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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

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

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Tampa Electric Company's Request for Specified Confidential Treatment relating to certain information requested by Staff.

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

JDB/pp Enclosure

Wm. Cochran Keating IV (w/enc.) cc: All Parties of Record (w/enc.)

> DOCUMENT NI MERIC DATE 01499 FEB-23 FPSC-COMMISSION CLERIC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Review of Tampa Electric Company's Waterborne transportation contract with TECO Transport and associated benchmark.

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

TAMPA ELECTRIC COMPANY'S REQUEST FOR SPECIFIED CONFIDENTIAL TREATMENT

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 specified confidential treatment of certain information requested by Staff and, as ground therefor, says:

1. Pursuant to an agreement among the parties Staff has reviewed the proprietary computer models of Tampa Electric witness, Brent Dibner. Staff has printed out six pages of output from the models and has requested that these six pages be filed with the Commission Clerk's office so that they may be further accessed by Staff. They are the Staff's work product and not Tampa Electric's. Tampa Electric does not endorse or accept as reasonable any input assumptions utilized by Staff in generating the six pages of output. However, since they were generated utilizing Mr. Dibner's models, the six pages in question need to be treated confidentially in order to preserve the proprietary nature of Mr. Dibner's work.

2. Mr. Dibner's computer models are the essence of proprietary confidential business information in that they contain many details of Mr. Dibner's knowledge and expertise developed throughout his career. Attached hereto as Exhibit "A" is copy of an Affidavit of Mr. Dibner explaining the need to protect these models from disclosure to any person. The original of this Affidavit was filed in this docket on December 16, 2003.

3. Tampa Electric is filing under a separate cover letter one confidential version of the six pages of output requested by Staff. These pages are printed on yellow paper stock and stamped "CONFIDENTIAL" in red.

4. Specified confidential classification of the six pages of output will protect the proprietary nature of Mr. Dibner's work and at the same time allow Staff access to the information in question.

5. The six pages of output are entitled to confidential protection pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, in that they constitute trade secrets as well as information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

6. Tampa Electric has and continues to treat all facets of Mr. Dibner's models, including the assumptions, inputs, the workings of the models themselves and the outputs produced by the models, as proprietary confidential business information and has not disclosed that information publicly.

WHEREFORE, Tampa Electric Company submits the foregoing in support of its Request for Specified Confidential Treatment of the six pages of outputs of Mr. Brent Dibner's computer models requested by Staff.

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DATED this _____ day of February 2004.

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Respectfully submitted,

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LIEE L. WILLIS JAMES D. BEASLEY Ausley & McMullen Post Office Box 391 Tallahassee, Florida 32302 (850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Specified Confidential

Treatment, filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand

delivery (*) on this <u></u>day of February 2004 to the following:

Mr. Wm. Cochran Keating, IV* Senior Attorney Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0863

Ms. Vicki Gordon Kaufman Mr. Timothy J. Perry McWhirter, Reeves, McGlothlin, Davidson, Kaufman & Arnold, P.A. 117 S. Gadsden Street Tallahassee, FL 32301

Mr. John W. McWhirter, Jr. McWhirter, Reeves, McGlothlin, Davidson, Kaufman & Arnold, P.A. 400 North Tampa Street, Suite 2450 Tampa, FL 33601-5126 Mr. Robert Vandiver Associate Public Counsel Office of Public Counsel 111 West Madison Street – Suite 812 Tallahassee, FL 32399-1400

Mr. Michael B. Twomey Post Office Box 5256 Tallahassee, FL 32314-5256

Mr. Robert Scheffel Wright Mr. John T. LaVia, III Landers & Parsons, P.A. Post Office Box 271 Tallahassee, FL 32302

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AFFIDAVIT OF BRENT DIBNER

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I, Brent Dibner, am the President of Dibner Maritime Associates, LLC with my primary business address at 151 Laurel Road, Chestnut Hill, MA 02467.

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I am in possession of the Florida Industrial Power Users Group's First Request for Production of Documents to Tampa Electric Company (Nos. 1-23). I have reviewed the definitions, instructions, and requests. Request for Production of Documents No. 14 instructs me to provide full, working copies of the "Inland Model" and the "Ocean Model" that were used to develop the rates that are the subject of my work for Tampa Electric and are pertinent to Tampa Electric's coal transportation hearing before the Florida Public Service Commission.

The models requested are proprietary models that represent the sum of my knowledge and expertise in the inland river and ocean transportation industries. I do not make them public or even available for sale to the public precisely because they represent my intellectual property and form the basis of my livelihood. These two models are custombuilt to accurately describe the specific barge, towboat, and ocean-vessel operations that are necessary to transport coal from specific locations to specific destinations. The models are large and complex, and draw upon more than 27 years of management consulting experience and expertise that I have gained from almost continuous involvement in this industry, including consulting to many leading inland barge lines as well as a number of shippers. My career as a management consultant specializing in the maritime industry, and particularly the U.S. maritime industry, is based upon factual development of intellectual capital that has been carefully created, maintained, and utilized. My livelihood is based upon the competitive advantages that I have relative to other sources of information, analysis, insight, and expertise. These competitive advantages depend on not providing other existing or potential competitors with the benefit of my 27 years of experience. In my 27 years of practice, I have sold, managed and delivered between \$50 million and \$80 million of consulting services on a wide range of topics, but a significant portion of this revenue was tied to U.S.-flag maritime transportation and inland river transportation. It is reasonable to assume that my expertise in these areas represents many millions of dollars of past revenue and many millions of dollars of potential revenue in my future career. My models are supported by related or separate insights and databases of information that collectively, along with my models, represent my expertise. If my intellectual capital is disseminated to others, the value of my future career will be impaired.

In addition, the models that I and others in this industry use must be managed by highly knowledgeable users. In the hands of another person with less understanding, experience, knowledge, and/or sensitivity a model can quickly produce misleading, erroneous or harmful results. My models are not designed to be stretched or pulled to the point of breakage by other parties but are tools with which to apply my expert knowledge and assumptions. My models are also supported by many other efforts that represent an even greater portion of my knowledge, expertise and competitive advantage. I rarely transfer models to my clients precisely because they are highly prone to misuse.

My models should not be produced for the reasons given above. In addition to those facts, the reality is that my models are not necessary to gain an understanding of the evaluation and analysis I completed for Tampa Electric. The recommended market rates are straightforward and based on bids received or the market analysis I completed. All of my work is described in detail in my testimony and final report. In my testimony and exhibit filed in Docket No. 030001-EI and to be filed in Docket No. 031033-EI, I have provided descriptions of the principles, results, and explanations of these models, as well as comparisons of the market rates with bid rates. I have answered all questions asked of me concerning these models. I have described or discussed many of the drivers of the inland and ocean modes in my report and during the deposition. During my deposition with Tampa Electric witness, Joann Wehle, I reviewed information presented to me and offered guidance on its usefulness, accuracy and limitations. I compared my model's results with bids and with Tampa Electric's current rates. I described the core return assumptions, the value of barges, and the modest returns on asset value that I assumed. The composition of rates provides further insights into the capital costs, variable costs, and fuel costs. In my report, filed as the exhibit to my testimony, I provided precise guidance as to many of the contractual terms, operational factors and elements that are the basis for the established market rates. In my report pages 8, 9, 10, 11, 12, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 68, 70, 71, 74, 75, 76, 77, and 78 provide a comprehensive description of factors, assumptions, cost structures, considerations, competitive rates, etc. The information included in my report is sufficient to provide any persons with a passing knowledge of the general transportation industry with the basis to create or modify their own straightforward model to approximate rates and evaluate whether the bids received and the rates I developed are of a reasonable order of magnitude, without the production of the models themselves.

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Brent Dibner, President Dibner Maritime Associates, LLC

ANGELA LYNN LLEWELLYN Notary Public - State of Florida My Commission Expires Mar 24, 2008 Commission # DD 101564 Bonded By National Notary Assn

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