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Public Service Commission

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DATE: October 23, 2003

TO: Kay Flynn, Division of the Commission Clerk and Administrative Services

FROM: Jennifer Rodan, Office of the General Counsel JAR

RE: Docket No. 030001-EI - Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor

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Please find attached for filing in the above-referenced docket an original and seven copies of the following:

1. Supplemental Direct Testimony of William B. McNulty, on behalf of Staff (Redacted Version)

Also attached for filing in the above-referenced docket is the confidential version of the Supplemental Direct Testimony of William B. McNulty. The confidential information in these documents is highlighted and should be protected from disclosure to allow the affected utilities the opportunity to request confidential classification for this information.

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ORIGINAL

DOCKET NO.: 030001-EI - Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor

WITNESS: **Direct Testimony of William B. McNulty**, Appearing on Behalf of the Staff of the Florida Public Service Commission.

DATE FILED: October 23, 2003

Q. Please state your name and business address.

A. My name is William B. McNulty. My business address is 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Q. By whom are you employed and in what capacity?

A. I am employed by the Florida Public Service Commission as a Public Utility Supervisor in the Division of Economic Regulation.

Q. Please give a brief description of your educational background and professional experience.

A. I graduated from the University of Florida in 1981 with a Bachelor of Science degree in Psychology. I graduated from the University of Central Florida in 1989 with a Master of Business Administration degree. In that same year, I began employment with the Florida Public Service Commission as a Regulatory Analyst. In May 1998, I was promoted to Regulatory Analyst Supervisor in the Division of Research and Regulatory Review. I was promoted to my current position in May 2000.

Q. What are your present responsibilities with the Commission?

A. My responsibilities include assigning, directing, and supervising the activities of the Cost Recovery Section of the Bureau of Electric Reliability and Cost Recovery. Section activities include the development and presentation of analyses and recommendations to the Commission primarily related to cost recovery of various clause-related expenses (fuel, purchased power, and environmental), as well as to petitions/motions for territorial agreements and disputes and to reviews of reports of electric distribution reliability and related rulemaking. I also assign, direct and supervise the processing of customer complaints concerning distribution reliability and quality of service that may be assigned to the Division of Economic Regulation.

Q. Have you previously testified before the Commission?

A. No. However, I have submitted direct testimony in this docket dated October 14, 2003 that is scheduled to be heard before the Commission on November 12-14, 2003, on issues pertaining to Progress Energy Florida, Inc.'s waterborne coal transportation service (WCTS) market price proxies.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to make recommendations as to how the Commission should address this proceeding concerning the prudence of Tampa Electric Company's (TECO) purchases of waterborne coal transportation service (WCTS) from its affiliate, TECO Transport. These recommendations are provided based on the information available to me at the time this testimony was prepared. At that time, I have only limited information concerning TECO's evaluation of an appropriate market rate. However, I believe that the recommendation stated herein provides a reasonable means for establishing that rate.

Q. Please identify the issues you address.

A. As identified in the most recent issue list for this docket at the time this testimony was prepared, the following four issues concerning the prudence of TECO's purchases of WCTS from TECO Transport have been raised in this proceeding:

ISSUE 17E: Is Tampa Electric's June 27, 2003, request for proposals sufficient to determine the current market price for coal transportation?

ISSUE 17F: Are Tampa Electric's projected coal transportation costs for

2004 through 2008 under the winning bid to its June 27, 2003, request for proposals for coal transportation reasonable for cost recovery purposes?

ISSUE 17G: Is the waterborne coal transportation benchmark that was established in Order No. PSC-93-0443-FOF-EI, issued March 23, 1993, in Docket No. 930001-EI, still a relevant and sufficient means for assessing the prudence of transportation costs paid by Tampa Electric Company to its affiliate, TECO Transport?

ISSUE 17H: Should the Commission modify or eliminate the waterborne coal transportation benchmark that was established for Tampa Electric in Order No. PSC-93-0443-FOF-EI, issued March 23, 1993, in Docket No. 930001-EI?

Issues 17E and 17F are directly related to waterborne coal transportation costs to be incurred by TECO under a five year contract signed October 6, 2003, with TECO Transport. Issues 17G and 17H question the continued usefulness of the existing benchmark mechanism that was established 15 years ago to help the Commission assess the prudence of TECO's purchases of WCTS from its affiliate.

Q. Based on the information available to you, how should the Commission resolve these issues?

A. Regarding Issue 17E, the Commission should determine that the RFP as developed and administered by TECO had several shortcomings in generating a reasonable level of information about market price and it should also determine that the RFP nonetheless provided the most certain information regarding WCTS market price for TECO available at this time.

Regarding Issue 17F, no winning proposal was selected by TECO, as the utility awarded the contract to TECO Transport on the basis of its market study result. However, for cost recovery purposes, the best available indicator of market price is the bid for the full volume of coal transport proffered by The average rail rate for similar coal sources included in the TECO/TECO Transport contract reflects the best estimate of the WCTS market price for TECO, which is per ton. (EXH WBM-1). This is per ton less than the average market rate for those same coal sources reflected in the 2004-2008 TECO/TECO Transport contract The average rail rate offered by is 5.25 percent less than the average waterborne rate offered by TECO Transport. The Commission should determine TECO's recoverable costs for WCTS provided by TECO Transport for the first quarter of 2004 are the rates appearing in the TECO/TECO Transport contract less 5.25 percent. This should be the initial recoverable cost as determined in upcoming fuel docket proceedings. For Issue 17G, the Commission should determine that TECO's current WCTS benchmark is irrelevant in determining the prudence of TECO's WCTS cost incurred via its contract with TECO Transport. The WCTS benchmark has consistently exceeded the market price by a significant margin ever since the benchmark was established fifteen years ago.

Finally, the Commission should resolve Issue 17H by eliminating the benchmark and identifying TECO's WCTS cost recovery as an annual issue in the fuel docket to be resolved by an audit of TECO's operating results under its contract with TECO Transport. The benchmark should be replaced with a market price proxy methodology that inflates/deflates the initial recoverable costs identified in Issue 17F by the price escalation method appearing in the new TECO/TECO Transport contract.

ISSUE 17E: Is Tampa Electric's June 27, 2003, request for proposals

sufficient to determine the current market price for coal transportation?

Q. How did you evaluate TECO's RFP for purposes of determining whether it was sufficient to determine the current market price for waterborne coal transportation?

A. I evaluated TECO's RFP ability to determine the current market price of waterborne coal transportation based on several criteria:

1. Did the RFP process (scheduling, bid communications) and RFP impede or motivate potential qualified bidders to bid?

2. Was the incumbent provider required to bid?

3. Did the bid process generate a sufficient number of proposals to determine a market price?

Q. What was the result of your evaluation of TECO's RFP process?

A. I determined that TECO's RFP process had several shortcomings. Regarding scheduling, the utility began the competitive bid process relatively late, barely six months before the end of the existing contract for coal transportation and late for the purposes of this proceeding. TECO signed a new contract a little over three months after it issued its RFP and less than three months before the end of the existing contract. In contrast, TECO began the bid process more than a year before the termination date of the previous contract that ended December 31, 1998. The 2003 RFP allowed just less than five weeks for potential bidders to learn about the opportunity to bid, construct a bid, and submit it to TECO's offices. The utility offers no reason for why this late and abbreviated scheduling was pursued. My concern is two-fold: (1) a late start creates the impression that the competitive bid effort is not seriously intentioned, and (2)it allows potential bidders less opportunity to react to the opportunity presented.

My second concern regarding the RFP process involves TECO's failure to pursue potential bidders. At least one large river transport company with the capacity to serve TECO did not bid and was not contacted by TECO to determine the reasons why they chose not to bid, either before or after the closing date. Companies large enough to serve TECO's river transport needs are quite limited. There are perhaps four or five river transport companies that fit TECO's unique needs, and as it turned out, only one such company bid. Additional responses were needed to provide a clearer picture of the river transport market. Likewise, the number of companies positioned to provide ocean transport for TECO are very limited. TECO's policy is in contrast to Gulf Power Company's. In the event capable bidders do not bid as Gulf's bid deadline approaches, Gulf contacts them to find out whether they intend to bid. If they intend not to bid, Gulf attempts engage in dialogue with them in order to determine whether their reasons for not bidding can be overcome. I believe this process would have allowed TECO to cast as wide a net as possible, without sacrificing the fairness of the process.

These concerns lead me to conclude that the process TECO used in 2003 to select a WCTS provider was not one designed to motivate potential bidders to bid nor adequately reveal market prices.

Q. What was your evaluation of the RFP instrument?

A. The RFP instrument was a creation of TECO with very little, if any, input from potential respondents, parties to the fuel docket, or Commission staff. Autonomous design of its RFP is the utility's prerogative. In this case, Staff offered input to TECO outlining its concerns about the RFP. Staff agreed to provide in writing what it thought were important clarifications to the RFP for the utility to provide to prospective bid respondents and trade publications. The utility determined to advise these entities only of a typographical correction and distributed none of the requested clarifications. According to TECO, the clarifications were not distributed because they would "confuse the RFP process and discourage proposals that otherwise might be forthcoming." The clarifications requested were as follows:

(1) Reveal TECO's tentative timetable for distributing the RFP, evaluating the bids, and selecting the winner,

(2) Declare that bids for river, terminal, and ocean components as received will be matched together in a combination that would represent the best bid based on a combination of price and non-price factors,

(3) Declare that alternative terminals to those in New Orleans would be considered,

(4) Declare that terminals which cannot except Panamax-sized vessels will also be evaluated, and

(5) Clarify whether TECO Transport had a right of first refusal.

Each of these clarifications would have made the process more transparent for the potential respondents. However, TECO appears to have limited the potential pool of applicants with language included in the first paragraph of the first page in the RFP. There the RFP stated, "Tampa Electric prefers proposals for integrated waterborne transportation services, however, proposals for segmented services will be considered." This statement of preference seems to place more emphasis on an integration than the other selection criteria. Placed as it is at the beginning of the text, it is easily established as a very important selection criterion by the company (other evaluation criteria appear on Page 5 of the RFP). Further, TECO cannot identify any potential supplier other than TECO Transport who satisfies this preference.

One other important limiting statement in the RFP, also placed prominently in the first paragraph of the first page, involved TECO's requirement that proposals should represent the entire volume of coal transport service stated in the RFP. By discouraging transport companies which could have provided a portion of the transport needs in any one segment (e.g. river transport), TECO further restricted the opportunity for receiving a greater number of bids and more market price information.

TECO's 2003 RFP for WCTS is more restrictive than TECO's 1997 RFP for WCTS (EXH WBM-2). Unlike the 1997 RFP, this year's RFP included minimum terminal quantities (1.4 million tons) and a stated preference for an integrated bid. The 2003 RFP featured an abbreviated open period for bid proposals compared to the 1997 RFP (two month rather than six months). Also, TECO placed a less restrictive requirement upon itself by allowing an abbreviated notice period for declaring its annual tonnage requirements and monthly shipping schedules to its transport providers compared to the 1997 RFP (3 months rather than 6 months).

Thus, my assessment of the RFP instrument is that it was not designed to attract as many qualified bidders as possible nor was it designed to reveal a reasonable level of market price information.

Q. Regarding your second criteria for evaluating the RFP process, was the incumbent provider required to bid?

A. No, they were not. TECO Transport was mailed an RFP. Under the right of first refusal, TECO Transport had the opportunity to meet or beat the lowest bid, or, if an insufficient number of bids were received, the rate established in the market study. The company chose not to bid because it had a right of first refusal in its contract with TECO. A right of first refusal is not necessarily a rarity in coal transport contracts. However, when a utility contracts with an affiliate for a competitive service, it is important that the transaction conducted in a way that would resemble an arms-length transaction. Because there are so few bidders for the ocean segment of WCTS for TECO, any bid not made provides that much less true market information, and that much less chance of a truly competitive rate being found. If TECO had required TECO Transport to bid and if TECO had not given TECO Transport a right of first refusal in its contract, more competitive market pressure would have been brought to bear on the process.

Q. What were the results of your evaluation of the ability of the RFP process to generate a sufficient number of bids?

Here is a synopsis of the proposals received:

(1) River Transport: 1 bid, for partial quantities of coal transport,

(2) Terminal: 1 bid, for full quantities of coal transport,

(3) Ocean: 0 bids, and

(4) Transport by Rail: 2 bids, one for full quantities of coal transport, one for partial quantities of coal transport, both non-conforming (i.e. bidder

did not bid all coal sources requested in RFP and did not follow the detailed RFP requirements associated with waterborne transport).

Because a bid was not received for ocean transport, a complete waterborne rate cannot be derived by summing the lowest bids from each waterborne transportation component. The rail transportation bid for the full requirements provides the only total market rate option. I review its ability to determine a market price later in my testimony (see Issue 17F).

The number of proposals are obviously quite low. As stated earlier, more could have been done by TECO to generate more interest in the RFP process and possibly achieve more proposals that may have generated more market information.

Q. What do you conclude regarding the effectiveness of TECO's RFP process?

A. I conclude that the RFP process failed in all three criteria I established; (1) the bid process did not motivate potential bidders to bid, (2) the incumbent was not required to bid, and (3) the bid process generated only few bids. Thus, the bid process and the RFP did not generate a reasonable amount of market rate information as they could have because they were too restrictive. Nonetheless, the rail bid received offered a total market option. The extent to which a single bid for the entire service can adequately reveal WCTS market price is not known. While a market rate study has been proffered by TECO, I have only limited information regarding that study. Thus, in the event the Commission elects to decide this issue at this time, the Commission should conclude that the sufficiency of TECO's RFP to determine the WCTS market price is uncertain.

ISSUE 17F: Are Tampa Electric's projected coal transportation costs for 2004 through 2008 under the winning bid to its June 27, 2003, request for proposals for coal transportation reasonable for cost recovery purposes?

Q. In the event the Commission elects to address this issue at this time, should the Commission determine that TECO's projected coal transportation costs for 2004 through 2008 are reasonable?

A. No. TECO did not select a winning bid but instead awarded a WCTS contract to TECO Transport on the basis of Mr. Dibner's market study result. At this time, very little is known about the details of TECO's market study. As stated previously, a more thorough review, given time, may yield further insight into the study that would allow for a more informed decision as to the veracity of the study's results. However, for purposes of my analysis, I examined one of the two that was received by TECO to determine whether it compared favorably to TECO's market rate that is now included in its new contract with TECO Transport. My comparison of the rates is shown in EXH WBM-1. The average rate for similar river dock locations included in the TECO/TECO Transport contract reflects the best estimate of the WCTS market price, which is per ton. This is per ton less than the average market rate for those same coal sources reflected in the 2004-2008 TECO/TECO Transport contract, which was per ton.

Two bids were received from identified as and is differentiated from in the tonnage requirements, capital improvements offered to be underwritten by and a volume discount. , includes full coal transportation requirements. It also includes a larger capital improvement budget to accommodate a upgrade of

TECO's existing railcar dumping system to a high speed rapid discharge system and other capital improvements not otherwise offered in Finally it offers a volume discount for tonnages delivered in excess of one million tons annually for select routes in various mine/rate districts. In order to make as close a comparison in rates as possible for the volumes anticipated by TECO, is the proper comparative bid to use. The is realistic in that it meets all the criteria established in the RFP. is capable of delivering the full tonnage required, it has financial stability and credit worthiness, and it is an integrated supplier. It included bids for most of the coal mining areas appearing in TECO's contract with TECO Transport.

In her direct testimony, Ms. Wehle argues that the proposals were not competitive on the basis of the amount of capital improvements and investment required for rail deliveries to TECO's generating stations, incremental transportation costs such as mine-to-rail loading facilities, and the cost effectiveness of different supply locations that may be required to accommodate rail locations. Certainly, in making a determination of whether it is feasible to accept a proposal from a transportation provider and to engage in a contract with them, it is necessary to consider these types of costs. However, the proposals should not be judged according to whether they represent the lowest price for reliable WCTS service on an immediate basis. Instead, proposals should be judged according to whether they offer the lowest rate for coal transportation across the spectrum of coal sources included in the RFP over the five year contract period. It should be noted that the source of percent of TECO's coal requirements for 2005 have not yet been determined by TECO as of October 8, 2003, so the company retains the flexibility to change the sources of its coal for most of the term included in its contract for WCTS. In addition, as the purpose of the RFP for this proceeding is to determine a market rate for waterborne coal transportation, it is not relevant to consider site-specific costs of adapting the site for rail delivery as long as the railroad provides a direct connection between the coal sources and the generating plant.

acquires other customers in the same fashion they attempted to acquire TECO. They offer a rate proposal that separates transportation rates from connection incentives. In its bids, has offered rail service that connects the coal source to TECO's Big Bend Generating Station, and it has offered a site -specific capital funding of . Again, I do not think the site-specific funding is relevant; I only mention it as an indication that was an eager participant in the bid process anxious to win the business.

The proper market rate to consider is the rail rate offered by the rail company. This is the same type of rate that the Commission has used to determine cost prudence of WCTS for TECO. These rail rates have been used by the Commission to calculate TECO's municipal rail benchmark since 1988.

The rail rates offered by are shown in EXH WBM-1. They are per its Tariff . included a volume incentive as a downward adjustment to these rates which I have not included in order to assess their estimate of market rates conservatively. volume incentive was to allow a per ton rate reduction on all volumes over 1 million tons for coal shipped from , which included several pool areas identified in TECO's RFP.

The average rail rate offered by is 5.25 percent less than the average waterborne rate offered by TECO Transport . In the event the Commission elects to decide Issue 17F at this year's fuel hearing, the Commission should recognize that the average rate is a better estimate of WCTS market rates than those that appear in the 2004-2008 TECO/TECO Transport contract. On that basis, the Commission should determine TECO's recoverable costs for WCTS provided by TECO Transport for the first quarter of 2004 are the rates appearing in the TECO/TECO Transport contract less 5.25 percent, as shown in the far right column of EXH WBM-1.

ISSUE 17G: Is the waterborne coal transportation benchmark that was established in Order No. PSC-93-0443-FOF-EI, issued March 23, 1993, in Docket No. 930001-EI, still a relevant and sufficient means for assessing the prudence of transportation costs paid by Tampa Electric Company to its affiliate, TECO Transport?

Q. What is the WCTS benchmark for TECO?

A. In Order No. 20298, the Commission approved a stipulation between TECO and the Office of Public Counsel that established a maximum amount that TECO could recover from its ratepayers through the fuel clause for WCTS from its affiliate, TECO Transport, absent specific justification provided by TECO. The benchmark is determined annually and compared against the actual costs incurred by TECO for WCTS. It is the average of the two lowest comparable publicly available rail rates for coal to municipal utilities in Florida. The rail rate is stated on a cents per ton-mile basis and multiplied times the average miles from all coal sources to Tampa Electric's power plants, which yield an average price per ton of transportation. Added to this amount is the cost of private rail cars that the municipalities own for the purposes of receiving rail shipments.

Q. If the Commission elects to address Issue 17G at this time, should the Commission determine that TECO's WCTS benchmark is still relevant and sufficient for purposes of assessing the prudence of WCTS cost for TECO?

A. No. The Commission should determine that TECO's current WCTS benchmark has no relation to the market price for TECO's WCTS on the basis of historical comparisons between actual costs and the benchmark price. Historical comparison of actual costs to the benchmark over a 15 year period show that the benchmark is on average percent higher than actual costs. The benchmark has exceeded the actual costs each year from million up to million. Over time, the benchmark has proven itself to have no relevance to TECO's WCTS market and it is therefore insufficient for the purpose of assessing the prudence of TECO's WCTS costs.

ISSUE 17H: Should the Commission modify or eliminate the waterborne coal transportation benchmark that was established for Tampa Electric in Order No. PSC-93-0443-FOF-EI, issued March 23, 1993, in Docket No. 930001-EI?

Q. If the Commission elects to address Issue 17H at this time, should the Commission eliminate TECO's WCTS benchmark?

A. In the event the Commission elects to decide Issue 17H at this time, the Commission should eliminate TECO's WCTS benchmark. The initial recoverable costs identified in EXH WBM-1 for each coal source listed in the TECO/TECO Transport contract should reflect a 5.25 percent reduction off the waterborne rates listed in the contract beginning January 2004. The Commission should establish a WCTS market price proxy for TECO for the duration of the contract period by adjusting the initial recoverable costs per the escalation methodology included in the TECO/TECO Transport contract. The Commission should further identify WCTS cost recovery as a standard issue in the fuel docket each year, resolved by an audit of TECO's operating results under its contract with TECO Transport and the market price proxy methodology.

Q. Does this conclude your testimony?

A. Yes, it does.

COMPARATIVE RATE ANALYSIS FOR WCTS - TECO/TECO TRANSPORT CONTRACT VERSUS
(excludes volume incentive for Direct docks(1))

(A) Source (C= Contract R=RFP)	(B) Pool	(C) River Dock	(D) TT River	(E) TT Terminal	(F) TT Ocean	(G) TT Total (D+E+F)	(H) Rail Rate (1)	(I) TT less Rate (G-H)	(J) Initial Recoverable Cost (G X 0.9475
C,R	Lock 53 Pool Ohio River	Cook							
C,R	Smithland Pool Ohio River	Hamilton							
C,R	Smithland Pool Ohio River	Caseyville							
C,R	Uniontown Pool Ohio River	Overland							
C,R	Smithland Pool Ohio River	Rigsby and Barnard							
C,R	Uniontown Pool Ohio River	Mount Vernon							
C,R	Lock 53 Pool Ohio River	Mound City							
C,R	Uniontown Pool Ohio River	Southern Indiana							
C		New Hope							
C,R	Smithland Pool Ohio River	Empire Dock							
C,R	Newburgh Pool Ohio River	Yankeetown							
C		Owenshoro							
C,R	Green River	Ken Mine					N/A	N/A	
C,R	Green River	Pyramid					N/A	N/A	
C,R	Green River	Green Coal					N/A	N/A	
C,R	Green River	Patriot					N/A	N/A	
C,R	Green River	Sebree					N/A	N/A	
C	Meldahl Pool Ohio River	TTI					N/A	N/A	
C,R	Cannelton Pool Ohio River	Jefferson River Port					N/A	N/A	
C,R	Tennessee River	Kentucky Lake Dock					N/A	N/A	
C		GRT					N/A	N/A	
C,R	Upper Mississippi	Cora							
C		Dekoven					N/A	N/A	
C		Powhatan					N/A	N/A	
C		Shawneetown					N/A	N/A	
C		Refineries Petcoke					N/A	N/A	
C,R	Tennessee River	BRT					N/A	N/A	
R	Upper Mississippi	Cahokia	N/A	N/A	N/A	N/A	N/A	N/A	
[illegible]	Upper Mississippi	Kellogg	N/A	N/A	N/A	N/A	N/A	N/A	
R	Smithland Pool Ohio River	Kanipe Enterprises	N/A	N/A	N/A	N/A	N/A	N/A	
Average for All Docks on Contract							N/A	N/A	
Average for Docks Common to TT and									

(1) The volume incentive is a per ton reduction offered on the rail rate for all originated tons exceeding 1 million tons. The incentive was offered in to TECO, but excluded from this comparitive analysis. Applies to Direct routes for mine/rate districts in the Smithland, Uniontown, and Newburgh Pools on the Ohio River.

Sources: TECO Response to Staff 2nd Production of Documents , No. 7-12, TECO's Response to Staff's 4th Request for Production of Documents No. 15

DIFFERENCES BETWEEN TECO'S 1997 RFP AND 2003 RFP		
RFP Term or Condition	*1997 RFP*	*2003 RFP*
Integrated Proposal Requirement	Silent regarding integration.	**Stated preference for integration.**
River Tonnages	4.0 to 6.0 million tons annually, for five years	3.25 to 5.00 million tons annually for five years, except for consent decree triggering event, in which case 2007 tonnages is 2.0 to 4.0 million ton and 2008 tonnage is 1.0 to 3.0 million ton.
Terminal and Ocean Tonnages	7.5 to 8.5 million tons annually, for five years	4.0 to 5.5 million tons annually for five years, except for consent decree triggering event, in which case 2007 tonnage is 3.0 to 4.5 million tons and 2008 tonnage is 2.0 to 3.5 million tons.
Terminal Rate Elements	Fixed and Variable Rate Component	Fixed Rate Component only.
Dead Freight	Silent regarding dead freight charges	Solicits dead freight charge
Notice by TECO of annual ton declarations and monthly shipping schedules	July 31 of each contract year for the following calendar year	**September 30 of each contract year for the following calendar year**
Loading/Unloading	River Barges: 4 free days for loading river barges. Ocean barges: 48 hours free unloading.	River barges: 3 free days for loading and 3 free days for unloading. Ocean Barges: 48 hours free unloading Ocean Vessels at Terminal: 24 hour free unloading or loading at terminal
Terminal Storage Minimums	None Stated	**1.4 Million tons; 8 individual stockpiles.**
Minimum Discharge Rate of Panamax Vessels	Average discharge rate of 750 tons per hour	**Minimum discharge rate of 900 tons per hour.**
Open period of bid proposals	Six months beyond closing date of solicitation.	**Two months beyond closing date of solicitation.**

COMPARISON OF TECO'S WCTS BENCHMARK TO TECO'S WCTS COST

(A) Year	(B) WCTS Cost	(C) WCTS Benchmark	(D) Benchmark Less Cost (C - B)	(E) Total Tons Transported	(F) Total Transport Costs (B x E)	(G) Total Amount Allowable for Recovery Per the Benchmark (C x E)	(H) Difference (Benchmark less Costs) (G - F)
1988		$21.06		5,833,559		122,854,753	
1989		$20.53		6,219,851		127,693,541	
1990		$22.42		6,094,663		136,642,344	
1991		$25.58		5,776,025		147,750,720	
1992		$24.86		5,528,669		137,442,711	
1993		$24.59		5,598,533		137,667,926	
1994		$25.70		5,911,254		151,919,228	
1995		$27.08		5,358,447		145,106,745	
1996		$27.46		6,391,305		175,505,235	
1997		$28.10		7,184,320		201,879,392	
1998		$28.14		7,315,351		205,853,977	
1999		$25.85		6,257,383		161,753,351	
2000		$26.23		6,187,277		162,292,276	
2001		$25.13		6,924,582		174,014,746	
2002		$23.87		6,440,179		153,727,073	
Total				'3,021,398		$2,342,104,017	
Average		**$25.11**		6,201,427		$156,140,268	
Percent Difference			**31.6%**				

Source: TECO's Response to Staff's 7th Set of Interrogatories, No. 119