

JAMES E. "JIM" KING, JR.
President

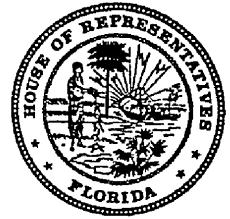


Harold McLean
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JOHNNIE BYRD
Speaker



January 16, 2004

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Docket No. 031033-EI

Dear Ms. Bayó:

Enclosed for filing in the above-referenced docket are the original and 1 copy of the Notice of Service of Citizens second set of interrogatories (Nos. 15-56) to Tampa Electric Company.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Vandiver".

Robert Vandiver
Associate Public Counsel

RV/pwd
Enclosures

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Tampa Electric Company's
2004-2008 waterbound transportation
contract with TECO transport and trade

Docket No. 031033-EI

Filed: January 16, 2004

NOTICE OF SERVICE

Pursuant to Section 350.0611, Florida Statutes, the Citizens of the State of Florida, by and through Jack Shreve, Public Counsel, serve this notice that they have served their second set of interrogatories (Nos. 15-56) to Tampa Electric Company.

Respectfully submitted,



Robert Vandiver
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Attorney for the Citizens
Of the State of Florida

4

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Tampa Electric Company's
2004-2008 waterbound transportation
contract with TECO transport and trade

Docket No. 031033-EI

Filed: January 16, 2004

CITIZENS SECOND SET OF INTERROGATORIES
TO TAMPA ELECTRIC COMPANY (NOS. 15-56)

Please take notice that the Citizens served the original and one copy of interrogatories (Nos. 15-54) to Tampa Electric Company on January 16, 2004.

The interrogatories are to be answered under oath by Tampa Electric Company and the answers are to be given in writing immediately following the question to which it responds. Thereafter, the original of the interrogatories, together with the answers, is to be served on the Citizens at the Office of Public Counsel, c/o the Florida Legislature, 111 West Madison Street, Claude Pepper Building, Room 812, Tallahassee, Florida 32399-1400, and copies to be served on all parties in accordance with applicable Rules of Civil Procedure.

INTERROGATORIES

15. What documents does Tampa Electric have in its possession that show the revenues, costs and earnings of TECO Transport and/or Progress Fuels for the transport of coal over inland rivers, for terminal services in the Gulf, and for transport of coal from the Mississippi River to Florida, excluding consolidated income statements of the parent companies?

16. Excluding the testimony of witness Dibner and documents already provided, what documents does Tampa Electric have in its possession regarding the market rates for inland river, terminal services and cross-gulf transport of coal?

17. Is Tampa Electric aware of any long term contract rates for any of the segments of waterborne transport market that exceed those paid by the company to TECO Transport? If so, please provide a summary of the information in Tampa Electric's possession.

18. Referring to POD 36, please state the amount of total tonnage of Petcoke purchased by Tampa Electric in 2001, 2002 and 2003 from Texas, and the total tonnage that was handled by the terminal in Davant.

19. Does all of the Petcoke coal handled by the terminal in Davant require off-loading, storage and loading to ocean barges under the terminal contracts? Why is it no possible to ship Petcoke directly from Texas to Tampa?

20. Are the amounts charged to ratepayers for waterborne transport under the existing Tampa Electric procedures equal to the detailed billing under the TECO Transport/Tampa Electric contracts that apply for transport, loading, unloading, storage, demurrage and other miscellaneous charges as specified under those contracts? If not, what differences exist?

21. Referring to OPC POD 10, please demonstrate what specific charges, if any, as specified in the company's FPSC 423 reports must be added in order to arrive at the amount of inland river transportation expense that is included in the fuel surcharge. Please provide similar information for terminal services and cross-Gulf transport.

22. In reference to POD 37, please discuss the costs of foreign coal terminal expense as compared to the terminal expense for domestic coal and explain the reasons for the different rates that will apply under the TECO Transport contract for services that essentially appear to be the same.

23. Please state the percentage and tons of coal that were directly transferred from river barge and ocean transport to Gulf barges in 2001, 2002 and 2003 and the projected amount for 2004, and state whether or not the lower rates for this service were reflected in the rates passed on to ratepayers under the fuel clause.

24. Please state the percentage and tons of coal that required storage and blending at the terminal in 2001, 2002 and 2003 and the projected amount for 2004.

25. Please state the total tonnage and expense projected by Tampa Electric for 2004 for inland river transport, terminal services and gulf transport, by rate element, consistent with the rate elements identified by Mr. Dibner on page 138 of his exhibit.

26. Please state the total tonnage and revenues of the back-haul traffic that TECO Transport carried with barges dedicated to Tampa Electric coal transport in 2001, 2002 and 2003 for the Gulf (ocean) segment and river segment separately stated.

27. Referring to Bates Stamp 134, 135 and 136, does the fuel cost included in this estimate include the total cost of fuel for the return voyage to Davant? Likewise, do the fixed and variable costs include an assumption that the total costs of ocean transport vessels shall be recovered from ratepayers with no allocation of expenses or revenues as a result of backhaul? Please discuss the reasons why no allocation of backhaul expenses or revenues is appropriate in this instance.

28. Referring to Bates Stamp 20, do the costs included in the recommended rates of Mr. Dibner include an assumption that the vessel operating costs of all of the available service days as shown in the last paragraph for are recovered fully by Mr. Dibner's recommended rates, or are there other calculations in the model that would include recovery of the operating costs of tugs and barges from a mix of Tampa Electric coal transport and other non-regulated transport revenues of the company?

29. With reference to page 47 of Mr. Dibner's confidential exhibit, are there any aspects of the (confidential) terminal that would render it unsuitable to handle TECO's coal traffic? In what aspects is TECO's Davant terminal superior and what aspects is it inferior?

30. What conditions under the consent decree would cause TECO requirements for coal to increase or decrease and what conditions under the consent decree would cause TECO to modify its mix of fuel types in the future from its current mix?

31. Has TECO compared the annual changes in its transport costs to the CPI and the PPI? If so, please state those comparisons.

32. Please explain fully the information that is contained on page 21 of Mr. Dibner's confidential exhibit.

33. Has Tampa Electric or Mr. Dibner inquired as to why Ingram did not bid on TECO's solicitation? If so, what was the result of the inquiry?

34. What is Mr. Dibner's estimated service life of an inland river towboat and an inland river barge?

35. Referring to the TECO consolidated return, please discuss the total amount of the inland barge capital lease agreement with Midwest Marine Management Company as described in Bates Stamp 1487 with the inland river barge assumptions contained in Mr. Dibner's model. Are the terms and conditions of these barge leases consistent with the inland river barge costs that are included in Mr. Dibner's model? If not, what are the differences and what is the reason for such differences.

36. Referring to the TECO consolidated return, Bates Stamp 1534, please compare the total depreciation expense and capital expenditures of TECO Transport **in total** to the

total depreciation expense and capital expenditures that are contained in Mr. Dibner's model based on 2002 data.

37. What was the 2002 and 2003 coal tonnage from each of the points identified on page 36 of Mr. Dibner's confidential exhibit and what is the projected tonnage for 2004?

38. With respect to the rate recommended on page 42 of Mr. Dibner's confidential exhibit, is it proposed that the fixed charges would not be inflated by CPI/PPI while the variable charges would be inflated? If not, please explain.

39. Please define the acronyms in the bottom of the chart on page 45 of Mr. Dibner's confidential exhibit. What are the corresponding loading/unloading rates and terms at TECO's Davant terminal?

40. Does the Davant terminal handle third party traffic? If so, what proportion of the terminal's capacity is consumed in handling Tampa Electric coal?

41. It is unclear what specific rates Mr. Dibner is recommending on page 50 of his exhibit. Please clarify.

42. Please explain fully the numbers following the names of each of the vessels shown on page 60 of Mr. Dibner's exhibit.

43. Please explain the relevance of page 61 of Mr. Dibner's exhibit.

44. The final page of Mr. Dibner's exhibit states that "TECO Ocean's business was evaluated with respect to: and then lists a series of items. Please provide a description of the nature of the evaluation with respect to each of the items on this page.

45. Page 68 of Mr. Dibner's exhibits shows specific recommended rates for each element of Tampa Electric's waterborne transport. Is this recommendation a composite, estimated expense for Tampa Electric based on the actual contract rates that will be passed on to ratepayers? If not, please explain how ratepayer expense will differ from the actual TECO Transport rates that are included in the existing contract.

46. Are the adjustments reflected in Mr. Dibner's exhibit page 68 the same adjustments that are included in the contract with TECO Transport?

47. Referring to Whele confidential exhibit JTW-1, document 3, Bates Stamp 72, does the weighted average rail cost included in this document include a calculation that takes into consideration the volume incentives that are described on confidential Bates Stamp 853?

48. In view of the fact that Tampa Electric does not have the rail facilities to receive coal at Big Bend, what are witness Whele's life expectancy assumptions used in the calculation of the additional capital costs that would be necessary to receive coal at Big Bend?

49. Why does Tampa Electric consider the labor costs to unload coal received by rail as additional expense that should be considered when evaluating the waterborne alternative?

02. Please discuss the advantages and disadvantages of blending coal at Big Bend as opposed to Davant.

51. Do the costs that Tampa Electric has identified to receive coal by rail (JTW-1, Document 3) include the capability of blending coal at Big Bend in the future that would allow the use of lower quality coal to be mixed with higher quality coal? Would this also provide Big Bend with the capability of receiving coal directly from other domestic and foreign sources without the necessity of the terminal expense in Davant?

52. Please provide the calculations that would enable one to translate the numbers shown on confidential Bates Stamp 31 to the number shown on witness Whele's confidential exhibit JTW-1, Document No. 3 for a rail alternative to the specific numbers contained in Bates Stamp 29 through 72.

53. Please provide the definition of the term "voyage" as used on page 35 of Mr. Dibner's confidential exhibit. Does a "voyage" include the return trip?

54. Please state specifically how backhaul was handled in both the inland river model and the ocean model.

55. If backhaul was specifically not addressed in Mr. Dibner's model, please explain how it would be reflected in the rates Mr. Dibner proposed.

56. Please provide, separately by inland river and ocean segments, the number of Tampa Electric barge movements that participated in backhaul traffic for 2001, 2002, and 2003. Please also provide a projection of these figures for 2004. Please provide these figures in both absolute terms and as percentages of total Tampa Electric barge movements.



Robert Vandiver
Associate Public Counsel

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and exact copy of the above and foregoing has been furnished by U.S. Mail or *hand-delivery this 16th day of January, 2004:

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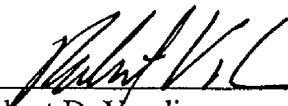
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