



BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030001-EI  
IN RE: FUEL & PURCHASED POWER COST RECOVERY  
AND  
CAPACITY COST RECOVERY  
PROJECTIONS  
JANUARY 2004 THROUGH DECEMBER 2004

REBUTTAL TESTIMONY AND EXHIBIT  
OF  
WILLIAM T. WHALE

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **PREPARED REBUTTAL TESTIMONY**

3                   **OF**

4                   **WILLIAM T. WHALE**

5  
6   **Q.**   Please state your name, address, occupation and employer.

7  
8   **A.**   My name is William T. Whale. My business address is 702  
9           North Franklin Street, Tampa, Florida 33602. I am employed  
10          by Tampa Electric Company ("Tampa Electric" or "company")  
11          as Vice President, Energy Supply - Operations.

12  
13   **Q.**   Are you the same William T. Whale who filed direct  
14          testimony in this proceeding on September 12, 2003?

15  
16   **A.**   Yes, I am.

17  
18   **Q.**   Have you prepared an exhibit to support your testimony?

19  
20   **A.**   Yes. Exhibit \_\_\_\_ (WTW-2), consisting of two documents,  
21          was prepared under my direction and supervision. Document  
22          No. 1 is titled "2000-2003 Safety Budget," and Document  
23          No. 2 is "Response to Interrogatory No. 37."

24  
25   **Q.**   What is the purpose of your rebuttal testimony?

1   **A.**   The purpose of my rebuttal testimony is to address  
2           inaccurate statements and conclusions included in the  
3           direct testimonies of Mr. William Zaetz and Mr. Michael  
4           Majoros, testifying on behalf of the Office of Public  
5           Counsel.

6  
7   **Q.**   Is witness Zaetz qualified to make a determination as to  
8           the safe operational capability of the Gannon units?

9  
10   **A.**   No.   The documents submitted by Mr. Zaetz in support of  
11           his expertise indicate that he was a boilermaker for 33  
12           years and has never been a plant manager, maintenance  
13           manager or operations manager.  In addition, there is no  
14           indication that he has experience in the decision-making  
15           process of determining when a unit would need to be shut  
16           down, whether for safety or any other reason.  
17           Furthermore, his testimony does not indicate that he is a  
18           Certified Safety Professional or has obtained any  
19           industry-recognized safety credentials.

20  
21   **Q.**   Does Mr. Zaetz's testimony indicate that he has a basic  
22           knowledge of the operations of Tampa Electric's Gannon  
23           units?

24  
25   **A.**   No.   In fact, his testimony indicates the opposite.  For

1 example, one safety concern Tampa Electric has cited has  
2 been the escape of harmful gases such as carbon monoxide  
3 into employee work areas. On page 5 of his testimony Mr.  
4 Zaetz suggests that carbon monoxide production is an  
5 atypical event in boiler operations and that its presence  
6 in the Gannon units was caused by Tampa Electric's  
7 failure to perform adequate maintenance. In fact,  
8 harmful gases, including carbon monoxide, are produced as  
9 a normal part of the combustion process that takes place  
10 in boilers. Therefore, any leaks in the boiler walls and  
11 ductwork create a safety concern because they allow the  
12 gases to escape.

13  
14 **Q.** On page 3, lines 13 through 16 of his testimony, Mr. Zaetz  
15 makes the statement that neither safety nor reliability  
16 was a factor in Tampa Electric's decision to shut down  
17 Gannon Units 1 through 4 in 2003. Is that correct?

18  
19 **A.** No, it is not correct. Tampa Electric arrived at the  
20 decision to shut down the Gannon units in 2003 after  
21 consideration of many complex factors including safety,  
22 reliability and other issues. As I stated on page 11 of  
23 my direct testimony, by late 2002 it became apparent that  
24 the units needed to be shut down in 2003 due primarily to  
25 four factors: the declining availability and reliability

1 of the units; the significant expenditures that would need  
2 to be incurred in an effort to keep the units running  
3 reliably; the potential for safety incidents; and, the  
4 short window of time until the units would be required to  
5 shut down under the Consent Final Judgment ("CFJ") and  
6 Consent Decree ("CD"), regardless of how much the company  
7 might invest in an effort to keep them operating. A  
8 formalized plan was developed that took into account all  
9 of these considerations. As a result of that plan, on  
10 February 6, 2003, Tampa Electric notified its employees  
11 that it planned to shut down Gannon Units 1 and 2 on March  
12 15, 2003 and Gannon Units 3 and 4 in September 2003.  
13 Tampa Electric also began implementation of the final  
14 stages of its employee retraining and transition plan.

15  
16 **Q.** On pages 7 and 8 of his testimony, Mr. Zaetz cites lack  
17 of bowl mill maintenance as a cause of the carbon  
18 monoxide that was escaping from Gannon Station through  
19 leaks in casings and ductwork. Is his statement correct?

20  
21 **A.** No, that statement is not correct. Mr. Zaetz quotes  
22 Karen Sheffield's deposition transcript at page 35.  
23 However, Ms. Sheffield's deposition statements were in  
24 reference to a section of the Big Bend Station business  
25 plan. (Deposition Transcript, p. 26, lines 2-3) The Big

1 Bend Station business plan contains information about the  
2 units at that station, not about the Gannon units. In  
3 actuality, the boiler of Big Bend Unit 4 is the only unit  
4 in Tampa Electric's system that has bowl mills. The  
5 boilers of Gannon Units 1 through 4 are cyclone-fired  
6 boilers, which do not have bowl mills. Gannon Units 5  
7 and 6 have Riley turbo-fired boilers, which also do not  
8 have bowl mills.

9  
10 **Q.** On page 4, lines 12 through 13 of his testimony, Mr.  
11 Zaetz indicates that the increases in Tampa Electric's  
12 safety budgets for Gannon Station from 2000 to 2002  
13 illustrate that the company's biggest concern was  
14 budgetary. How do you respond?

15  
16 **A.** The safety budget for Gannon Station increased during the  
17 period referenced by Mr. Zaetz for the implementation of  
18 a company-wide expanded safety initiative. The purpose  
19 of the initiative was to improve safety at all of the  
20 company's facilities. The initiative included the hiring  
21 of Certified Safety Professionals as safety coordinators  
22 for each location as well as purchases of safety  
23 equipment and additional safety training. This is  
24 reflected in the costs included in the budget, shown in  
25 Document No. 1 of Exhibit \_\_\_\_ (WTW-2), which included

1 noise monitoring, chest x-rays, audiometric testing, drug  
2 testing, confined space rescue training and a station  
3 nurse. The station's safety budget does not fund the  
4 operations and maintenance of the units.

5  
6 **Q.** What is your response to Mr. Zaetz's assertions on page  
7 4, lines 5 through 9, and page 12, lines 12 through 17,  
8 that any plant can be repaired, regardless of its safety  
9 level, and that Tampa Electric's failure to repair the  
10 aging Gannon facilities demonstrates that the company's  
11 concern about continuing to operate the units was truly  
12 and solely budgetary?

13  
14 **A.** Those assertions are not correct. The fact that a unit  
15 or plant may be repaired does not indicate that making  
16 the repairs is a good business decision. Given the ages  
17 and conditions of its various units and environmental and  
18 CD requirements, Tampa Electric was faced with a question  
19 of how to allocate maintenance funds prudently. Since  
20 Gannon Station would have to be shut down in the near  
21 term, regardless of the amounts of time and dollars spent  
22 repairing and maintaining it, Tampa Electric adopted a  
23 "patch and go" maintenance strategy to maximize the  
24 benefits of its maintenance spending. The company's  
25 maintenance spending was re-focused on the activities

1 that would keep the Gannon units running safely for  
2 limited investment, and improve the operations of the  
3 company's other plants, which were not subject to  
4 shutdown on or before December 31, 2004.

5  
6 Q. On page 8, lines 6 and 7, Mr. Zaetz states, "Tampa  
7 Electric repeatedly disregarded reliability as an issue."  
8 How do you respond?

9  
10 Q. Mr. Zaetz's statement is without merit or fact. Tampa  
11 Electric considered the expected reliability of the  
12 Gannon units at every step of the decision-making  
13 process. The company experienced many failures with  
14 these units that were directly related to the age of the  
15 units. As previously stated, cost-effective investments  
16 and the units' reliability were considered, along with  
17 many other factors, in determining the shutdown schedule  
18 of Gannon Units 1 through 4.

19  
20 The statements that Mr. Zaetz quotes from the deposition  
21 transcript of Craig Cameron, Director of Finance for  
22 Tampa Electric, to reach his conclusions are taken out of  
23 context and mischaracterize Mr. Cameron's responses. Mr.  
24 Cameron was questioned about Gannon Station budget  
25 amounts that he compiled in August 2001. (Deposition



1 transcript, pages 31 through 32) First, August 2001 was  
2 earlier than the dates that the company began finalizing  
3 its shutdown plan for Gannon Station. Second, Mr.  
4 Zaetz ignores the fact that Mr. Cameron's role is to  
5 compile and manage the budgets created by the stations.  
6 When Mr. Cameron described his activities, he could not  
7 comment on what factors were included in setting the  
8 station's budget because he is not responsible for  
9 operations nor does he make operational decisions. In  
10 reality, Mr. Cameron's testimony indicates that he was  
11 working from a set of assumptions provided by the station  
12 management. These assumptions changed over time,  
13 particularly for Gannon Station, as I have previously  
14 described. The stations were responsible for performing  
15 the analyses of safety, performance and other factors  
16 that affected the shutdown decision-making process that  
17 Mr. Cameron stated he did not perform.

18  
19 **Q.** On page 9, lines 13 through 15 of his testimony, is Mr.  
20 Zaetz correct in his statement that, despite Tampa  
21 Electric's failure to spend adequate maintenance dollars,  
22 unit performance was not a valid reason for them to be  
23 shut down?

24  
25 **A.** No. The station's equivalent availability factor ("EAF")

1 declined from 1998 to 2002, as shown on page 3 of Exhibit  
2 \_\_ (WMZ-1). Tampa Electric took action to improve the  
3 availability of the units by operating the units during  
4 2001, 2002 and 2003 at a reduced header pressure compared  
5 to their design specifications. The shift to a "patch  
6 and go" style of maintenance was also designed to improve  
7 availability. This reduced the time the units were off-  
8 line for planned maintenance. These actions were  
9 implemented with the knowledge that the units would be  
10 shut down due to the Consent Decree requirements and for  
11 the Bayside repowering project.

12  
13 **Q.** On pages 9 through 10 of his testimony, Mr. Zaetz lists  
14 four data sources, which he claims demonstrate that unit  
15 performance was not the reason for the Gannon shutdown.  
16 Please describe the inaccuracies of Mr. Zaetz's  
17 characterization of the first item listed in support of  
18 his assertion.

19  
20 **A.** Mr. Zaetz's first data source is a decline in the  
21 station's unplanned outage factor from 2000 to 2002.  
22 However, the information shown on page 4 of Exhibit \_\_  
23 (WMZ-1) actually reflects an increase in the unplanned  
24 outage factor from 1998 to 2002. In 1998, the station's  
25 unplanned outage factor was 18.5 percent. In 2000, it

1 reached a five-year-period high of 35.6 percent. Mr.  
2 Zaetz chose to use the 2000 value as his basis for  
3 comparison. Obviously, any time the highest value during  
4 a period is chosen as a baseline, there will be  
5 comparative reductions in the other years. Furthermore,  
6 the 2000 value was high due to a specific problem with a  
7 unit generator, not due to the 1999 explosion as Mr.  
8 Zaetz alleges.

9  
10 Upon review of the data for a more representative  
11 baseline, it is clear that the actual 2001 and expected  
12 2002 unplanned outage factors of 23.0 and 22.5 percent,  
13 respectively, were greater than the factors for 1998 and  
14 1999. The unplanned outage factor projected for 2003 was  
15 even higher at 30.3 percent. This shows an increasing  
16 trend for the station's unplanned outage factor, which is  
17 a significant availability issue. If units increasingly  
18 experience unplanned outages, the company's ability to  
19 plan to meet generation and load requirements to serve  
20 its customers with economically priced generation and  
21 purchased power is significantly impacted, and the  
22 company may be forced to purchase more expensive power in  
23 the wholesale market to replace the capacity of units  
24 that were forced out of service.

25

1 Q. Please describe the second item that Mr. Zaetz  
2 inaccurately cites in support of his allegations.

3  
4 A. Mr. Zaetz concludes that net capacity data included in  
5 the Gannon Station business plan support his position  
6 because the values do not show a large decline from 1998  
7 to 2002. However, a more thorough reading of page 6 of  
8 Exhibit \_\_ (WMZ-1) shows that it includes a definition of  
9 net capacity, as "maximum dependable generation  
10 capabilities minus station service load." The net  
11 capacity rating shown here is different from the typical  
12 operating capacity ratings of the Gannon units. The  
13 maximum capacity is the capacity that the units could  
14 produce for a short period of time to meet peak load  
15 levels. Tampa Electric modified its operations and  
16 maintenance for the Gannon units as their conditions  
17 worsened in order to maximize their availability,  
18 especially during peak periods. For example, by reducing  
19 the boiler operating pressure and thereby reducing the  
20 unit's net capacity rating by a mere 10 MW, Tampa  
21 Electric could experience an increase of as much as five  
22 to 10 percentage points in the unit's reliability.

23  
24 Mr. Zaetz also cites the net generation values shown on  
25 page 7 of Exhibit \_\_ (WMZ-1) to support his argument.

1 Net generation values are tied to the time required for  
2 the maintenance completed on the units. Therefore, the  
3 data demonstrate that Tampa Electric's strategy of  
4 shifting to a "patch and go" maintenance approach,  
5 specifically to enhance the station's availability, was  
6 successful.

7  
8 **Q.** What is the third inaccurate statement that Mr. Zaetz  
9 made in support of his conclusion?

10  
11 **A.** Mr. Zaetz cites the station's on-peak availability  
12 factor. A reference to the definition of the on-peak  
13 availability factor provided on page 9 of Exhibit \_\_  
14 (WMZ-1) shows that Mr. Zaetz mischaracterizes the data.  
15 On-peak availability factor is defined as, "The on-peak  
16 availability factor is based on peak hours instead of  
17 period hours. Peak hours occur when native load is  
18 greater than 2,900 MW." Due to the load level criterion  
19 applied to this data, the number of hours that the data  
20 represents is necessarily small. As previously stated,  
21 Tampa Electric made a concerted effort to maximize the  
22 units' availability, especially during peak periods.  
23 Consequently, the on-peak availability factor data again  
24 simply demonstrate the success of the company's  
25 strategies.

1 Q. Finally, please describe Mr. Zaetz's fourth improper  
2 characterization.

3  
4 A. At page 10 of his testimony Mr. Zaetz implies that  
5 because the station's performance was meeting  
6 expectations, performance was not the reason for the  
7 units' shutdown. In actuality, Tampa Electric adjusted  
8 its methods of operating the units as well as its  
9 expectations of the units' performances to more  
10 accurately reflect their aged conditions and declining  
11 reliabilities. It would be ridiculous for the company  
12 not to have adjusted its expectations. To not do so,  
13 would have meant that Tampa Electric simply ignored the  
14 reliability issues that the station experienced. In  
15 fact, Tampa Electric both recognized the issues and  
16 planned and implemented strategies to respond to these  
17 reliability and availability issues.

18  
19 Q. Mr. Zaetz indicates on page 8 of his testimony that the  
20 units' reliability could have and should have been  
21 improved by simply fixing the tube leaks. Would this  
22 strategy have resolved the station's reliability issues?

23  
24 A. No. As shown in Exhibit \_\_\_\_ (WTW-1), Document No. 1,  
25 Page 1 of my direct testimony, Tampa Electric fixed over

1 1,000 tube leaks in the boilers of Gannon Units 1 through  
2 4 during 2002, and it utilized repair techniques such as  
3 pad welding, dutchmen, window welds and replacement of  
4 complete tube sections when necessary. Tampa Electric  
5 also attempted to manage and enhance reliability by  
6 running the Gannon units at reduced header pressure,  
7 which reduced the internal steam pressure in the boiler  
8 tubes and decreased the likelihood of tube failures due  
9 to material degradation and thinning that has reduced the  
10 tubes' ability to withstand pressure. Despite these  
11 actions, the frequency and number of boiler tube leaks  
12 increased. The tube metal had also degraded over time  
13 with normal use. The boiler tubes reached a point where  
14 repair procedures were no longer effective, and complete  
15 boiler component replacement was required. However,  
16 given that the units would be required to be shut down in  
17 the near term and due to the significant planned outage  
18 time necessary to install replacement components, this  
19 was not a cost-effective alternative.

20  
21 Q. Is it typical to conduct a hydrostatic test that requires  
22 the unit to hold one and one half times its operating  
23 pressure after boiler tube repairs are made as Mr. Zaetz  
24 asserts on page 9 of his testimony?

25

1 **A.** No, it is not typical for older units. The hydrostatic  
2 test to determine if the unit will hold one and one half  
3 times its operating pressure is typical of new  
4 construction. For older units, a hydrostatic test to  
5 determine if the unit will merely hold its operating  
6 pressure is typical. It is not reasonable to expect  
7 units of the Gannon units' ages to be in like-new  
8 condition or to operate as if they are brand-new units.

9  
10 **Q.** Did the units experience equipment reliability problems  
11 in areas other than the boiler tubes?

12  
13 **A.** Yes. Although Mr. Zaetz focuses only on the boiler tube  
14 leaks, his proposed solution to that problem would not  
15 have resolved the units' other reliability problems. The  
16 units were experiencing problems with several other types  
17 of equipment, including the feedwater heaters, the steam  
18 turbines, the control wiring, leaks in the duct system  
19 leading to and from the boilers and structural steel  
20 deterioration. To correct these problems would have  
21 required major capital expenditures and component  
22 replacements. Some of the items would require long lead  
23 times, up to six months, to obtain replacement equipment,  
24 along with major planned outages to complete the work.  
25 If these repairs were made, the planned outage time, in



1 conjunction with the shutdown requirement mandated by the  
2 Consent Decree, would have left very little time to  
3 recoup any of the benefits of that investment. As the  
4 company previously stated, the short remaining life of  
5 the units meant that large investments for repairs were  
6 no longer cost-effective.

7  
8 **Q.** Are repair costs the only costs that Tampa Electric would  
9 have incurred in order to improve the safety and  
10 reliability of the Gannon units?

11  
12 **A.** No. Tampa Electric would have had to spend significant  
13 time and dollars planning outages to repair and replace  
14 components, procuring replacement equipment, installing  
15 the new equipment and replacing capacity of the affected  
16 units while they were off-line for the planned outages.

17  
18 **Q.** At page 11 of his testimony, Mr. Zaetz says that Tampa  
19 Electric's \$57 million estimate to keep Gannon running  
20 through 2004 is unrealistic. How do you respond?

21  
22 **A.** First, Mr. Zaetz misstates the amount as \$53 million. As  
23 shown in Document No. 2 of Exhibit \_\_ (WTW-2), Tampa  
24 Electric stated that the expected operations and  
25 maintenance ("O&M") costs range from \$37 million to \$57

1 million to keep Gannon Units 1 through 4 running through  
2 2004, assuming a 60 percent and 85 percent availability,  
3 respectively. Tampa Electric did not determine that the  
4 units were not reliable solely based on an 85 percent  
5 availability criterion. Even the expected costs to  
6 maintain 60 percent availability are significant.  
7 Sinking capital into aged units that must soon be shut  
8 down is not an efficient or cost-effective use of  
9 capital, which apparently Mr. Zaetz ignores. As with any  
10 business, there are limits on the company's ability to  
11 spend, whether for maintenance or any other item.  
12 Consequently, Tampa Electric strives to maximize the  
13 benefits of its expenditures.

14  
15 **Q.** What is your overall assessment of Mr. Zaetz's testimony?  
16

17 **A.** Mr. Zaetz reaches the erroneous conclusion that  
18 preventive boiler maintenance is a cure for all the  
19 issues facing Gannon Station without demonstrating any  
20 knowledge as to the particular operational  
21 characteristics or maintenance requirements of Gannon  
22 Units 1 through 4. Mr. Zaetz also ignores the  
23 requirements of the CD and CFJ to shut down the Gannon  
24 units in the near future. He also ignores the fact that  
25 even if Tampa Electric invested large amounts in the

1 Gannon units, there would be little time remaining for  
2 the company to recoup any of its investments, given the  
3 required outage time to make repairs and replace  
4 components and the shutdown deadline. Tampa Electric  
5 appropriately took into account safety, reliability and  
6 other factors in deciding to shut down the units. The  
7 company has made a prudent business decision, and Mr.  
8 Zaetz has neither the knowledge of the Gannon units nor  
9 knowledge of Tampa Electric's shutdown decision process  
10 to characterize the decision as solely budgetary and  
11 self-interested.

12  
13 **Q.** Does the testimony of Mr. Majoros incorrectly characterize  
14 Tampa Electric's actions?

15  
16 **A.** Yes. First, Mr. Majoros claims, on page 7 of his  
17 testimony, that Tampa Electric's current schedule for  
18 shutting down Gannon Units 1 through 4 in 2003 was  
19 fostered by economic considerations and the desire to  
20 avoid capital or O&M expenses. As I have previously  
21 stated, Tampa Electric's decision to shut down the Gannon  
22 units in 2003 was driven primarily by four factors: the  
23 declining availability and reliability of the units; the  
24 significant expenditures that would need to be incurred in  
25 an effort to keep the units running reliably; the

1 potential for safety incidents; and, the short window of  
2 time until the units would be required to shut down,  
3 regardless of how much the company might invest in an  
4 effort to keep them operating.

5  
6 **Q.** How would you describe Mr. Majoros's approach in relating  
7 how Tampa Electric should have conducted its business, and  
8 in particular how the company should have operated Gannon  
9 Units 1 through 4?

10  
11 **A.** Mr. Majoros's approach appears to be that Tampa Electric  
12 should ignore such factors as safety, reliability and  
13 operational constraints and to throw whatever amount of  
14 capital may be required into operating Gannon Units 1  
15 through 4 through December 31, 2004, without any regard to  
16 how impracticable that approach is or how inconsistent it  
17 is with the realities associated with making an orderly  
18 transition to natural gas-fired generation. In addition,  
19 although Mr. Majoros purports to have an expert  
20 perspective on this issue, his testimony does not address  
21 any specific facts relating to Gannon Station, nor does he  
22 have any independent knowledge as to the safety,  
23 reliability and other operational constraints associated  
24 with continuing to operate Gannon Units 1 through 4.

25

1 Q. Did Tampa Electric ever have a plan to run Gannon Units 1  
2 through 4 up to the December 31, 2004 deadline for  
3 ceasing coal-fired generation at Gannon Station?  
4

5 A. No. As I described in my direct testimony, Tampa  
6 Electric is required by the Consent Decree to shut down  
7 or repower all Gannon units no later than December 31,  
8 2004. However, the company never had a plan to operate  
9 the units until that date. Tampa Electric always  
10 recognized that the units' shutdown would require  
11 flexibility to respond to dynamic conditions as the  
12 deadline approached. The company appropriately refined  
13 the shutdown schedule and transition plan to reflect  
14 current conditions, resulting in Tampa Electric's  
15 adoption of the current shutdown schedule.  
16

17 Q. Mr. Majoros, at pages 8 and 9, criticizes the company's  
18 \$57 million cost estimate to keep Gannon Units 1 through  
19 4 operating through 2004. How do you respond?  
20

21 A. Tampa Electric's estimates of the O&M investments needed  
22 to keep Gannon Units 1 through 4 until December 31, 2004  
23 show a range of costs to achieve different availability  
24 levels. The costs range from \$37 million to \$57 million,  
25 to achieve an approximate 60 percent and 85 percent

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25

availability, respectively. As I have previously stated, keeping the units running through 2004 would be a very expensive proposition under either scenario, after which Tampa Electric would have nothing to show for the expenditures because the units would no longer be permitted to burn coal.

**Q.** Does this conclude your rebuttal testimony?

**A.** Yes it does.

EXHIBIT NO. \_\_\_\_\_  
TAMPA ELECTRIC COMPANY  
DOCKET NO. 030001-EI  
(WTW-2)  
FILED: 10/16/03

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TAMPA ELECTRIC COMPANY

DOCKET NO. 030001-EI

FILED: 10/16/03

EXHIBIT TO THE REBUTTAL TESTIMONY OF  
WILLIAM T. WHALE

DOCUMENT NO. 1

2000 - 2003 SAFETY BUDGET



EXHIBIT NO. \_\_\_\_\_  
 TAMPA ELECTRIC COMPANY  
 DOCKET NO. 030001-EI  
 (WTW-2)  
 DOCUMENT NO. 1  
 PAGE 1 OF 3  
 FILED: 10/16/03

Tampa Electric Company  
 Docket No. 030001-EI  
 Late Filed Deposition  
 Exhibit of Buddy Maye  
 No. 2  
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2000-2003 Safety Budget

- Q. Provide the Gannon Station safety budget for each year since 2000, as shown for 2003 on page 1,535 of Tampa Electric's response to OPC's 1<sup>st</sup> Request for POD.
- A. The Gannon Station safety budget for each year is shown in the following tables.

2000 Gannon Station Safety Budget

Budget (\$)	Description
15,000	Safety Eye Glasses
5,000	Safety Supplies
1,200	S.E.A.L. Program
<u>65,000</u>	Care Team Nurse
86,200	Total

2001 Gannon Station Safety Budget

Budget (\$)	Description
18,000	Safety Eye Glasses
270,160	Safety Budget Operations
2,000	S.E.A.L. Program
<u>65,000</u>	Care Team Nurse
355,160	Total

EXHIBIT NO. \_\_\_\_\_  
TAMPA ELECTRIC COMPANY  
DOCKET NO. 030001-EI  
(WTW-2)  
DOCUMENT NO. 1  
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FILED: 10/16/03

Tampa Electric Company  
Docket No. 030001-EI  
Late Filed, Deposition  
Exhibit of Buddy Maye  
No. 2  
Page 2 of 3

2002 Gannon Station Safety Budget

Budget (\$)	Description
103,200	IH consultants, doctor charges, ergonomics, drug testing, PFT interpretations, noise monitoring, audiometric test follow-ups, chest x-rays
72,000	PPE, spirometry supply, audiometric, supplies, fit testing supplies
72,420	Luminometer, safety rewards, prescriptions, safety glasses, 4-gas monitors, pager, cell phone, thermometers for heat stress, confined space rescue equipment
5,500	Travel expense
4,100	Miscellaneous expense
13,200	Meals expense
900	Personal auto reimbursement
<u>65,000</u>	Care Team Nurse
336,320	Total

Tampa Electric Company  
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No. 2  
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2003 Gannon Station Safety Budget

Budget (\$)	Description
75,000	IH consultants, doctor charges, ergonomics, drug testing, PFT interpretations, noise monitoring, audiometric test follow-ups, chest x-rays
24,000	PPE, spirometry supply, audiometric, supplies, fit testing supplies
57,000	Luminometer, safety rewards, prescriptions, safety glasses, 4-gas air monitors, pager, cell phone, thermometers for heat stress, confined space rescue equipment
2,000	Travel expense
1,000	Miscellaneous expense
10,000	Meals expense
1,000	Personal auto reimbursement
<u>70,000</u>	Care Team Nurse
240,000	Total

Based on actual spending in 2001 and 2002, the 2003 budget was refined to more accurately reflect an appropriate budget level.

TAMPA ELECTRIC COMPANY

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EXHIBIT TO THE REBUTTAL TESTIMONY OF  
WILLIAM T. WHALE

DOCUMENT NO. 2

RESPONSE TO INTERROGATORY NO. 37

EXHIBIT NO. \_\_\_\_\_  
TAMPA ELECTRIC COMPANY  
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37. Please list, describe, and indicate the cost for all maintenance tasks required to keep Gannon Units 1 - 4 in operation until December 2004.
- A. The great number of years that these units have been in service has resulted in their operations being difficult to predict. Therefore, there is much more uncertainty than is typically associated with Tampa Electric's estimates of both the work required and the cost for the maintenance tasks required to keep Gannon Units 1 - 4 in operation until December 2004. Tampa Electric provides its best estimates of the information requested in the attached table. The total estimated maintenance cost to keep Gannon Units 1 - 4 in operation until December 2004 with expected reliability near historical levels is approximately \$57.4 million. This total includes costs for major activities required to restart or keep the units operating as well as for planned maintenance activities. The attached table also includes a brief description of the activities required.

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Gannon Units 1-4 Costs for Operating Through December 31, 2004 (\$000)						
Major Repair or Replacement Activities	Unit 1	Unit 2	Unit 3	Unit 4	Other	Total
Cyclone Replacements ( 49 day outage )	4,500	4,500	6,000	6,000	-	21,000
Furnace Tube Work: Unit 4 East&West Wall Repair; Header Flush and Clean; Unit 2 Rear Wall Replacement	-	2,300	-	500	-	2,800
Replace Expansion Joints	60	60	60	60	-	240
Replace Insulation and Lagging	300	300	200	200	-	1,000
Slag Tanks: Unit 1 Top of Slag Tank; Unit 3 Slag Tank Neck	60	-	150	-	-	210
Coal Field Equipment: Bulldozer Maintenance; Crusher Maintenance (Hammer Change); Belt Replacement; Dock Maintenance	-	-	-	-	500	500
Structural Repairs to Unit 3 Stack	-	-	70	-	-	70
Transmission: New Lines Required for Bayside 2C/2D if Gannon Unit 4 Generator Lead Line is Not Available	-	-	-	950	-	950
Pond Dredge	-	-	-	-	600	600
Water Treatment: Reverse Osmosis Rental; Clarifier Rental; Portable Demineralization Trailers	-	-	-	-	1,000	1,000
Replace Control Room Annunciators	-	-	30	30	-	60
<b>Total Major Activities Costs</b>	<b>4,920</b>	<b>7,160</b>	<b>6,510</b>	<b>7,740</b>	<b>2,100</b>	<b>28,430</b>

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<b>Gannon Units 1-4</b>						
<b>Costs for Operating Through December 31, 2004, Continued</b>						
<b>(\$000)</b>						
<b>2003 Maintenance Costs</b>						
2003 45-day Planned Outage	400	400	-	-	-	800
2003 28-day Planned Outage	-	-	500	500	-	1,000
2003 Additional Staff and Benefits Costs	-	-	-	-	3,200	3,200
Stevedoring	-	-	-	-	400	400
Additional Costs for Water, Chemicals, Environmental Fees, Equipment Repairs and Inspections, Stores; Other Required Preventive Maintenance Activities; etc.	-	-	-	-	1,600	1,600
<b>Total 2003 Maintenance Costs</b>	<b>400</b>	<b>400</b>	<b>500</b>	<b>500</b>	<b>5,200</b>	<b>7,000</b>
<b>2004 Maintenance Costs</b>						
2004 10-day Planned Outage	250	250	-	-	-	500
2004 28-day Planned Outage	-	-	500	500	-	1,000
2004 Staff and Benefits Cost	-	-	-	-	12,200	12,200
Stevedoring	-	-	-	-	1,200	1,200
Additional Costs for Water, Chemicals, Environmental Fees, Equipment Repairs and Inspections, Stores; Other Required Preventive Maintenance Activities; etc.	-	-	-	-	7,100	7,100
<b>Total 2004 Maintenance Costs</b>	<b>250</b>	<b>250</b>	<b>500</b>	<b>500</b>	<b>20,500</b>	<b>22,000</b>
<b>Total 2003-2004 Major Activity and Maintenance Costs</b>	<b>5,570</b>	<b>7,810</b>	<b>7,510</b>	<b>8,740</b>	<b>27,800</b>	<b>57,430</b>