

ORIGINAL

STATE OF FLORIDA

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

July 11, 2003

Joann T. Wehle, Director
Department of Wholesale Marketing and Fuels
Tampa Electric Company
702 North Franklin Street
Tampa, Florida 33602

VIA FAX (813) 228-1545

RE: Docket No. 030001-EI - Fuel and Purchased Power Cost Recovery Clause and GPIF

Dear Ms. Wehle:

As you know, on June 19, 2003, staff requested a meeting with Tampa Electric to discuss formulating a request for proposals for waterborne coal transportation (RFP), and such a meeting was arranged for July 1, 2003. However, staff was surprised and disappointed that Tampa Electric not only formulated but also issued the RFP to prospective bidders prior to the meeting with staff. Upon staff inquiry, the utility informed staff that the necessary utility personnel could not meet with staff and parties during the week of June 23, 2003, thus, the delay in the meeting date until the following week. However, Tampa Electric never indicated to staff that it would also issue the RFP prior to the meeting.

As a result of the events described above, staff agreed at the conclusion of the July 1, 2003, meeting to prepare and forward to all parties a minimum set of clarifying statements to Tampa Electric's RFP. Such clarifying statements are enclosed with this letter. In staff's opinion, such statements are necessary to clarify certain ambiguous aspects of the RFP which may otherwise limit the number and type of bids that Tampa Electric receives in response to the RFP as issued. These clarifications will have little impact in addressing this concern unless Tampa Electric distributes these clarifications to current and prospective bidders immediately, given Tampa Electric's August 1, 2003 bid deadline. While Tampa Electric has recently indicated that it will not provide staff's RFP clarifications to current and prospective bidders, trade publications, and newspapers, staff believes it would be prudent for the utility to do so in order for staff's concern to be adequately addressed.

CS
JAF
DAP
COM 5
CTR
EOR
GOL
OPC
MMS
SEC 1
OTH

COMMISSION
CLERK
JUL 14 AM 11:57
06175

DOCUMENT NUMBER DATE
06175 JUL 14 03
PSC-COMMISSION CLERK

Joann T. Wehle
Page 2
July 8, 2003

If you have any questions, please contact Todd Bohrmann at (850) 413-6445.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Devlin". The signature is written in a cursive style with a large initial "T".

Timothy J. Devlin, Director

TJD:kb

Enclosures (2)

cc: Mary Bane
Harold McLean
Jim Beasley
Parties of Record
Division of Commission Clerk & Administrative Services

TECO RFP MINIMUM CLARIFICATIONS SHEET

1. **TENTATIVE TIMETABLE:** Attached is the timetable that Tampa Electric has established for solicitating, evaluating, and awarding bids for coal transportation for the period 2004 through 2008.
2. **TRANSPORTATION SEGMENT BIDS:** Bids for transportation segments will be matched to form a complete transportation system. For purposes of bid evaluation and selection, Tampa Electric will combine segments to achieve the best combination of price and non-price factors.
3. **ALTERNATIVE TO MISSISSIPPI RIVER TERMINALS:** Alternative terminals, such as Pascagoula, Mississippi; Mobile, Alabama; and Tampa, Florida; are acceptable locations and will be subject to the provisions of clarification 2 above.
4. **INTERNATIONAL SHIPMENT TERMINALS:** Tampa Electric will evaluate bids for international shipments separately from domestic shipments. International shipments may be received at Pascagoula, Mississippi; Mobile, Alabama; Tampa, Florida; or elsewhere.
5. **MISPRINT:** The first sentence under the "Required Terminal Transportation Services" paragraph should be deleted. Thus, Tampa Electric would strike the passage: "The fixed and variable component charges must represent all charges other than fuel."
6. **TERMINAL VESSEL SIZE:** Terminals which can not accept Panamax-sized vessels will also be evaluated.
7. **TECO TRANSPORT:** TECO Transport can/can not (circle one) match the lowest bid with all non-price factors considered.

Transportation Services Solicitation Schedule

Step	Tasks to Establish Transportation Contract	Estimated Time to Complete Task
1.	Mail RFP to bid list of waterborne coal transportation providers and notify industry publications of pending RFP	Week of June 23, 2003
2.	Deadline to submit sealed proposals	August 1, 2003
3.	Complete evaluation of proposals	Week of August 11, 2003
4.	Notify transportation provider that submitted the winning proposal and begin contract negotiations	Week of August 18, 2003
5.	Complete transportation contract negotiations	Week of October 6, 2003
6.	Execute new transportation contract	Week of October 6, 2003
7.	Notify unsuccessful bidders that contract has been awarded	Week of October 13, 2003