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August 7, 2012.

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

STAFF'S SIXTH 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:

For purpose of Questions 1-4, please refer to TECO's Follow-Up Report – Gypsum Disposal filed August 1, 2012.

1. Referring to Paragraph 6 on page 4:
 - a. Please explain in detail why a liner below the area of the existing storage facility must be installed specifically by April 2015.
 - b. Please identify the relevant environmental rule or regulation that requires activity discussed in No. 1a.
 - c. Please provide the pinpoint legal citation to the rule or regulation identified in No.1b.
 - d. If a liner below the area of the existing storage facility is not installed by April 2015, will TECO violate any environmental rule or regulation?
 - e. If TECO's petition for the new gypsum storage facility is approved by the Commission, when does TECO expect to place the new facility in-service?
 - f. Assuming all the gypsum in the existing facility has been removed, how long will it take to complete the installation project discussed in No. 1a?
 - g. Please explain how TECO will deal with the gypsum stored in the existing facility before starting the installation of the liner, given the in-service date of the proposed new facility described in No. 1e and the April 2015 commencement date of liner installation.

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2. Referring to Paragraph 8 on page 5:

- a. With respect to “the possibility of continued dusting problems” resulting from the elimination of the storage dome and conveyor system from TECO’s original petition, please explain how the Company will comply with its “Long-Term Plan of Action” specified in its letter of May 31, 2012, to the Environmental Protection Commission of Hillsborough County (page 19 of TECO’s response to Staff’s 4th data request).
- b. Please explain in greater detail regarding “the increased risk that off-takers may reject gypsum” due to the elimination of the storage dome. Please also explain how significant the risk may be, how TECO will minimize the risk, and what will be the estimated costs associated with the risk and its counter measures.
- c. Please provide detailed information on (1) the benefits pertaining to the dome for the original proposed new storage facility; (2) the potential risks from eliminating the dome; (3) the benefits pertaining to the installation of the conveyor system for the original proposed new storage; and (4) the potential risks from eliminating the conveyor system.
- d. With respect to Exhibit E Capital Cost Breakdown, please identify: (1) the line item(s) containing the cost of the dome; (2) the estimated cost of the dome; (3) the line item(s) containing the cost of the conveyor system; and (4) the estimated cost of the conveyor system.
- e. With respect to the table of “Estimated Annual O&M Expense” and the table “Estimated Initial Capital Investment” contained in Exhibit D, please extend each table by adding two columns: (1) Storage Area Reduced Scope but Keeping the Dome; (2) Storage Area Reduced Scope but Keeping the Conveyor System.
- f. Please explain in detail what accounts for the significant increases in the Estimated Annual O&M Expense of the Reduced Scope versus the Original Scope. Please also identify the major activities, and their associated costs, that contribute to the incremental O&M Expense.
- g. Please identify: (1) NPV of the Storage Area Reduced Scope but Keeping the Dome; (2) NPV of the Storage Reduced Scope but Keeping the Conveyor System.
- h. Will the total project NPV of Storage Area Original Scope be \$49,410,638? (\$45,441,210 + \$3,969,428). Please explain your response.
- i. Will the total project NPV of Storage Area Reduced Scope be \$57,172,727? (\$18,635,384 + \$38,537,343). Please explain your response.
- j. Given the Storage Area Original Scope NPV, Storage Area Reduced Scope NPV, the transportation savings of the Storage Area Original Scope over the asset life, the potential risks resulting from eliminating the conveyor system and dome, please

provide a detailed explanation that justifies eliminating the conveyor system and the dome from the original scope of the proposed facility.

3. Please provide the following:
 - a. Levelized annual revenue requirement of the proposed new storage facility with the original scope.
 - b. Levelized annual revenue requirement of the proposed new storage facility with the reduced scope.
 - c. Levelized annual revenue requirement of the proposed new storage facility with the reduced scope but keeping the conveyor system.
 - d. Levelized annual revenue requirement of the proposed new storage facility with reduced scope but keeping the dome.

4. Referring to Exhibit F Rate Impact Comparison,
 - a. Does the column "Storage Area Original Scope" also include anticipated gypsum revenues for each respective year as does the column Storage Area Original Scope?"
 - b. If the response to 4a is negative, please update the column by including anticipated gypsum revenues for each respective year as they have been calculated for column "Storage Area Reduced Scope."
 - c. Please extend the Rate Impact Comparison table by adding two columns: (1) Storage Area Reduced Scope but Keeping the Dome; (2) Storage Area Reduced Scope but Keeping the Conveyor System.

For purposes of the questions 5-6, please refer to the Company's responses to Staff's 4th Data Request.

5. Please refer to the Company's response to Item 2(c), page 6.
 - a. Will TECO own the trucks, lease the trucks or contract with a third-party?
 - b. Approximately how many trucks will be required?
 - c. What will be the size and price of the trucks?
 - d. The Company indicates that it "will have to implement administrative controls to mitigate the potential for dust emissions and safety concerns with truck traffic across public roads." Please describe in detail the "administrative controls."

6. Please refer to page 13 of the Company's response.
 - a. What do the NPVs on this page represent?

- b. Do the NPV amounts shown on this page include both capital and O&M costs?
- c. Please explain why in certain years (e.g., 2013, 2039 through 2044) TECO expects to incur significant amounts of negative NPV.

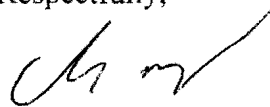
7. Please refer to Exhibits C and D of TECO's Follow-Up Report and Staff's questions numbered 2h and 2i of this Sixth Data Request, which were used to create the chart below.

	Storage Area Original Scope			Storage Area Reduced Scope		
	O&M	Capital	Total	O&M	Capital	Total
As Exhibit C			\$61,301,204			\$33,183,922
As Exhibit D	\$3,969,428	\$45,441,210	\$49,410,638*	\$38,537,343	\$18,635,384	\$57,172,727*

*: Staff calculated as shown in Nos. 2h and 2i of this data request.

Please reconcile the total NPV for each scope and explain your answer.

Respectfully,



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)
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