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12 JUN -5 PM 3:24

COMMISSION
CLERK

June 5, 2012

HAND DELIVERED

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

Re: Docket No. 120153-EI – Petition to recover capital costs of Polk Fuel Cost Reduction Project through the Fuel Cost Recovery Clause, by Tampa Electric Company

Dear Ms. Cole:

Tampa Electric wishes to clarify one aspect of its Petition in the above docket. In paragraph 5 of the Petition the company stated that the proposed fuel cost reduction project includes, as one of the four project components, the use of natural gas to replace synthetic gas ("Syngas") at higher levels of output of its IGCC process where natural gas is less expensive. While Tampa Electric believes the replacement of syngas or augmentation of syngas with natural gas will certainly result in efficiency improvements and fuel savings this aspect of the project would not necessarily result in the burning of a lower priced fuel as required by the Commission in a previous Order. Consequently, Tampa Electric withdraws this component from the proposed project. While the company still plans to use natural gas to replace Syngas at higher levels of output, as described in the Petition, the company does not seek cost recovery of that effort through the fuel and purchased power cost recovery clause as part of the project addressed in its Petition. The cost of the partial syngas replacement effort is \$110,000 which will be subtracted from the amount for which the company seeks cost recovery through the clause.

This will also confirm that the \$29.5 million (net present value) fossil fuel savings over the initial five years of the project, referred to in paragraph 7 of the company's Petition, was calculated excluding any savings that may be realized from the use of natural gas as a substitute for Syngas at higher levels of output of the company's IGCC process. Consequently, the \$29.5 million projected savings does not change as a result of the company's withdrawal of the natural gas for Syngas substitution component of the project described in its Petition.

DOCUMENT NUMBER 120153-EI

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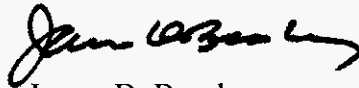
FPSC-COMMISSION CLERK

Ms. Ann Cole
June 5, 2012
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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,

A handwritten signature in black ink, appearing to read "James D. Beasley", written in a cursive style.

James D. Beasley

JDB/pp

cc: Office of Public Counsel
Lisa Bennett