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February 2, 2004

HAND DELIVERED

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

RECEIVED FPSC
05 FEB - 2 PM 3:58
COMMISSION
CLERK

Re: Review of Tampa Electric Company's waterborne transportation contract with
TECO Transport and associated benchmark; FPSC Docket No. 031033-EI

TRANSMITTAL OF CONFIDENTIAL INFORMATION

Dear Ms. Bayo:

Pursuant to a Notice of Intent to Seek Confidential Classification Tampa Electric is simultaneously filing with your office, we enclose a single unredacted confidential version of Tampa Electric's Answers to OPC's Second Set of Interrogatories (Nos. 25, 28, 34, 37, 39, 41 and 47). The confidential information contained in this filing is highlighted in yellow and stamped "CONFIDENTIAL." We would appreciate your maintaining confidential treatment of the enclosed materials.

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,

RECEIVED & FILED

Jh
FPSC-BUREAU OF RECORDS

James D. Beasley
James D. Beasley

JDB/pp
Enclosures

cc: Wm. Cochran Keating IV
All Parties of Record

NR 11-26-05 (entire DN)
**CONFIDENTIAL
DECLASSIFIED**

declass 11-26-05
DOCUMENT NUMBER-DATE

01491 FEB-28

FPSC-COMMISSION CLERK

CONFIDENTIAL

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

**In re: Review of Tampa Electric)
Company's 2004-2008 Waterborne)
Transportation Contract with TECO)
Transport and Associated)
Benchmark.)**

**DOCKET NO. 031033-EI
FILED: February 2, 2004**

DECLASSIFIED
CONFIDENTIAL VERSION

**TAMPA ELECTRIC COMPANY'S
ANSWERS TO SECOND SET OF INTERROGATORIES
(NOS. 25, 28, 34, 37, 39, 41 AND 47)
OF
THE OFFICE OF PUBLIC COUNSEL**

Tampa Electric files this its Answers to Interrogatories (Nos. 25, 28, 34, 37, 39, 41 and 47) propounded and served on January 16, 2004, by the Office of Public Counsel.

DOCUMENT NUMBER-DATE

01491 FEB-23

FPSC-COMMISSION CLERK

**TAMPA ELECTRIC COMPANY
DOCKET NO. 031033-EI
OPC'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 25
PAGE 1 OF 1
FILED: FEBRUARY 2, 2004**

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25. Please state the total tonnage and expense projected by Tampa Electric for 2004 for inland river transport, terminal services and gulf transport, by rate element, consistent with the rate elements identified by Mr. Dibner on page 138 of his exhibit [sic].
- A. The following table shows the current expected tons and expense projected for 2004 using the waterborne transportation rates established for the contract that took effect on January 1, 2004.

River Transportation

Origin (Dock)	Tons	Rate	Total
Cook	153,000	\$5.98	\$914,900
Dekoven	630,000	\$6.75	\$4,252,500
Shawneetown	1,000,000	\$6.81	\$6,810,000
Southern Indiana	120,000	\$7.21	\$865,200
Powhatan Point	400,000	\$10.65	\$4,260,000
Cora ¹	1,050,000	NA	NA
Uncommitted ²	570,000	NA	NA

Terminal Services

Delivery Type	Tons	Rate	Total
Domestic	4,402,000	\$2.45	\$10,784,900
Foreign	240,000	\$4.00	\$960,000

Ocean Transportation

Origin	Tons	Rate	Total
Terminal to Big Bend	4,642,000	\$7.98	\$37,043,160
Texas to Big Bend	180,000	\$10.88	\$1,958,400

¹ Tons purchased at the Cora dock are transported under a separate agreement that expires at the end of 2004, along with the purchase agreement.

² These tons represent Tampa Electric's expected needs that are uncommitted to date.

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- 28.** Referring to Bates Stamp 20, do the costs included in the recommended rates of Mr. Dibner include an assumption that the vessel operating costs of all of the available service days as shown in the last paragraph for [sic] are recovered fully by Mr. Dibner's recommended rates, or are there other calculations in the model that would include recovery of the operating costs of tugs and barges from a mix of Tampa Electric coal transport and other non-regulated transport revenues of the company?
- A.** Tampa Electric understands that the aforementioned Bates stamp page refers to Tampa Electric's response to OPC's First Request for Production of Documents and therefore answers as such. Bates stamp page no. 20 includes a statement that vessels are assumed to be available **341** days per year, which provides a modest allowance for dry dock or major repairs that may be needed. This means that costs for vessels' idle time were not included in the market rates. The recommended rates are based on the estimated per ton cost for the transportation provided, including consideration of the vessels' opportunity costs.

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- 34.** What is Mr. Dibner's estimated service life of an inland river towboat and an inland river barge?
- A.** Mr. Dibner estimates the service life of an inland river towboat to be approximately **45** years and the service life of an open hopper inland river barge to be less than **30** years.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 031033-EI
OPC'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 37
PAGE 1 OF 1
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37. What was the 2002 and 2003 coal tonnage from each of the points identified on page 36 of Mr. Dibner's confidential exhibit and what is the projected tonnage for 2004?
- A. The requested information is provided in the following table.

Dock ¹	2002	2003	2004 Proj.
Cook	2,031,066	986,464	153,000
Mound City	0	0	0
Empire	848,372	399,004	0
Rigsby & Barnard	0	0	0
Caseyville	0	0	0
Dekoven	280,833	422,365	630,000
Shawneetown	949,570	1,215,279	1,000,000
Hamilton	0	0	0
Overland	0	0	0
Mt. Vernon	297,807	116,825	0
Southern Indiana	161,892	0	120,000
Yankeetown	0	0	0
Owensboro	0	0	0
New Hope	0	0	0
Jefferson River Port	0	0	0
TTI	0	0	0
Powhatan Point	0	122,255	400,000
Green 11	0	0	0
Patriot	165,938	22,055	70,000
Sebree	0	0	0
Pyramid	0	0	0
Ken Mine	0	0	0
GRT	0	0	0
Kentucky Lakes Dock	0	0	0
Cora	1,050,136	1,045,163	1,050,000
Uncommitted	NA	NA	570,000

¹ Mr. Dibner's exhibit page 36 provided analysis regarding river docks from which Tampa Electric's RFP requested bidders to submit rates. Any additional locations from which coal was purchased in 2002 and 2003 are not shown.

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39. Please define the acronyms in the bottom of the chart on page 45 of Mr. Dibner's confidential exhibit. What are the corresponding loading/unloading rates and terms at TECO's Davant terminal?
- A. Page 45 of Mr. Dibner's exhibit contains a summary of the terms of the bidder's proposal for providing terminal services. The acronym "MT" means "metric tons," and the acronym "WWD SHINC" means "Weather Working Day Sundays Holidays Included." The current Tampa Electric/TECO Transport contract contains terminal services terms that are equal to or better than the bidder's proposed terms. The contract terms are shown in the following table.

Tampa Electric/TECO Transport Contract Terms for Terminal Services

Commodity or Term	Transfer Operation	Charge (\$/Ton)
Coal / Pet Coke	Barge to Vessel	\$2.25
Coal / Pet Coke	Barge to Ground to Vessel	\$2.25
Import Coal	Vessel to Storage to Vessel	\$4.00
Transfer Rate	Barges suitably clean and free from foreign material (equivalent to "blade clean")	Fixed 5 years
Fuel / Labor Escalation		None
Sampling Fee		\$0.085/ton
Barge Fleeting / Handling Fee		\$0.20/ton
Storage Charge (if meet minimum annual volume)		None
Vessel Load / Discharge Terms		
Loading Rate	30,000 MT WWD SHINC	24 hrs. WWD SHINC
Discharge Rate	15,000 MT WWD SHINC	24 hrs. WWD SHINC
Plaquemines Port Tax	Included	
Barge Discharge Terms	No time limits or charges	No covered hopper barge unloading fee
Discharge Open Hopper to Ground	No time limits or charges	
Storage	1.4 million tons, 8 piles	

**TAMPA ELECTRIC COMPANY
DOCKET NO. 031033-EI
OPC'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 41
PAGE 1 OF 1
FILED: FEBRUARY 2, 2004**

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- 41.** It is unclear what specific rates Mr. Dibner is recommending on page 50 of his exhibit. Please clarify.
- A.** As stated on page 47 of Mr. Dibner's testimony, the recommended terminal rate totals **\$2.45** per ton, which is the average of the bidder's direct transfer and ground transfer rates, plus the bidder's **\$0.20** per ton barge fleeting and handling charge. The bidder rates and the calculated average and total rates are shown at the bottom of page 50 of Mr. Dibner's exhibit.

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- 47.** Referring to Whele confidential exhibit JTW-1, document 3 [sic], Bates Stamp 72, does the weighted average rail cost included in this document include a calculation that takes into consideration the volume incentives that are described on confidential Bates Stamp 853?
- A.** Tampa Electric understands the aforementioned "Bates Stamp 853" refers to Tampa Electric's response to OPC's First Request for Production of Documents and therefore answers as such. In Document No. 3 of Ms. Wehle's exhibit (JTW-1), the weighted average rail cost calculation is based on Tampa Electric's known 2004 purchases and shipments. The rail bidder's volume incentive is applicable for shipments that exceed a 1,000,000 ton threshold and from **CSXT Rail Direct Origins per Tariff CSXT 8200**. If Tampa Electric shipped coal by rail, Tampa Electric would not expect to meet the aforementioned threshold; therefore, the volume incentive was not included in Ms. Wehle's calculation.