

State of Florida



Public Service Commission

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12 SEP 13 AM 9:12
COMMISSION
CLERK

DATE: September 13, 2012
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Charles Murphy, Senior Attorney, Office of the General Counsel *CM*
RE: Docket Number 110262-EI - Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company

Please place the attached company responses to follow-up questions from staff and the related e-mail in the docket file.

CWM/tef

DOCUMENT NUMBER-DATE

06160 SEP 13 2012

FPSC-COMMISSION CLERK

Charles Murphy

From: David Dowds
Sent: Thursday, September 13, 2012 6:53 AM
To: Charles Murphy
Cc: Jenny Wu
Subject: FW: Responses to Additional Gypsum Questions
Attachments: Follow-Up Questions from Staff.docx
For docket file

From: Bryant, Howard T. [mailto:htbryant@tecoenergy.com]
Sent: Wednesday, September 12, 2012 4:50 PM
To: Jenny Wu; David Dowds
Cc: Beasley, Jim
Subject: Responses to Additional Gypsum Questions

Dave – Jenny,
Attached to this email you will find Tampa Electric’s responses to the additional questions from Staff. Confidentiality is not an issue with the responses. If you have further questions, please let me know.
Thanks, Howard

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9/13/2012

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Follow-Up Questions from Staff:

1. What is the levelized annual revenue requirement for the trucking cost component of Option 2 (Reduced Scope) on page 13 of Staff recommendation?
 - A. The levelized annual revenue requirement for the trucking cost component of Option 2 is \$440,103.
2. What is the levelized annual revenue requirement for the trucking savings component of Option 3 (Reduced Scope with Conveyor System) on page 13 of Staff recommendation?
 - A. The levelized annual revenue requirement for the trucking savings component of Option 3 is \$1,330,756.
3. How many years will National Gypsum take less than their contracted minimum requirement of gypsum? Will the fact that National Gypsum is projected to take less than the amount minimally contracted deplete the gypsum storage capability of both sites?
 - A. National Gypsum ("NG") is projected to take less than their contracted minimum requirement through 2016. In subsequent years, the NG projection is for their minimum contracted requirement. During the 2012-2016 period when NG is projected to take less than their minimum requirement, Tampa Electric's gypsum storage capability at the two sites will not be depleted.
4. When NG takes less than their contracted minimum requirement of gypsum, who gets the liquidated damage payment?
 - A. The liquidated damage payment is managed in the same manner as the revenue from gypsum sales, namely, it is split between an offset to base rates and an offset to the ECRC. In response to Staff's Second data Request, No. 14, filed March 23, 2012, the methodology and rationale for managing the revenue was provided. That same process is used for liquidated damages.
5. How many times has NG defaulted on their contracted minimum requirement of gypsum?
 - A. Although some historical years exist where NG did not take their contracted minimum requirement of gypsum, liquidated damages were not levied because the company produced significant quantities of gypsum below the contract specification.
6. In the conveyor cases (Original Scope and Revised Cost Original Scope), why does Tampa Electric show trucking costs?
 - A. The transportation cost is for trucking the small amount of off-spec material to the secondary site (the current site today) for seasonal sales to agricultural and other markets.