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COMMISSIONERS: RONALD A. BRISÉ, CHAIRMAN LISA POLAK EDGAR ART GRAHAM EDUARDO E. BALBIS JULIE I. BROWN



OFFICE OF THE GENERAL COUNSEL S. CURTIS KISER GENERAL COUNSEL (850) 413-6199

Hublic Service Commission

JUL -3 PM 3: 2 COMMISSION CLERK

July 3, 2012

James D. Beasley Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 STAFF'S FOURTH 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:

For purposes of the following requests, please refer to the Interim Report – Gypsum Disposal filed with the Commission on June 25, 2012.

- 1. Referring to Paragraph 1, does construction of the new gypsum storage facility still represent "Tampa Electric Company's considered best judgment?" Please explain why or why not.
- 2. Referring to Paragraph 3:
 - a. Please clarify what is meant by "commercially viable and compliant alternatives." Without revealing confidential information, please describe what factors would be evaluated in making these determinations.
 - b. Has TECO identified new potential gypsum off-takers in Latin America? If so, are any negotiations underway?
 - c. Please describe the options that are being considered for reducing the cost of the gypsum storage facility.
- 3. Referring to Paragraph 4:
 - a. How many tons of gypsum are currently stored at the existing facility?
 - b. Based on TECO's estimate of National Gypsum's consumption rate, what is the estimated exhaust date of the existing facility, absent any other actions?

- c. By way of clarification, is it TECO's belief that National Gypsum's consumption rate will not meet its annual minimum quantity in each of the years 2012 through 2016, but returning to normal levels in 2017? If no, please clarify.
- d. Does "dusting" refer to gypsum being blown off-site to residents? If not, please clarify.
- e. If "dusting" continues, is there a risk that TECO may violate any environmental standards or requirements? If so, please describe such potential risks.
- 4. Referring to Paragraph 5:
 - a. Where is the landfill located?
 - b. Please identify when TECO determined that it had 350,000 tons of "lesser quality" gypsum, and that this gypsum could not be sold to manufacturers or for agricultural uses.
 - c. Will the total disposal cost be \$9,100,000? (350,000 x \$26/ton)
 - d. Is the landfill disposal of the 350,000 tons a one-time event? If not, please clarify the terms of the arrangements with the landfill operator, the duration of the agreement, and by when TECO anticipates finalizing an agreement with the landfill operator.
 - e. Once an agreement is reached, approximately how long will it take to remove the 350,000 tons of lesser quality gypsum from the existing storage site?
 - f. Based on TECO's estimate of National Gypsum's reduced consumption rate and the landfill disposal of the 350,000 tons of lesser quality gypsum, what is TECO's estimated exhaust date of the existing facility?
 - g. Please provide copies of correspondence between TECO and the Environmental Protection Commission of Hillsborough County regarding the Company's mid-term fugitive dust emissions remediation plan. Is this plan satisfactory to the County?

Please e-mail responses to Jenny Wu (jwu@psc.state.fl.us), David Dowds (ddowds@psc.state.fl.us), and Charles Murphy (cmurphy@psc.state.fl.us) by Friday, July 20, 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

James D. Beasley Page 3 April 11, 2012

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)