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July 7, 2017

**VIA: ELECTRONIC FILING** 

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

Re: Environmental Cost Recovery Clause – Preliminary List of New Projects

FPSC Docket No. 20170007-EI

Dear Ms. Stauffer:

We are reporting on behalf of Tampa Electric Company that the following proposed project may impact the company's 2018 ECRC factors:

Project Title: Coal Combustion Residuals ("CCR") EAPP Closure

## **Project Description:**

On April 17, 2015, the EPA published the CCR rule with an effective date of October 19, 2015. The new rule requires the safe disposal of CCR in landfills and surface impoundments. On October 15, 2015, Tampa Electric petitioned the Commission for approval of its first phase of CCR compliance. In this petition, Tampa Electric included expenditures associated with groundwater monitoring, inspections and signage, impoundment and liner evaluations, slag fines pond closure and lining, north gypsum stackout enhancements; and engineering cost associated with future impoundment and CCR facility improvements. On February 9, 2016, in Order No. PSC-16-0068-PAA-EI, Tampa Electric's petition for its initial compliance with the CCR rule was approved.

Tampa Electric has now determined that its Big Bend Economizer Ash & Pyrites Pond ("EAPP"), one of Big Bend's CCR management units, must be closed in order to comply with the provisions of the rule. One criterion of the CCR rule is that any CCR impoundment must have a five-foot separation between a CCR impoundment and the uppermost aquifer. The EAPP is significantly less than the five feet from its seasonal high-water table (i.e. "uppermost aquifer.") Additionally, the groundwater quality results for the first half of the groundwater monitoring program for the EAPP indicate that certain groundwater monitoring criteria specified by the CCR rule will not be met if this CCR impoundment continues to operate. Tampa Electric is required to pursue remediation actions to bring the EAPP into compliance for continued operation or to close the EAPP. The cost for remediation and

reconditioning far exceed the costs of closing the EAPP as it would require all the costs associated with closing the unit as well as costs to prepare the EAPP for continued use.

## Fiscal Expenditures:

Tampa Electric will incur compliance costs in 2017, 2018 and beyond. However, the full extent of compliance activities and associated expenditures cannot be determined until further analysis and assessments of the CCR rule are met. Tampa Electric anticipates filing an ECRC petition for approval of this phase of its CCR rule compliance costs during the third quarter of 2017.

By copy of this letter, I am providing this filing to all parties listed on the attached Certificate of Service.

Sincerely,

James D. Beasley

JDB/pp

cc: All Parties of Record

Paula Brown

## **CERTIFICATE OF SERVICE**

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