

MCWHIRTER REEVES
ATTORNEYS AT LAW

ORIGINAL

TAMPA OFFICE:
400 NORTH TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602
P. O. BOX 3350 TAMPA, FL 33601-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:

TALLAHASSEE

TALLAHASSEE OFFICE:
117 SOUTH GADSDEN
TALLAHASSEE, FLORIDA 32301
(850) 222-2525
(850) 222-5606 FAX

February 12, 2001

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VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

Re: Docket No.: 001748-EC

Dear Ms. Bayo:

At Staff's request, Seminole Electric Cooperative, Inc. has placed certain information regarding discounted rates and escalation factors that had been provided informally to Staff in a supplemental exhibit to the testimony of Garl Zimmerman. The supplemental exhibit is attached.

If you have any question, please contact me. Thank you for your assistance.

Sincerely,

Joseph A. McGlothlin / ee.

Joseph A. McGlothlin

JAM/bae

Enclosure

cc: Braulio L. Baez w/enclosure
J. Terry Deason w/enclosure
E. Leon Jacobs, Jr. w/enclosure
Lila A. Jaber w/enclosure
Michael A. Palecki w/enclosure

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION


In Re: Petition for Determination of)
Need for the Osprey Energy Center in)
Polk County by Seminole Electric)
Cooperative, Inc. and Calpine)
Construction Finance Company, L.P.)
_____)

Docket No. 001748-EC

Filed: February 12, 2001

**SEMINOLE'S NOTICE OF FILING OF SUPPLEMENTAL
EXHIBIT OF GARL ZIMMERMAN**

Seminole Electric Cooperative, Inc. ("Seminole") here by serves notice of the filing of Supplemental Exhibit No. _____(G Z-6) to the Direct Testimony of Seminole witness Garl Zimmerman. Supplemental Exhibit No. _____ (G Z-6) contains information regarding the discount rates and escalation factors employed by Seminole in the evaluation of alternatives available to meet its need in 2004.



Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter Reeves McGlothlin Davidson
Decker Kaufman Arnold & Steen, PA
117 South Gadsden Street
Tallahassee, Florida 32301

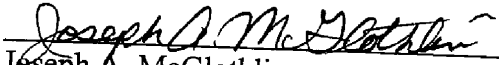
Attorneys for Seminole Electric Cooperative,
Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Seminole's Notice of Filing of Supplemental Exhibit of Garl Zimmerman has been furnished by (*) hand delivery, or U.S. Mail this 12th day of February 2001, to the following parties of record:

(*) Rachael Isaac
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Robert Scheffel Wright
John T. LaVia, III
Landers & Parsons, P.A.
310 West College Avenue
Tallahassee, Florida 32301



Joseph A. McGlothlin

Docket No.001748-EC
Witness: Garl S. Zimmerman
Exhibit No. _____(GSZ-6)

Inflation and Discount Rates Used in Seminole's Analysis of Alternatives

Seminole used the Implicit Price Deflator (IPD) for the inflation rate which is forecast at 2.7 % decreasing and leveling off at 2.5 %. The discount rate used was 5.85 % which is the same as the levelized RUS guaranteed long term debt rate. The bids were compared on an annual dollar basis as well as present worth and the ranking did not change. Changing the inflation and discount rates to 3 % and 10 %, respectively would not change the rankings of the proposals. In fact, the effect of the higher discount rate would be offset somewhat by the higher inflation rate.