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

TESTIMONY

OF

BRENT DIBNER

ON BEHALF OF

TAMPA ELECTRIC COMPANY

BEFORE THE PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

BRENT DIBNER

ON BEHALF OF

TAMPA ELECTRIC COMPANY

Q. Please state your name and business address.

A. My name is Brent Dibner. My business address is Dibner Maritime Associates, LLC, 151 Laurel Road, Chestnut Hill, Massachusetts 02467.

Q. By whom are you employed and in what capacity?

A. I am President of Dibner Maritime Associates, LLC, ("DMA") a firm that I founded in 2002. I am responsible for directing DMA as it provides management consulting services to the maritime industry.

Q. Please describe your educational background and business experience.

A. I earned a Bachelor of Science in Engineering degree in Naval Architecture and Marine Engineering from the

University of Michigan in 1973. In 1977 I graduated from the Harvard Graduate School of Business Administration with a Master's of Business Administration degree.

My professional experience in the maritime industry began during my undergraduate engineering studies. In 1971 I served an apprenticeship in the Small Ship Division of Swan Hunter Shipbuilders in England, and in 1972 I was employed as a trainee engineer at John J. McMullen Associates in New York City. After graduation I worked between 1973 and 1975 as a naval architect and marine engineer at John J. McMullen Associates in New York City and at Israel Shipyards in Haifa, Israel. I was involved in the design of commercial cargo ships and military ships at both employers.

In 1975 I entered the Harvard Business School, and during the summer of 1976 I was employed as a management consultant in the Maritime Group of Temple, Barker & Sloane ("TBS") of Wellesley, Massachusetts, working on various maritime matters. Upon graduation, I joined TBS as a consultant in its Maritime Group. Between 1977 and 2002, I advanced to the position of Vice President and Senior Partner of TBS and its successor, Mercer Management Consulting. Throughout this time, I was

responsible for a substantial portion of the management consulting services that TBS or Mercer provided. I directed the firms' services in the areas of maritime and bulk logistics, with emphasis on bulk shipping and energy production and processing. During the course of my career, I was frequently involved in diverse aspects of maritime transportation and bulk logistics including ocean transportation, bulk port and terminal facility development, inland river transportation, port operations and vessel operations for many clients in the United States and throughout the world.

In 2002, after 25 years at Mercer, I decided to leave the company to continue my focus on the maritime industry. I founded DMA with the support of Mercer and permission to continue to serve past and current clients with the intellectual capital developed during my career. DMA's team of associates serves clients throughout the world.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address the reasonableness and appropriateness of Tampa Electric's Request for Proposals ("RFP") and to present my evaluation of the RFP process. I describe the current

state of the waterborne transportation market. My testimony also presents my findings and recommendations to Tampa Electric, to date, as to how to fulfill its needs for waterborne transportation services. Finally, my testimony addresses the issue of whether Tampa Electric's benchmark for waterborne coal transportation costs is still useful and sufficient for evaluating the reasonableness of the company's transportation costs.

Q. By what experience or knowledge are you qualified to assist Tampa Electric in developing its RFP, evaluating solicitation responses and modeling the market for waterborne coal transportation services?

A. In addition to the responsibilities and experience I described above, in the course of my professional work I have advised and supported shippers and consignees in structuring a variety of transportation arrangements, including coal transportation for electric utilities such as Tampa Electric, Seminole Electric, Houston Power and Light, New England Electric and Virginia Electric Power. My work has included assisting electric utilities estimate coal transportation costs, examine the performance and marine operations of companies that deliver coal to utilities, request and evaluate bid

responses, evaluate the potential costs of specific inland barge routes and specific ocean routes, evaluate the costs of specific ocean-going vessels and design services to compete with railroad transportation services. I have also helped carriers successfully bid on long-term business, including a bid for more than three million tons per year of municipal solid waste business for the City of New York.

I have prepared testimony and testified before various state and federal bodies. On two prior occasions, my reports pertaining to Tampa Electric's coal movements have been provided to this Commission. I have appeared before federal courts, the Federal Maritime Commission, the Florida State Pilotage Board and the United States Senate to present my findings on matters related to the maritime industry, economic impacts, economics, antitrust behavior, contract damages and other issues.

Waterborne Transportation Market

Q. What is the current status and economic health of the waterborne coal and dry bulk transportation and terminal industry?

A. I will structure my answer in three parts. First, I will

address the inland river industry with an emphasis on the dry bulk sector in general and coal transportation in particular. Secondly, I will address the dry bulk terminal services activity on the lower Mississippi River given the location of the company's sources of coal. Finally, I will address the U.S.-flag Jones Act dry bulk transportation segment.

Q. What is the current status and economic health of the inland river dry bulk or coal transportation segment?

A. This inland river dry bulk or coal transportation industry generally finds itself experiencing soft barge demand utilization, which has been created by weaker than expected demand and higher than desired supply. Consequently barge rates and earnings have suffered. The largest and presumably strongest and most stable inland barge company, American Commercial Lines, entered into Chapter 11 bankruptcy re-organization in late 2002, which is indicative of the state of earnings for companies in this industry.

While no solvent barge lines with barge and towboat ownership and operations are currently filing public financial statements with the Securities and Exchange

Commission, spot rate levels for grain and coal have generally reflected difficult operating conditions. For example, barge earnings tracked through 2001 for the largest coal carrier do not indicate any upward movement during the past eight years.

The overall situation for cargo transportation has been very challenging for barge lines. United States grain exports have been restrained this year by strong exports from China. Low farm prices continue to reduce domestic fertilizer demand, which affects northbound barge traffic. United States industrial activity that supports northbound activity has also been weaker than in past years. High utility coal stocks have also reduced the demand for some coal transportation.

These forces for weaker barge demand have been compounded by continued growth of the size of covered and open hopper barge fleets. As deliveries of new barges have exceeded scrapping in recent years, the supply of inland barges has increased relative to stagnant or declining demand.

Finally, weak conditions in the industry have led to continued consolidations of barge lines, as some owners

seek to exit the industry or avoid massive investments that will be needed to replace aging equipment that was delivered during building booms in the 1970's and early 1980's. Many barges are approaching the end of their useful lives and must be replaced to avoid very high maintenance costs and operating problems.

Q. What is the current status and economic health of the dry bulk terminal services segment?

A. For the dry bulk terminals on the lower Mississippi River, the conditions described above are affecting export and import volumes. Coal exports have declined. Imports of coal have remained stable but without substantial growth.

Q. What is the Jones Act and the current status and economic health of the U.S.-flag Jones Act dry bulk ocean shipping segment?

A. The Jones Act is a federal law that requires that all domestic cargo be carried in vessels that are owned by U.S. citizens, built and registered in the United States and crewed by U.S. citizens. The U.S.-flag Jones Act transportation market consists of the demand to move dry

bulk cargoes within the country, and the market for those movements has contracted. The larger ships and barges of the types that are most efficient for the trade between Florida and the U.S. Gulf coast were especially affected. Most notably, the volumes of phosphate rock and related fertilizers shipped from Florida to the Mississippi River have dropped sharply. This has led to the liquidation of one fleet of three large dry bulk tug-barge units. Some bright spots for the industry have been increasing tons of petroleum coke moving from several crude oil refining centers to Tampa and Jacksonville and some increased movements of scrap steel towards a new electric furnace in North Carolina.

U.S.-flag Jones Act vessels may also compete to provide transportation for U.S. government-impelled grain export programs (the cargo "preference trades") that donate grain, expedite grain donations or finance grain purchases to developing and less-developed nations. Seventy-five percent of the grain is required to be transported by U.S.-flag vessels. In the past decade, the emphasis of the preference trades has shifted toward Asia and away from Central and South America. This has tended to favor larger ships and barges with a cargo capacity greater than 30,000 tons. As a consequence,

three new ships have been added--two 50,000 ton capacity ships by Liberty Maritime and one 36,000 ton capacity ship by TECO Transport, all built abroad and modified to meet more rigorous U.S. safety standards. In addition, TECO Transport and one other tug-barge operator modified the connection systems between tugs and barges to permit the tugs to continously push the barges in all sea states at higher speeds. These modifications have markedly increased the efficiency and capacity of the U.S.-flag Jones Act fleet, while also improving the ability of the largest tug-barge units to compete with ships. The preference trade tonnages have been volatile but have generally supported the existing fleet of barges and ships that participate in that trade, with attractive earnings being realized by vessels. These returns supported the investments described above.

Because of the additional capacity of the previously described new ships and the upgrading of more than 150,000 tons of cargo capacity of large tug-barge units, no new dry bulk barges or ships over 20,000 tons have been ordered from U.S. shipyards in more than 20 years. In addition, there is no near-term prospect for new construction. In 2001, the demand for the domestic market transportation totaled approximately 800,000 tons

cargo capacity of ship and barge capacity. Supply of dry bulk barges over 10,000 tons capacity and dry bulk ships amounted to approximately 880,000 tons capacity, and four barges totaling 80,000 tons capacity were inactive. Consequently the market was in almost perfect balance. Since then, the petroleum coke trade to Jacksonville, Florida increased substantially, and the fertilizer trades stabilized. Consequently, the Jones Act fleet is in full employment.

The handful of the largest barges and ships of 30,000 to 40,000 tons capacity qualified for the Jones Act are generally focused on the preference trades, while participating opportunistically in the coastal trades. In recent years, larger, faster and more efficient diesel ships and large tug-barges have been added to the U.S.-flag Jones Act and U.S.-flag foreign-trading fleets, improving efficiencies of the fleet. Older, less efficient ships and barges have been scrapped, sold to foreign owners or de-activated. Other than the Tampa Electric, Progress Energy Florida and Jacksonville Electric coal and petroleum coke trades, bulk movements along the Atlantic Ocean and Gulf of Mexico coasts are primarily composed of limestone, wheat, corn, animal feeds, scrap iron and sugar. In the Pacific, rice and

sugar are the greatest bulk movements between Hawaii and the Pacific Coast. Thus, the larger vessels that would be the more efficient options for ocean coal shipping from the Mississippi River to Florida and bulk commodity shipping back to the Mississippi River area have lucrative options to instead service the preference trades described above.

Q. In summary, please provide an overall assessment of the waterborne transportation market.

A. The inland market is recovering from a slowing economy and increased supply. The largest carrier is in bankruptcy and will either emerge or be liquidated. Rates for this segment cannot fall further and be maintained at lower levels for any sustained period of time. The lower Mississippi River river-to-ocean barge terminal services market is dominated by two major companies that are adjusting to reduced demand, even as many of their costs are fixed. Consequently they are fighting aggressively for business. The ocean segment is in balance, with full employment in the domestic sector and additional demand created by the U.S. government's preference trade programs.

Bid Solicitation

Q Please describe your activities in assisting Tampa Electric with the preparation and issuance of its June 27, 2003 RFP for coal waterborne transportation services commencing in January 2004.

A. My activities involved a review of the RFP and a review of the list of companies that were to be directly invited to bid. I provided Tampa Electric with the names of several additional companies that I felt might be interested in bidding.

Q. In your opinion, did Tampa Electric make the bid known to a wide range of potential suppliers?

A. Yes, I believe so. In total, Tampa Electric directly provided its RFP to 24 potential bidders. Tampa Electric provided notice of the RFP to industry publications, which served to notify other potentially interested bidders who then received copies of the solicitation.

Q. Do you consider Tampa Electric's bid solicitation to be fairly representative of bid solicitations commonly used to secure waterborne coal transportation and terminal services?

A. Yes, I do. The terminology, requirements, conditions, rates of cargo handling, and other operating specifications are ones that are common in the industry and would be familiar and easily understood by prospective bidders. The bid solicitation represents the distinctive requirements of the necessary movements for Tampa Electric's needs--inland barge, inland barge to ocean vessel and U.S.-flag Jones Act ocean bulk vessel.

Q. Please describe the three segments of waterborne transportation for which Tampa Electric requested proposals from service providers.

A. The three segments of waterborne coal transportation requested by Tampa Electric are the inland river barging segment, the inland river-to-ocean vessel terminal segment and the ocean transportation segment. The inland river barge movement takes place on one or more rivers in the greater Mississippi River system. In each move, coal is dumped at a coal-loading dock into a jumbo open hopper barge designed to transit the rivers. A barge of this type is 195 or 200 feet long by 35 feet wide and is typically loaded to a minimum of eight feet of water depth. Such barges have capacities of 1,450 tons at eight-foot drafts and can be loaded with greater tonnages

and deeper drafts when river conditions and waterways draft restrictions allow. The barge is pushed to an unloading point on the lower Mississippi River by a towboat. Typically a group of barges are assembled by smaller pushboats into a "tow" of between four and 35 barges depending on the segment of the river being transitted. On small rivers with small locks, tows of four barges are common. On the Ohio River, tows of 15 barges are common. On the middle Mississippi River, between its confluence with the Ohio River and St. Louis, tows of 20 barges are common. On the lower Mississippi River, below the Ohio River, tows of up to 35 barges are common. Obviously, larger and more powerful towboats with larger crews and fuel consumption rates push larger tows. River conditions such as high or low water, ice or fog dictate changes in tow size and speed. Locks in some waterways may impose delays due to congestion or the locking process.

Immediately after the hopper barge is loaded with coal, it is shifted away from the coal dock and tied up at a fleeting area by a shifting tug. From there the barge may be shifted again into a tow that is being assembled at a fleeting site or shifted out into the river to join a passing tow. The barge may remain at a fleeting site

for hours or days, awaiting a passing tow or the assembly of a tow. At each junction point between rivers, the barge or the tow may be shifted and re-arranged into a larger or smaller tow.

When the barge is near its destination, it is delivered with other barges to the unloading dock's fleeting area. From there the barge is shifted to the unloading dock for unloading. After unloading, the barge is shifted back to a nearby fleeting site, where it begins the voyage back toward the coal-loading region. If the barge is to be loaded with a northbound backhaul cargo, the barge may be shifted to a cleaning dock and prepared for that voyage.

Q. Please describe the terminal segment.

A. When the hopper barge is delivered to the ocean terminal, it awaits its turn to be unloaded, as described above. At TECO Terminal's Davant location this is performed by a continuous bucket unloader that can unload the barge in less than an hour. The unloaded coal is conveyed by conveyor belts to one of two places, either directly into a waiting ocean ship or barge that is docked at an adjacent pier or to a storage site where it will be deposited in a specific pile according to its

characteristics. After storage, the coal is reclaimed by a reclaimer that rotates to dig up the coal and place it on conveyors for delivery to the ocean-going ship. Custom coal blending that creates a coal type tailored to meet operational and environmental requirements of generating units can then be accomplished by reclaiming coal from more than one pile simultaneously.

Q. Please describe the ocean transportation segment.

A. The ocean transportation segment begins when the coal is delivered to an ocean-going ship or tug-barge unit. Ships are propelled by their own engine while ocean-going barges are pushed or towed by ocean-going tugs. The size of these vessels may be as large as 45,000 short tons capacity. The coal is dumped into one of several holds in the vessel, and when full, the hold is covered with a large steel hatch cover to prevent water from entering the vessel. The vessel then sails down the Mississippi, sets a course for Tampa Bay, arrives at Tampa Bay, navigates the Tampa Bay channels and eventually docks at Big Bend Station. The coal is used at Tampa Electric's Big Bend and Polk Power Stations. Currently, coal is also delivered by ocean vessel to Gannon Station for use in the Gannon coal-fired units. However, the station is

undergoing a repowering to natural gas-fired generation resulting in the complete elimination of coal-fired generation.

Ships typically have crews of 25 persons and speeds of about 14 or 15 knots (15 to 17 miles per hour). They typically burn heavy fuel oil as their primary fuel. Tug-barges have crews of between 7 and 10 persons, speeds of 6 to 12 knots (7 to 12 miles per hour) and burn diesel fuel. During the past decade, many large tugs and barges have been equipped with connecting linkages to permit the tug to push the barge at all times, increasing sea speed and reliability.

Q. Tampa Electric's bid solicitation states "Tampa Electric prefers proposals for integrated waterborne transportation services, however proposals for segmented services will be considered." Do you consider this to be a reasonable provision of the bid solicitation?

A. Yes. The Tampa Electric solicitation expresses a preference for an integrated response because such a response is more efficient, simplifies accountability and avoids complex claims within each segment. The Tampa Electric solicitation does, however, also indicate that

consideration will be given to proposals for the three segments described above: inland river barging, inland river-to-ocean vessel terminal services and ocean transportation. Bidders also had the option to combine its segment services with the services of one or more other bidders to create an integrated services package managed by a single supplier.

A single provider provides a multitude of attributes and efficiencies. These include:

- Priority scheduling and access to loading and unloading facilities to ensure an uninterrupted, reliable supply of coal;
- A single responsible party, with absolute control and responsibility and no basis to transfer blame or responsibility, that can delay or even prevent remedial action to resolve long-term or short-term problems, crises, or disruptions;
- A single point of contact for contract administration that eliminates the need to maintain relationships with one or more providers in each of the three major elements of the supply chain (inland river, terminal, and ocean bulk transportation) and the associated costs of doing so;
- A single point for payment; and

- The elimination of complex claims amongst and between the supply chain providers for interference, delay, damage to key facilities, demurrage (delay of barges and ships), despatch (expediting of barges and ships), slow payment of freight or claims, expediting of late or time-critical shipments and other operational factors.

These attributes allow for cost-effective efficiencies and flexibility for Tampa Electric to manage its fuel inventory while balancing costs when all three segments are needed to transport coal.

Q. The bid solicitation also states "terminal facilities should be accessible to Mississippi River barge traffic and capable of receiving and discharging inland river barges from domestic suppliers in Panamax sized vessels for offshore coal." What purpose is served by such a provision?

A. Tampa Electric relies primarily on domestic coal for its coal-fired units. Consequently, the receiving and discharging of inland river barges from domestic suppliers is logical. In addition, Tampa Electric imports foreign coal for blending with domestic coal and

petroleum coke to meet the exacting needs of its Polk Power Station. The primary size of coal shipment from foreign locations is in Panamax-sized ships. These are ships of 60,000 to 75,000 long tons cargo capacity with full load drafts of about 42 feet. The blending process for Polk Power Station is exacting and requires delivery of domestic coals and petroleum coke to the same site as imported coal. The solicitation's requirement is consistent with Tampa Electric's needs.

By co-locating the coal and petroleum coke supplies for Big Bend and Polk Power Stations at a single location, major efficiencies in inland barge and ocean barge despatch are achieved in the following ways:

- Different types of domestic and imported coal and petroleum coke can be delivered to a single site by inland river and international bulk carriers in sizes up to and including Panamax vessels;
- Domestic grades of coal and petroleum coke can be placed directly into the holds of U.S.-flag Jones Act ocean-going ships for movement to Big Bend Station;
- Blended import and domestic coal and petroleum coke can be loaded into multiple holds of a single vessel at a single berth for onward movement to Polk Power Station; and

- Grades of domestic and imported coal and petroleum coke can be placed in a series of co-located coal storage piles for direct loading or blending.

Q. Could the coal blending process for Polk Power Station be performed at a location other than at the terminal facility?

A. I don't believe so. Logically, there are two options for the site for coal and petroleum coke blending: utilize an existing Tampa Electric coal storage site or use a terminal services facility. Tampa Electric currently has one operating coal storage site at the Big Bend Station. Due to space and configuration limitations, it is not possible to blend the coal for Polk Power Station at the Big Bend coal storage area. Also, at Big Bend Station it is not possible to receive a Panamax vessel, which delivers the imported coal for blending. The storage capacity and flexibility of the existing terminal is much greater than the storage capacity and flexibility at Big Bend Station, and Tampa Electric will need similar capacity and flexibility at any terminal that it may utilize in the future.

Blending domestic coals, imported coals and petroleum

coke at a terminal that is accessible to both domestic suppliers from the Mississippi River and foreign suppliers from the Gulf of Mexico provides a single point for all blending. It is a point along the path the domestic coal, which represents the bulk of Tampa Electric's coal use, must travel to reach Tampa Electric's generating stations, with the attendant efficiencies of scheduling, supervision, planning and storage.

Q. In addition, the bid solicitation states "proposals should represent the entire requirements stated in the solicitation of Tampa Electric's domestic waterborne solid fuel transportation services." Do you consider this to be a reasonable criterion and, if so, why?

A. Yes, I do. Because of the decision that Tampa Electric must make regarding Big Bend Station's future fuel use under Tampa Electric's Consent Decree, there is the potential for significant declines in the volume of Tampa Electric's future demands for coal transportation and terminal services as represented in this solicitation. The previously discussed advantages of dealing with a single supplier of integrated services also apply to a single supplier for a particular segment; and in

addition, planning for these potentially smaller volumes is made more complex if more than one vendor provides services for Tampa Electric's requirements. In that situation, a supplier's perspective is likely to be that the business is more uncertain. Therefore, the supplier would likely charge a premium to provide services. In addition, smaller volumes are unlikely to qualify for the efficiencies or economies of scale that result from a supplier managing greater volumes. Thus, dividing requirements among vendors is likely to result in a greater cost to Tampa Electric as well as increased challenges to scheduling and planning fuel deliveries.

Q. Based on your knowledge of the waterborne coal and dry bulk transportation and terminal industry, do you believe that any of the above-described requirements or criteria as stated in the bid solicitation would discourage waterborne transportation providers from submitting creative and innovative bids for all or portions of Tampa Electric's coal transportation and terminal needs beginning in 2004?

A. No, I do not. The requirements are straightforward and pertain to volumes and tonnage, rates of loading and discharge, amounts and types of storage, scheduling,

demurrage, standards of cargo hold clean up, and other customary requirements for coal transportation for utilities.

Q. Does Tampa Electric's bid solicitation fairly and adequately inform those in the waterborne coal and dry bulk transportation and terminal industry as to the needs of Tampa Electric beginning in January 2004?

A. I believe that the bid adequately informs industry participants, consistent with the limitations of Tampa Electric's own knowledge of future coal consumption levels and the specific docks at which coal will be loaded.

Bid Evaluation Process

Q. How are you evaluating the bids that Tampa Electric received in response to its bid solicitation?

A. Tampa Electric received two waterborne transportation services bids and two rail transportation bids. DMA is in the process of evaluating the two waterborne transportation bids, while Tampa Electric is evaluating the rail transportation bids. This is further described in the prepared direct testimony of Tampa Electric

witness J. T. Wehle.

One bid is for inland river barge transportation. I am currently evaluating it to determine the reasonableness of its rates for the one million tons per year, 20 percent of Tampa Electric's stated maximum annual inland river transportation requirements, that it offers to transport. DMA's evaluation has focused on the terms and rates offered, the ability of the supplier to perform and an evaluation of the bidder's financial condition.

The second bid is for terminal services. DMA is examining the response with respect to its terms, conditions, facility features, performance, conformance and capacity to meet Tampa Electric's requirements.

Tampa Electric did not receive any bids for the ocean transportation segment.

Q. In addition to evaluating the bid responses, what methodology are you using to establish the appropriate market rates for waterborne coal transportation services?

A. I am utilizing two customized proprietary simulations--one for the inland river barge movements from various

coal loading points and the other to evaluate ocean coal transportation between loading points on the Gulf of Mexico and Tampa Bay to establish market rates, while considering the freight rates for available equipment during the next five years. I am not performing a similar simulation of the terminal segment because the company received a bona fide bid for its full requirements of terminal services, and the rates quoted can be viewed as representing the market for those services. At the conclusion of my analysis I will provide Tampa Electric with rate recommendations based on Tampa Electric's overall coal transportation requirements, the services offered in the bid responses, along with my estimation of total rates and costs.

Q. Have you completed your analysis and, if so, what deliverables will you provide to Tampa Electric?

A. No, as previously stated, I have not yet completed my analysis. Upon the conclusion of my work, I will prepare a report for Tampa Electric that summarizes my recommendations. At that time I will also file supplemental testimony in this docket that describes in detail the results of my analysis and my resulting recommendations.

Transportation Benchmark

Q. In your opinion, should the Commission continue to rely upon an averaging of rail rates paid by Florida municipal utilities as a form of benchmark or market surrogate to assess the reasonableness of the costs that Tampa Electric pays for coal transportation and terminal services?

A. Yes. I agree that the rail rates utilized and the calculation established by the Commission to evaluate Tampa Electric's waterborne transportation costs serve as a valid benchmark and should be relied upon for that purpose, as has been done by Tampa Electric in prior years. Rail transportation is the only competitive alternative to waterborne transportation for Tampa Electric to transport the volume of coal it requires. The methodology in place utilizes rail rates as the company's and the Commission's best available approximation of the next best alternative. I am not aware of a better alternative for comparison for the purpose of evaluating Tampa Electric's actual waterborne transportation costs.

Q. Does this complete your testimony?

A. Yes, it does.