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November 8, 2002

HAND DELIVERED

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COMMISSION
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Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance
Incentive Factor; FPSC Docket No. 020001-EI

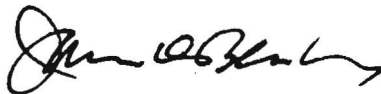
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and ten (10) copies of Tampa
Electric Company's Request for Confidential Classification regarding its answers to Staff's
Third Set of Interrogatories Nos. 49, 58, 63, 69 and 79.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this
letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC _____
OTH _____

JDB/pp
Enclosure

cc: All Parties of Record (w/enc.)

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery)
Clause with Generating Performance Incentive) DOCKET NO. 020001-EI
Factor.) FILED: November 8, 2002
_____)

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Tampa Electric Company (“Tampa Electric” or “the company”), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby requests confidential classification of the highlighted information contained in Tampa Electric Company’s answers to Staff’s Third Set of Interrogatories Nos. 49, 58, 63, 69 and 79 (the “Confidential Information”) which were filed on a confidential basis in the above docket on October 21, 2002, pursuant to a Notice of Intent to Seek Confidential Classification. Two public copies of the company’s answers to Interrogatories Nos. 49, 58, 63, 69 and 79 with the Confidential Information redacted are also enclosed with this request. In support of its request, Tampa Electric states as follows:

1. Subsection 366.093(1) provides that any records “found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [requiring disclosure under the Public Records Act].” Proprietary confidential business information includes, but is not limited to “[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.” Subsection 366.093(3)(d). Proprietary confidential business information also includes “[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the

information.” Section 366.093(3)(e). The Confidential Information falls within these statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

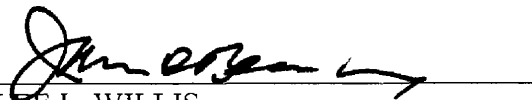
2. Attached hereto as Exhibit “A” is a detailed justification for designating the Confidential Information proprietary confidential business information under the above-referenced statute and rule.

3. The material for which confidential classification is sought is intended to be and is treated by Tampa Electric as private and has not been disclosed.

WHEREFORE, Tampa Electric Company respectfully requests that the highlighted Confidential Information set forth in the company’s answers to Interrogatories Nos. 49, 58, 63, 69 and 79 be accorded confidential classifications for the reasons set forth above.

DATED this 8th day of November 2002.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
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Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Classification has been furnished by U. S. Mail or hand delivery (*) on this 8th day of November 2002 to the following:

Mr. Wm. Cochran Keating, IV*
Senior Attorney
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. James A. McGee
Associate General Counsel
Florida Power Corporation
Post Office Box 14042
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Ms. Vicki Gordon Kaufman
Mr. Timothy J. Perry
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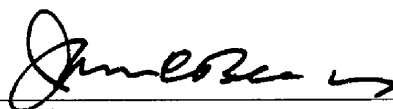
Mr. William Walker
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215 South Monroe Street, Suite 810
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Mr. R. Wade Litchfield
Florida Power & Light Company
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McWhirter, Reeves, McGlothlin, Davidson,
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Ms. Susan Ritenour
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Pensacola, FL 32520

Mr. Jeffrey A. Stone
Mr. Russell A. Badders
Beggs & Lane
Post Office Box 12950
Pensacola, FL 32591-2950



ATTORNEY

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT
OF HIGHLIGHTED PORTIONS OF TAMPA ELECTRIC COMPANY'S
ANSWERS TO STAFF'S INTERROGATORIES NOS. 49, 58, 63, 69 and 79**

Interrogatory No. 49

The highlighted amounts shown in Interrogatory No. 49, page 1 of 1, disclose the average price per ton for ocean delivery of coal supplied to Tampa Electric Company. This is a segmented transportation cost of the type the Commission traditionally has recognized as constituting proprietary confidential business information. The affiliated entities supplying Tampa Electric Company with coal transportation services are engaged in a highly competitive waterborne transportation industry. Disclosure of the transportation rate would enable a competitor of these entities to determine the per unit transportation cost of Tampa Electric's affiliate and thereby better compete with the affiliate for business hauling coal and other commodities. This would severely disadvantage Tampa Electric's affiliated transportation companies and ultimately work to the detriment of Tampa Electric and its ratepayers. To the extent a Tampa Electric affiliate is weakened by its competitors, Tampa Electric's ability to secure transportation services from its affiliated transportation company on favorable terms will, likewise, be adversely affected. Consequently, the information in question is entitled to confidential treatment pursuant to Section 366.093 which provides that proprietary confidential business information includes, but is not limited to:

(d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.

(e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Interrogatory No. 58

The highlighted amounts shown on Tampa Electric's answer to Interrogatory No. 58, pages 9 through 11 of 11, if made public would disclose or could be used to determine Tampa Electric's recent weighted average per ton waterborne transportation prices. Disclosing these details would hamper Tampa Electric's ability to negotiate coal transportation services in the future. The information would provide a roadmap to other coal transportation suppliers as to the amounts Tampa Electric is willing to pay for coal transportation services. This is exactly the type of information the Commission traditionally has deemed to be entitled to confidential treatment in Tampa Electric Company's Form 423 filings. Disclosure of this information would harm the competitive interests of Tampa Electric and adversely impact the company's ability to secure coal transportation services on favorable terms. Disclosure of this information would also harm Tampa Electric's affiliated coal transportation supplier by disclosing to their competitors and to their potential shippers competitive rate information for waterborne transportation. As such, this information is entitled to confidential protection under Section 366.093, Florida Statutes, which identifies as proprietary confidential business information the following:

(d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms.

(e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Interrogatory No. 63 - Pages 1 and 2 of 2

The highlighted information would disclose details concerning Tampa Electric's incremental security measures. Disclosure of this information would adversely affect Tampa Electric from a security standpoint which would work to the obvious detriment of Tampa

Electric and its retail customers. Section 366.093(3)(c), Florida Statutes, states that proprietary business information includes but is not limited to “security measures, systems or procedures.”

Interrogatory No. 69

The highlighted information in Tampa Electric’s answer to Interrogatory No. 69, page 2 of 3, would disclose 2003 coal price forecasts by contract. Releasing the monthly coal price forecasts by contract would jeopardize the company’s position in the competitive markets, perhaps resulting in Tampa Electric having to pay a higher price for coal in the future than would otherwise be the case. Also this information is not released to the public and is treated as proprietary confidential information by the company. As such, the information is entitled to protection pursuant to subparagraphs (d) and (e) of Section 366.093(3), Florida Statutes.

Interrogatory No. 79

The highlighted information set forth in Tampa Electric’s answer to Interrogatory No. 79 would disclose the salaries and benefits of personnel in the company’s wholesale marketing and fuels department or would allow those salaries and benefits to be calculated. Tampa Electric treats this information as confidential in respect of the privacy of its employees. While this information is furnished to be reviewed by the Commission, Tampa Electric urges that it not be made public, given the personal nature of this information to the individual employees involved.

TAMPA ELECTRIC COMPANY
DOCKET NO. 020001-EI
STAFF'S 3RD SET OF INTERROGATORIES
INTERROGATORY NO. 49
PAGE 1 OF 1
FILED: OCTOBER 21, 2002

49. For Tampa Electric facilities that can handle both ocean vessels and barges, please provide the average rate paid or projected to be paid by Tampa Electric for coal transportation (1) via ocean vessel and (2) via barge, for the years 1998-2002.

A. Tampa Electric generating facilities receive coal deliveries from ocean vessels only. The average price per ton for ocean delivery is listed below.

Year	\$ / Ton
1998	
1999	
2000	
2001	
2002 projected	

**TAMPA ELECTRIC COMPANY
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INTERROGATORY NO. 58
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- 58.** Please identify the amount of the difference between the Municipal Utility Railroad Benchmark for Coal Transportation and the Tampa Electric Weighted Average per ton Water Transportation Price for each of the years 1992 to 2001?
- A.** See the attached sheets that show the difference between the Municipal Utility Railroad Benchmark for Coal Transportation and the Tampa Electric Weighted Average per ton Water Transportation Price for each of the years 1992 to 2001.

TAMPA ELECTRIC COMPANY
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EXHIBIT NO. _____
TAMPA ELECTRIC COMPANY
DOCKET NO. 930001-EI
(WNC-1)
DOCUMENT NO. 1
PAGE 2 OF 2

1992 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources (\$108,967,616 divided by 5,528,669)	\$	19.71
Transportation Benchmark		<u>24.86</u>
Over/(Under) Benchmark	\$	(5.15)
Total Tons Transported in 1992		5,528,669
Total Transportation Cost in 1992	\$	108,967,616
Total Amount Allowable for Recovery Using Benchmark (\$24.86 x 5,528,669)		<u>\$ 137,442,711</u>
Total Cost Over/(Under) Benchmark - 1992		<u>\$ (28,475,095)</u>
Prior Years' Cumulative Benefit (1988-1991)		<u>\$ (99,930,239)</u>
Net Benefit for 1988-1992		<u>\$ (128,405,334)</u>

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DOCKET NO. 020001-EI
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DOCKET NO. 940001-EI
TAMPA ELECTRIC COMPANY
(WNC-1)
DOCUMENT NO. 1
PAGE 2 OF 2

1993 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources (\$110,153,430.70 divided by 5,598,533.05)	\$19.68
Transportation Benchmark	<u>\$24.59</u>
Over/(Under) Benchmark	(4.91)
Total Tons Transported in 1993	5,598,533
Total Transportation Cost in 1993	\$ 110,153,430
Total Amount Allowable for Recovery Using Benchmark (\$24.59 x 5,598,533)	\$ 137,667,926
Total Cost Over/(Under) Benchmark - 1993	\$ (27,514,496)
Prior Year's Cumulative Benefit (1988-1992)	\$(128,405,334)
Net Benefit for 1988-1993	\$(155,919,830)

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DOCKET NO. 950001-EI
TAMPA ELECTRIC COMPANY
(WNC-1)
DOCUMENT NO. 1
PAGE 2 OF 2

1994 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources (\$118,100,936.70 divided by 5,911,253.65)	\$19.98
Transportation Benchmark	<u>\$25.70</u>
Over/(Under) Benchmark	(5.72)
Total Tons Transported in 1994	5,911,254
Total Transportation Cost in 1994	\$ 118,100,937
Total Amount Allowable for Recovery Using Benchmark (\$25.70 x 5,911,254)	\$ 151,919,219
Total Cost Over/(Under) Benchmark - 1994	\$ 33,818,282
Prior Year's Cumulative Benefit (1988-1993)	\$(155,919,830)
Net Benefit for 1988-1994	\$ 189,738,112

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EXHIBIT NO. _____
DOCKET NO. 960001-EI
TAMPA ELECTRIC COMPANY
(WNC-1)
DOCUMENT NO. 1
PAGE 2 OF 2

1995 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources (\$112,667,576.96 divided by 5,358,447.19)	\$21.03
Transportation Benchmark	<u>\$27.08</u>
Over/(Under) Benchmark	(6.05)
Total Tons Transported in 1995	5,358,447.19
Total Transportation Cost in 1995	\$ 112,667,576.96
Total Amount Allowable for Recovery Using Benchmark (\$ 27.08 x 5,358,447.19)	\$ 145,106,749.90
Total Cost Over/(Under) Benchmark - 1995	\$(32,439,172.94)
Prior Year's Cumulative Benefit (1988-1994)	\$(189,738,112.00)
Net Benefit for 1988-1995	\$(222,177,284.94)

EXHIBIT NO. _____
DOCKET NO. 970001-EI
TAMPA ELECTRIC COMPANY
(CRB-1)
DOCUMENT NO. 1
PAGE 2 OF 2
Revised: 07/03/97

1996 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources (\$123,459,906.58 divided by 6,391,305.11)	\$19.32
Transportation Benchmark	<u>\$27.46</u>
Over/(Under) Benchmark	(8.14)
Total Tons Transported in 1996	6,391,305.11
Total Transportation Cost in 1996	\$ 123,459,906.58
Total Amount Allowable for Recovery Using Benchmark (\$ 27.46 x 6,391,305.11)	\$ 175,518,537.95
Total Cost Over/(Under) Benchmark - 1996	\$(52,058,631.37)
Prior Year's Cumulative Benefit (1988-1995)	\$(222,177,284.94)
Net Benefit for 1988-1996	\$(274,235,916.31)

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EXHIBIT NO. RB-1
DOCKET NO. 980001-EI
TAMPA ELECTRIC COMPANY
(RB-1)
DOCUMENT NO. 1
PAGE 2 OF 2

1997 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources ($\$134,037,857.58$ divided by $7,184,320.18$)	\$18.66
Transportation Benchmark	<u>\$28.10</u>
Over/(Under) Benchmark	(9.44)
Total Tons Transported in 1997	7,184,320.18
Total Transportation Cost in 1997	\$ 134,037,857.58
Total Amount Allowable for Recovery Using Benchmark ($\$ 28.10 \times 7,184,320.18$)	\$ 201,895,989.25
Total Cost Over/(Under) Benchmark - 1997	\$ (67,858,131.67)
Prior Year's Cumulative Benefit (1988-1996)	\$ (260,742,395.51)
Net Benefit for 1988-1997	\$ (328,600,527.18)

EXHIBIT NO. _____
DOCKET NO. 990001-EI
TAMPA ELECTRIC COMPANY
(MJH - 1)
DOCUMENT NO. 1
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1998 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources (135,530,607.65 divided by 7,315,351.25)	\$ 18.53
Transportation Benchmark	\$ <u>28.14</u>
Over/(Under) Benchmark	(9.61)
Total Tons Transported in 1998	7,315,351.25
Total Transportation Cost in 1998	\$135,530,607.65
Total Amount Allowable for Recovery Using Benchmark (\$28.14 x 7,315,351.25)	<u>\$ 205,872,272.55</u>
Total Cost Over/(Under) Benchmark - 1998	\$ (70,341,664.90)
Prior Years' Cumulative Benefit (1988-1997)	<u>\$(328,600,527.18)</u>
Net Benefit for 1988 - 1998	\$(398,942,192.08)

TAMPA ELECTRIC COMPANY
DOCKET NO. 000001-EI
WITNESS: ROD BURKHARDT
EXHIBIT NO. ____ (RB-1)
DOCUMENT NO. 1
FILED: SEPTEMBER 21, 2000
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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]

EXHIBIT NO. _____
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(JTW-1)
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2000 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources [REDACTED] divided by 6,187,276.74	[REDACTED]
Transportation Benchmark	\$26.23
Over/(Under) Benchmark.....	[REDACTED]
Total Tons Transported in 2000.....	6,187,276.74
Total Transportation Cost in 2000	[REDACTED]
Total Amount Allowable for Recovery Using Benchmark (\$26.23 x 6,187,276.74).....	\$162,292,268.80
Total Cost Over/(Under) Benchmark – 2000	[REDACTED]
Prior Year's Cumulative Benefit (1988-1999)	[REDACTED]
Net Benefit for 1988 – 2000.....	[REDACTED]

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(JTW-1)
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2001 TRANSPORTATION MARKET PRICE APPLICATION

Tampa Electric Weighted Average per ton Water Transportation Price from All Tampa Electric Coal Sources [REDACTED] divided by 6,924,582.12	[REDACTED]
Transportation Benchmark	\$25.13
Over/(Under) Benchmark	[REDACTED]
Total Tons Transported in 2001	6,924,582.12
Total Transportation Cost in 2001	[REDACTED]
Total Amount Allowable for Recovery Using Benchmark \$25.13 x 6,924,582.12	\$174,014,748.68
Total Cost Over/(Under) Benchmark – 2001	[REDACTED]
Prior Year's Cumulative Benefit (1988-2000)	[REDACTED]
Net Benefit for 1988 – 2001	[REDACTED]

**TAMPA ELECTRIC COMPANY
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INTERROGATORY NO. 63
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63. If the response to the previous interrogatory is affirmative, please provide the following information for each type of incremental security measure:

- a. Description;
- b. Purpose;
- c. Capital expenditures;
- d. Amortization period;
- g. Operation and maintenance (O&M) expenses; and
- h. Cost recovery mechanism.

A. The information requested is provided in the following tables.

2001 Actual Costs

Asset Type	a)	b)	c)	d)	e)	f)
Generation		Control Access			351,152	Fuel Clause
Generation		Control Access	181,549	2%		
Generation		Control Access	138,752	2%		
Generation		Control Access	49,431	2%		
Transmission		Control Access			49,498	Fuel Clause
2001 Total			\$369,732	0	\$400,650	

2002 Actual/Estimated Costs

Asset Type	a)	b)	c)	d)	e)	f)
Generation		Control Access			379,106	Fuel Clause
Generation		Control Access	50,000	2%		
Generation		Control Access	18,730	33%		
Generation		Control Access	181,900	TBD		
Generation		Control Access	30,000	TBD		
Generation		Control Access	50,000	TBD		
Generation		Control Access	175,000	TBD		
Generation		Control Access	31,327	TBD		
Generation		Control Access	37,999	TBD		
Transmission		Control Access	17,250	3%		
Transmission		Control Access	150,000	3%		
Transmission		Control Access			24,842	Fuel Clause
2002 Total			\$742,206	0	\$403,948	

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2003 Projected Costs

Year 2003						
Asset Type	a)	b)	c)	d)	e)	f)
Generation		Control Access			252,000	Fuel Clause
Transmission		Control Access			148,000	Fuel Clause
2003 Total			<u>TBD</u>		<u>400,000</u>	
Grand Total			<u>\$1,111,938</u>		<u>\$1,204,598</u>	

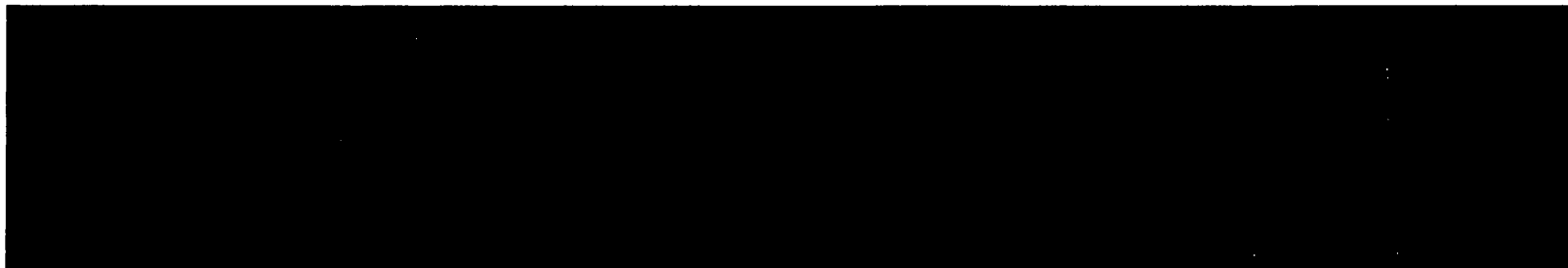
Note: The response to part d), "Amortization period" is given as an annual percentage. A project may include many types of installations or tasks, however the amortization period for each installation or task will be determined by the project classification under which the task work order is conducted.

**TAMPA ELECTRIC COMPANY
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STAFF'S 3RD SET OF INTERROGATORIES
INTERROGATORY NO. 69
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- 69.** Please provide the forecast of fuel prices for 2003 that Tampa Electric utilized to calculate its projected 2003 fuel and purchased power costs referenced in Denise Jordan's direct testimony, filed September 20, 2002, in Docket No. 020001-EI.
- A.** See the attached table.

COAL PRICE FORECAST

2003 SOURCES JANUARY FEBRUARY MARCH APRIL MAY JUNE **Delivered \$/Ton** JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER



#6 OIL PRICE FORECAST - BASE CASE

2003	Delivered, Nominal \$/Bbl											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Big Bend & Gannon Power Stations	30.43	30.04	29.49	28.38	27.37	27.09	27.12	27.27	27.52	27.74	27.92	28.10
Phillips Power Station												
--3% Sulfur	32.76	32.32	31.74	30.64	29.64	29.32	29.28	29.36	29.52	29.66	29.76	29.86
--1% Sulfur	34.12	33.66	33.05	31.90	30.85	30.51	30.47	30.55	30.72	30.87	30.97	31.08
--2.5% Sulfur	33.10	32.65	32.07	30.95	29.94	29.62	29.57	29.66	29.82	29.96	30.06	30.16

#2 OIL PRICE FORECAST - BASE CASE

2003	Delivered, Nominal \$/Bbl											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Big Bend & Gannon Power Stations	36.58	36.2	35.66	34.57	33.57	33.31	33.35	33.52	33.77	34.01	34.21	34.4
Phillips Power Station	35.83	35.37	34.76	33.61	32.56	32.22	32.18	32.26	32.43	32.58	32.68	32.79
Polk Power Station	36.06	35.60	34.99	33.85	32.80	32.46	32.43	32.52	32.68	32.85	32.95	33.06

#6 OIL PRICE FORECAST - HIGH CASE

2003	Delivered, Nominal \$/Bbl											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Big Bend & Gannon Power Stations	30.88	30.4	29.77	31.3	30.11	29.73	29.68	29.77	29.97	30.13	30.25	30.37
Phillips Power Station												
--3% Sulfur	22.56	22.28	21.92	22.80	22.11	21.89	21.87	21.92	22.03	22.13	22.20	22.27
--1% Sulfur	34.12	33.66	33.05	34.53	33.38	33.01	32.96	33.06	33.24	33.40	33.52	33.63
--2.5% Sulfur	25.45	25.13	24.70	25.73	24.93	24.67	24.64	24.70	24.83	24.95	25.03	25.11

#2 OIL PRICE FORECAST - HIGH CASE

2003	Delivered, Nominal \$/Bbl											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Big Bend & Gannon Power Stations	35.94	35.48	34.87	36.77	35.62	35.25	35.2	35.29	35.48	35.64	35.76	35.87
Phillips Power Station	35.83	35.37	34.76	36.66	35.51	35.14	35.09	35.19	35.37	35.53	35.65	35.76
Polk Power Station	39.34	38.83	38.16	36.90	35.75	35.38	35.35	35.44	35.62	35.80	35.92	36.03

#6 OIL PRICE FORECAST - LOW CASE

2003	Delivered, Nominal \$/Bbl											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Big Bend & Gannon Power Stations	27.03	26.61	26.07	25.03	24.08	23.78	23.74	23.82	23.97	24.1	24.19	24.29
Phillips Power Station												
--3% Sulfur	22.56	22.28	21.92	21.23	20.61	20.41	20.38	20.43	20.53	20.62	20.68	20.74
--1% Sulfur	31.26	30.85	30.30	29.26	28.31	28.01	27.97	28.05	28.20	28.33	28.43	28.52
--2.5% Sulfur	24.73	24.42	24.01	23.24	22.53	22.31	22.28	22.33	22.45	22.55	22.62	22.69

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#2 OIL PRICE FORECAST - LOW CASE

2003	Delivered, Nominal \$/Bbl											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Big Bend & Gannon Power Stations	32.66	32.25	31.7	30.66	29.71	29.41	29.37	29.45	29.6	29.73	29.83	29.92
Phillips Power Station	32.55	32.14	31.59	30.55	29.60	29.30	29.26	29.34	29.49	29.62	29.72	29.81
Polk Power Station	32.78	32.36	31.82	30.79	29.84	29.54	29.52	29.59	29.74	29.89	29.99	30.08

SO₂ ALLOWANCE PRICE FORECAST

2003	
NOMINAL \$	174.62

NATURAL GAS PRICE FORECAST

2003	Delivered Nominal \$/MMBTU											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Firm *												
Base Case	5.94	5.89	5.82	5.71	5.68	5.71	5.78	5.81	5.84	5.88	6.17	6.30
High Case	6.44	6.37	6.29	6.14	6.10	6.13	6.19	6.20	6.23	6.28	6.58	6.69
Low Case	5.59	5.53	5.46	5.34	5.31	5.33	5.37	5.39	5.41	5.43	5.68	5.79
Interruptible												
Base Case	4.63	4.58	4.51	4.40	4.37	4.79	4.85	4.88	4.92	4.58	4.85	4.98
High Case	4.97	4.90	4.82	4.69	4.65	5.05	5.11	5.13	5.16	4.79	5.08	5.21
Low Case	4.14	4.09	4.02	3.91	3.88	4.28	4.33	4.34	4.36	3.99	4.23	4.34

* Includes transportation adder due to reserved capacity for Bayside Station that does not come on line until later in the year

PROPANE PRICE FORECAST

2003	Delivered, Nominal \$/Gallon											
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Base Case	0.81	0.81	0.79	0.78	0.77	0.76	0.76	0.79	0.83	0.81	0.79	0.78
Low Case	0.81	0.81	0.79	0.72	0.71	0.70	0.70	0.73	0.76	0.74	0.73	0.71
High Case	0.81	0.81	0.79	0.85	0.83	0.83	0.82	0.86	0.89	0.88	0.86	0.84

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79. Referring to Exhibit JTW-2, what were the base year and base amount of operations and maintenance expenses used for calculating incremental expenses of \$450,000? Please provide calculations and detail to illustrate how the incremental amounts were estimated.

A. The 2001 base year amounts used for calculating projected 2003 incremental operational and maintenance expenses was determined utilizing the following methodology: The director of the Wholesale Marketing and Fuels Department determined which department employees were engaged in physical and/or financial hedging activities. In 2001 employees in the following positions participated in hedging activities: Director, Fuels Strategist, Forecast Analyst and Senior Contract Administrator. Each employee's fully loaded labor cost was multiplied by a factor representing the amount of time that the individual participated in hedging activities in 2001. The calculations are shown below.

<u>Position</u>	<u>Time Spent on Hedging Activities</u>	<u>No. of Months Working in the Department In 2001</u>	<u>Salary and Benefits Expense</u>
Director	20%	10	[REDACTED]
Fuels Strategist	80%	12	[REDACTED]
Forecast analyst	25%	10	[REDACTED]
Contract Administrator	50%	12	[REDACTED]

During 2001, there was some turnover in the department. This was accounted for in the incremental amount calculation by applying a factor representing amount of time spent in the group by position. The total of hedging-related labor costs during the base year was \$159,722.67. There were also hedging-related travel costs for coal mine visits for one of the fixed price contracts representing \$2,500 and \$6,930 in training costs the four employees listed above to attend a Futures Trading and Options Trading class. Therefore, total 2001 base year hedging-related costs were \$169,152.67.