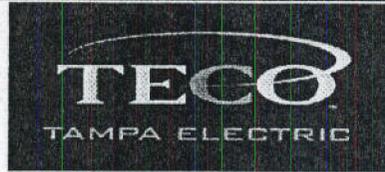


ORIGINAL



**TAMPA ELECTRIC COMPANY**  
**BEFORE THE**  
**FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 000001-EI**

**TESTIMONY**  
**AND EXHIBIT OF**

**ROD BURKHARDT**

DOCUMENT NUMBER-DATE

11888 SEP 21 8

FPSC-RECORDS/REPORTING

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3   **OF**

4   **ROD BURKHARDT**

5  
6   **Q.**   Please state your name, address, occupation and employer.

7  
8   **A.**   My name is Rod Burkhardt. My mailing address is P.O. Box  
9           111, Tampa, Florida 33601, and my business address is  
10          6944 U.S. Highway 41 North, Apollo Beach, Florida 33572.  
11          I am employed by Tampa Electric Company ("Tampa Electric"  
12          or "company") in the position of Manager, Fuels in the  
13          Environmental and Fuels Department.

14  
15   **Q.**   Please provide a brief outline of your educational  
16          background and business experience.

17  
18   **A.**   I received a Bachelor of Science Degree in Chemistry in  
19          1977 from the University of Florida. I began my career  
20          with Tampa Electric in 1977 as a chemist in the  
21          Production Department. I have held a number of technical  
22          and supervisory positions. In 1986, I became Supervisor  
23          - Budgets and in 1990 was promoted to Manager - Central  
24          Testing Lab. In 1994, I joined the Fuels Department as  
25          Manager - Transportation and Planning and was named to my

1 current position as Manager, Fuels in 1995. I am  
2 responsible for managing the company's fuel-related  
3 transportation procurement, logistics and delivery, fuel  
4 usage, inventory planning and fuel price forecasting.  
5

6 Q. Please state the purpose of your testimony.  
7

8 A. The purpose of my testimony is to report to the Florida  
9 Public Service Commission ("Commission") the actual 1999  
10 costs of Tampa Electric's affiliated coal transportation  
11 and coal transactions compared to the benchmark prices  
12 calculated in accordance with Order No. 20298 and Order  
13 No. PSC-93-0443-FOF-EI, respectively. I conclude that  
14 the 1999 prices paid by Tampa Electric to its affiliated  
15 companies, TECO Transport and Gatliff Coal, are  
16 reasonable and prudent.  
17

18 Q. Have you prepared an exhibit that you sponsor in this  
19 proceeding?  
20

21 A. Yes. Exhibit No. \_\_\_ (RB-1), consisting of two  
22 documents, was prepared under my direction and  
23 supervision.  
24  
25

1 Q. Were Tampa Electric's actual affiliated coal  
2 transportation prices for 1999 at or below the  
3 transportation benchmark?  
4

5 A. Yes, they were. This is reflected in Document No. 1 of  
6 my exhibit.  
7

8 Q. Were Tampa Electric's actual affiliated coal prices for  
9 1999 at or below the benchmark?  
10

11 A. Yes, they were. This is reflected in Document No. 2 of  
12 my exhibit.  
13

14 Q. Was 1999 the last year Tampa Electric applied the coal  
15 benchmark prices for its purchases from its affiliate  
16 supplier, Gatliff Coal?  
17

18 A. Yes. 1999 was the last year of the company's long-term  
19 coal agreement with Gatliff Coal.  
20

21 Q. Please summarize your testimony.  
22

23 A. My testimony justifies the prices paid for coal and coal  
24 transportation by Tampa Electric in 1999 to its  
25 affiliated suppliers, TECO Transport and Gatliff Coal. I

1 demonstrate that the average prices for the year 1999 for  
2 coal and coal waterborne transportation services were at  
3 or below the appropriate benchmark calculations as  
4 directed by Order No. 20298 and Order No. PSC-93-0443-  
5 FOF-EI of this Commission. Accordingly, it is  
6 appropriate for Tampa Electric to recover its payments  
7 included in the Fuel and Purchase Power Cost Recovery  
8 Clause for 1999 coal transportation and coal.

9  
10 Q. Does this conclude your testimony?

11  
12 A. Yes, it does.  
13  
14  
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**TAMPA ELECTRIC COMPANY**  
**EXHIBITS OF ROD BURKHARDT**

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**1999 TRANSPORTATION BENCHMARK CALCULATION**

Average Rail Mileage to Tampa	1,156.000 Miles	(Note 1)
X Average of Lowest Two Publicly Available Florida Rail Rates	2.085 ¢/ton mile 24.100	(Note 2)
+ Costs of Privately Owned Rail Cars	1.75	(Note 3)
Transportation Benchmark for The Year Ended 12/31/99	25.85	(Note 4)

**Notes**

- 1/ Weighted average domestic rail miles from all Tampa Electric waterborne coal supplies to plants. Rail miles for imported coal sources are measured from port of entry.
- 2/ Cents per ton-mile for publicly available Florida utility rail coal transportation rates including discounts for volume and private rail cars. The current publicly available rail rates to Florida utilities on a cents per ton-mile basis for 1999 are as follows:
- |             |   |       |
|-------------|---|-------|
| JEA         | ¢ | 2.26  |
| Orlando     | ¢ | 1.97* |
| Lakeland    | ¢ | 2.20* |
| Gainesville | ¢ | 2.35  |
- \* Average of Lowest Two ¢ 2.085
- 3/ The cost of Private rail cars was approved in the original stipulation as \$2.00 per ton. Subsequent negotiation between Tampa Electric and Public Service Commission Staff resulted in an agreed upon estimated cost of \$1.75 per ton.
- 4/ Calculated by multiplying average domestic rail mileage to Tampa by Florida rail coal market costs (cents per ton-mile), then adding the costs of privately-owned rail cars.

**1999 TRANSPORTATION MARKET PRICE APPLICATION**

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources ( [REDACTED] divided by 6,257,382.58).....	[REDACTED]
Transportation Benchmark .....	\$ 25.85
Over/(Under) Benchmark.....	[REDACTED]
Total Tons Transported in 1999.....	6,257,382.58
Total Transportation Cost in 1999 .....	[REDACTED]
Total Amount Allowable for Recovery Using Benchmark (\$25.85 x 6,257,382.58).....	\$161,769,608.89
Total Cost Over/(Under) Benchmark – 1999 .....	[REDACTED]
Prior Year's Cumulative Benefit (1988 – 1998).....	[REDACTED]
Net Benefit for 1988 – 1999.....	[REDACTED]

**MARKET BASED COAL CALCULATION – 1999**

Base Price of Coal	
As of 12/31/92 .....	\$38.00
CPI-U	
Index Value at 12/31/92.....	141.90
CPI-U	
Index Value at 12/31/99.....	168.30
Percent Change in CPI-U From 12/31/92	
To 12/31/99 .....	18.60%
1999 Gatliff Coal Price Benchmark	
(38.00 x (1 + 0.186)).....	\$45.07

**COAL MARKET PRICE APPLICATION – 1999**

Tampa Electric Weighted Average per Ton Price of Coal Purchased .....	██████████
Coal Price Benchmark.....	\$ 45.07
Over/(Under) Benchmark.....	██████████
Total Tons Purchased in 1999.....	510,525.43
Total Cost in 1999 .....	██████████
Total Amount Allowable for Recovery Using Benchmark (45.07 x 510,525.43).....	\$ 23,009,381.13
Total Cost Over/(Under) Benchmark – 1999 .....	██████████