded a total of 1,000 to 20,000 MMBtu per day depending on the season. The selected packages included baseload, swing and peaking supply with various time frames and delivery on different pipelines.

TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 6
PAGE 1 OF 1
FILED: FEBRUARY 23, 2017

6. In 2016, did TECO participate in any capacity discussions or bid for any firm pipeline capacity during "open season?" Please explain your response and identify the pipeline companies.
 - A. In 2016, Tampa Electric did not participate in any capacity discussions or bid for firm pipeline capacity during "open season."

TAMPA ELECTRIC COMPANY
DOCKET NO. 170001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 7
PAGE 1 OF 1
FILED: FEBRUARY 23, 2017

7. In 2016, did TECO participate in any discussions or bid for any firm gas storage capacity? Please explain your response and identify the gas storage providers.
 - A. In 2016, Tampa Electric did not participate in any discussions or bid for any firm gas storage capacity.

A F F I D A V I T

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

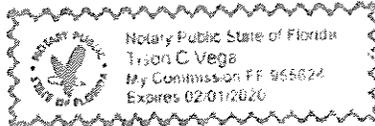
Before me the undersigned authority personally appeared Penelope Rusk who deposed and said that she is Manager, Rates, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to Staff's First Set of Interrogatories, (Nos. 1 - 7) prepared or assisted with the responses to these interrogatories to the best of her information and belief.

Dated at Tampa, Florida this 22nd day of February, 2017.

Penelope Rusk

Sworn to and subscribed before me this 22nd day of February, 2017.

J. C. Vega



My Commission expires _____