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Public Service Commission

March 15, 2012

James D. Beasley
Ausley Law Firm
Post Office Box 391
Tallahassee, FL 32302

STAFF'S SECOND DATA REQUEST

Re: Docket No. 110262-EI- Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company.

Dear Mr. Beasley:

By this letter, the Commission staff requests that Tampa Electric Company (TECO or Utility) provide responses to the following data requests.

1. At the March 13, 2012, agenda conference, TECO stated that the estimated net impact in 2015 of the new gypsum storage facility was in the range of \$.12 to \$.15. Please clarify to what these numbers refer (e.g., impact on a typical 1000 kWh residential customer bill, etc.). Please explain and provide all key assumptions that underlie these estimates.
2.
 - (a) Please provide any correspondence between the Company and DEP or EPA regarding the need for scrubbers at Big Bend in order to satisfy environmental regulations.
 - (b) Please provide a pinpoint citation to each legal authority requiring TECO to install the scrubbers at the Big Bend Station and explain how the requirement applies.
3. What will be the costs to TECO and its customers:
 - (a) Without operating the scrubbers at the Big Bend Station;
 - (b) Without constructing a new gypsum storage facility.
4. What environmental regulation(s) will it be in violation of if TECO?
 - (a) Does not construct the proposed new gypsum storage facility;
 - (b) Does not elect any of the other options considered by the Company and shown on Exhibit B of the Petition?

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5. Please discuss the probable operational and revenue requirement impact on TECO, both in total and per bill/customer, if the proposed gypsum storage facility is not completed by 2015.
6. Please list all of the buyers to whom TECO is selling gypsum.
7. Has TECO been aggressively marketing its gypsum? If yes, please list all of the activities in which TECO is involved that support your answer. If no, please explain why not.
8. What are the Company's gypsum marketing efforts now and in future?
9. Referring to the table included in TECO's response to Staff's Information Data Request No.1, please provide the following information:
 - (a) Additional column to show the percentage of gypsum sold vs. produced;
 - (b) All the data extending to year 1999.
10. Referring to the drawings included in TECO's response to Staff's Information Data Request No.1, please provide a detailed site plan, and engineering designs, if available. If engineering designs are not currently available, please indicate when such designs would be available.
11. Please refer to Exhibit B Net Present Value Analyses of TECO's petition. For each of the five scenarios included, please provide the following information:
 - (a) All the assumptions (general to all scenarios and specific to the individual scenario) that TECO used to derive the dollar amounts presented;
 - (b) The environmental regulations which require the construction of the facility evaluated in the scenario, if any new construction is required;
 - (c) Whether the option evaluated in the scenario satisfies the existing environmental regulations;
 - (d) Potential of the option evaluated in the scenario to satisfy relevant pending environmental regulations;
 - (e) Capital costs of all major components, as well as total capital costs, and annual O&M cost amounts;
 - (f) The estimated initial capital investment amount, if any, and any subsequent estimated investment expressed in nominal and 2011 dollar values, in the years that these investments occur and why;
 - (g) The estimated annual amount of O&M expense for each year in nominal and 2011 dollar values;

14. Referring to revenues from sales of gypsum, Mr. H. Bryant of TECO stated, at the March 13, 2012, agenda conference, that "it is basically split fifty-fifty. 50% goes to the Company, and 50% goes back to customers. . . ." Is this statement correct? Please provide a detailed explanation of how the revenues generated by selling gypsum are distributed between the ECRC, base rates, and the Company (and the methodology employed), and why this distribution is reasonable and fair. Please cite the Commission order(s), if any, approving the allocation methodology and indicate how long TECO has employed the current methodology.
15. For the proposed new storage facility:
 - (a) How many years will it take to reach its full capacity assuming no sales of gypsum?
 - (b) How many years will it take to reach its full capacity assuming that there is the same amount of excess gypsum at Big Bend Station as has been the case during the last 2 years?
 - (c) How many years will the storage facility benefit customers?
 - (d) How long will it take for the new facility to reach its full capacity assuming sales of gypsum revert to the Company's (i) average historic sales levels over the period 2000 2011, (ii) 2007 sales level, and (iii) 2011 sales level. Please explain what levels would need to be achieved, and the resulting life of the facility.
16. Referring to the table in Exhibit A, page 13, of TECO's petition, please provide the following information:
 - (a) Identify each of the major "Construction Activities" and the associated estimated costs;
 - (b) Identify each of the major components of the "Engineering" and the associated estimated costs;
 - (c) Identify each of the major components of the "Major Equipment" and the associated estimated costs;
 - (d) A cost breakdown of the "Floodplain Compensation, Wetland Mitigation" and why it is necessary;
 - (e) Identify each of the major components of the "Project/Construction Management" and the associated estimated costs;
 - (f) What is the "Silo & Stackout"? Why it is necessary and why are its associated estimated costs reasonable; and
 - (g) Why the \$8 million "Contingency" fund would be necessary, and the major risks involved in the proposed new program.

James D. Beasley
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Please file the original and five copies of the requested information by Friday, March 23, 2012 with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6191 if you have any questions.

Sincerely,



Charles W. Murphy
Senior Attorney
Office of the General Counsel

CWM/dmw

cc: Office of Commission Clerk (Docket No. 110262-EI)
Office of the General Counsel (Teitzman)
Division of Economic Regulation (Wu, Dowds)
Tampa Electric Company (Stiles, Wahlen)