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January 15, 2008

HAND DELIVERED

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08 JAN 15 PM 3:59  
COMMISSION  
CLERK

Ms. Lisa C. Bennett  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 322399-0850

Re: Fuel and Purchased Power Cost Recovery Clause with Generating  
Performance Incentive Factor; FPSC Docket No. 080001-EI

Dear Ms. Bennett:

We wanted to update the Commission's Staff and parties of record regarding a revision to the schedule of events to complete Tampa Electric Company's on-going efforts to procure solid fuel transportation services beginning in 2009. Tampa Electric was pleased to receive a significant number of responses to its recent request for proposals for solid fuel transportation services. Many of those proposals have some complexity associated with them.

The company's independent consultant who is helping with the solid fuel transportation procurement process has indicated the need for a slight additional amount of time to properly evaluate all proposals and help Tampa Electric arrive at the best possible transportation contract or contracts.

Attached is a copy of the RFP schedule we provided to the Staff on May 21 of last year showing the company's best pre-bid estimate of the time needed to properly complete the RFP process. Also attached is a new schedule, marked "Revised 1/15/08," showing the company's latest estimate as to the time needed to properly complete this process. The revised schedule adds three to four weeks for completion of proposal evaluations down through the completion of contract negotiations, with the new contract or contracts expected to be signed during the second quarter of this year, well in advance of the expiration of the company's current contract with TECO Transport.

Tampa Electric will continue to work diligently with its independent consultant to achieve solid fuel transportation services that are in the best interests of the company's customers.

Sincerely,

  
James D. Beasley

JDB/pp  
Enclosures

cc: All Parties of Record (w/encls.)  
Ann Cole (w/encls.)

DOCUMENT NUMBER-DATE

00377 JAN 15 08

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing letter to Lisa Bennett, filed on behalf of Tampa Electric Company, has been furnished by U.S. Mail or hand delivery (\*) on this 15<sup>th</sup> day of January 2008 to the following:

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ATTORNEY



**TAMPA ELECTRIC**

**PROCUREMENT OF SOLID  
FUEL TRANSPORTATION SERVICES  
2009-2013**

DOCUMENT NUMBER-DATE

00377 JAN 15 8

FPSC-COMMISSION CLERK



**Procurement of Solid Fuel Transportation**

Revised 5/21/2007

**Background**

In October 2004, the Florida Public Service Commission issued an order requiring certain minimum requirements be incorporated in Tampa Electric Company's next coal transportation bid process prior to the expiration of its current transportation contract with TECO Transport. Order No. PSC-04-0999-FOF-EI (Order), issued October 12, 2004, at page 21 states,

"In addition, we find that Tampa Electric shall, in advance of any future RFP, file with this Commission the following:

1. Its schedule for procuring coal transportation services, from drafting the RFP to signing an agreement or agreements for coal transportation services; and
2. A proposal on an alternative regulatory mechanism to be adopted if the RFP process does not produce competitive bids."

**Schedule for Procuring Transportation Services**

Tampa Electric's estimated schedule for procuring coal transportation services is shown below.

<i>Task</i>	<i>Time Needed</i>	<i>Deadline</i>
Submit proposed market proxies and RFP review schedule to Commission Staff	--	April 30, 2007
Provide draft RFP to Commission Staff	12 weeks	July 6, 2007
Issue RFP and publish notices	} RFP is open for at least	October 1, 2007
Hold Pre-bid meeting		October 24, 2007
Proposal deadline		December 21, 2007
Complete proposal evaluations	4 weeks	January 21, 2008
Notify winning bidder(s)	1 week	January 31, 2008
Commence contract negotiations	--	January 31, 2008
Execute transportation contract(s)	--	By February 28, 2008

**Proposal on Alternative Regulatory Mechanism (Market Proxy)**

Tampa Electric's proposed solid fuel transportation market proxy is segmented by transportation type. In the event the RFP process does not produce competitive bids for solid fuel coal transportation services, the proxy will be used. On a segment by segment basis, if the RFP yields one or more bids from non-affiliated transportation providers, that segment will be considered to have received a competitive bid. The costs for any type of transportation for which competitive bids are received will be determined by the winning bid proposal(s).

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**TAMPA ELECTRIC**

**PROCUREMENT OF SOLID  
FUEL TRANSPORTATION SERVICES  
2009-2013**



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Issue RFP and publish notices	} RFP is open for at least	October 1, 2007
Hold Pre-bid meeting		October 24, 2007
Proposal deadline		December 21, 2007
Complete proposal evaluations	7 weeks	February 11, 2008
Notify short list bidder(s)	--	February 11, 2008
Best and final offer(s)	2 weeks	February 25, 2008
Notify winning bidder(s)	4 days	February 29, 2008
Commence contract negotiations	--	February 29, 2008
Execute transportation contract(s)	--	2 <sup>nd</sup> Qtr., 2008

### Proposal on Alternative Regulatory Mechanism (Market Proxy)

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