



Public Service Commission

ORIGINAL

-M-E-M-O-R-A-N-D-U-M-

DATE: August 12, 1998
TO: James Beasley, Esquire
Vicki Gordon Kaufman, Esquire
Roger Howe, Esquire
Gail Kamaras, Esquire
FROM: Grace A. Jaye, Attorney, Division of Legal Services
RE: Docket No. 980693-EI - Petition by Tampa Electric Company for approval of cost recovery for a new environmental program, the Big Bend Units 1 & 2 Flue Gas Desulfurization System.

Via Facsimile

The following is a fourth amended list of staff's preliminary issues to be addressed in the above docket.

- 1. Has Tampa Electric Company (TECO) adequately explored alternatives to the construction of a Flue Gas Desulfurization (FGD) system on Big Bend Units 1 and 2?
2. Is the fuel price forecast used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?
3. Are the economic and financial assumptions used by TECO in its selection of a CAAA Phase II Compliance plan reasonable?
4. Did TECO reasonably consider the environmental compliance costs for all regulated air, water and land pollutants in its selection of the proposed FGD system on Big Bend Units 1 and 2 for sulfur dioxide (SO2) compliance purposes?
5. Has TECO demonstrated that its proposed FGD system on Big Bend Units 1 and 2 for SO2 compliance purposes is the most cost-effective alternative available?
6. Should the Commission approve TECO's request to accrue allowance for funds used during construction (AFUDC) for the proposed FGD system on Big Bend Units 1 and 2?
7. Should TECO's petition for cost recovery of a FGD system on Big Bend Units 1 and 2 through the Environmental Cost Recovery Clause (ECRC) be granted?

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APPROPRIATE AGENCIES

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8. Should this docket be closed?

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