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July 2, 2012

HAND DELIVERED

HECEIVED-FPSC

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

Re:

Petition of Tampa Electric Company to Recovery Capital Costs of Polk Fuel Cost

Reduction Project through the Fuel Cost Recovery Clause;

Docket No. 120153-EI.

Dear Ms. Cole:

Enclosed for filing in the above docket are the original and five (5) copies of Tampa Electric Company's Revised Answer to Staff's 1st Data Request (No. 1). We would appreciate your circulating this revised version to the recipients of the original submission so that they may be inserted in place of the corresponding page of the earlier filing submitted on June 22, 2012.

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,

omeerery,

James D. Beasley

JDB/pp
Enclosure

CC: Lisa Bennett (w/enc.)
Patricia Christensen (w/enc.)

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TAMPA ELECTRIC COMPANY DOCKET NO. 120153-EI STAFF'S FIRST DATA REQUEST REQUEST NO. 1 PAGE 1 OF 1 FILED: JUNE 22, 2012 REVISED: JULY 2, 2012

- 1. In paragraph 4 of TECO's Petition, the Company asserts that it has looked at the price forecast of natural gas into "the foreseeable future." Please identify the forecasting models TECO relied on to assess this, including in your response the forward curve date(s) and forecasting assumptions.
- A. Tampa Electric used its annual fuel price forecast prepared in the summer of 2011. This projection is used in the Florida Public Service Commission ("FPSC") Fuel Clause Projection filed in August and September 2011 and Ten Year Site Plan filed in April 2012.

The foundation of the natural gas projection is the average of the New York Mercantile Exchange ("NYMEX") natural gas futures contract closing price published during five consecutive business days of between July 18 and July 22, 2011. Tampa Electric chose these dates because they were the latest dates that could be accommodated in the 2012 fuel projection process and they did not contain any market anomalies, such as a hurricane in the Gulf of Mexico. The NYMEX natural gas futures contracts continued for each month through December 2022. After that, the price of natural gas commodity was escalated at the forecasted Consumer Price Index, Less Energy.