

AUSLEY McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

April 1, 2016

VIA: ELECTRONIC FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

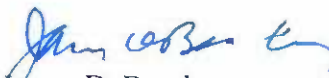
Re: Docket No. 160027-EI – Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company

Dear Ms. Stauffer:

Attached for filing in the above docket is Tampa Electric Company's Responses to Staff's First Data Request (Nos. 1-11) dated March 2, 2016.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Attachment

cc: Charles Murphy (w/attachment)

**TAMPA ELECTRIC COMPANY
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STAFF'S 1ST DATA REQUEST
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1. Referring to paragraph 3, has an “exact compliance date” been determined in conjunction with FDEP? If not, when do you anticipate that this date will be established?
 - A. The “exact compliance date” will be determined during the upcoming National Pollutant Discharge Elimination System (“NPDES”) permit renewal process. The current permit expires December 29, 2016. Negotiations will begin when the permit application is submitted. The permit renewal application is due six months prior to expiration.

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2. Referring to paragraph 4, why does the Company conclude that its Big Bend Station's treatment system needs to be modified or replaced? Please specify each relevant consideration and/or deficiency pursuant to the new EPA regulation.
- A. Big Bend Station monitors flue gas desulfurization ("FGD") wastewater quarterly at an internal outfall for the parameters listed in the new ELG rule. This data shows definitively that the current wastewater treatment does not achieve the necessary removal to meet the new limits. The new limits are shown in the following table.

Pollutant	Daily Maximum	Monthly Average
Arsenic (ug/l)	11 ⁽¹⁾	8 ⁽¹⁾
Mercury (ng/l)	788 ⁽¹⁾	356 ⁽¹⁾
Selenium (ug/l)	23 ⁽¹⁾	12 ⁽¹⁾
Nitrates and nitrites as N (mg/l)	17 ⁽¹⁾	4.4 ⁽²⁾

(1) Currently does not meet limit.

(2) Currently meets limit.

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- 3.** Referring to paragraph 6, if needed, when does the Company expect to request approval of a Polk Station ELG Compliance Study and associated cost recovery?
 - A.** If the Polk Station ELG Compliance Study is determined to be necessary, Tampa Electric expects to request approval for cost recovery during 2016.

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- 4.** Referring to paragraph 6, what are the anticipated outcomes of the evaluation? What evaluation outcome would warrant an “ELG Compliance Study?”
 - A.** Since the gasification wastewater at Polk Power Station is not currently a monitored waste stream, Tampa Electric must evaluate the waste stream to see if existing treatment is capable of achieving the new limits. If existing treatment is not sufficient to meet the new limits, then an additional study will be needed to determine the additional treatment required and where in the process it would be located.

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5. Referring to paragraph 7:
- a. Will the Company solicit bids for a consulting firm to perform a Big Bend ELG Compliance Study?
 - b. If the response to question 5a. is affirmative, please describe the anticipated solicitation process and selection criteria.
 - c. If the response to question 5a. is negative, please explain why not.
 - d. Has the Company retained a consulting firm to provide the services?
 - e. If the response to question 5d. is affirmative, please identify the consulting firm that has been retained, as well as the services the firm will provide.

- A.
- a. Yes.
 - b. Requests for Qualifications will be sent to a group of potential contractors. Tampa Electric will review the qualification statements of those that respond. The company will select one (from a subset) to negotiate a contract under a Master Services Agreement to perform Phase I of the Study.

The subset will be selected based upon their experience in performing the same or similar tasks as outlined in the request for qualifications and their knowledge of the potential technologies that may be employed to meet compliance. If acceptable terms and conditions cannot be reached with the first potential contractor in the subset, then Tampa Electric will proceed to negotiate with the next in line. The contract will be awarded based upon cost, contract terms and conditions and the contractor's demonstration of understanding of the scope of work to be performed.

Tampa Electric will utilize the same process to select and award a contract to perform Phase II of the Study consisting of performing the Front End Engineering and Design ("FEED") of the selected compliance method.

- c. Not applicable.

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- d. No.
- e. Not applicable.

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- 6.** Referring to paragraph 12, for each task identified, will the Company, its contractor, or some combination thereof perform the work?
- A.**
- a. Data Review/Data Gap Analysis: Tampa Electric will provide the data. The contractor will perform the review and gap analysis.
 - b. Site Visits: Contractor.
 - c. Basis of Design Development: Contractor will perform this task. Tampa Electric will review the work.
 - d. Technology Evaluation/Study Presentation: Contractor.
 - e. Conceptual Design of Selected Alternatives: Contractor.
 - f. Final Report: Contractor.

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7. Referring to paragraph 13, when does the Company expect to file for recovery?
 - A. Tampa Electric expects to file for recovery once a compliance technology is selected and the associated costs are known, potentially in the first half of 2018. The company met with the Florida Department of Environmental Protection ("FDEP") to discuss compliance dates. FDEP stated that compliance dates beyond November 1, 2018 are dependent upon justification of additional time required by the company. Once the compliance technology is selected, the company will better be able to estimate a schedule for planning, construction, testing and startup.

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- 8.** Referring to paragraph 14:
 - a. Please provide a detailed breakdown of the component activities that comprise the estimated \$100,000 of O&M expenses for Phase I of the proposed Program.
 - b. Please provide a detailed breakdown of the component activities that comprise the estimated \$300,000 of O&M expenses for Phase II of the proposed Program.

- A.** Tampa Electric provided these high-level cost estimates based on previous experiences with studies and environmental compliance project management. The company does not have a breakdown of the component activities at this time, as it is dependent upon the selected contractors' work approach.

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- 9.** Referring to paragraph 18, what is the rationale for allocating the O&M costs of the proposed Program on an energy basis?
 - A.** The compliance program for the limitations on wastewater discharge are proposed to be allocated on an energy basis to align the cost recovery with the cost causation. All customers consume the generation that causes the costs. In addition, there is a strong relationship between the effluent limitation guidelines and the generation of energy. Therefore, the costs are appropriately recovered from all customer classes based on the proportion of energy used.

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10. Please complete Table 1 below to provide the estimated residential customer bill impact resulting from all of the compliance activities requested by the Company in its instant petition.

	¢ / 1,000 kWh	¢ / 1,200 kWh
2017		
2018		
2019		

- A. The requested information is provided in the following table. Estimated costs to be incurred during 2016 and 2017 would be recovered in the company's 2017 cost recovery factors. The company has not yet requested cost recovery for project activities to be completed in 2018 and 2019.

	Cents per 1,000 kWh	Cents per 1,200 kWh
2017	2.1260	2.5512
2018	0.0000	0.0000
2019	0.0000	0.0000

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11. Will the costs identified in paragraph 14 be addressed in the Company's 2016's ECRC testimony?

A. Yes.