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July 21, 2016

**VIA: ELECTRONIC FILING**

Ms. Carlotta S. Stauffer  
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; FPSC Docket No. 160001-EI

NOTIFICATION PURSUANT TO RULE 25-6.0424  
FLORIDA ADMINISTRATIVE CODE

Dear Ms. Stauffer:

We write to notify the Commission that Tampa Electric Company currently projects that it will have an over-recovery of fuel and purchased power cost recovery revenues in excess of 10% for the calendar year 2016. Based on Tampa Electric's estimated over-recovery balance of \$122,639,796 and its actual and estimated revenues through December 2016, of \$721,623,604, the company's over-recovery percentage is projected to be 17%, primarily attributable to natural gas prices being lower than originally projected when the current cost recovery factor was set.

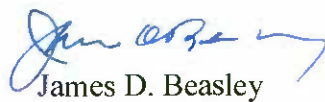
Given the proximity of the resetting of fuel and purchased power cost recovery factors for 2017, the time it would take to process and implement a mid-course correction and to avoid customer confusion associated with multiple adjustments to the fuel adjustment factor, Tampa Electric believes that a mid-course correction is not practicable and that the better course of action would be to address the projected over-recovery in the resetting of adjustment factors for 2017. The earliest practicable implementation of revised mid-course fuel adjustment factors would be October 2016, assuming an expedited Commission decision and less than 30 days' notice of the change provided to customers, if allowed by the Commission. Therefore, the company proposes that the 2016 over-recovery balance be returned to customers with interest in the fuel factor that will take effect in January 2017. This proposal enhances rate stability compared to changing the factor for two to three months of billing and then changing it again in January 2017.

Please feel free to contact the undersigned should you have any questions or require further information relating to this notification.

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Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "James D. Beasley", is written above the printed name.

James D. Beasley

JDB/pp

cc: Danijela Janjic  
Suzanne Brownless  
All Parties of Record