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April 6, 2001

HAND DELIVERED

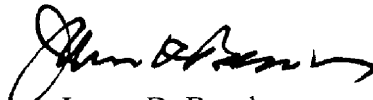
Mr. James Breman, USC Engineer  
Bureau of Electric Reliability  
Florida Public Service Commission  
Room 280M – Gerald L. Gunter Building  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0850

Re: Environmental Cost Recovery Clause  
FPSC Docket No. 010007-EI

Dear Mr. Breman:

Enclosed are Tampa Electric Company's responses to Staff's questions requested at the staff level workshop held on March 1, 2001.

Sincerely,



James D. Beasley

JDB/pp  
Enclosure

cc: Blanca S. Bayo (w/enc.)  
All Parties of Record (w/enc.)

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
GAR \_\_\_\_\_  
GCR \_\_\_\_\_  
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DOCUMENT NUMBER-DATE

04300 APR-60

FPSC-RECORDS/REPORTING

**New Plant (new is green field construction & re-construction):**

1. Does the Utility support recovery of new power plant construction cost through the ECRC?

If yes; A) Has the Utility always supported including new power plant construction cost recovery through the ECRC?

If not; What change in fact, law or policy caused the Utility to change its position?

If not; A) Did the Utility support including new power plant construction cost recovery through the ECRC at some time?

If yes; What change in fact, law or policy caused the Utility to change its position?

- A. Tampa Electric has not previously had occasion to address whether new power plant construction cost should be recovered, in whole or in part, through the ECRC. Therefore, the company has had no change of position on this issue. In all of its ECRC actions, Tampa Electric has been guided by the qualifying criteria for ECRC recovery set forth in Section 366.8255, Florida Statutes, as implemented in Commission Order No. PSC-94-0044-FOF-EI, issued on January 12, 1994 in Docket No. 930613-EI (the "Gulf Power Company Order") and other ECRC decisions. In that order, the Commission stated that it would allow the recovery of costs associated with an environmental compliance activity through the ECRC if:

1. such costs were prudently incurred after April 13, 1993;
2. the activity is legally required to comply with a governmentally imposed environmental regulation enacted, became effective, or whose effect was triggered after the company's last test year upon which rates are based; and,
3. such costs are not recovered through some other cost recovery mechanism or through base rates.

In that order, the Commission further stated:

In addition, we shall consider that all costs associated with activities included in the test year of the utility's last rate case are being recovered in base rates unless there have been new legal environmental requirements which change the

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scope of previously approved activities and caused costs to change from the level included in the test year. If new legal requirements cause an increase, or decrease, in costs from the level included in the test year of the utility's last rate case, the amount recovered through base rates should be determined to be the amount included in the test year.

Whether the cost of a new power plant, either green field construction or re-construction could qualify, in whole or in part, for cost recovery under the ECRC mechanism would depend upon the facts and circumstances associated with the proposed project. While Tampa Electric has not requested ECRC recovery of costs associated with new generating plant, it is impossible to say, in response to a broadly worded hypothetical, that a utility could never make a case for such cost recovery under any set of circumstances. It would not be difficult to assume a set of facts under which the construction of a particular type of power plant turned out to be the most cost-effective means of complying with a new governmentally imposed environmental regulation enacted or which became effective or whose effect was triggered after the utility's last test year upon which rates are based.

2. Does the Utility support recovery of power plant re-powering construction costs through the ECRC?

If yes; A) Has the Utility always supported including re-powering plant construction costs recovery through the ECRC?

If not; What change in fact, law or policy caused the Utility to change its position?

If not; A) Did the Utility support including re-powering construction costs recovery through the ECRC at some time?

If yes; What change in fact, law or policy caused the Utility to change its position?

- A. Tampa Electric has not previously had occasion to address whether power plant re-powering construction costs should be recovered, in whole or in part, through the ECRC. Therefore, the company has had no change of position on this issue. As stated in response to Question No. 1, Tampa Electric has been guided by the qualifying criteria for ECRC recovery set forth in Section 366.8255, Florida Statutes, and in the Gulf Power Company Order and other implementing decisions of the Commission.

Whether the cost of re-powering a power plant could qualify, in whole or in part, for cost recovery under the ECRC mechanism would depend upon the facts and circumstances associated with the proposed project. While Tampa Electric has not previously requested ECRC recovery of costs associated with re-powering a power plant, it is impossible to say, in response to a broadly worded hypothetical, that a utility could never make a case for such cost recovery under any set of circumstances. As previously stated, It would not be difficult to assume a set of facts under which the re-powering of a power plant turned out to be the most cost-effective means of complying with a new governmentally imposed environmental regulation enacted or which became effective or whose effect was triggered after the utility's last test year upon which rates are based.

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3. Does the Utility believe the ECRC should be used to recover the cost to construct new transmission lines and new transmission substations?
  - A. Tampa Electric has not applied to recover the costs of new transmission lines and new transmission substations through the ECRC. While it is infrequent for environmental regulatory changes to impact transmission line and transmission substation construction projects, it is impossible to say, in response to this broadly worded hypothetical, that a utility could never make a case for such cost recovery under any set of circumstances.

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4. What are the matters of fact, law and policy you believe support your position regarding ECRC treatment of the construction costs for new transmission plant?
  - A. Section 366.8255, Florida Statutes, sets forth the law and legislative policy for environmental cost recovery. That statute and the implementing orders of this Commission, including the Gulf Power Company Order, set forth clear and understandable law and policy guidelines governing ECRC treatment on environmental compliance costs. The matters of fact from which to determine whether new transmission plant should be recoverable under the ECRC mechanism are the unknown here. Until the specifics of a particular proposal can be examined, it is unwise to attempt to say with any degree of certainty whether a particular type of project qualifies for ECRC cost recovery.

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5. Does the Utility believe the ECRC should be used to recover the cost to construct new distribution lines and new distribution substations? If so, which portions?
  - A. Tampa Electric has not applied to recover the costs of new distribution lines and new distribution substations through the ECRC. While it is infrequent for environmental regulatory changes to impact distribution line and distribution substation construction projects, it is impossible to say, in response to this broadly worded hypothetical, that a utility could never make a case for such cost recovery under any set of circumstances.

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6. What are the matters of fact, law and policy you believe support your position regarding ECRC treatment of the construction costs for new distribution plant?
  - A. Section 366.8255, Florida Statutes, sets forth the law and legislative policy for environmental cost recovery. That statute and the implementing orders of this Commission, including the Gulf Power Company Order, set forth clear and understandable law and policy guidelines governing ECRC treatment on environmental compliance costs. The matters of fact from which to determine whether new distribution plant should be recoverable under the ECRC mechanism are the unknown here. Until the specifics of a particular proposal can be examined, it is unwise to attempt to say with any degree of certainty whether a particular type of project qualifies for ECRC cost recovery.



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7. Which Florida Statutes, Administrative Rules, Commission Orders or other policy statements requires the Commission to provide ECRC treatment for all new plant construction costs which meet Section 366.8255(1) definitions?
  - A. Tampa Electric has not asserted the position that the Commission is required to provide ECRC cost recovery for all new plant construction costs. Instead, as stated in response to Question No. 1, a determination of whether a particular project qualifies for ECRC cost recovery under Section 366.8255, Florida Statutes, would depend upon the facts and circumstances of the particular project. Section 366.8255, Florida Statutes, and the body of Commission orders implementing that statute set forth usable guidelines for determining what types of costs qualify.

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8. Can the Utility elect not to petition the Commission pursuant to Section 366.8255(2) even if new plant construction costs meet Section 366.8255(1) definitions? If so, how does the Utility recover the new plant construction costs for the environmental compliance activities which it elects not to recover through Section 366.8255?
  - A. A utility may elect not to petition the Commission for recovery of any project even though it may qualify for cost recovery under Section 366.8255, Florida Statutes. If it elects not to petition, then presumably it would either not recover the new plant construction costs, cover the costs with current earnings, or petition the Commission for base rate recovery.

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9. Does the Utility believe its last full rate case test budget provides a reasonable representation of its current costs to construct new generation, new transmission and new distribution?
  - A. Tampa Electric has not performed a comparison of its last full rate case test year budget against current costs to construct new generation, new transmission or new distribution. It is intuitive that the last full rate case test year budget does not reflect subsequent inflation, nor would it necessarily reflect the size and scope of specific construction projects on a going-forward basis.

10. What was the approved budgeted amount for the construction of new generation, new transmission, and new distribution plant in the Utility's last full rate case test year budget upon which current rates are set?
  - A. During the course of a rate case no effort is made to differentiate between capital relating to existing plant and capital for new projects. Consequently, this question cannot be answered as worded. However, total capital for each utility is reflected in the utility's most recent rate case order.

11. For purposes of this question assume that the ECRC can be used to recover a portion of new power plant construction and operational costs. What criteria or guidelines should the Commission use to identify the types of costs for new power plant equipment, new power plant operational costs, and general new construction activities whose costs would be eligible for recovery through the ECRC?
  - A. The Commission should use the criteria set forth in Section 366.8255, Florida Statutes, and in the Commission's prior orders implementing the statute.

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12. For purposes of this question assume that the ECRC can be used to recover a portion of new transmission facility construction and operational costs. What criteria or guidelines should the Commission use to identify the types of costs for new transmission equipment, new transmission operational costs, and general new construction activities whose costs would be eligible for recovery through the ECRC?
  - A. The Commission should use the criteria set forth in Section 366.8255, Florida Statutes, and in the Commission's prior orders implementing the statute.

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13. For purposes of this question assume that the ECRC can be used to recover a portion of new distribution facility construction and operational costs. What criteria or guideline should the Commission use to identify the type of costs for new distribution equipment, new distribution operational costs, and general new construction activities whose costs would be eligible for recovery through the ECRC?
  - A. The Commission should use the criteria set forth in Section 366.8255, Florida Statutes, and in the Commission's prior orders implementing the statute.

**Retro-fit Plant (change to existing plant):**

1. Does the Utility support recovery of power plant retro-fit costs through the ECRC?

If yes; A) Has the Utility always supported including power plant retro-fit costs recovery through the ECRC?

If not; What change in fact, law or policy caused the Utility to change its position?

If not; A) Did the Utility support including power plant retro-fit cost recovery through the ECRC at some time?

If yes; What change in fact, law or policy caused the Utility to change its position?

- A. There is considerable vagueness in this issue given the lack of definition of "power plant retro-fit costs." Retrofit costs could be those associated with the addition of a newly mandated Flue Gas Desulfurization (FGD) system or retrofit costs associated with generator replacement or re-powering. Certainly Tampa Electric believes that many retrofit costs qualify for recovery through the ECRC. Virtually all of the ECRC programs the Commission has approved for ECRC recovery have involved retrofitting some aspect of utility plant. If a retrofit project, however defined, qualifies for ECRC cost recovery under the provisions of Section 366.8255, Florida Statutes, then by virtue of the statute, it should be recoverable. Whether a retrofit project qualifies in whole or in part for cost recovery under the ECRC mechanism would depend upon the facts and circumstances associated with the proposed project. The company has had no change of position on this issue.



3. Does the Utility believe the ECRC should be used to recover the cost to retro-fit transmission lines and transmission substations? If so, which portions?
  - A. With the caveat stated in the previous question's response regarding the vagueness of the meaning of the term "retrofit," Tampa Electric has not applied to recover the costs of any retrofit transmission lines or transmission substations through the ECRC. While it is infrequent for changes in environmental regulatory changes to impact such construction projects, it is impossible to say, in response to this broadly worded hypothetical, that a utility could never make a case for such cost recovery under any set of circumstances.

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4. What are the matters of fact, law and policy you believe support your position regarding ECRC treatment of the retro-fit costs for transmission plant?
  - A. Tampa Electric's response to Staff's discussion questions all rely on Section 366.8255, Florida Statutes, and the previously-referenced prior Commission orders as the legal and policy support for the company's responses. The matters of fact cannot be addressed in the hypothetical but would have to be considered on a case-by-case basis.

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5. Which Florida Statutes, provision of the Florida Administrative Code, Commission Orders or other policy statements require the Commission to provide ECRC treatment for all retro-fit costs which meet Section 366.8255(1) definitions?
  - A. Tampa Electric's response to Staff's discussion questions all rely on Section 366.8255, Florida Statutes, and the previously-referenced prior Commission orders as the legal and policy support for the company's responses. The matters of fact cannot be addressed in the hypothetical but would have to be considered on a case-by-case basis.

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6. Can the Utility elect not to petition the Commission pursuant to Section 366.8255(2) even if retro-fit costs meet Section 366.8255(1) definitions? If so, how does the Utility recover the retro-fit for the environmental compliance activities which it elects not to recover through Section 366.8255?
- A. Tampa Electric submits the same response as provided earlier with respect to Question No. 8 in the "New Plant" section of Staff's discussion question.

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7. Does the Utility believe its last full rate case test budget provides a reasonable representation of its current costs to retro-fit generation, transmission and distribution?
  - A. Again, with the caveat regarding the vagueness of the term "retrofit," Tampa Electric has not performed a comparison of its last full rate case test year budget against current costs. It is intuitive that the last full rate case test year budget does not reflect subsequent inflation nor would it necessarily reflect the size and scope of specific "retrofit" projects relating to generation, transmission or distribution plant on a going-forward basis.

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8. What was the approved budgeted amount for retro-fit of generation, transmission, and distribution plant in the Utility's last full rate case test year budget upon which current rates are set?
  - A. Given the vagueness of the term "retrofit" Tampa Electric cannot respond to Staff Discussion Question No. 8. During the course of a rate case no effort is made to differentiate between capital relating to existing plant and capital for new projects. Consequently, this question cannot be answered as worded. However, total capital for each utility is reflected in the utility's most recent rate case order.

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9. For purposes of this question assume that the ECRC can be used to recover a portion of power plant retro-fit costs. What criteria or guidelines should the Commission use to identify the types of retro-fit costs at power plants that would be eligible for recovery through the ECRC?
  - A. In all ECRC decisions the Commission should use the criteria set forth in Section 366.8255, Florida Statutes, and in the Commission's prior orders implementing that statute.

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10. For purposes of this question assume that the ECRC can be used to recover a portion of transmission facility retro-fit costs. What criteria or guidelines should the Commission use to identify the types of retro-fit costs for transmission activities that would be eligible for recovery through the ECRC?
  - A. In all ECRC decisions the Commission should use the criteria set forth in Section 366.8255, Florida Statutes, and in the Commission's prior orders implementing that statute.



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11. For purposes of this question assume that the ECRC can be used to recover a portion of distribution facility retro-fit costs. What criteria or guidelines should the Commission use to identify the types of distribution retro-fit costs that would be eligible for recovery through the ECRC?
  - A. In all ECRC decisions the Commission should use the criteria set forth in Section 366.8255, Florida Statutes, and in the Commission's prior orders implementing that statute.

**Enforcement Action:**

1. What is the Utility's definition of an environmental enforcement action?
  - A) What facts, law or policy support the Utility's position?
- A. An environmental enforcement action can be defined as an administrative or judicial proceeding instituted by or on behalf of a governmental agency or other governmental entity having the authority to seek the enforcement of laws, rules or other governmentally imposed requirements pertaining to environmental protection. There is no fact, law or policy supporting this position other than the common meaning of the words used in the above definition.

2. Does the Utility support recovery of all costs for environmental enforcement actions through the ECRC?

If yes; A) Which portions?

B) Has the Utility always supported including recovery of costs for environmental enforcement actions through the ECRC?

If not; What change in fact, law or policy caused the Utility to change its position?

If not; A) Did the Utility support including costs for environmental enforcement actions in the ECRC at some time?

If yes; What change in fact, law or policy caused the Utility to change its position?

- A. Question No. 2 cannot be answered in a vacuum, but must be governed by the criteria set forth in Section 366.8255, Florida Statutes, as heretofore interpreted and applied by this Commission and by the facts and circumstances surrounding any particular proposed ECRC recovery of costs relating to an environmental enforcement action. All costs which meet those criteria should be recoverable. Tampa Electric has not changed its position regarding the recovery of costs associated with environmental enforcement actions since the inception of the ECRC.

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3. Does the Utility believe costs due to environmental enforcement actions are recoverable through base rates?
- A) If so, which portions?
  - B) What facts, law or policy support the Utility's position?
- A. Tampa Electric believes the costs associated with enforcement actions certainly can be reasonable and prudent costs of operating an electric utility. Any such reasonable and prudent costs should qualify for cost recovery either through the ECRC mechanism or through base rates, depending upon the facts and circumstances pertaining to the particular costs in question.

ECRC Rule:

1. Should the Commission codify its ECRC practices and policies in a rule?

A) What facts, law or policy support the Utility's position?

- A. Tampa Electric does not believe that it is necessary or appropriate for the Commission to attempt to codify its ECRC practices and policies in a rule. Now, more than ever, rulemaking should be studiously avoided in view of all of the recent administrative labors, cost and delay involved in handling requests for rule waivers and variances.

Rulemaking would destroy the flexibility with which the Commission has been able to administer the ECRC. The Commission, by choosing to administer the ECRC on a case-by-case basis, hasn't gotten bogged down in rulemakings, the inevitable necessity for rule amendments or the administrative red tape associated with processing rule waiver and variance requests.

The absence of rules hasn't hindered the Commission's ability to convey to the participating utilities exactly what it is the Commission believes must be demonstrated in order to gain approval of ECRC cost recovery, or what is expected of the utilities in their participation in ECRC cost recovery proceedings. The Commission's ECRC order (the Gulf Power Company Order) identified the characteristics that the Commission believed should exist to qualify an expenditure for ECRC cost recovery. Rulemaking was not deemed necessary.

Rulemaking is more appropriate when an agency needs to communicate a policy to a large population of listeners. Here there are only four utilities that qualify to petition the Commission for ECRC recovery. They are present at every hearing and history has shown that they learn well by example.

In short, rulemaking is unnecessary and would only bog down the ECRC cost recovery process.

2. What changes, if any, should be made to the following statements to fully reflect existing Commission policy with respect to the ECRC?
- (1) *Upon receipt of a petition by an electric utility, the Commission shall determine the amount of environmental compliance costs incurred on or after April 13, 1993 to be recovered through an environmental cost recovery factor. Each petition shall contain, factual allegations necessary to justify recovery, including, without limitation:*
    - (a) *A detailed description of each environmental compliance action;*
    - (b) *A copy of, or if previous/y provided a citation to, each environmental law, order, or regulation prompting each environmental compliance action;*
    - (c) *A detailed list of the costs associated with each environmental compliance action, including the timing of when those costs were incurred or are expected to be incurred;*
    - (d) *A cost-effectiveness comparison of each environmental compliance action which to the available alternatives;*
    - (e) *An analysis of the overall impact of the cost of each environmental compliance action on the revenue requirements, the rate of return of the utility on a system basis, and the rate of return of the utility on a jurisdictional basis; and,*
    - (f) *The utility's proposed method for separately accounting for the costs associated with each environmental compliance action.*
  - (2) *In determining the costs to be recovered through the Environmental Compliance Cost Recovery Factor, the Commission shall consider, at a minimum:*
    - (a) *Whether the environmental compliance action is in direct response to and solely for the purpose of complying with a lawful order, rule, or regulation of a federal, state, or local governmental agency with appropriate jurisdiction;*
    - (b) *Whether the environmental compliance action is prudent and the most cost-effective alternative available to the utility; and*
    - (c) *Whether the scope and magnitude of environmental compliance action and cost and any resulting effect on the utility warrant the filing of Minimum Filing Requirements and a full base rate review.*

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- (3) *Capital costs that may be recovered through the Environmental Compliance Cost Recovery Factor are those costs associated with alterations, modifications, or additions to existing plant in service to bring the plant into environmental compliance and shall include a return on equity equal to the midpoint of the range of the utility's last authorized return on equity. In addition, a return on equity equal to the midpoint of the range of the utility's last authorized return shall be allowed on the utility's investment in emissions allowances.*
- (4) *The following shall not be recovered through the Environmental Cost Recovery Factor:*
- (a) *Costs associated with any project or purchase which was considered in setting the utility's base rates, even if actual costs exceed the projected costs except as provided in (4)(a)*
1. *If any costs of a project or purchase were included in setting the Utility's base rates, the recovery of total costs associated with that project or purchase shall be adjusted only in a base rate adjustment proceeding except as provided in (4)(a)1. In no case will this clause be used to adjust for errors in forecasts or projections made during a base rate proceeding;*
1. *If the costs associated with any project or purchase which was considered in setting the utility's base rates increase because of the requirements of an order, rule, or regulation enacted after the Commission proceeding which set the utility's base rates, then the utility may petition to recover, through the Environmental Cost Recovery Factor, the costs in excess of the amount assigned to the project or purchase in the base rate proceeding to determine the utility's revenue requirements.*
- (b) *Environmental compliance costs that are authorized for recovery in any other cost recovery mechanism; and,*
- (c) *Costs associated with the construction and operation of new power plants, transmission lines, or distribution facilities.*
- (5) *Upon a determination by the Commission that the environmental compliance costs meet the conditions of subsections (2), (3) and (4), a utility may be granted the authority to recover its environmental compliance costs through an Environmental Compliance Cost Recovery Factor calculated and applied in conjunction with the Fuel and Purchased Power Cost Recovery Clause. The Environmental Compliance Cost Recovery Factor shall be set at least annually and shall be estimated using periods*

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- consistent with the Fuel and Purchased Power Cost Recovery Clause recovery periods, commencing with the first recovery period in which the environmental compliance assets are placed in service or environmental compliance expenses are incurred. A true-up adjustment, with interest, shall be made at the end of each recovery period to reconcile differences between estimated and actual data.*
- (6) *In any base rate proceeding, all costs currently recovered through the Environmental Compliance Cost Recovery Factor shall be included in base rates except as provided in (6)(a).*
- (a) *At the time of the base rate proceeding a utility may petition the Commission, or the Commission may determine that it is appropriate for the utility, to continue to recover the costs of any individual environmental compliance action through the Environmental Cost Recovery Factor because of the volatile or uncertain nature of the individual compliance action's costs. The Commission may allow the costs of such action to continue to be recovered through the Environmental Cost Recovery Factor.*
- (7) *Accounting.*  
*All accounts established by this rule shall be consistent with the Uniform System of Accounts prescribed by the Commission.*
- (a) *All revenues derived through the Environmental Compliance Cost Recovery Factor shall be applied solely to the environmental compliance costs authorized for recovery through the factor and shall be identified by separate subaccount under the appropriate accounts.*
- (b) *Separate subaccounts shall also be established to specifically record applicable amounts to be recovered through the factor, including, but not limited to:*
1. *The cost of construction;*
  2. *The plant in-service costs;*
  3. *The depreciation expense of plant when it is placed in service;*
  4. *The deferred income taxes and unamortized investment tax credits related to each environmental compliance action.*
  5. *The operation and maintenance expense pertaining to each environmental compliance action;*
  6. *Fees, taxes, and other expenses;*
  7. *The cost of allowances.*



(c) *Each environmental compliance action authorized for recovery shall be separately identified to permit application of appropriate capital recovery schedules or depreciation rates. Associated plant and reserve activity, balances, and the capital recovery schedule or depreciation rate expenses shall be maintained as side records. The recovery schedule or depreciation rate shall be designed to recover the investment of each authorized environmental compliance action by the date of retirement of existing plant.*

A. Consistent with Tampa Electric's previous responses to Staff's questions, the company does not believe it is beneficial or appropriate to attempt to list all past, present or future factual situations in which ECRC cost recovery should be allowed or disallowed. The provisions of Section 366.8255, Florida Statutes, speak for themselves, as do the various provisions of the Commission orders implementing Section 366.8255, Florida Statutes. The Commission wisely chose not to attempt to craft an exhaustive list of situations where ECRC recovery will or will not be allowed. Section 366.8255 itself recognizes the inappropriateness of attempting to catalog allowable costs in that the statute defines environmental compliance costs as "including but not limited to" certain categories of cost described in the statute. Whether ECRC recovery is appropriate depends on the facts and circumstances shown to exist for each cost sought to be recovered. Staff's attempt to differentiate between allowable and disallowable costs is not project specific and, therefore, cannot be responded to in a meaningful way.

**Tampa Electric Utility (Utility Specific):**

Please verify that the following table is a complete listing of all projects for which ECRC treatment has been requested since the Section 366.8255 was established. Include in your response the initial annual cost estimate for each project included in your petitions and the current estimate of year end 2000 costs for each project on the list.

- A. The table identifying Tampa Electric's projects for which ECRC treatment has been requested since Section 366.8255 was established is a complete listing. However, the following items provide updated information to certain projects.
1. The Commission order approving the Big Bend Units 1, 2 and 3 FGD Optimization project is PSC-00-1906-PAA-EI.
  2. The Commission order approving the NO<sub>x</sub> Reduction at Big Bend Units 1, 2 and 3 and PM Emissions Reductions at Big Bend projects is PSC-00-2104-PAA-EI.
  3. The Commission order approving SO<sub>2</sub> Emission Allowances as an ECRC expenditure for recovery is PSC-96-1048-FOF-EI.
  4. The Gannon ESP Study project is indicated as having been withdrawn; however, it was approved by Commission Order No. PSC-99-2013-PAA-EI issued on July 28, 1999.
  5. SO<sub>2</sub> Emission Allowances and SO<sub>2</sub> Credit for Unseparated Wholesale are not typical ECRC projects. They are recovery mechanisms established within the clause to properly account for SO<sub>2</sub> allowance utilization and inventory.

The attached table contains the requested data for projects Tampa Electric is allowed cost recovery through the ECRC.

Projects	Initial Annual Cost			2000 Current Estimate	
	Year	Capital (\$)	O&M (\$)	Capital (\$)	O&M (\$)
BB 1,2,3 FGD Optimization	2000	5,130,000	1,635,000	2,649,780	1,200,245
NO <sub>x</sub> Reduction at Big Bend 1,2,3	2000	130,000	0	179,894	0
	2001	925,000	50,000		
PM Emissions Reductions at BB	2000	165,000	215,000	212,280	194,617
	2001	1,265,000	560,000		
SO <sub>2</sub> Emission Allowances	See narrative prior to table.				
BB 1&2 Flue Gas Conditioning	1993	5,017,734	0	0	15,968
	1996	0	82,016		
BB 3 Flue Gas Integration	1996	8,187,584	1,586,172	0	1,142,280
Big Bend 4 CEM	1994	866,211	0	0	0
Gannon Coalfield Diesel Tank Upgrade	Withdrawn				
BB3 Flue Gas Integration - Payroll	Disallowed				
SO <sub>2</sub> Credit for unseparated wholesale	See narrative prior to table.				
Big Bend Fuel Oil Tank #1 Upgrade	1998	443,000	0	0	0
Big Bend Fuel Oil Tank #2 Upgrade	1998	818,000	0	0	0
Gannon Ignition Oil Tank Upgrade	1997	536,126	0	0	0
Phillips Oil Tank #1 Upgrade	1998	88,057	0	0	0
Phillips Oil Tank #4 Upgrade	1998	87,400	0	0	0
Big Bend 1 Classifier	1998	1,679,342	0	0	0
Big Bend 2 Classifier	1998	1,187,181	0	0	0
Gannon 5 Classifier	1997	1,582,282	0	0	0
Gannon 6 Classifier	1998	58,266	0	310	0
	1999	2,101,855	0		
Gannon Coal Crusher	1997	427,000	0	1,488	0
	1998	1,864,000	0		
Gannon Unit 5 Stack Extension	Withdrawn				
Gannon Unit 6 Stack Extension	Withdrawn				
NPDES Permit Filing Fees	1999	0	55,200	0	39,100
BB 1&2 FGD System	1998	17,906,000	0	2,956,896	3,259,254
	1999	59,175,000	0		
	2000	12,013,000	3,500,000		
Gannon - ESP Study	1999	0	110,000	0	21
Mercury Emissions Study	1999	65,000	49,750	23,421	5,367

TAMPA ELECTRIC COMPANY  
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