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February 22, 2019

**VIA: ELECTRONIC FILING**

Mr. Adam J. Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

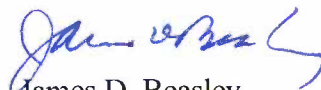
Re: Docket No. 20180231-EI; Petition for approval of the big bend south gypsum storage area closure project for cost recovery through the environmental cost recovery clause, by Tampa Electric Company

Dear Mr. Teitzman:

Attached for filing in the above docket is Tampa Electric Company's Revised Response to Staff's Second Data Request (Question 1b) dated February 12, 2019.

Thank you for your assistance in connection with this matter.

Sincerely,

  
James D. Beasley

JDB/pp  
Attachment

cc: Emily Knoblauch (w/attachment)

**TAMPA ELECTRIC COMPANY  
DOCKET NO. 20180231-EI  
STAFF'S SECOND DATA REQUEST  
REQUEST NO. 1  
PAGE 1 OF 2  
FILED: FEBRUARY 18, 2019  
REVISED: FEBRUARY 22, 2019**

1. Please refer to page 3, paragraph 8, of TECO's Petition. TECO recognizes that by ceasing combustion of coal in Big Bend Units 1 and 2 the production of gypsum is reduced and the South Gypsum Storage Area (SGSA) is no longer needed.

- a. Does TECO consider the closure of the SGSA as a result of ceasing combustion of coal in Big Bend Units 1 and 2?
- b. Was the cost of closing the SGSA considered when TECO made the decision to cease combustion of coal in Big Bend Units 1 and 2?

A. a. While the closure is an indirect result of ceasing coal firing in Units 1 and 2 and reducing coal firing in Units 3 and 4, that is not the primary driver for the project. These operational changes did result in a reduction in flue gas desulfurization ("FGD") gypsum production at the facility, thus eliminating any need to continue operating the SGSA as a beneficial use storage area. However, the closure project is more a direct result of the SGSA's change in status under the definitions of "landfill" and "waste pile", which are stated in Part 257.90 of the Rule, as follows:

"... For purposes of this subpart, a CCR landfill also includes sand and gravel pits and quarries that receive CCR, *CCR piles*, and *any practice that does not meet the definition of a beneficial use of CCR*.

*"CCR pile or pile means any noncontainerized accumulation of solid, non-flowing CCR that is placed on the land. CCR that is beneficially used offsite is not a CCR pile."*

The SGSA's change in status to a regulated landfill also resulted in the need to perform groundwater Assessment Monitoring and comply with established Groundwater Protection Standards ("GPS"). The groundwater monitoring has revealed that the SGSA is not able to meet certain GPS's unless it is closed by removal of the gypsum, which is in direct contact with the land at the site. Therefore, the closure project is mandatory under the CCR Rule.

- b. While Tampa Electric was aware that the decision to reduce coal firing in Units 1 and 2 would impact CCR operations at Big Bend in general, the decision to close the SGSA was not made until it became clear that the area was no longer needed as a beneficial use storage area

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in early 2018. Furthermore, previous borings in the storage area's subbase had revealed that not all of the gypsum beneath the liner was non-processible waste and that a significant proportion of the material could be recovered and reprocessed for sale. Based on this knowledge, the company obtained bid estimates for removing all of the gypsum for either beneficial reuse or disposal offsite. These costs were considered before proceeding with the project in April 2018. However, it was not until later that the company's ongoing evaluation of the CCR Rule's applicability to the SGSA resulted in the determination that removal of the non-processible waste (i.e. closure by removal) is in fact a non-discretionary regulatory requirement and the petition for cost recovery was submitted accordingly.

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2. Please refer to TECO's response to Staffs First Data Request, Request No. 3.
  - a. When was/will the classification of the SGSA change(d) from a beneficial reuse storage area to a CCR Landfill?
  - b. Why was/will the classification of the SGSA change(d) from a beneficial reuse storage area to a CCR Landfill?
  - c. If TECO continued co-firing Big Bend Units 1 and 2 with both coal and natural gas, thus producing gypsum as a CCR, would the SGSA still be exempt from the CCR Rule?
  
- A.
  - a. The change in classification from beneficial reuse storage area to a CCR landfill happened in early 2018 when the SGSA ceased operation for storage of saleable FGD gypsum.
  - b. The change in status was not discretionary on Tampa Electric's part. It was triggered automatically by the rule when the SGSA ceased operation as a beneficial use storage area. However, the company's evaluation of the CCR Rule's applicability was ongoing at that time and revealed this change in regulatory status later in 2018.
  - c. No. The area would not be exempt because it has ceased operation and will not be used in the future for CCR (product) storage at Big Bend Station. All FGD gypsum product will be stored temporarily either in the North Stackout Area or in the East Gypsum Storage Area on the site.