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ORIGINAL

July 16, 2003

HAND DELIVERED

Mr. Wm. Cochran Keating, IV
Senior Attorney
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance
Incentive Factor; FPSC Docket No. 030001-EI

Dear Cochran:

This letter will serve as Tampa Electric Company's ("Tampa Electric's" or "the
company's") responses to the following requests for documents and data to TECO Energy, Inc.
and its affiliates, put forth in your letter to me dated July 14, 2003:

Staff Request No. 1

Please provide all materials that TECO Energy, Inc., or any affiliate thereof has
provided to any potential buyer(s) of TECO Transport in order to provide
information concerning TECO Transport and/or its potential sale.

Tampa Electric's Response: Tampa Electric has verified, and I am authorized to
confirm on the company's behalf, that only one document was provided to
potential purchasers of TECO Transport. A copy of that document, prepared by
Merrill Lynch and circulated by that organization to entities it believed might
have an interest in TECO Transport, is attached hereto as Exhibit "A".

Staff Request No. 2

- AUS _____
- CAF _____
- CMP _____
- COM 5
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC 1
- OTH _____

Please describe TECO Energy's current plans with respect to the potential sale of
TECO Transport.

Tampa Electric's Response: In April of this year, TECO Energy announced that
TECO Transport and certain other assets have been identified as valuable non-

DOCUMENT NUMBER-DATE

06441 JUL 18 03

FPSC-COMMISSION CLERK


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Page Two

core assets that could be considered for sale to enhance the corporation's liquidity position. Currently, however, TECO Transport is not for sale.

In providing the above responses, Tampa Electric has not raised an issue as to the relevance of the requested information or as to whether it is the type of information intended to be addressed by Section 366.05(9), Florida Statutes. Instead, the company has provided its responses in an effort to be cooperative and to accommodate Staff's request for responses at the earliest possible time. The company's willingness to accommodate the Staff in this regard is not intended to effect, nor should it be construed to serve as, a waiver of its right to raise such issues by way of objection in response to any future requests, which right is hereby reserved.

I trust the foregoing satisfies the Staff's requests set forth in your July 14 letter.

Sincerely,



James D. Beasley

JDB/pp
Attachment

cc: All Parties of Record
Division of Commission Clerk and Administrative Services (Docket File)

Overview

TECO Transport is a leading provider of inland, coastwise and international dry-bulk marine transportation, as well as storage and transfer services along the Mississippi River. Through a diverse fleet of high quality, well-maintained barges, U.S.-flag vessels and related assets, the Company transports a wide variety of dry-bulk commodities primarily consisting of coal, grain and phosphate. A high percentage of TECO Transport's customers (including Tampa Electric) are subject to long-term (greater than 18 months) and evergreen (annually renewing) contracts which has resulted in a long history of profitability and attractive returns on investment. Approximately 43% of TECO Transport's 2002 revenues were derived from its contract with Tampa Electric, for whom the Company provides essentially all of Tampa Electric's domestic coal transportation needs.

TECO Transport is uniquely positioned as the only company providing full-service, bundled transportation, transfer and storage facilities for water-borne bulk cargo along the Mississippi River. These integrated services offer customers cost and time efficiencies, and provide TECO Transport with the ability to create tailored solutions to meet customer specific transportation and storage needs. TECO Transport supports this fully-integrated transportation system with a strong and experienced management team and superior customer service.

Through the Company's three operating subsidiaries, TECO Transport offers its customers the following array of services:

- TECO Ocean Shipping, Inc. ("Ocean Shipping") is the largest oceangoing, coastwise U.S.-flag dry-bulk carrier. Ocean Shipping's fleet of 12 vessels transports dry-bulk commodities domestically and to numerous ports of call throughout the world.
- TECO Barge Line, Inc. ("TECO Barge") is the 7th largest inland marine transportation provider with approximately 740 barges and 18 towboats, serving the Ohio, Illinois and Mississippi rivers and their major tributaries.
- TECO Bulk Terminal, LLC ("Bulk Terminal") is the largest full-service storage and transfer terminal on the Gulf Coast and benefits from being the first bulk terminal on the Mississippi

inbound from the Gulf of Mexico (located just south of New Orleans at Mile Post 55).

Investment Highlights

Valuable Long-Term Contracts

Approximately 60% of TECO Transport's 2003 revenues will be derived from profitable long-term or evergreen contracts. TECO Transport's high percentage of contracted business with long-term customers provides the Company with more stable and predictable revenue streams, greater capacity utilization and more consistent traffic patterns.

High Asset Utilization

TECO Transport is uniquely positioned with a high degree of both "fronthaul" and "backhaul" contracted movements that allows the Company to optimize its fleet capacity which improves operational efficiencies and financial returns. "Fronthaul" movements primarily consist of TECO Barge transporting coal down the Mississippi River, then utilizing storage facilities at Bulk Terminal before Ocean Shipping delivers the coal to Tampa Electric (or moved by others to international destinations).

"Backhaul" contracted movements primarily consist of phosphate moving from the Florida Gulf Coast through the Gulf of Mexico to various terminals along the Mississippi River via Ocean Shipping with other commodities subsequently travelling up-river via TECO Barge.

Ability to Competitively and Profitably Pursue Opportunities

The stability and profitability of coal and phosphate tonnage and revenue streams due to long-term contracts provides TECO Transport with the flexibility to transport many other commodities in the opposite direction at competitive (and profitable) prices. The Company maintains high utilization rates by supplementing their dominant share of coal and phosphate movements with a diverse mix of other dry-bulk commodities including grain, petcoke, steel and steel related products. This flexibility allows TECO Transport to focus "backhaul" movements on only those commodities that currently offer the best financial returns.

High Quality, Above Industry Standard Maintained Assets

TECO Transport maintains a fleet of high-quality barges and vessels due to its focus on maintenance and customer movement patterns. TECO Transport's barges and vessels are loaded and unloaded less

frequently due to longer than industry average customer movements along the river system which results in lower maintenance needs and longer useful lives.

TECO Barge is certified by the Responsible Carrier Program and Ocean Shipping's fleet is certified by all major class societies, including ISM, ABS and DNV.

***Integrated Services Provide
Customized Client Solutions***

TECO Transport is uniquely positioned as the only company along the Mississippi River providing full-service transportation, transfer and storage for dry-bulk cargo, which provides the flexibility for the Company to create tailored solutions to meet each client's specific transportation needs. The combination of these services at a bundled price provides customers with cost, logistical and time benefits relative to the Company's competitors.

Non-Unionized Workforce

TECO Transport's 100% non-unionized workforce maintains an exemplary operational, environmental and safety record resulting in lower costs, superior customer service and low employee turnover.

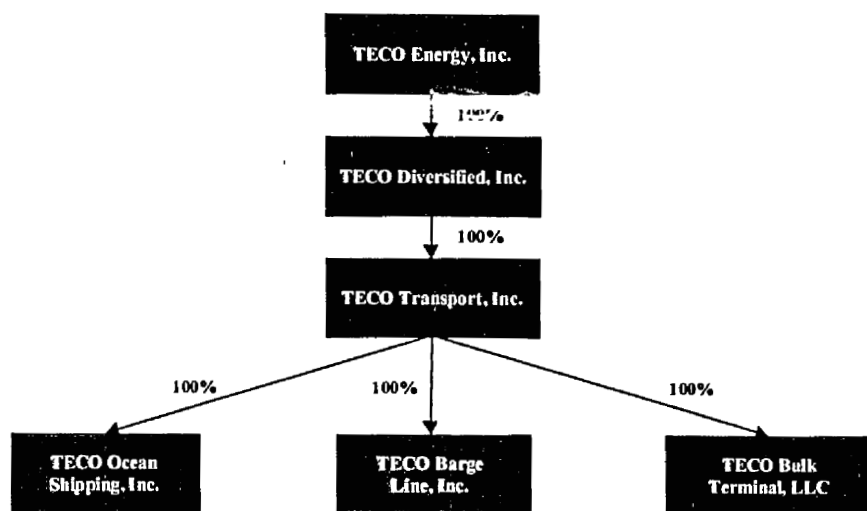
***Strong and Experienced
Management Team***

TECO Transport is led by 5 senior executives, including D. Jeffrey Rankin as President and Tim M. Bresnahan as Vice President - Controller. Each of the Company's three operating divisions is lead by a Group Vice President - Sal Litrico (Ocean Shipping), Michael Monahan (TECO Barge) and Rodney Palmer (Bulk Terminal) - who are located at each division's respective headquarters. Each member of the senior management team has over 20 years of experience in the marine transportation industry.

Ownership Structure

TECO Transport, a wholly-owned subsidiary of TECO, owns all of the outstanding stock of each of its three operating subsidiaries.

TECO Transport's Ownership Structure Diagram



TECO Ocean Shipping



TECO Ocean Shipping is the largest oceangoing, U.S.-flag dry-bulk carrier with a fleet of 9 oceangoing tug/barge units and 3 oceangoing geared and gearless ships having a combined cargo capacity of over 403,000 deadweight tons.

Ocean Shipping transports Jones Act shipments of coal and phosphate, as well as petcoke, scrap metal, ores, grains and steel pipe throughout both U.S. coasts and the Gulf of Mexico. Ocean Shipping's fleet offers a wide range of shipping capacity, ranging from 19,200 to 42,800 tons. Coal and phosphate are the division's two largest commodities based on tonnage transported.

Ocean Shipping is also an active participant in various U.S. government cargo preference programs to transport shipments of U.S. government surplus grain and other project cargoes. These programs stipulate that 75% of Food for Peace shipments must be transported by U.S.-flag carriers when available. Destinations for these shipments include Central America, Mexico and the Caribbean, Europe, Africa and Asia and are done on a spot basis.

TECO Barge



BARGE LINE

TECO Barge, with approximately 740 barges in operation, is the 7th largest provider of barge transportation services in the U.S. TECO Barge is a full-service barge line that also provides fleeting, docking, repairing and cleaning services. Specifically, TECO Barge operates a fleet of 18 towboats, 4 harbor tugs, 523 open hopper and 218 covered river barges on the Mississippi, Ohio and Illinois rivers. TECO Barge's primary transportation lanes are between Davant, LA on the Lower Mississippi River south of New Orleans to Pittsburgh on the Ohio River and Chicago on the Illinois River.

Key products transported by TECO Barge are coal, petroleum coke and grain. TECO Barge also transports iron ore, aluminum, steel related products, ferrous scrap, metallurgical and petroleum coke, pig iron, steel slabs and coils and wood chips. Additionally, TECO Barge transports high value, weather-sensitive products such as finished phosphate fertilizers.

Bulk Terminal



BULK TERMINAL

Bulk Terminal is the largest transfer and storage terminal on the Gulf Coast and benefits from being the first dry-bulk terminal inbound from the Gulf of Mexico along the Mississippi River. Located forty miles south of New Orleans (Mile Post 55), Bulk Terminal handles multiple products including coal, fertilizers, petcoke, furnace coke, grains and steel-related products. Bulk Terminal has an annual throughput capacity of 18 million tons and on-site storage capacity of five million tons. The terminal is on a 1,138-acre site.

Bulk Terminal plays an important role in supplying TECO Transport's customers with integrated transportation and storage solutions. For example, cargo travelling southbound via TECO Barge is delivered to Bulk Terminal for transfer and loading on to Ocean Shipping vessels, and cargo travelling northbound up the Mississippi River can be stored at Bulk Terminal before being loaded onto TECO Barge vessels.

Business Strategy

TECO Transport's business strategy is driven by its strong base of long-term contracts and its unique ability to offer integrated coastwise, international and inland transportation, as well as storage and transfer services, to its customers. Because TECO Transport has both a strong southbound river movement and eastbound/westbound bulk Gulf

movement, the Company can bid aggressively on contracts for moving products in the opposite direction (westbound/eastbound on the Gulf and northbound on the Mississippi).

TECO Transport also leverages off its existing long-term base load contracts to aggressively bid its remaining capacity for margin enhancing spot transport opportunities.

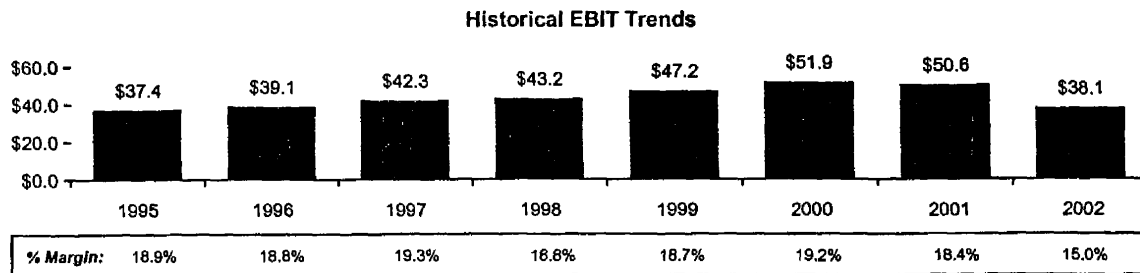
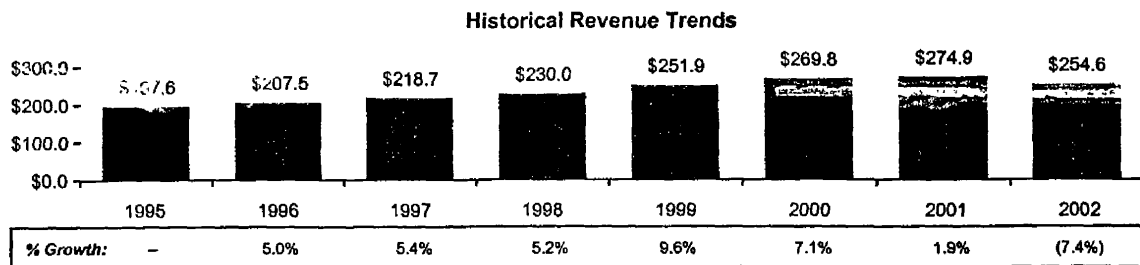
Additionally, TECO Transport has the unique ability to offer certain customers a single point of contact on ocean shipping and barge movements as well as demurrage free loadings and unloadings and logistics support. TECO Transport's ability to tie its diverse fleet of assets into all three of its businesses provides the Company with a valuable competitive advantage. Each of the three businesses' sales and operational organizations are efficiently and effectively intertwined with the other two businesses.

History

Tampa Electric created TECO Transport in 1959 primarily to secure the water-borne transportation services for the coal purchased as fuel for its generation facilities. TECO Transport provides essentially all of the domestic coal handling and transportation services for Tampa Electric under a long-term contract.

**Summary Financial Information
(\$mm)**

**Historical Revenue and
EBIT Summary (\$mm)**



**Historical Income and Cash
Flow Statement Summary
(\$mm)**

Income Statement	2000	2001	2002
Revenues	\$269.8	\$274.9	\$254.6
EBITDA	73.9	74.7	60.3
D&A	(22.0)	(24.1)	(22.3)
EBIT	\$51.9	\$50.6	\$38.1
Cash Flow	2000	2001	2002
CapEx	\$18.5	\$39.3	\$25.3

Selected Balance Sheet Data (\$mm)

As of December 31, 2002 TECO Transport's balance sheet included the following:

Balance Sheet	2000	2001	2002
PP&E, Net	\$211.5	\$203.5	\$180.0
Other Assets	99.8	129.6	175.1
Total Assets	311.3	333.1	355.1
Other Liabilities	75.0	99.8	122.4
Total Debt	138.1	135.9	135.9
Equity	98.1	97.4	96.8
Total Liabilities & Equity	\$311.3	\$333.1	\$355.1

Summary of Existing Indebtedness

As of December 31, 2002, TECO Transport had \$110.6 million of Industrial Revenue Bonds outstanding as well as capital leases of approximately \$25 million.

Industrial Revenue Bonds

In September 1985, Plaquemines Port, Harbor and Terminal District (Louisiana) sold \$110.6 million of extendable tax-exempt commercial paper dock and wharf bonds for the benefit of Electro-Coal Transfer Corporation (predecessor to Bulk Terminal). The bonds are due in 2007 and are directly guaranteed by TECO Energy. Initially bearing interest at commercial paper rates, the Company exercised their option to convert the bonds to a fixed interest rate on April 5, 2001, at a fixed rate of 5% per annum.

Summary of Sale Leaseback Transactions

On December 30, 2002, TECO Transport completed a sale leaseback transaction (treated as an operating lease) covering 1 ocean-going tug and barge, 5 river tugboats and 49 river barges.

On December 21, 2001, TECO Transport sold 3 oceangoing barges and 1 oceangoing tugboat in a sale leaseback transaction (treated as an operating lease).

Both lease terms are 12 years with early buyout options after 5 years.

TECO Transport

A wholly-owned subsidiary of

TECO

May 2003

 **Merrill Lynch**

Exhibit "A"

Docket No. 030001-EI

RFP

BID SOLICITATION WB-2004

Solid Fuel Transportation and Terminal Services

GENERAL

The Wholesale Marketing & Fuels Department of Tampa Electric is inviting proposals to provide waterborne transportation services for the movement of solid fuel (defined as coal, synfuel, and petroleum coke) from mid-west supply sources convenient to the Mississippi River and Ohio River systems for final delivery to Tampa Electric's generating stations near Tampa, Florida. Tampa Electric prefers proposals for integrated waterborne transportation services, however proposals for segmented services will be considered. Terminal facilities should be accessible to Mississippi River barge traffic and capable of receiving and discharging inland river barges from domestic suppliers and Panamax sized vessels for offshore coal. Proposals should represent the entire requirements stated herein of Tampa Electric's domestic waterborne solid fuel transportation services. The specifics of this request and the bidding procedures to be followed are outlined below.

QUANTITY AND TERM

Tampa Electric anticipates that the quantity of required inland river, terminal and ocean transportation services will be as listed in the following table:

Contract Years 2004-2006

Transportation Mode	Minimum Annual Quantities Tons	Maximum Tons
Inland River	3,250,000	5,000,000
Terminal	3,250,000	5,000,000
Ocean	4,000,000	5,500,000

Contract Years 2007-2008

(without a Consent Decree Trigger Event)

Transportation Mode	Minimum Annual Quantities Tons	Maximum Tons
Inland River	3,250,000	5,000,000
Terminal	3,250,000	5,000,000
Ocean	4,000,000	5,500,000

Contract Years 2007
(with a Consent Decree Trigger Event)

Transportation Mode	Minimum Annual Quantities Tons	Maximum Tons
Inland River	2,000,000	4,000,000
Terminal	2,000,000	4,000,000,
Ocean	3,000,000	4,500,000

Contract Years 2008
(with a Consent Decree Trigger Event)

Transportation Mode	Minimum Annual Quantities Tons	Maximum Tons
Inland River	1,000,000	3,000,000
Terminal	1,000,000	3,000,000
Ocean	2,000,000	3,500,000

Should Tampa Electric fail, for reasons other than force majeure, to tender solid fuel in any calendar year for the Minimum Annual Quantities, carrier shall be entitled to payment, as liquidated damages and not as a penalty, a dead freight charge for each ton of solid fuel not tendered for such service. Accordingly, please provide a rate for dead freight on Attachments A and B, respectively.

Compliance with Consent Decree. Tampa Electric is required to advise the EPA, on or before May 1, 2005 with respect to Big Bend Unit 4, and on or before May 1, 2007 with respect to Big Bend Units 1, 2 and 3 (or any combination of them), whether each such unit (i) will be shut down, (ii) will be re-powered, (with natural gas as primary fuel) or (iii) will continue to be fired by coal. Tampa Electric shall be entitled in its sole discretion to choose among the compliance options available to it under the Consent Decree. If Tampa Electric chooses compliance option (i) or (ii), (herein defined as "Consent Decree Trigger Event") Tampa Electric may reduce its annual minimum tonnage requirements for 2007 and 2008, respectively by giving notice at any time after tendering the Notice to EPA with respect to such Unit. Such notice shall be effective ninety (90) days after receipt thereof by Carrier, or one hundred eighty (180) days prior to the effective date of any restrictions upon the combustion of coal arising out of the Consent Decree and Tampa Electric's choice of compliance option, whichever occurs later. If Tampa Electric chooses compliance option (iii) above, then the annual tonnage requirements shall remain at the existing tonnage level.

The quantity of Terminal services may include up to 1.0 million tons of international deliveries with the remaining tons coming domestic sources.

Notice of annual tonnage declarations and monthly shipping schedules will be provided by Tampa Electric by September 30 of each contract year for the following calendar year. Tampa Electric shall have the right to make monthly shipment variances of plus or minus 20% throughout the contract year. The term is from January 1, 2004 through December 31, 2008.

PRICING

Pricing for both River and Ocean shipments shall be composed of a fixed component, variable component and a fuel component. Terminal pricing shall be a fixed component only. Proposals should include bidder's preferred escalation methodology. The variable and fuel components shall be subject to quarterly adjustment with 4th quarter 2003 serving as the base period. Payment terms are (30) thirty days net from receipt of proper invoice. Services shall only be billed upon completion of those services as described below:

Inland River	after discharge of coal at the terminal
Terminal/Ocean	after discharge of coal at the generating station

River barge weights shall be based upon origin weights consistent with each coal supply agreement. For terminal services and ocean movements, weights shall be determined on destination weights. Pricing should include a minimum of three (3) free days at loading and three (3) free days at discharge to load and discharge river barges. Ocean vessels will include a minimum of twenty-four (24) hours free time to load or unload vessels at the terminal. Pricing should include a minimum of forty-eight (48) free hours to unload ocean barges at the generating station. Tampa Electric will not be responsible for demurrage at the terminal. Tampa Electric may be responsible for demurrage at the origin and/or the generating station. Such vessel demurrage shall be calculated and paid quarterly on a cumulative credit / debit system. Accordingly, please include all demurrage rates on Attachment B.

CONTRACT PROVISIONS

The winning bidder will be expected to enter into a contract that will, among other things, include the following provisions.

Required River and Ocean Transportation Services

The fixed and variable component charges must represent all charges other than fuel. Such charges shall include, but not be limited to, all port charges, fleeting charges, switching fees, emergency vessel services, existing taxes and any other charges associated with the transportation of solid fuel. Carrier shall bear the risk of cargo loss. Tampa Electric will reserve the right to expedite solid fuel shipments at no additional cost in critically low inventory situations. Carrier shall be required to report shipment information and tonnage reconciliation by fuel type on a daily, weekly and monthly basis.

Bid Solicitation WB-2004
Coal Transportation and Terminal Services
Page 3 of 5

Carrier shall be responsible for meeting all regulatory requirements e.g., Coast Guard, Responsible Carrier Program, environmental and others.

Required Terminal Transportation Services

The fixed and variable component charges must represent all charges other than fuel. Such charges shall include, but not be limited to, all port charges, fleeting and constructive placement charges, switching fees, emergency vessel services, wharfage services, docking / undocking services, trimming services, launch boat services, maintenance crane services, tractor cleaning services, stockpile storage fees, existing taxes, and any other charges associated with the unloading, loading, storage and transportation of solid fuel. Ground storage facilities will be utilized to provide surge capacity such that Tampa Electric's local inventories can be maintained at acceptable levels. Tampa Electric shall require the Terminal to maintain adequate storage for up to 1.4 million tons and up to 8 individual storage piles. Stockpile maintenance, compaction, and inventory accounting (physical inventories) should be considered routine terminal services, and include prevention and control of spontaneous combustion within stockpiles as part of routine stockpile maintenance. Sampling and weighing services should be provided for both inbound and outbound shipments. Precise blending services of multiple fuel types is required to meet performance and environmental requirements at Tampa Electric's generating stations. Standard application of dust suppressant is required for all outbound shipments and shall be included as part of the fixed terminal charge. The minimum discharge rate for unloading Panamax sized vessels of solid fuel should be 900 tons per hour. The terminal shall bear the risk of cargo loss and any demurrage charges from river and ocean vessels which exceed the free time allowed in the solicitation. Cargoes of segregated multiple fuel types will be required. The terminal shall provide daily inventory and position reports. The terminal shall be responsible for meeting all regulatory requirements e.g., Coast Guard, environmental, and others. Tampa Electric will reserve the right to switch or change the composition of previously scheduled cargoes on short notice in critical situations. Attachment C lists the unloading generating station's capabilities and limitations.

MISCELLANEOUS PROVISIONS

The contract will contain other commercially reasonable terms and conditions customarily found in contracts for similar services, including but not limited to, provisions dealing with standards of performance, risk allocation, insurance levels, force majeure, events of default, remedies, and others.

Tampa Electric will require an electronic interface to upload data into our fuels management system. At a minimum, vessel number, contract number, date loaded, shipped weight, and destination need to be made available at carrier's expense.

BIDDING PROCEDURES

In order to ensure that proposals are responsive to Tampa Electric's needs and provide a uniform basis for evaluation, bidders are requested to provide the information on the attached Transportation Proposal Form, complete rate quotes on Attachments A & B and send Scaled Bid Packages to:

Bid Proposal WB-2004

Street Address

Tampa Electric Company
702 North Franklin Street, Plaza 5
Tampa, Florida 33602

P.O. Box Address

Tampa Electric Company
P.O. Box 111
Tampa, FL 33601

Failure to properly mark bid reference number WB-2004 on the exterior of the sealed envelope could result in non-consideration of the bid.

Bid packages must be received at the Wholesale Marketing & Fuels Department no later than 12:00 p.m. (EDST) on August 1, 2003. Bids received after this date will not be evaluated or considered and returned to the bidder. The bidder shall be responsible for the completeness and accuracy of all information contained in and used in preparation of its proposal and for having supplied all necessary information. Bid packages that are incomplete may not be evaluated. Revised proposals, if any, must be received before the closing deadline for evaluation.

Any award will be based on Tampa Electric Company's overall evaluation process and not on price alone. The evaluation will include price, ability to supply sufficient barge, towing and storage capacity, financial stability, credit worthiness and other pertinent factors. Field inspections and audits by Tampa Electric personnel or Tampa Electric's designated representative(s) may be required to verify the accuracy of information provided in proposals. Tampa Electric reserves the right to reject any and all proposals which in Tampa Electric's sole judgment are determined to not be in its best interest.

Bid proposals shall remain open for a period of two months beyond the closing date of this solicitation. Proposals represent a firm offer to supply Transportation and Terminal services at the prices and under the terms provided in your proposal, subject to the execution and delivery of a contract, the first draft of which will be provided by Tampa Electric Company. Should you have questions or desire to schedule a presentation, please call Martin Duff at 813.228.1596.

<p>Waterborne Transportation Proposal Form</p> <p>Tampa Electric Company</p> <p>Wholesale Marketing & Fuels</p>

PART 1

Company Name: _____

Mailing Address: _____

Authorized Representative: _____

Phone Number: _____ Fax Number: _____

E-mail Address: _____

Corporate Affiliations (Include parent, subsidiary and affiliated companies):

Facility Locations:

WATERBORNE TRANSPORTATION PROPOSAL FORM (Continued)

**RIVER TRANSPORTATION
PART 2**

Towing Equipment Description (Include name, age, rated horsepower, towing capability, and other pertinent information):

Barge Fleet Description (Include design, configuration, type, size, style ownership, number of barges and other pertinent information):

Insurance Coverage Description (types of coverage, insureds coverage limits, carrier, policy numbers and expiration dates, etc.):

WATERBORNE TRANSPORTATION PROPOSAL FORM - PART 2 (Continued)

Major Customer Listing (Include company name, tonnage lifted in 2001 and 2002, Contact and Phone number):

Subcontractors (Include company name, contact, phone number, and description of services rendered):

Financial Information (provide last five years of audited financial statements and other relevant information):

WATERBORNE TRANSPORTATION PROPOSAL FORM (Continued)

**TERMINAL FACILITIES
PART 3**

Terminal Equipment Description (Include unloading and loading equipment, reclaim equipment, mobile equipment, rated capacities, average performance capabilities and other pertinent information):

Terminal Ground Storage Description (Include schematic or diagram of storage capacity):

Sampling Equipment (Include a description of inbound and outbound capabilities):

WATERBORNE TRANSPORTATION PROPOSAL FORM - Part 3 (Continued)

Weighing Equipment (Include a description of belt scale capabilities inbound and outbound):

Fleeting Equipment (include a description of harbor boats and other fleeting equipment):

Insurance Coverage Description (types of coverage, insureds coverage limits, carrier, policy numbers and expiration dates, etc.):

WATERBORNE TRANSPORTATION PROPOSAL FORM - Part 3 (Continued)

Major Customer Listing (Including company name, tonnage lifted in 2001 and 2002, Contact and Phone number):

Subcontractors (include company name, contact, phone number, and description of services rendered):

Financial Information (provide last five years of audited financial statements, bank references and other relevant information):

WATERBORNE TRANSPORTATION PROPOSAL FORM (Continued)

**GULF TRANSPORTATION
PART 4**

Ship or Ocean Barge Fleet Description (Include design, configuration, type, size, style, cargo capacity and other pertinent information):

Insurance Coverage Description (types of coverage, insureds coverage limits, carrier, policy numbers and expiration dates, etc.):

Major Customer Listing (Including company name, tonnage lifted in 2001 and 2002, Contact and Phone number):

WATERBORNE TRANSPORTATION PROPOSAL FORM - Part 4 (Continued)

Subcontractors (Include company name, contact, phone number, and description of services rendered):

Financial Information (provide last five years of audited financial statements and other relevant information):

Signature:

(Signature of person having proper authority to legally obligate the Transportation Company)

Title:

Date:

Attachment A

RIVER TRANSPORTATION CHARGE

<u>LOCK 53 POOL OHIO RIVER</u>	VARIABLE	FIXED	FUEL	TOTAL
Cook Coal Terminal - MP 948 OH	_____	_____	_____	_____
Mound City - MP 976 OH	_____	_____	_____	_____
 <u>TENNESSEE RIVER</u>				
BRT - MP 23 TR	_____	_____	_____	_____
Kentucky Lakes Dock - MP 24 TR	_____	_____	_____	_____
Empire Dock - MP 896 OH	_____	_____	_____	_____
Rigsby & Barnard - MP 881 OH	_____	_____	_____	_____
Kanipe Enterprises - MP 872 OH	_____	_____	_____	_____
Caseyville - MP 872 OH	_____	_____	_____	_____
Hamilton - MP 852 OH	_____	_____	_____	_____
 <u>UNIONTOWN POOL OHIO RIVER</u>				
Overland Terminal - MP 842 OH	_____	_____	_____	_____
Mount Vernon - MP 828 OH	_____	_____	_____	_____
Southern Indiana - MP 794 OH	_____	_____	_____	_____
 <u>GREEN RIVER</u>				
Green Coal - MP 11 GR	_____	_____	_____	_____
Patriot - MP 32 GR	_____	_____	_____	_____
Sebree - MP 43 GR	_____	_____	_____	_____
Pyramid - MP 94 GR	_____	_____	_____	_____
Ken Mine - MP 98 GR	_____	_____	_____	_____
 <u>NEWBURGH POOL OHIO RIVER</u>				
Yankeetown - MP 773 OH	_____	_____	_____	_____

New Hope - MP 734 OH

CANNELTON POOL OHIO RIVER

Jefferson River Port - MP 618 OH

MELDAHL POOL OHIO RIVER

Transcontinental Terminals - MP 406 OH

UPPER MISSISSIPPI RIVER

Cora - MP 99 UMR

Kellogg - MP 125 UMR

Cahokia - MP 178 UMR

PROPOSED ESCALATION METHODOLOGY:

VARIABLE

FUEL

DEMURRAGE RATE

Attachment B

TERMINAL CHARGE

TOTAL

OCEAN TRANSPORTATION CHARGE

VARIABLE

FIXED

FUEL

TOTAL

DEMURRAGE RATE:

DEAD FREIGHT RATES:

RIVER TRANSPORTATION SERVICES

TERMINAL SERVICES

OCEAN TRANSPORTATION SERVICES

Attachment C

UNLOADING PORT FACILITIES - CAPABILITIES AND LIMITATIONS

- A. Tampa Electric's Big Bend Station on Hillsborough Bay, Tampa, Florida.
1. Draft Limitation: 33 feet.
 2. Maximum Vessel Dimensions: 650 feet length; and vessels over 600 feet must be shifted at the dock during unloading. 85 feet beam.
 3. Airdraft: Maximum airdraft is 47 feet. Vessel may have to be ballasted during unloading to maintain this maximum.
 4. Minimum Hatch Size: 38' width x 50' length; greater size highly desirable.
 5. Discharging Equipment: Dravo ladder bucket machine and Traveling Clamshell Crane.
 6. Expected Average Unloading Rate: 2000 net tons per hour, excluding delays caused by vertical interference from vessel booms, masts and superstructures.
 7. Draft Surveying: If it is necessary to make a draft survey of the delivering vessel in loaded conditions, such survey is to be made while the vessel is standing in deep water before she comes into the dock.
- B. EXCEPTIONS: Vessel of slightly different maximum dimensions may be accommodated provided that mutual agreement has been reached between the Seller and Tampa Electric and/or Tampa Electric's unloading contractor prior to loading and also prior to any commitments on the part of the Seller to utilize such vessels.

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
