

**AUSLEY & McMULLEN**

ATTORNEYS AND COUNSELORS AT LAW

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RECEIVED-FPSC

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COMMISSION  
CLERK

October 18, 2011

HAND DELIVERED

Ms. Ann Cole, Director  
Division of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause with Generating  
Performance Incentive Factor; Staff's Audit Work Papers Pursuant  
to Audit Control No. 11-129-2-3; FPSC Docket No. 110001-EI

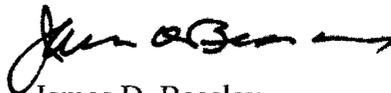
Dear Ms. Cole:

Enclosed are two copies of the redacted public version of the confidential documents we  
filed yesterday on behalf of Tampa Electric Company (Document No. 07605-11). We would  
appreciate your including these copies with yesterday's filing.

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.)

COM \_\_\_\_\_  
APA \_\_\_\_\_  
ECR   I   \_\_\_\_\_  
GCL \_\_\_\_\_  
RAD \_\_\_\_\_  
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DOCUMENT NUMBER-DATE

07631 OCT 18 =

FPSC-COMMISSION CLERK

Tampa Electric Company  
Hedging Information Report

*Handwritten signature and date: 11/24/11*

CONFIDENTIAL

Tampa Electric  
Natural Gas Risk Management Activities  
January 1, 2010 through December 31, 2010

CONFIDENTIAL

	Type of Hedge	Mark-to-Market Saving/(Loss)	Hedged Volume (MMBTU)	Consumption (MMBTU)	Percent Hedged	Budget Price (\$)	Hedge Price (\$)	Settle Price (\$)
January	Swaps	(4,236,240)		6,279,331				5.81
February	Swaps	(4,894,900)		5,552,378				5.27
March	Swaps	(5,526,580)		3,457,509				4.82
April	Swaps	(6,626,300)		4,822,245				3.84
May	Swaps	(6,343,380)		6,440,429				4.27
June	Swaps	(6,789,150)		6,268,450				4.16
July	Swaps	(6,010,740)		5,678,013				4.72
August	Swaps	(4,255,640)		6,296,163				4.77
September	Swaps	(8,232,720)		6,191,941				3.65
October	Swaps	(6,242,450)		5,105,134				3.84
November	Swaps	(4,857,010)		2,457,708				3.29
December	Swaps	(3,825,600)		4,466,039				4.27
<b>Total</b>		<b>(67,840,710)</b>		<b>63,015,339</b>				

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

159

Q:\ACTUAL\PSC\Hedging Audits\Fuel Hedging Activities Audit Aug 10\_Jul 2011\FPHC-01-11\2010 Hedging Information Report.doc DOCUMENT NUMBER - 07631

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FPSC-COMMISSION CLERK

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Tampa Electric Company  
Hedging Information Report

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9/28/11

Tampa Electric  
Natural Gas Risk Management Activities  
January 2011 through July 2011

	Type of Hedge	Mark-to-Market Saying/(Loss)	Hedged Volume (MMBTU)	Consumption (MMBTU)	Percent Hedged	Budget Price	Hedge Price	Settle Price
Jan-11	Swaps	4.22 \$ (2,755,160)		3,416,729				\$ 4.22
Feb-11	Swaps	\$ (2,815,820)		3,445,599				\$ 4.32
Mar-11	Swaps	\$ (4,590,970)		4,790,417				\$ 3.79
Apr-11	Swaps	\$ (2,613,260)		4,157,649				\$ 4.24
May-11	Swaps	\$ (1,693,800)		5,215,809				\$ 4.38
Jun-11	Swaps	\$ (1,777,830)		5,305,163				\$ 4.33
Jul-11	Swaps	\$ (1,633,460)		6,274,090				\$ 4.36
<b>Total</b>		<b>\$ (17,880,300)</b>		<b>32,605,456</b>				

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

2 of 2

TAMPA ELECTRIC COMPANY  
HEDGING ACTIVITIES  
08/01/2010 - 07/31/2011

Tampa Electric Company DOCKET NO: 110001-EI  
Review of Hedging Activities SLIDE CONTROL NO: 11-129-2-3  
Docket # 110001-EI  
Audit Request 2 (Page 1)

*WKS  
9/27/11*

Please provide the following items: (If possible in Excel format)

1. The volumes of each fuel the utility actually hedged using a fixed price contract or instrument.

Please see the attached USB flash drive.

2. The types of hedging instruments the utility used, and the volume and type of fuel associated with each type of instrument.

Tampa Electric Company enters into OTC NYMEX Natural Gas fixed for float swaps. Volumes (in contracts) entered into for natural gas swaps for the period requested are as follows:

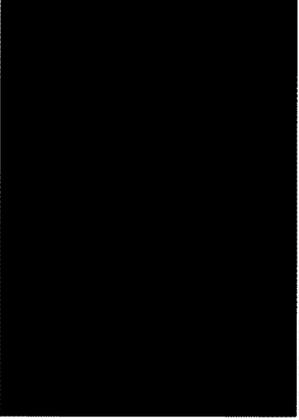
*44-2*  
*9/27/11*

	Contracts	Total MMBtus
Aug '10		
Sep '10		
Oct '10		
Nov '10		
Dec '10		
Jan '11		
Feb '11		
Mar '11		
Apr '11		
May '11		
Jun '11		
Jul '11		

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TAMPA ELECTRIC COMPANY  
HEDGING ACTIVITIES  
08/01/2010 - 07/31/2011 *TH*  
DOCKET NO: 110001-EI  
AUDIT CONTROL NO: 11-129-2-3 *WBS 9/28/11*

	Contracts	Total MMBtus	
Aug '10		(4,255,640)	<i>2</i>
Sep '10		(8,232,720)	
Oct '10		(6,242,450)	
Nov '10		(4,857,010)	
Dec '10		(3,825,600)	
Jan '11		(2,755,160)	
Feb '11		(2,815,820)	
Mar '11		(4,590,970)	
Apr '11		(2,613,260)	
May '11		(1,693,800)	
Jun '11		(1,777,830)	
Jul '11		(1,633,460)	

**CONFIDENTIAL**

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TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Aug-10 Production Month  
 7/28/2010 Nymex Settlement Date

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
[REDACTED]	35357	7292010	8/4/2010		(\$403,400.00)				(\$403,400.00)
	35358	1008Y0182	8/4/2010				(\$42,600.00)		(\$42,600.00)
	35356	7051094	8/4/2010		(\$401,600.00)				(\$401,600.00)
				8/4/2010					\$0.00
				8/4/2010					\$0.00
				8/4/2010					\$0.00
				8/4/2010					\$0.00
	35359	[REDACTED]	1080210	8/4/2010		(\$119,600.00)			(\$119,600.00)
				8/4/2010					\$0.00
				8/4/2010					\$0.00
	35360	572993		8/4/2010		(\$728,660.00)		\$102,410.00	(\$626,250.00)
	35361	298819-1		8/4/2010		(\$189,710.00)		(\$148,480.00)	(\$338,190.00)
				8/4/2010					\$0.00
				8/4/2010					\$0.00
				8/4/2010					\$0.00
	35362	100820067-0		8/4/2010		(\$150,360.00)		(\$150,360.00)	(\$300,720.00)
				8/4/2010					\$0.00
	35363	[REDACTED]	19F7	8/4/2010		(\$327,890.00)		(\$194,800.00)	(\$522,690.00)
				8/4/2010					\$0.00
				8/4/2010					\$0.00
			8/4/2010					\$0.00	
			8/4/2010					\$0.00	
35364	2681583		8/4/2010		(\$106,600.00)			(\$106,600.00)	
35365	2022143		8/4/2010		(\$348,000.00)			(\$348,000.00)	
35366	SG-MPA-10-0047066		8/4/2010		(\$851,820.00)			(\$851,820.00)	
			8/4/2010					\$0.00	
			8/4/2010					\$0.00	
35367	483135		8/4/2010		(\$628,000.00)			(\$628,000.00)	
			TOTAL		(\$4,255,640.00)		(\$433,830.00)		(\$4,689,470.00)

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\$0.00	Subtotal Receivables
(\$4,689,470.00)	Subtotal Payables
(\$4,689,470.00)	TOTAL REALIZED DERIVATIVES

SOURCE: MARKET POSITION REPORT

REDACTED

REDACTED

44-9  
3 of 24

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Sep-10 Production Month  
 8/27/2010 Nymex Settlement Date

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
[REDACTED]	35490 122370		9/3/2010		\$1,454,550.00		(\$128,800.00)		(\$1,583,350.00) ok
	35491 10-Aug-72		9/3/2010		(\$162,250.00)				(\$162,250.00) ok
				9/3/2010					\$0.00
	35489 134466		9/3/2010		\$1,684,900.00		(\$240,700.00)		(\$1,925,600.00) ok
				9/3/2010					\$0.00
	34592		9/3/2010		(\$356,700.00)				(\$356,700.00) ok
	335493		9/3/2010		(\$231,900.00)				(\$231,900.00) ok
				9/3/2010					\$0.00
				9/3/2010					\$0.00
	35494 577778		9/3/2010		(\$272,850.00)				(\$272,850.00) ok
	35495 9087840		9/3/2010		(\$860,650.00)		(\$122,950.00)		(\$983,600.00) ok
				9/3/2010					\$0.00
				9/3/2010					\$0.00
				9/3/2010					\$0.00
	35496 100854928-0		9/3/2010		(\$217,740.00)		(\$217,740.00)		(\$435,480.00) ok
				9/3/2010					\$0.00
	35497		9/3/2010		(\$1,591,050.00)		(\$286,470.00)		(\$1,877,520.00) ok
				9/3/2010					\$0.00
	35498		9/3/2010		(\$473,800.00)				(\$473,800.00) ok
				9/3/2010					\$0.00
			9/3/2010					\$0.00	
			9/3/2010					\$0.00	
35499 2716752		9/3/2010		(\$218,900.00)				(\$218,900.00)	
			9/3/2010					\$0.00	
35500 722372		9/3/2010		(\$707,430.00)				(\$707,430.00) ok	
			9/3/2010					\$0.00	
			9/3/2010					\$0.00	
			9/3/2010					\$0.00	
			TOTAL		(\$8,232,720.00)		(\$996,660.00)		(\$9,229,380.00)

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44-9  
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4/10/24

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\$0.00 Subtotal Receivables  
 (\$9,229,380.00) Subtotal Payables  
 (\$9,229,380.00) TOTAL REALIZED DERIVATIVES

SOURCE: MARK TO MARKET POSITION REPORT

REDACTED

44-2  
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TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

010/10/2010 Production Month  
 9/28/2010 Nymex Settlement Date

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
	35637	124510	10/5/2010		(\$521,370.00)				(\$521,370.00) ok
	35636	7327092	10/5/2010		(\$252,900.00)				(\$252,900.00) ok
			10/5/2010						\$0.00
			10/5/2010						\$0.00
			10/5/2010						\$0.00
	35638	1064711-1	10/5/2010		(\$15,460.00)		\$123,680.00)		(\$139,140.00) ok
	35639	0993010	10/5/2010		(\$634,800.00)				(\$634,800.00) ok
			10/5/2010						\$0.00
			10/5/2010						\$0.00
			10/5/2010						\$0.00
	35640	313120-1	10/5/2010		(\$1,147,950.00)		\$118,650.00)		(\$1,266,600.00) ok
	35641	147497	10/5/2010		(\$1,241,400.00)		\$206,900.00)		(\$1,448,300.00) ok
			10/5/2010						\$0.00
			10/5/2010						\$0.00
	35642	100870304-0	10/5/2010		(\$206,580.00)		\$206,580.00)		(\$413,160.00) ok
			10/5/2010						\$0.00
	35643	123512F/1	10/5/2010		(\$682,580.00)		(\$71,040.00)		(\$753,620.00) ok
			10/5/2010						\$0.00
	35644	09978825	10/5/2010		(\$570,750.00)				(\$570,750.00) ok
			10/5/2010						\$0.00
		10/5/2010						\$0.00	
354600	0579041S3	10/5/2010		(\$354,600.00)				(\$354,600.00) ok	
35646	2746424	10/5/2010		(\$200,300.00)				(\$200,300.00) ok	
		10/5/2010						\$0.00	
35647	726356	10/5/2010		(\$413,760.00)		\$205,340.00)		(\$619,100.00) ok	
		10/5/2010						\$0.00	
		10/5/2010						\$0.00	
		10/5/2010						\$0.00	
		TOTAL		(\$6,242,450.00)		\$932,190.00)		(\$7,174,640.00)	

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\$0.00 Subtotal Receivables  
 (\$7,174,640.00) Subtotal Payables  
 (\$7,174,640.00) TOTAL REALIZED DERIVATIVES

SOURCE: MARK TO MARKET POSITION REPORT

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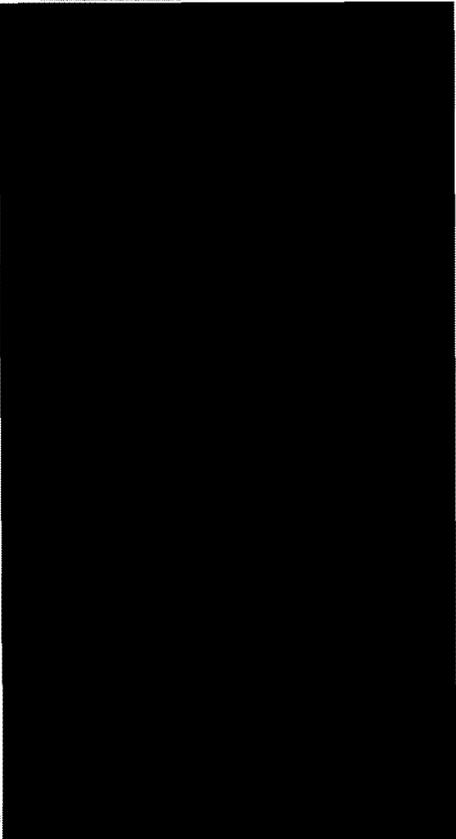
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70-24

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Nov-10 Production Month  
 10/27/2010 Nymex Settlement Date

*TR*  
*2010/11/11*

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount	Cntrt	Amount	Cntrt	Amount
	35762	175086	11/3/2010		(\$76,650.00)				(\$76,650.00)
	35763	3180630-4	11/3/2010		(\$479,200.00)		(\$181,840.00)		(\$661,040.00)
			11/3/2010						\$0.00
			11/3/2010						\$0.00
			11/3/2010						\$0.00
	35764	1092402-1	11/3/2010		(\$727,180.00)		(\$258,020.00)		(\$985,200.00)
			11/3/2010						\$0.00
			11/3/2010						\$0.00
			11/3/2010						\$0.00
	35765	593604	11/3/2010		(\$1,202,050.00)		(\$650,230.00)		(\$1,852,280.00)
	35766	322904-1	11/3/2010		(\$266,700.00)		(\$152,800.00)		(\$419,500.00)
			11/3/2010						\$0.00
			11/3/2010						\$0.00
			11/3/2010						\$0.00
			11/3/2010						\$0.00
	35767	 7757F/1	11/3/2010		(\$1,500,300.00)				(\$1,500,300.00)
			11/3/2010						\$0.00
	35768	776520	11/3/2010		(\$650,300.00)				(\$650,300.00)
			11/3/2010						\$0.00
			11/3/2010						\$0.00
35769	547775-1	11/3/2010		\$581,550.00		(\$174,900.00)		\$406,650.00	
		11/3/2010						\$0.00	
		11/3/2010						\$0.00	
35770	SG-MPA-10-0050122	11/3/2010		(\$536,180.00)				(\$536,180.00)	
		11/3/2010						\$0.00	
		11/3/2010						\$0.00	
		11/3/2010						\$0.00	
		TOTAL		(\$4,857,010.00)		(\$1,417,790.00)		(\$6,274,800.00)	

\$406,650.00 Subtotal Receivables  
 (\$6,681,450.00) Subtotal Payables  
 (\$6,274,800.00) TOTAL REALIZED DERIVATIVES

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SOURCE: MARKET TO MARKET POSITION REPORT

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9 OF 24

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Dec-10 Production Month  
 11/24/2010 Nymex Settlement Date

*TR*  
*2/18/11*

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cont.	Amount	Cont.	Amount	Cont.	Amount
	35884	11252010	12/2/2010		(\$67,610.00)		(\$1,040.00)		(\$68,650.00)
	35885	3208985-6	12/2/2010		(\$900,530.00)		(\$225,120.00)		(\$1,125,650.00)
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
	35886	1121318-1	12/2/2010		(\$8,150.00)		(\$244,580.00)		(\$252,730.00)
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
	35887	601898	12/2/2010		(\$1,445,260.00)		(\$900,990.00)		(\$2,346,250.00)
	35888	335291-1	12/2/2010		(\$161,800.00)				(\$161,800.00)
			12/2/2010						\$0.00
	35895		12/2/2010		\$116,100.00				\$116,100.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
	35889	2339F/1	12/2/2010		(\$1,063,000.00)				(\$1,063,000.00)
			12/2/2010						\$0.00
	35890	782993	12/2/2010		(\$309,050.00)				(\$309,050.00)
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
	35891	2025898-3	12/2/2010				\$78,400.00		\$78,400.00
	35892	734917	12/2/2010		\$13,700.00		(\$46,400.00)		(\$32,700.00)
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			12/2/2010						\$0.00
			TOTAL		(\$3,825,600.00)		(\$1,339,730.00)		(\$5,165,330.00)

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CONFIDENTIAL

\$194,500.00	Subtotal Receivables
(\$5,359,830.00)	Subtotal Payables
(\$5,165,330.00)	TOTAL REALIZED DERIVATIVES

SOURCE: MARKET TO MARKET POSITION REPORT

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TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Feb-11 Production Month  
 1/27/2011 Nymex Settlement Date

*Handwritten:* 1/28/2011

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntr.:	Amount	Amount	Cntr.:	Amount	
[REDACTED]	36155	141127	2/3/2011		\$373,000.00)				(\$373,000.00)
	36156	3259592-3	2/3/2011		\$265,350.00)				(\$710,100.00)
			2/3/2011						\$0.00
			2/3/2011						\$0.00
			2/3/2011						\$0.00
			2/3/2011						\$0.00
		36157	1175740-1	2/3/2011		(\$5,700.00)			(\$5,700.00)
		36158	[REDACTED] 13111	2/3/2011		(\$24,150.00)			(\$24,150.00)
				2/3/2011					\$0.00
				2/3/2011					\$0.00
		36159	619423	2/3/2011					(\$106,900.00)
		36160	357364-1	2/3/2011		(\$6,720.00)			(\$160,160.00)
				2/3/2011					\$0.00
				2/3/2011					\$0.00
				2/3/2011					\$0.00
			2/3/2011					\$0.00	
			2/3/2011					\$0.00	
			2/3/2011					\$0.00	
	36161	[REDACTED] 2303F/1	2/3/2011		\$266,100.00)				(\$266,100.00)
			2/3/2011						\$0.00
	36162	798129	2/3/2011		(\$783,900.00)				(\$746,000.00)
			2/3/2011						\$2,529,900.00)
			2/3/2011						\$0.00
			2/3/2011						\$0.00
			2/3/2011						\$0.00
			2/3/2011						\$0.00
			2/3/2011						\$0.00
	3616	73281	2/3/2011		\$106,400.00)				(\$106,400.00)
	3616	3580	2/3/2011		15500				\$17,900.00
			2/3/2011						\$0.00
			2/3/2011						\$0.00
			2/3/2011						\$0.00
			TOTAL		<u>\$1,558,200.00)</u>				<u>\$4,271,230.00)</u>

CONFIDENTIAL

*Handwritten:* 44-1

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1/28/2011

\$17,900.00	Subtotal Receivables
(\$4,289,130.00)	Subtotal Payables
<u>(\$4,271,230.00)</u>	<u>TOTAL REALIZED DERIVATIVES</u>

SOURCE: MARK TO MARKET POSITION REPORT

REDACTED

REDACTED

110

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150F24

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Mar-11 Production Month  
 2/24/2011 Nymex Settlement Date

*HT*  
*M/S 9/2/2011*

Total Cash Flow Derivatives

Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
			Contri.	Amount	Contri.	Amount	Contri.	Amount
36279	164281	3/3/2011		(\$45,760.00)		(\$210,300.00)		(\$256,060.00)
		3/3/2011						\$0.00
36278	8155247	3/3/2011		(\$512,100.00)				(\$512,100.00)
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
36280	1206107-1	3/3/2011		(\$1,325,700.00)				(\$1,325,700.00)
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
36281	623309	3/3/2011		(\$182,700.00)		(\$141,480.00)	(\$324,180.00)	
36282	367533-1	3/3/2011		(\$109,620.00)		(\$73,080.00)		(\$182,700.00)
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
36283		3/3/2011		(\$1,513,500.00)		(\$756,750.00)		(\$2,270,250.00)
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
36284	479F/1	3/3/2011		(\$106,700.00)		(\$369,840.00)		(\$476,540.00)
		3/3/2011					\$0.00	
36285	0000566	3/3/2011		(\$474,950.00)				(\$474,950.00)
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
36286	47611	3/3/2011		(\$217,140.00)			(\$217,140.00)	
36287	3749	3/3/2011		(\$102,800.00)				(\$102,800.00)
		3/3/2011					\$0.00	
		3/3/2011					\$0.00	
TOTAL				(\$4,590,270.00)		(\$1,551,450.00)		(\$6,142,420.00)

CONFIDENTIAL

*44-1*  
*44-1*

*44-Q*  
*160274*

Subtotal Receivables	
(\$6,142,420.00)	Subtotal Payables
(\$6,142,420.00)	TOTAL REALIZED DERIVATIVES

SOURCE: MARK TO MARKET POSITION REPORT

REDACTED

REDACTED

110

44-~~8~~  
17624

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Apr-11 Production Month  
 3/29/2011 Nymex Settlement Date

*Handwritten:* H... 4/28/11

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrt	Amount		Amount		Amount
	36389	170815	4/5/2011		(\$146,250.00)				(\$146,250.00)
	36390	3296900-3	4/5/2011		(\$76,000.00)				(\$76,000.00)
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
	36391	1239755-1	4/5/2011		(\$91,200.00)				(\$91,200.00)
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
	36392	628388	4/5/2011		(\$984,250.00)		(\$107,500.00)		(\$1,091,750.00)
	36393	380196-1	4/5/2011		\$18,090.00				\$18,090.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
	36401		4/5/2011		(\$1,055,000.00)		(\$527,500.00)		(\$1,582,500.00)
	36400	409F/1	4/5/2011		(\$58,800.00)		(\$58,750.00)		(\$117,550.00)
			4/5/2011						\$0.00
	36396	814686	4/5/2011		(\$79,000.00)				(\$79,000.00)
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
	36397	752957	4/5/2011		(\$100,100.00)				(\$100,100.00)
	36398	3986	4/5/2011		(\$40,750.00)				(\$40,750.00)
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			4/5/2011						\$0.00
			TOTAL		(\$2,632,250.00)		(\$693,750.00)		(\$3,307,010.00)

*Handwritten:* 44-97 / 8/1/24

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SOURCE: MARK TO MARKET POSITION REPORT

Subtotal Receivables	
(\$3,307,010.00)	Subtotal Payables
(\$3,307,010.00)	<b>TOTAL REALIZED DERIVATIVES</b>

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44-~~470~~  
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REDACTED

186

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21024

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Jun-11 Production Month  
 5/26/2011 Nymex Settlement Date

*Handwritten:* 1/17/11, 4/26/11

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Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC	PEOPLES GAS	TOTAL
				Amount	Amount	Amount
[REDACTED]	36608	178366	6/3/2011	(\$266,850.00)		(\$266,850.00)
	36607	3341849-11	6/3/2011	(\$109,160.00)	(\$32,520.00)	(\$141,680.00)
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
	36609	1299474-1	6/3/2011	(\$303,300.00)	(\$87,700.00)	(\$391,000.00)
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
	36610	636755	6/3/2011	(\$2,220.00)	(\$8,880.00)	(\$11,100.00)
	36611	400691-1	6/3/2011	\$168,620.00		\$168,620.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
		36612		6/3/2011	\$59,740.00	\$2,060.00
			6/3/2011			\$0.00
	36613	001095	6/3/2011	(\$830,900.00)	(\$237,400.00)	(\$1,068,300.00)
	36614		6/3/2011	\$1,470.00		\$1,470.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
	36615		6/3/2011	\$25,320.00		\$25,320.00
	36616	762862	6/3/2011	(\$532,200.00)		(\$532,200.00)
	36617	4421	6/3/2011	\$11,650.00		\$11,650.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			6/3/2011			\$0.00
			TOTAL	(\$1,777,830.00)	(\$364,440.00)	(\$2,142,270.00)
			ASSETS	\$266,800.00	\$2,060.00	\$268,860.00 Subtotal Receivables
			LIABILITIES	(\$2,044,630.00)	(\$366,500.00)	(\$2,411,130.00) Subtotal Payables
				(\$1,777,830.00)	(\$364,440.00)	(\$2,142,270.00) TOTAL REALIZED DERIVATIVES

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SOURCE: MARK TO MARKET POSITION REPORT

REDACTED

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11/29

23/11/24

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Jul-11 Production Month  
 6/28/2011 Nymex Settlement Date

*MT*

Total Cash Flow Derivatives

Name	Nucleus Invoice No.:	Counterparty Invoice No.:	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Contract	Amount	Contract	Amount	Contract	Amount
			7/6/2011						\$0.00
	36737	3359811-3	7/6/2011		(\$51,900.00)				(\$51,900.00)
	36738	8723271	7/6/2011		(\$243,900.00)				(\$243,900.00)
			7/6/2011						\$0.00
			7/6/2011						\$0.00
	36739	1340566-1	7/6/2011		(\$53,980.00)		(\$86,760.00)		(\$140,740.00)
			7/6/2011						\$0.00
			7/6/2011						\$0.00
			7/6/2011						\$0.00
	36740	413421-1	7/6/2011		(\$7,000.00)		\$23,940.00		\$16,940.00
			7/6/2011						\$0.00
			7/6/2011						\$0.00
			7/6/2011						\$0.00
	36741	101044471-0	7/6/2011		(\$19,000.00)				(\$19,000.00)
			7/6/2011						\$0.00
	36742	167044F/1	7/6/2011		(\$64,120.00)		(\$48,090.00)		(\$112,210.00)
			7/6/2011						\$0.00
	36743	0001268	7/6/2011		(\$1,237,800.00)		(\$206,300.00)		\$1,444,100.00
	36744	68918	7/6/2011		\$49,200.00				\$49,200.00
			7/6/2011						\$0.00
			7/6/2011						\$0.00
	36745	2032742	7/6/2011		\$28,320.00				\$28,320.00
	36746	768188	7/6/2011		(\$74,280.00)		\$3,240.00		(\$71,040.00)
	36747	4630	7/6/2011		\$41,000.00				\$41,000.00
	36748	17382	7/6/2011				\$33,840.00		\$33,840.00
			7/6/2011						\$0.00
			7/6/2011						\$0.00
			7/6/2011						\$0.00
			TOTAL		(\$1,633,460.00)		(\$280,130.00)		\$1,913,590.00
			ASSETS		\$118,520.00		\$61,020.00		\$169,300.00 Subtotal Receivables
			LIABILITIES		(\$1,751,980.00)		(\$341,150.00)		(\$2,082,890.00) Subtotal Payables
					(\$1,633,460.00)		(\$280,130.00)		(\$1,913,590.00) TOTAL REALIZED DERIVATIVES

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SOURCE: MARK TO MARKET POSITION REPORT

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**REDACTED**

**No. 44-3, Pages 1 of 10 through  
10 of 10 have been redacted.**

TAMPA ELECTRIC CO.  
 SWAPS - DERIVATIVE NATURAL GAS INVOICES

Jun-11 Production Month  
 05/26/2011 Nymex Settlement Date

*Handwritten initials and date: HT 5/26/11*

46  
 4 of 9

Total Cash Flow Derivatives

N e	Incls voice No.	Counterparty Invoice No.	Invoice Due Date	TAMPA ELECTRIC		PEOPLES GAS		TOTAL	
				Cntrf	Amount	Cntrf	Amount	Cntrf	Amount
	36608	178366	06/03/11		(\$266,850.00)				(\$266,850.00)
	36607	3341849-11	06/03/11		(\$109,160.00)		(\$32,520.00)		(\$141,680.00)
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
	36609	1299474-1	06/03/11		(\$303,300.00)		(\$87,700.00)		(\$391,000.00)
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
	36610	636755	06/03/11		(\$2,220.00)		(\$8,880.00)		(\$11,100.00)
	36611	400691-1	06/03/11		\$168,620.00				\$168,620.00
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
	36612		06/03/11		\$59,740.00		\$2,060.00		\$61,800.00
			06/03/11						\$0.00
	36613	001095	06/03/11		(\$830,900.00)		(\$237,400.00)		(\$1,068,300.00)
	36614		06/03/11		\$1,470.00				\$1,470.00
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
	36615		06/03/11		\$25,320.00				\$25,320.00
	36616	762862	06/03/11		(\$532,200.00)				(\$532,200.00)
	36617	4421	06/03/11		\$11,650.00				\$11,650.00
			06/03/11						\$0.00
			06/03/11						\$0.00
			06/03/11						\$0.00
			TOTAL		<u>(\$1,777,830.00)</u>		<u>(\$364,440.00)</u>		<u>(\$2,142,270.00)</u>

ASSETS	\$266,800.00	\$2,060.00	\$268,860.00	Subtotal Receivables
LIABILITIES	<u>(\$2,044,630.00)</u>	<u>(\$366,500.00)</u>	<u>(\$2,411,130.00)</u>	Subtotal Payables
	<u>(\$1,777,830.00)</u>	<u>(\$364,440.00)</u>	<u>(\$2,142,270.00)</u>	TOTAL REALIZED DERIVATIVE

REDACTED

SOURCE: As Referenced



REDACTED



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2/13  
9/28/11



Contracts Total MMBtus

	Contracts	Total MMBtus
Aug '10		(4,255,640)
Sep '10		(8,232,720)
Oct '10		(6,242,450)
Nov '10		(4,857,010)
Dec '10		(3,825,600)
Jan '11		(2,755,160)
Feb '11		(2,815,820)
Mar '11		(4,590,970)
Apr '11		(2,613,260)
May '11		(1,693,800)
Jul '11		(1,633,460)

46 P.7

46 P.4

Flow into G/L  
embedded into which accounts?

~~CONFIDENTIAL~~

SOURCE: As Referenced

REDACTED

*1/18/11*

Tampa Electric Company  
Review of Accounting Treatment for Hedging Activities  
Docket # 110001-EI *HT*  
Audit Request 5

What is the percentage range limit for hedging (please provide source documentation)? If the Percent Hedged is higher than the range limit please explain.

-Please see the attached USB flash drive

Tampa Electric projects natural gas burn volumes during the company's annual fuel projection process. The volume of natural gas the company will hedge falls between a minimum and maximum percentage of these natural gas burn projections. The hedge plan targets hedges between [REDACTED] minimum and [REDACTED] maximum of the projected natural gas consumption when the natural gas is needed. These percentages (of projected volume) are the Risk Authorization Committee (RAC) approved hedge targets.

Variances between the actual hedge percentage and the RAC approved targets are caused by the variance between actual natural gas burn versus the projected natural gas burn. The volume hedged exceeded the target maximum range for the month of November 2010 due to lower energy sales and higher coal generation, which reduced natural gas consumption significantly. The percentage hedged was within the target compared to projected natural gas burn. However, the actual natural gas burn varied from the projected natural gas burn. Actual fuel consumption, particularly for natural gas, always varies compared to projected consumption due to unit failures, changes to planned outages, weather, wholesale power market changes, fuel prices, and economic changes.

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SOURCE: As Referenced

*61  
1 of 2*

1-18  
9/28/11

61  
202

Tampa Electric  
Summary of Natural Gas Hedge Volumes Relative to Actual Consumption  
August, 2010 - July, 2011

Month-Year	Target Minimum	Target Maximum	% of Actual Consumption Hedged	Above Maximum?	Explanation
Aug-10				No	
Sep-10				No	
Oct-10				No	
Nov-10				Yes	Lower energy sales and higher coal generation reduced natural gas consumption significantly.
Dec-10				No	
Jan-11				No	
Feb-11				No	
Mar-11				No	
Apr-11				No	
May-11				No	
Jun-11				No	
Jul-11				No	

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REDACTED

SOURCE: As Referenced

REDACTED

63-2  
20F2

REDACTED

TECO Energy, Inc.  
Sarbanes-Oxley 2010

9/28/11

A20. Contract Administration

**Purpose:** A20-03. The process of executing the contract cannot be facilitated without the review and approval of all the following areas: Contracts Administration & Compliance, Credit - Risk Management, Legal Department (or outside counsel), Commercial Sponsor, Operations Sponsor (President for ISDA's), Risk - Risk Management (for structured deals) and the Signor (i.e., Vice President, Customer Care & Fuels

**Source:** Mary Livingston, Manager Contracts Administration and Compliance

**Risk:** 02. (High) Contracts are executed without proper reviews and approvals by Contracts & Compliance, Risk Management, Legal and the commercial sponsor.

**Frequency:** Bi-Weekly

**Population:** Per discussion with Denise Toole, Administrator Corporate Ethics/Systems, on 01/11/11, there were 37 occurrences as of 12/31/10.

**Sample:** 11 - Since there was a total of 37 occurrences, 11 samples were required for an adequate sample size (15 high risk weekly sample / 52 weeks total = 29% x 37 occurrences = 11 sample size (with four being in Q4)).

**Test Plan:** Obtain a listing of all contracts executed during the year. For the appropriate sample size, obtain the contract and the corresponding routing sheet. (A) Ensure that the contract was approved by all appropriate personnel in accordance with Company Policy as evidenced by signatures on the contract and corresponding routing sheet.

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**Note:** Per discussion with Mary Livingston, Manager Contracts Administration and Compliance, on 08/16/10, she receives copies of all executed agreements and prepares the monthly listing based on the contracts that she has received. She then sends the listing to the parties responsible for entering into fuel and power agreements and has them review the list to ensure that all agreements are represented. These individuals then send a response with either their approval or with information that needs to be added. See testing at A22-02 and A22-12.

**Note:** The Commercial Sponsor in the control wording is represented as the Trade Floor Sponsor on the routing sheet.

Selection #	Contract #	Month	Sample	Counterparty	Attribute
1	NA (WT)	February			X
2	TEC-002-2010	May			X
3	TEC-002-2010	May			X
4	NA	May			X
5	PGS-002-2010	May			X
6	PGS-002-2010	May			X
7	PGS-002-2010	May			X
8	N/A	October			X
9	NA	November			X
10	SGT-002-2010	November			X
11	NA	December			X

**Tickmark Explanations:**

X - Attribute met, w/o/e.

**Work Performed:**

Kristin Goskie judgmentally selected 11 (four in Q4) contracts and the corresponding routing sheets to test. Ensured that the contract was approved by all appropriate personnel in accordance with Company Policy as evidenced by signatures on the contract and the corresponding routing sheet.

**Results:**

Audit Services considers the control to be operating effectively.

**Interim:**

Prepared by: KMG 07/26/10  
Reviewed by: LJO 8/15/10

**Q4:**

Prepared by: KMG 11/30/10  
Reviewed by: LJO 12/3/10

**Year-end:**

Prepared by: KMG 01/11/11  
Reviewed by: LJO 1/11/11

63-6  
10/11

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TECO Energy, Inc.  
Sarbanes-Oxley 2010  
A21. Derivatives and Hedging

*Handwritten initials and date: 1/10/11*

**Purpose:** A21-02. The Middle Office analyst reconciles the transaction parameters saved in Nucleus to the details on the deal blotter for each completed transaction.

**Source:** Adam Djak, Middle Office Analyst

**Risk:** 05. (High) Errors in the deal entry may go undetected and deals entered into by traders may not be included in the Nucleus system.

**Frequency:** Multiple

**Population:** > 250

**Sample:** 60 (15 in Q4)

**Test Plan:** For the appropriate sample size, obtain the Daily Trade Report and the Daily Trade Blotter for each of the selected deals. (A) Verify that the selected deal on the Daily Trade Report was supported by a trade on the Daily Trade Blotter. (B) Verify that the selected trade evidenced a checkmark or notations by the Middle Office Analyst on the related Daily Trade Blotter, indicating agreement to the respective Daily Trade Report. (C) Verify that the selected trade's details in the Daily Trade Report matched the details on the respective Daily Trade Blotter or other applicable supporting document.

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1	56775	1/4/10	1/5/10	1/5/10	X	X	X
2	57073	1/8/10	1/9/10	1/11/10	X	X	X
3	57006	1/12/10	1/13/10	1/13/10	X	X	X
4	57062	1/15/10 - 1	1/9/10	1/11/10	X	X	X
5	57108	1/20/10 - 1	1/10/10	1/11/10	X	X	X
6	57173	1/26/10	2/1/10	2/28/10	X	X	X
7	57189	1/29/10	1/30/10	1/30/10	X	X	X
8	57209	2/1/10 - 1	1/12/10	1/12/10	X	X	X
9	57264	2/9/10	2/10/10	2/10/10	X	X	X
10	57314	2/10/10	2/11/10	2/11/10	X	X	X
11	57411	2/16/10	2/17/10	2/17/10	X	X	X
12	57519	2/19/10	2/20/10	2/22/10	X	X	X
13	57566 - 2	2/23/10	4/1/10	10/30/10	X	X	X
14	57695	2/26/10	2/26/10	2/28/10	X	X	X
15	57702	3/3/10	3/3/10	3/3/10	X	X	X
16	57801	3/8/10	3/9/10	3/9/10	X	X	X
17	57839	3/11/10	3/12/10	3/12/10	X	X	X
18	57862	3/16/10	3/17/10	3/17/10	X	X	X
19	57876	3/18/10	3/18/10	3/18/10	X	X	X
20	57901	3/23/10 - 1	3/22/10	3/22/10	X	X	X
21	57971	3/31/10	4/1/10	4/1/10	X	X	X
22	57996	4/1/10	4/2/10	4/5/10	X	X	X
23	58014	4/7/10	4/8/10	4/8/10	X	X	X
24	58034	4/12/10	4/13/10	4/13/10	X	X	X
25	58074	4/16/10	4/17/10	4/19/10	X	X	X
26	58120	4/21/10	4/22/10	4/22/10	X	X	X
27	58152	4/26/10	4/27/10	4/27/10	X	X	X
28	58185	4/29/10	4/30/10	4/30/10	X	X	X
29	58264	5/4/10	5/4/10	5/4/10	X	X	X
30	58337	5/7/10	5/8/10	5/10/10	X	X	X
31	58452	5/14/10	5/15/10	5/17/10	X	X	X
32	58500	5/19/10	5/20/10	5/20/10	X	X	X
33	58510	5/20/10	5/21/10	5/21/10	X	X	X
34	58532	5/24/10	5/25/10	5/25/10	X	X	X
35	58598	5/27/10	5/28/10	5/31/10	X	X	X
36	58786	6/8/10	6/9/10	6/9/10	X	X	X
37	59285	6/13/10	6/13/10	6/30/10	X	X	X
38	58904	6/14/10	6/15/10	6/15/10	X	X	X
39	58981	6/16/10	6/17/10	6/17/10	X	X	X
40	58992	6/17/10	6/18/10	6/18/10	X	X	X
41	59052	6/21/10	6/22/10	6/22/10	X	X	X
42	59281	6/23/10	6/24/10	6/24/10	X	X	X
43	59116	6/24/10	6/25/10	6/25/10	X	X	X
44	59154	6/28/10	6/29/10	6/29/10	X	X	X
45	59166	6/29/10	6/30/10	6/30/10	X	X	X
46	60866	10/1/10	10/2/10	10/4/10	X	X	X
47	14403	10/1/10	1/1/11	1/31/11	X	X	X
48	14406	10/6/10	11/1/11	3/31/12	X	X	X
49	60881	10/6/10	10/7/10	10/7/10	X	X	X
50	60881	10/11/10	10/12/10	10/12/10	X	X	X
51	60881	10/11/10	10/12/10	10/12/10	X	X	X
52	60881	10/2/10	10/2/10	10/4/10	X	X	X

SOURCE: A21-02  
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52	14413	10/13/10	7/1/11	7/31/11	[REDACTED]	X	X	X
53	60903	10/13/10	11/1/10	10/31/11	[REDACTED]	X	X	X
54	60912	10/18/10	10/19/10	10/19/10	[REDACTED]	X	X	X
55	60913	10/18/10	10/18/10	10/18/10	[REDACTED]	X	X	X
56	60976	10/21/10	10/22/10	10/22/10	[REDACTED]	X	X	X
57	60978	10/21/10	10/22/10	10/22/10	[REDACTED]	X	X	X
58	60985	10/26/10	10/27/10	10/27/10	[REDACTED]	X	X	X
59	60972	10/26/10	10/27/10	10/27/10	[REDACTED]	X	X	X
60	61063	10/29/10	11/1/10	11/1/10	[REDACTED]	X	X	X

**Tickmark Explanations:**

X - Attribute met, w/o/s.

- 1 - Per Adam Djak, Middle Office Analyst, these trades are to supply/buy fuel for over/under burns. Since the terms of the deal are not known until the meter has been read, the trade date is subsequent to the start and end date. Explanation appears reasonable; not an exception.
- 2 - Per review of the Daily Trade Report, it was noted that several deal numbers were listed multiple times. Per discussion with Adam Djak, Middle Office Analyst, it was noted that the deal was scheduled on two different delivery points, and therefore, was split into multiple quantities on the Daily Trade Report. It was noted that the sum of these multiple quantities equaled the quantity per the Daily Trade Blotter. Explanation appears reasonable; not an exception.

**Work Performed:**

Matt Elliott judgmentally selected 60 (15 in Q4) Daily Trade Reports and the corresponding Daily Trade Blotter to test. Verified that the selected deal on the Daily Trade Report was supported by a trade on the Daily Trade Blotter. Verified that the selected trade evidenced a checkmark or notations by the Middle Office Analyst (Adam Djak) on the related Daily Trade Blotter, indicating agreement to the respective Daily Trade Report. Verified that the selected trade's details in the Daily Trade Report matched the details on the respective Daily Trade Blotter.

**Results:**

Audit Services considers the control to be operating effectively.

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**Interim:**

Prepared by: MEE 9/10/10  
Reviewed by: MLC 9/24/10

**Q4:**

Prepared by: MEE 11/10/10  
Reviewed by: LKO 12/2/10

**Year-end:**

Prepared by: N/A  
Reviewed by: N/A

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SOURCE: As Referenced  
SOURCE: As Referenced

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08834-11 12/8/11  
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63	14234	2/26/10	11/1/10	11/26/10	X	X
64	14277	4/27/10	7/1/10	7/27/10	X	X
67	14305	5/26/10	3/1/11	3/26/11	X	X
68	14336	8/13/10	8/1/10	8/13/10	X	X
69	14408	10/7/10	11/1/11	10/7/11	X	X
70	14430	10/11/10	4/1/11	4/11/11	X	X
71	14411	10/11/10	2/1/11	2/11/11	X	X
72	14412	10/13/10	4/1/12	4/13/12	X	X
73	14413	10/13/10	7/1/11	7/13/11	X	X
74	14418	10/13/10	1/1/11	1/13/11	X	X
75	14419	10/13/10	12/1/11	12/13/11	X	X
76	14420	10/13/10	1/1/12	1/13/12	X	X
77	14421	10/13/10	3/1/12	3/13/12	X	X
78	14423	10/26/10	1/1/11	1/26/11	X	X
79	14424	10/26/10	4/1/11	4/26/11	X	X
80	14425	10/26/10	7/1/11	7/26/11	X	X
81	14426	10/26/10	10/1/11	10/26/11	X	X
82	14427	10/26/10	10/1/11	10/26/11	X	X
83	14428	10/26/10	4/1/12	4/26/12	X	X
84	14429	10/26/10	10/1/12	10/26/12	X	X
85	14430	10/26/10	10/1/12	10/26/12	X	X
86	14431	10/26/10	10/1/12	10/26/12	X	X
87	37133	1/21/10	1/23/10	1/21/10	X	X
88	37134	1/21/10	1/23/10	1/21/10	X	X
89	37135	1/23/10	2/1/10	2/23/10	X	X
90	37243	2/23/10	4/1/10	4/23/10	X	X
91	37248	2/23/10	3/1/10	3/23/10	X	X
92	37215	3/23/10	4/1/10	4/23/10	X	X
93	37216	3/24/10	7/1/10	7/24/10	X	X
94	37223	3/23/10	4/1/10	4/23/10	X	X
95	38133	4/23/10	4/23/10	4/23/10	X	X
96	38143	4/26/10	5/1/10	5/1/10	X	X
97	38335	5/26/10	6/1/10	6/26/10	X	X
98	38334	5/25/10	11/1/10	11/25/10	X	X
99	39214	7/19/10	7/28/10	7/19/10	X	X
100	39446	7/26/10	8/1/10	8/26/10	X	X
101	39479	8/1/10	8/2/10	8/1/10	X	X
102	60447	9/20/10	11/1/10	11/20/10	X	X
103	60537	9/24/10	10/1/10	10/24/10	X	X
104	60902	10/13/10	11/1/10	10/13/10	X	X
105	60903	10/13/10	11/1/10	10/13/10	X	X
106	60907	10/13/10	10/1/10	10/13/10	X	X
107	60908	10/23/10	11/1/10	11/23/10	X	X
108	60939	10/23/10	2/1/11	10/23/11	X	X
109	61002	10/23/10	11/1/10	11/23/10	X	X
110	61053	10/26/10	11/1/10	10/26/10	X	X
111	61056	10/27/10	11/1/10	11/27/10	X	X
112	61049	10/27/10	11/1/10	11/27/10	X	X
113	61051	10/27/10	11/1/10	11/27/10	X	X
114	61052	10/27/10	12/1/10	12/27/10	X	X
115	61058	10/27/10	11/1/10	11/27/10	X	X
116	61059	10/27/10	11/1/10	11/27/10	X	X
117	61023	10/28/10	3/1/11	3/1/11	X	X
118	14432	11/2/10	3/1/11	3/1/11	X	X
119	14434	11/2/10	6/1/11	6/2/11	X	X
120	14443	11/4/10	3/1/11	3/1/11	X	X

**Tickmark Examination**

2 - It was noted that the confirmation did not have tickmarks indicating review. For discussion with Adam Djok, Middle Office Analyst, these confirmations were generated from the Nexus database (or was a long form generated outside of Nexus for deal 60467). Therefore, the terms of the trade were reviewed by the Middle Office Analyst (see testing at A21-02). Explanation appears reasonable; not an exception.

3 - It was noted that the confirmation did not agree to the Daily Trade Report or the trade Master. For discussion with Denise Deak, Administrator Corporate Broker (BOR Coordinator), these transactions were not new deals, but were setup to accommodate a pipeline schedule change for deal 60377. Manual notation on the deal Master that corroborated this explanation. Explanation appears reasonable; not an exception.

**Trade Confirmation**

Most Elliott judgements pointed 00 (13 in Q4) deals with delivery dates beyond the next business day from the Daily Trade Reports to test. Reviewed the confirmation for tickmarks indicating the reconciliation between Master and the actual confirmation. Against the terms of the confirmation (company, deal #, trade date, etc.) in the Daily Trade Report or the equivalent Nexus counterpart. For one deal, noted that the termination date per Nexus did not agree to the termination date per the confirmation. For discussion with Adam Djok, Middle Office Analyst, the confirmation was originally incorrect, and as of the end of testing, a revised confirmation was obtained from the company. Exception noted. In order to determine if this exception was an isolated incident, manually selected an additional 00 deals to test. Reviewed the confirmation for tickmarks indicating the reconciliation between Master and the actual confirmation. Against the terms of the confirmation (company, deal #, trade date, etc.) in the Daily Trade Report or the equivalent Nexus counterpart. No exceptions were noted. Therefore, the exception was an isolated incident.

**Results:**

Audit Services considers the control to be operating effectively.

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Interim:  
Prepared by: MBE 07/1/10  
Reviewed by: MLC 02/2/11

GR:  
Prepared by: MBE 11/1/10  
Reviewed by: LJO 12/3/10

Year-end:  
Prepared by: N/A  
Reviewed by: N/A

SOURCE: As Referenced  
SOURCE: As Referenced

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**Note (Coal):** Per discussion with Rob Flohr, Manager Financial Reporting, on 8/30/10, this control covers the long-term coal contracts, which is not covered at A22-01 (power) or A22-11 (solid fuels). Per discussion with Cathy Disney, Accounting Manager, TECO Coal, on 8/24/10, she received copies of all newly executed contracts from Larry Lambin, Manager T&D, to review. Once reviewed, she sends the analysis to Rob. Per discussion with Rafael Navajas, Commercial Manager, on 2/8/11, Victor Urrutia, VP Generation and Operations, signs all contracts covered by A22-14, regardless of the dollar amount of the transaction. Victor then sends the contracts to Rafael, who then sends the contracts to Rob. After notice, Rob performs the analysis. Per discussion with Rob Flohr, he did not receive notice from TECO Guatemala for Q1 or Q2 (see further discussion below). During the performance of this control, both a Contract Review and NPNS criteria are considered.

**Population:** A22-14. Other material contracts (i.e. TECO Coal Sales, Guatemala Coal Purchases) and contracts identified by the RAC and CLT are forwarded to the Derivatives Accounting Group for review and evaluated for ASC 815 implications.

**Source:** Rob Flohr, Manager Financial Reporting

**Risk:** 01. (High) Deficient or incorrect documentation of recently executed contracts could have a material adverse effect on financial statements or preclude the company from appropriately electing hedge accounting.

**Frequency:** Quarterly

**Population:** For TECO Coal Sales - Per review of the Q1 and Q2 ASC815 Binders and the 1/1/10 - 6/30/10 RAC meeting minutes, noted that 19 coal contracts were entered into from 1/1/10 - 6/30/10. Per review of the Q3 and Q4 ASC815 Binders and the 7/1/10 - 12/31/10 RAC meeting minutes, noted that an additional 17 coal contracts were entered into from 7/1/10 - 12/31/10. Therefore, a total of 36 coal contracts were entered into during 2010.

For TECO Guatemala - Per review of the Q1 - Q4 ASC815 Binder and the 1/1/10 - 12/31/10 RAC meeting minutes, noted that 4 coal contracts was entered into from 1/1/10 - 12/31/10.

**Sample:** For TECO Coal - Since there was a total of 38 annualized occurrences (19 coal contracts as of 6/30/10 x 2 quarters remaining = 38), 11 new coal contract samples were required for an adequate sample size (7 high risk bi-weekly sample / 25 weeks population = 28% x 38 total population = 11 total sample size x 25% high risk = 3 in Q4) as of year-end. At year-end, noted that the actual population for 1/1/10 - 12/31/10 was 36 occurrences. Therefore, the annualized population calculated at interim was adequate.

For TECO Guatemala - Tested all four occurrences.

**Test Plan:** For the appropriate sample size, obtain the communication evidence that other material contracts (i.e. TECO Coal Sales, TECO Guatemala Coal Sales & Purchases) and contracts identified by the RAC and CLT are forwarded to the Derivatives Accounting Group for review. (A) Ensure that the Contract Analysis properly outlined the definition of a derivative and an embedded derivative, if applicable, as outlined in ASC 815. (B) Review the responses in the Contract Analysis and the related contract to determine whether the contract was properly classified or not classified as a derivative or embedded derivative, if applicable. (C) If considered a derivative, ensure that further evaluation was performed (i.e. Normal Purchase and Sale Exception Form was completed and signed by the Manager Financial Reporting or hedge accounting was

Company	Population	Occurrence	Contract	Derivative (Y/N)	A	B	C
TECO Coal	1	01/15/2010		N	X	N/A	N/A
	2	01/15/2010		N	X	N/A	N/A
	3	01/25/2010		N	X	N/A	N/A
	4	01/22/2010		N	X	N/A	N/A
	5	06/11/2010		N	X	N/A	N/A
	6	04/07/2010		N	X	N/A	N/A
	7	05/07/2010		N	X	N/A	N/A
	8	05/21/2010		N	X	N/A	N/A
	9	10/18/2010		N	X	N/A	N/A
	10	12/20/2010		N	X	N/A	N/A
	11	12/21/2010		N	X	N/A	N/A
TECO Guatemala	1	06/17/2010		N	X	N/A	N/A
	2	09/29/2010		N	X	N/A	N/A
	3	12/06/2010		N	X	N/A	N/A
	4	12/15/2010		N	X	N/A	N/A

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**Tickmark Explanations:**

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C

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risk is minimal. Tampa Electric maintains a contract with a local supplier to deliver all of its needs, which mitigates supply risk.

**Natural Gas.** Tampa Electric continues to implement prudent financial hedging strategies for natural gas requirements. In 2009, 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 2010.

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.

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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.

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Currently, Tampa Electric estimates over [redacted] percent of its total 2009 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 2010, Tampa Electric has approximately [redacted] percent hedged with a currently estimated [redacted] of [redacted].

**Purchased Power.** Total forecasted purchased power for 2010 is 1,493 GWH. As of July 2009, Tampa Electric has physically hedged [redacted] percent of its 2010 expected purchased power needs through pre-scheduled purchased power agreements. The remaining [redacted] GWH or [redacted] percent of 2010 forecasted wholesale energy purchases will be purchased from as-available cogenerators or on the short-term, non-firm market for economy

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purposes, which are not hedged. The table below shows the expected spot purchased power amounts by month.

EXPECTED PURCHASES 2010					
	Total Purchases (MWh)	Open Position Purchases (MWh)	Open Position (% of Total)	Projected Transaction Price (\$/MWh)	Open Position (\$)
JAN	111,106				
FEB	96,832				
MAR	103,082				
APR	127,668				
MAY	142,284				
JUN	148,418				
JUL	155,383				
AUG	160,279				
SEP	130,446				
OCT	132,056				
NOV	97,760				
DEC	88,011				
<b>TOTAL</b>	<b>1,493,325</b>				

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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 fuel delivery on new purchased power contracts that began in 2008 and 2009. Tampa Electric is not currently including these contract volumes in its hedging portfolio. Once Tampa Electric has more experience with these contracts, the company will reassess whether this natural gas volume should be added to its natural gas hedge portfolio.

In summary, Tampa Electric's planned operations in 2010 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.

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*W/P 4/28/11*

~~Tampa Electric~~  
2010 Natural Gas Hedging Activity True-Up

	Type of Hedge	Mark-to-Market Saving/(Loss)	Hedged Volume (MMBTU)	Consumption (MMBTU)	Percent Hedged	Budget Price (\$)	Hedge Price (\$)	Settle Price (\$)
January	Swaps	(4,236,240)		6,279,331				5.81
February	Swaps	(4,894,900)		5,552,378				5.27
March	Swaps	(5,526,580)		3,457,508				4.82
April	Swaps	(6,628,300)		4,822,245				3.84
May	Swaps	(6,343,380)		6,440,428				4.27
June	Swaps	(6,789,150)		6,268,450				4.16
July	Swaps	(6,010,740)		5,878,013				4.72
August	Swaps	(4,255,640)		6,296,163				4.77
September	Swaps	(8,232,720)		6,191,941				3.65
October	Swaps	(6,242,450)		5,105,134				3.84
November	Swaps	(4,857,010)		2,457,708				3.29
December	Swaps	(3,825,600)		4,466,039				4.27
<b>Total</b>		<b>(67,840,710)</b>		<b>63,015,339</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 2010. The losses for 2010 were driven primarily by the supply surplus due to the lower demand caused by the recession and the higher supply from non-conventional production, shale gas.

To enhance its physical reliability of gas supply, Tampa Electric has increased its natural gas storage capabilities since summer 2005, in 2010 the total storage capacity increased to 1,200,000 MMBtu. 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 and holidays.

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 loss of approximately \$68 million in 2010; however, Tampa Electric was successful in reducing price uncertainty and maintaining fuel supply reliability for customers for both its physical and financial hedges.

SOURCE: As Referenced

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Tampa Electric

Coal Contract to Market Indicator Price Comparisons

Supplier (Mine)	Contract (\$ / MMBtu)	Market Indicator (\$ / MMBtu)	Difference	Market Indicator Source	Note
Knight Hawk		3.07		GEN-2009-01 December 2007	1
Knight Hawk		3.07		GEN-2009-01 December 2007	1
TCP		2.64		PC-2010-PC	1*
Valero		2.64		PC-2010-PC	1, 2
Valero		3.12		Argus PC Monthly June 2010	2
Glencore		4.18		GEN-2010-01	1
Ken American		4.53		Gen-2009-02 June 2008	1
Allied		2.47		Gen-2008-SP-01 Sept 2007	4
Allied		3.08		ICAP United, Inc - Coal 6/24/09	5
American Coal		3.00		GEN-2009-01 December 2007	1
Coal Sales		1.94		Gen 2005-2014 Solicitation	1
Eastern Coal and Coke		3.72		Coal Daily pricing 5/4/2010	3
Emerald		4.53		ICAP United, Inc - Coal 12/15/10	6
Progress		4.46		BTU Swap will replace Progress 4Q 2011	7

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.

1. The bid solicitation price is the average price submitted of all acceptable coal bids.
2. Petroleum Coke Price index: PACE Petroleum Coke monthly and or Argus Petroleum Coke monthly Green Coke, Gulf Coast/Caribbean, Average Price, Below 50 Hargrove Grindability Index.
3. Pricing based on Argus Coal Daily coal price index.
4. Replacement coal volume for Phoenix-08SP1-09 that was not shipped.
5. Call / put option entered into in June 2009 - Utilized June 24, 2009 ICAP.
6. Spot purchase entered into December 2010 - Utilized December 15, 2010 ICAP.
7. GFI forecasted pricing. Illinois basin pricing 11,500, 5.0 S02, delivered to Davant, LA.

SOURCE: As Referenced

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THH [Signature] 9/28/11

case, natural gas expenditures increase by an estimated [REDACTED], and the total fuel and purchased power costs increase by [REDACTED]. This exposure estimate does not take into account any hedges the company may implement to limit its exposure. Tampa Electric's hedging strategy with respect to natural gas is outlined in Section IV of this plan.

Tampa Electric's expected expenditures for purchased power currently have an open position of approximately [REDACTED] for 2011. Tampa Electric's hedging strategy with respect to purchased power is outlined in Section IV of this plan.

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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.

**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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**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.

**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

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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.

**Natural Gas.** Tampa Electric continues to implement prudent financial hedging strategies for natural gas requirements. In 2010, 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 2011.

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.

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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 over [redacted] percent of its total 2010 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 2011, Tampa Electric has approximately [redacted] percent hedged with a currently estimated [redacted] of [redacted].

**Purchased Power.** Total forecasted purchased power for 2011 is 1,259 GWH. As of July 2010, Tampa Electric has physically hedged [redacted] percent of its 2011 expected purchased power needs through pre-scheduled purchased power agreements. The remaining [redacted] GWH or [redacted] percent of 2011 forecasted wholesale energy purchases will be purchased from as-

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available cogenerators or on the short-term, non-firm market for economy purposes, which are not hedged. The table below shows the expected spot purchased power amounts by month.

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EXPECTED PURCHASES 2011

	Total Purchases (MWh)	Open Position Purchases (MWh)	Open Position (% of Total)	Projected Transaction Price (\$/MWh)	Open Position (\$)
JAN	67,270				
FEB	58,020				
MAR	75,940				
APR	113,590				
MAY	181,750				
JUN	128,230				
JUL	112,380				
AUG	104,850				
SEP	134,150				
OCT	101,200				
NOV	63,960				
DEC	119,820				
<b>TOTAL</b>	<b>1,259,160</b>				

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 2011 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.