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COMMISSION

Hublic Service Commission

April 11, 2012

James D. Beasley Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 STAFF'S THIRD 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. (a) Has TECO conducted any studies to evaluate whether greater quantities of gypsum could be disposed of if the gypsum were provided at zero cost to the recipient? If so, please provide all such studies.
 - (b) If the response to (a) is no, please explain why TECO believed there was no need to conduct any such studies.
- 2. (a) Has TECO conducted any studies to evaluate whether greater quantities of gypsum could be disposed of if TECO paid recipients to take the gypsum? Please identify at what price points (e.g., \$1.00 per ton, \$2.00 per ton, etc.) TECO conducted all such analyses, and provide all such studies.
 - (b) If the response to (a) is no, please explain why TECO believed there was no need to conduct any such studies.
- 3. (a) Has TECO conducted any studies that compare the costs and benefits of paying recipients to accept TECO's gypsum, with the cost and benefits of constructing and operating the proposed gypsum storage facility? Please provide all such studies.
 - (b) If the response to (a) is no, please explain why TECO believed there was no need to conduct any such studies.

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- 4. (a) Has TECO issued any requests for proposals (RFPs) in order to increase the potential number of recipients who would be willing to accept TECO's gypsum? Please provide copies of all such RFPs and indicate whether issuing such RFPs successfully expanded the number of potential recipients of the company's gypsum.
 - (b) If the response to (a) is no, please explain why TECO believed there was no need to issue any such RFPs.
- 5. What is the per mile cost per ton TECO would incur to transport gypsum using each of the following means:
 - (a) by rail transport;
 - (b) by barge; or
 - (c) by truck?
- 6. (a) Is TECO retaining any volumes of gypsum in storage in order to potentially sell these volumes at a higher price in the future?
 - (b) If the response to (a) is yes, what financial benefits would inure to TECO or its ratepayers by retaining volumes of gypsum in storage in order to potentially sell these volumes at a higher price in the future?
 - (c) If the response to (a) is yes, what financial or operational risks, if any, would TECO incur if it retained volumes of gypsum in storage in order to potentially sell these volumes at a higher price in the future?
- 7. Regarding the third-party landfills disposal option:
 - (a) Please identify the landfills that TECO has used before to dispose of gypsum produced at the BB Station, and the tipping fees was charged.
 - (b) Please identify the distance between each of the landfills discussed in (a) and the BB Station, and the transport costs incurred by TECO.
 - (c) Please identify all landfills known to the Company within a 300 mile radius of the BB station, in which TECO could dispose of the gypsum produced at the BB Station, and the tipping fees TECO would be charged.
 - (d) Please identify the distance between the BB Station and each of the landfills discussed in (c), and the transport costs TECO would incur.
- 8. Please identify all the wallboard and cement manufacturers known to the Company within a 300 mile radius of the BB station. Please also identify the distance between each of these manufacturers and the BB Station.

- 9. If TECO is denied ECRC recovery for the proposed gypsum storage facility, would the Company nevertheless construct the facility? Please explain your response.
- 10. If the Big Bend gypsum could be sold as soon as it is produced, how long would TECO have to keep the gypsum on-site, for quality testing or other purposes, before the Big Bend gypsum is available for delivery?
- 11. Please identify the name and location of other generators in Florida within a 300 mile radius of the BB station that have scrubbers that produce gypsum. If known, please indicate how each generator disposes of its gypsum (e.g., sales, on-site storage, off-site storage, etc.)
- 12. Please provide a detailed description of how gypsum is presently transported to National Gypsum's facility. As appropriate, please include in your response: how long a delivery round trip takes; how long it takes to load a truck and to take any other steps prior to departure; the time it takes to travel from the existing facility to National Gypsum's facility; the time it takes to unload the gypsum and any other steps needed; and returning to the existing Big Bend facility.
- 13. Referring to the footnote of TECO's response to Staff's Second Data Requests No. 11 (a), bates stamped page 149, please explain in detail how "a savings of \$2.50 per ton" was derived. Please also provide a detailed explanation, with an example if necessary, of how the \$56,659,346 transportation savings were derived.
- 14. Assuming the new gypsum storage facility is constructed, please provide a detailed description of how BB's gypsum will be transported to National Gypsum's facility. As applicable, please include in your response the same level of detail as requested in Request No. 12.

Please e-mail responses to Jenny Wu (<u>iwu@psc.state.fl.us</u>), David Dowds (<u>ddowds@psc.state.fl.us</u>), and Charles Murphy (<u>cmurphy@psc.state.fl.us</u>) by Monday, April 23, 2012. Please also file a hard copy 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)

Vicki Gordon Kaufman

Office of Public Counsel (Patty Christensen)