ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Review of Tampa Electric Company's Waterborne Transportation Contract with TECO Transport and Associated Benchmark	)	DOCKET NO. 031033-EI
	)	FILED: MARCH 29, 2004

REDACTED

DIRECT TESTIMONY AND EXHIBITS

OF

ROBERT F. WHITE

ON BEHALF OF

CSX TRANSPORTATION

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY OF ROBERT F. WHITE

Q. Please state your name, address, occupation and employer.

A. My name is Robert F. White. My business address is 500 Water Street, Jacksonville, FL 32202. I am employed by CSX Transportation ("CSXT") as Logistics Manager-Business Development.

BACKGROUND AND QUALIFICATIONS

Q. Please provide a brief outline of your educational background and business experience.

A. I received a Bachelor of Science Degree in Management from The University of Baltimore in 1976. I began my career with CSXT in 1977 as a Management Trainee. I was promoted through numerous field and staff operating positions and became Director Bulk Terminals in 1985. In that capacity I was directly responsible for all of CSXT's Bulk Terminals – Newport News, VA, Baltimore, MD, Toledo, OH, and Rockport in Tampa, FL. These terminals primarily handled coal, iron ore and phosphate but a variety of other bulk materials were handled both inbound and outbound from the facilities. During peak years in my tenure, these terminals handled up to 29 million tons of bulk products. I left CSXT in 1997 to accept the position of Vice President and General Manager of Pacific Carbon Services in Los Angeles. I was hired to oversee the construction of the $160,000,000 Los Angeles Export Terminal ("LAXT") and to hire a staff to operate the LAXT. The LAXT handled both coal and pet coke for export to the

Pacific Rim. I returned to CSXT in 2002 in my current position. A copy of my resumé is attached as Exhibit ____(RFW-1).

PURPOSE OF TESTIMONY

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to present information and describe the process CSXT used to develop a comprehensive proposal to provide coal transportation service to Tampa Electric Company's ("TECO") Big Bend and Polk Stations. My testimony describes the history of CSXT's efforts to develop and present offers to TECO and to negotiate with TECO toward definitive agreements for transporting coal by rail to TECO's Big Bend Station, for use at both Big Bend and Polk Stations. My testimony describes the offers that CSXT made to TECO in October 2002 and in July 2003 for such coal transportation services, including not only the actual rail transportation services but also CSXT's proposals and offers to pay for the necessary capital infrastructure improvements necessary to enable the Big Bend and Polk Stations to receive coal by rail.

Q. Are you sponsoring any exhibits to your testimony?

A. Yes. I am sponsoring the following exhibits:

Exhibit ____(RFW-1):	Resumé of Robert F. White;
Exhibit ____(RFW-2):	CSXT's March 12, 2003 Presentation to TECO;
Exhibit ____(RFW-3):	CSXT's May 9, 2002 Proposal Presentation to TECO;
Exhibit ____(RFW-4):	CSXT's October 23, 2002 Proposal to TECO;
Exhibit ____(RFW-5):	Diagram of Facilities for Big Bend 1 to 2 MMTPY Rail Delivery Option;

Exhibit ____(RFW-6):	Diagram of Facilities for Big Bend 2 to 5.5 MMTPY Rail Delivery Option;
Exhibit ____(RFW-7):	Diagram of Facilities for Polk Station Direct Rail Delivery Option;
Exhibit ____(RFW-8):	Diagram of Facilities for Polk Shuttle Rail Delivery Option;
Exhibit ____(RFW-9):	CSXT Letters to Joann T. Wehle; and
Exhibit ____(RFW-10):	CSXT's July 30, 2003 Proposal to TECO.

SUMMARY OF TESTIMONY

Q. Please summarize your testimony.

A. CSXT for many years transported coal to TECO's Gannon Generating Station until the recent conversion of this Station to natural gas fuel; from 1996 through 2001, CSXT moved between 200,000 and 1,200,000 tons per year ("TPY") of coal to Gannon Station by rail. Throughout our longstanding business relationship with TECO, CSXT has periodically expressed to TECO our interest in providing coal-by-rail transportation service to serve part or all of the needs of TECO's Big Bend Station and TECO's Polk Power Station. Most recently, beginning in the first half of 2002, CSXT approached TECO, and attempted to negotiate with TECO, regarding the possibility of delivering coal by rail to Big Bend Station and Polk Power Station. Based upon input from TECO Fuels Department personnel at a meeting in May 2002, CSXT developed a formal proposal for both actual rail transportation service **and** for CSXT to pay for what CSXT estimated, based on preliminary engineering studies, to be the reasonable costs of all necessary infrastructure improvements to accommodate rail deliveries of coal to both Big

Bend and Polk. CSXT presented this complete written proposal to TECO on October 23, 2002.

Following repeated efforts to set up meetings with TECO to discuss CSXT's October 2002 proposal, CSXT and TECO personnel finally met in early March 2003. TECO stated that they would meet with CSXT for further discussions after they had some time to "digest" the proposal. Despite repeated efforts by CSXT to schedule such meetings, TECO never agreed to any further meetings with CSXT.

When TECO issued its RFP for waterborne transportation services in June 2003, CSXT was not initially furnished with a copy. After reading about the RFP in the trade press, CSXT requested a copy of the RFP and was furnished with a copy on July 23, 2003. Since bids were due on July 31, this left CSXT little time to prepare a bid; however, CSXT submitted a bid that was substantively identical, in terms of the rail transportation pricing proposals and the capital construction payment proposals, to the proposal that CSXT had made to TECO 9 months earlier, in October 2002. As the Commission knows, TECO rejected CSXT's bid.

CSX TRANSPORTATION

Q. Please describe CSX Transportation and its business.

A. CSX Transportation is the largest railroad in eastern North America. CSXT serves all major markets in the eastern United States and serves more ports than any other railroad. CSXT operates 144 terminals and a fleet of more than 3,500 locomotives and 100,000 freight cars. The CSXT system covers 23,400 route miles in 23 states, the District of Columbia, and two Canadian provinces. CSXT's system serves all major coal reserves in

the eastern United States, and CSXT transports approximately 125 million tons of coal per year to utilities in every reliability council region east of the Mississippi River. The first fourteen pages of Exhibit ____(RFW-2) present summary information about CSX Transportation and our coal transportation service. (This exhibit is a presentation that CSXT made to TECO in March 2003.)

Q. Is CSXT a customer of Tampa Electric Company?

A. Yes. CSXT has numerous retail customer accounts with TECO at various facilities in TECO's service area. CSXT pays TECO approximately $1 million per year for our electric service.

HISTORY OF CSXT'S EFFORTS TO PROVIDE RAIL TRANSPORTATION SERVICE TO BIG BEND AND POLK

Q. When did CSXT first approach TECO to discuss the possibility of providing coal by rail?

A. Our first meeting with TECO was on May 9, 2002 in TECO's downtown headquarters office. CSXT was represented by Mike Bullock, Tom Carollo, and myself. Mr. Bullock and Mr. Carollo are both Directors in CSXT's Coal Marketing Group. TECO was represented by Joann Wehle, Karen Bramley, and Martin Duff. Attached as Exhibit ____(RFW-3) is a copy of the presentation that CSXT made to TECO on that date. Our message was clear: CSXT believed that we could – and CSXT still believes that we can – convert a portion of TECO's coal-by-barge transportation to coal-by-rail transportation and thereby create "value" for TECO and TECO's customers. This "value" would be derived from several factors including: lower transportation cost, access to more coal

resources, decreased transit time (inventory carrying cost), fewer transfers, and less product loss.

The result of this meeting was that TECO's representatives expressed considerable interest in rail service to Polk, but were less interested in rail service to Big Bend. TECO's representatives also stated that their company was having financial issues and were looking to save money wherever possible. We left the meeting with the mutual understanding that CSXT would develop the short-term and long-term capital requirements to provide the necessary rail delivery infrastructure at Polk and Big Bend, and that CSXT would come back to TECO with a comprehensive proposal. TECO's representatives agreed to work with CSXT to provide site access and engineering drawings to CSXT.

Q. Did CSXT representatives visit Big Bend and Polk?

A. Yes. On May 21, 2002, Mr. Richard Schumann of RAS Engineering, an independent engineering firm that CSXT occasionally hires on a consulting basis, and myself visited the Polk and Big Bend sites. We were met at Polk Station in the morning and taken on a brief tour of the facility by Martin Duff. We were not introduced to any staff people at the plant nor were we given any written material about Polk Station. We toured the site with Mr. Duff and discussed several potential scenarios to serve the plant by rail. The tour of Polk Station lasted about 30 minutes.

We then followed Mr. Duff by automobile from Polk to Big Bend. We parked our vehicle outside of the plant and toured the Big Bend Station in Mr. Duff's automobile. We were not introduced to any plant personnel or given any written material about the

plant. Mr. Duff was able to answer general questions, but was not fully versed in technical specifications at the plant. We were interested in specific issues related to the infrastructure needs such as belt sizes, belt speeds, hopper size and rated capacity of the existing limestone dump pit, which CSXT was considering using as the receiving pit for rail deliveries of coal to Big Bend. At the time of the visit the tracks below the dump pit had been removed in order to lay pipe for the desalinization plant located adjacent to the Big Bend Station. We asked about plans to restore the tracks after the pipes had been laid and Mr. Duff replied that they would be restored. We left Mr. Duff after a tour of about 45 minutes and at that time requested that TECO provide "as built" drawings of the plant so that CSXT could begin its design work.

On September 6, 2002, Mike Bullock and myself met Mr. Duff at Big Bend for our second and final visit to the site. At this time, we discussed our plan to build access tracks into the facility just inside the fence and parallel to the existing road. We also pointed out that we needed to discuss this plan with TECO's engineering and operating staff to understand any issues regarding potential relocation of any visible (above-ground) facilities or underground utilities and to discuss restrictions relative to blocking internal plant rail crossings.

Q. Did you receive the requested drawings?

A. Yes, we received both Polk and Big Bend as-built drawings on June 20, 2002 from LaRae Difulgo, a TECO employee.

Q. Were you able to use these drawings to develop CSXT's rail access options and capital requirements?

A. Yes, these drawings were used primarily to determine scale. CSXT hired Richard Schumann, of RAS Engineering, on a consulting basis, to develop plans for capital improvements at both plants. CSXT also used John Milton, of CSXT's Industrial Development Department, to assist in the design and costing of tracks at Big Bend Station. Polk Station track designs were developed by Mr. Schumann and reviewed by Mr. Milton. I was also heavily involved in the track design and capital requirement development.

CSXT'S FORMAL OFFERS AND PROPOSALS TO TECO

Q. When did CSXT actually make its first formal proposal to TECO for providing coal-by-rail transportation service to TECO for the Big Bend and Polk Stations?

A. On October 23, 2002, Michael C. Bullock, Director-Utility South for CSXT, sent a letter to Joann T. Wehle, Director of TECO's Fuels Department, that set forth CSXT's proposals to provide rail transportation service for TECO's coal needs at its Big Bend and Polk Stations. In accord with TECO's express wishes, these proposals included both rail transportation pricing proposals and proposals for CSXT to pay for the reasonable costs of rail delivery infrastructure at both the Big Bend and Polk Stations. Also in accordance with TECO's express wishes, CSXT's proposals included proposals for less than half of TECO's total coal tonnage requirements. A complete copy of CSXT's October 23, 2002 proposal is included as Exhibit ____(RFW-4) to my testimony.

Q. Please describe the rail transportation pricing proposals set forth in CSXT's October 23, 2002 proposal to TECO.

A. In summary, the rail transportation pricing proposals included delivery by CSXT of coal from the MGA, West Kentucky, and Big Sandy rate districts to TECO's Big Bend Station for between [redacted] and [redacted] per ton, and to TECO's Polk Station for between [redacted] and [redacted] per ton, plus adjustments according to a rail cost index (the Rail Cost Adjustment Factor-Unadjusted) and an additional [redacted] per ton for delivery of synfuels. The proposals also provided for deliveries by truck during the construction period at a net additional cost of [redacted] per ton. The minimum and maximum tonnages per CSXT's October 23, 2002 proposal were [redacted] million tons per year ("MMTPY") and [redacted] MMTPY, respectively

Q. Please describe the CSXT capital expenditure proposals that were set forth in CSXT's October 23, 2002 proposal to TECO.

A. CSXT's October 23, 2002 proposal stated the following:

> CSXT will provide funding for capital enhancements that will enable TECO to receive unit trains of coal at the Big Bend and Polk Plants subject to CSXT Board approval.
>
> Big Bend – improvements to include upgrade to the existing railcar dumping system, construction of a new truck dump for limestone, additional trackage, additional conveyance system and a radial stacker.
>
> Polk – improvements to include a rail loop track, dumping system, additional covered storage and required conveyance systems. CSXT has the right to withdraw our proposal if funding and or the specified timeframe exceeds the agreed upon terms. The total capital required to complete the enhancements to both plants is estimated to not exceed [redacted] MM.

Q. Is it standard practice for CSXT or any other railroad company to make such offers to pay for the costs of rail delivery infrastructure at their customers' facilities?

A. No. However, while this is not standard practice, it is not unprecedented.

Q. Why then did CSXT make this offer or proposal to TECO in this instance?

A. The primary reason was that TECO asked CSXT to do so, explaining that TECO did not believe that it had sufficient available capital to fund the necessary capital improvements to accommodate rail delivery of coal at its Big Bend and Polk Stations. On CSXT's part, we are always seeking ways to provide value to and for our customers. In this instance, upon careful evaluation, we felt that it was a sound business decision for CSXT to make this investment.

Q. How were the capital costs, which CSXT proposed to pay to install the needed rail delivery infrastructure at Big Bend and Polk, developed?

A. Capital costs were developed by analyzing the available equipment, land and operating requirements to conceptualize a variety of options to serve Big Bend and Polk by rail. These conceptual ideas were then developed into several operating options. We developed the following two options for the Big Bend Station:

Option 1 - Big Bend - 1 to 2 MMTPY Build-In Option:

This option contemplated the construction of tracks, conveyors, and a stacking system that would provide the necessary infrastructure to accommodate 1 to 2 MM ton–of in-bound coal per year. This option also included the construction of a system to allow

for the reclaiming of coal (from the coal pile) and loading of shuttle trains traveling from Big Bend to Polk. These costs are detailed as follows:

Table 1.
Option 1 - Big Bend 1-2 MMTPY Option
(Standard Coal Hoppers)

System rated at 1500 TPH	[redacted]
Modify Limestone Pit	
Long Conveyor	
Transfer Station	
Short Conveyor	
Three 45 car tracks	
200' Radial Stacker	
Truck Dump and conveyor	
Total	
Equipment to load shuttle trains	
Reclaim Hopper w/ feed to batch silo	
250 ton batch silo	
New 45 car track	
Total	
Grand Total	[redacted]

A diagram depicting this Big Bend Option 1 is attached hereto as Exhibit ____(RFW-5) and incorporated herein.

Option 2 - Big Bend 2 to 5.5 MMTPY Build-In Option:

This option contemplated the construction of infrastructure that would allow the Big Bend Station to receive up to 5.5MM tons of coal per year. This design layout included a rapid discharge system capable of unloading a 90-car unit train in 4 hours. The costs associated with this option are detailed as follows.

Table 2.

Option 2 - Big Bend 2-5.5MMTPY Option
(Rapid Discharge Cars)

System rated at 2500 TPH	
Rapid Discharge System	[redacted]
Long Conveyor 3300 ft.	
Short conveyor 500 ft.	
Transfer Station	
Three 45 car tracks	
Truck Dump and conveyor	
Total	
Equipment to load shuttle trains	
Conveyors and Transfer station	[redacted]
250 ton batch silo	
New 45 car track	
Total	
Grand Total	

A diagram depicting this Big Bend Option 2 is attached hereto as Exhibit ____(RFW-6) and incorporated herein.

We also developed the following two options to serve the Polk Station:

Option 1 - Polk Station Direct Rail Build-In Option:

This option provided the necessary infrastructure to allow the Polk Station to receive 90-car unit trains direct. It included a new track connection to the plant, a loop track, a rotary dumper, a new 15,000-ton dome, and conveyors connecting to the existing silos. We also considered a second scenario that included a "bottom dump" unloading system with a slower conveyor system. The costs of these two scenarios are detailed in the following table:

Table 3.
Option 1 - Tampa Electric - Polk Direct Rail Delivery
Build-In Option

Item	Cost
Scenario # 1 Rotary dump at Plant	
Loop Track	
Rotary Dumper w/conveyor to silo 2500 TPH	
New 15,000 ton dome	
Total	[redacted]
Scenario # 2 Bottom dump at Plant	
Loop Track	
Bottom dump w/conveyor to silo 1500 TPH	
New 15,000 ton dome	
Total	

A diagram depicting this Polk Station Option 1 is attached hereto as Exhibit ____(RFW-7) and incorporated herein.

Option 2 -- Polk Shuttle Option

This option contemplated the addition of 2,500 feet of track to allow the receipt of 35 car shuttle trains from Big Bend, a rotary dump system, and a new conveyor to the existing silos. The costs of this option are detailed in the following table.

Table 4.
Option 2 -- Polk Shuttle Option
Shuttle Train Unloading System

Bottom dump w/conveyor to silos 1500 TPH	
2500' of track @ $200 per foot	[redacted]
Total	

A diagram depicting this Polk Shuttle Option 2 is attached hereto as Exhibit ____(RFW-8).

Q. Did you submit these capital cost calculations to TECO?

A. Yes, there were submitted to TECO along with the rate proposal that CSXT submitted to TECO on October 23, 2002.

Q. Did CSXT meet with TECO to discuss the proposal?

A. Yes, eventually. As noted above, CSXT submitted its proposal on October 23, 2002, along with a cover letter requesting a meeting to discuss the proposal. TECO stated that it needed time to digest the proposal before setting up a meeting. We repeatedly attempted to arrange a meeting in November 2002. In early December, CSXT was told that Joann Wehle's schedule was not open until after the first of the year. During the first week of January 2003, CSXT was told that a meeting was not possible until the end of January 2003. After several more attempts to get TECO to commit to a meeting date, TECO finally agreed to a meeting date of March 12, 2003.

Q. Who attended this meeting and what was presented?

A. The meeting was attended by Hugh Smith, (Vice President, Fuels), Joann Wehle, Karen Bramley, and Martin Duff, on behalf of TECO, and Vic Saunier (Vice President, Coal), Michael Sullivan (Assistant Vice President, Utility South Coal), Mike Bullock (Director, Utility South Coal), and Robert White (Logistics Manager, Business Development), on behalf of CSXT.

As part of the CSXT presentation, we provided a general description of CSXT's structure and discussed the focus that coal transportation receives at CSXT. We also discussed CSXT's access to coal reserves and provided a general description of CSXT's major coal routes serving the southeastern utility coal market. After the general overview, we reviewed CSXT's October 23, 2002 proposal in detail. CSXT's presentation materials have previously been identified as Exhibit ____(RFW-2), and CSXT's October 23, 2002 written proposal has previously been identified as Exhibit ____(RFW-4).

We provided 2' X 3' Poster boards depicting our proposed capital improvements at Big Bend and Polk Stations. We also gave a detailed description of the capital improvements and a description of how the plants would be served by rail. We reviewed the proposed rates and expressed our eagerness to provide rail service to TECO. During the presentation we requested a ground level meeting at both Big Bend and Polk Stations to meet with the TECO engineering and operating departments to better understand any physical constraints and logistics issues. Hugh Smith agreed that these meetings would take place after TECO had time to digest the proposal.

Q. Did these ground level meetings take place?

A. No. Despite numerous telephone messages to Joann Wehle, CSXT was never contacted to set up these meetings and frankly, we were ignored. CSXT also sent written requests to Ms. Wehle dated March 21, 2003, June 13, 2003, July 11, 2003, and July 16, 2003. The letters to Ms. Wehle are attached hereto as Exhibit ____(RFW-9).

Q. When did CSXT first learn of TECO's June 2003 solicitation for coal transportation services?

A. CSXT first learned of TECO's June 2003 solicitation (the "RFP") when Michael Bullock saw an article discussing the RFP in the Coal Transportation Report on July 16, 2003.

Q. Was CSXT on the list of bidders to whom TECO sent the RFP?

A. No.

Q. How did CSXT obtain a bid package?

A. Mike Sullivan requested a bid package by contacting Hugh Smith of TECO by telephone. Mike Bullock then followed the telephone request with a written request dated July 16, 2003.

Q. Please summarize CSXT's response to TECO's June 2003 RFP.

A. CSXT's submitted its proposal in response to TECO's June 2003 RFP on July 30, 2003. A copy of CSXT's proposal is included as Exhibit ____(RFW-10) to my testimony. CSXT's proposal was substantially the same as the proposal that we made to TECO in October 2002. CSXT's July 2003 proposal did include several more origin points for coal, but the basic pricing for the MGA, West Kentucky, and Big Sandy rate districts was identical. Additionally, CSXT's July 2003 proposal included both a 1 to 2 MMTPY option and a 2 to 5.5 MMTPY option; in other words, we reduced the minimum tonnage that we would transport for TECO, while still paying for what we estimated to be the entire reasonable cost of necessary rail infrastructure to accommodate deliveries of 1

MMTPY, and we also offered and proposed to provide all of TECO's coal transportation needs, up to 5.5 MMTPY, by rail. Our July 2003 proposal included a [redacted] volume discount that would apply to [redacted] shipped from CSXT direct rail origin points.

Q. Were the capital cost proposals submitted to TECO on October 23, 2002 consistent with the capital cost proposals submitted to TECO in the final bid package on July 30, 2003?

A. Yes, the costs remained the same, but we eliminated the need for CSXT Board approval in our July 2003 proposal. Instead, we established fixed estimates, based on preliminary engineering estimates, which estimates themselves included contingency allowances, and then proposed to TECO that we would pay up to an additional 20 percent above these estimates. In addition, CSXT proposed that if the final capital costs were less than estimated, CSXT would pay TECO the difference between 80% of actual costs and 100% of our estimates. This money was to be used exclusively for upgrades to existing material handling systems at Polk and/or Big Bend.

Q. Were the rates submitted to TECO in the final bid package sent to Martin Duff of TECO on July 30, 2003 the same as the rates submitted to TECO in CSXT's October 23, 2002 written proposal?

A. Yes, the rates submitted in the final bid package delivered on July 30, 2003 were identical to the rates offered in CSXT's October 23, 2002 written proposal. As noted above, we did identify several additional origin points for coal in our July 2003 proposal,

and our July 2003 proposal contained a volume discount proposal that went beyond what our October 2002 proposal offered, but the basic pricing for delivery of coal from the MGA, West Kentucky, and Big Sandy rate districts remained identical to the pricing in our October 2002 proposal.

Q. What, if anything, happened next?

A. In August and September of 2003, CSXT attempted to follow up with TECO, in the normal course of business, by corresponding with TECO to ask if they needed any additional information, offering to answer any questions that TECO might have, and similar follow-up efforts. We received perfunctory replies from TECO, until, on September 25, 2003, we received formal notification that TECO had not selected CSXT's proposals for award or further negotiations. We subsequently learned that TECO had decided to award all of its coal transportation business to its affiliate, TECO Transport.

Q. Is CSXT still willing and able to provide coal-by-rail transportation services to TECO pursuant to its bid submitted in July 2003?

A. Yes. CSXT remains ready, willing, and able to provide coal-by-rail transportation services to Tampa Electric Company in accord with the terms of our July 30, 2003 proposal. CSXT also remains convinced that our service will provide substantial value to TECO and TECO's customers.

Q. Does this conclude your direct testimony?

A. Yes.

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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: MARCH 29, 2004

EXHIBITS

OF

ROBERT F. WHITE

ON BEHALF OF

CSX TRANSPORTATION

ROBERT WHITE

201 Azalea Point Drive South
Ponte Vedra Beach, FL 32082

OBJECTIVE

To continue a successful management career which provides opportunity to create an atmosphere promoting team building and unity with a focus on providing safe, efficient, quality service to customers.

EXPERIENCE

CSX Transportation **2002 – Present**

Logistics Manager – Business Development

Reports to Assistant Vice President Coal

- Develop opportunities for CSXT to participate in new coal transportation service
- Develop infrastructure plans that allow CSXT to provide service to non rail receivers
- Analyze Utility South logistical issues and recommend solutions
- Assist Utility customers with internal logistical issues and develop solutions
- Deliver revenue goals for target accounts

Daily responsibilities include: Development of opportunities to participate in new rail business, participate in customer conference calls to address logistical issues, organize and direct consultants in development plans and engineering studies, organize internal teams to address service issues, daily customer interaction regarding service issues

Fed Ex Home Delivery **1999 - 2002**

Senior Manager, Regional Office, Irvine, CA

Reports to Western Regional Manager

- Orchestrated start-up terminal (Irvine) for new division of Fed Ex
- Regional Quality Team Leader/Trainer
- Cultivated team approach
- Developed Managers, both Assistants promoted to Terminal Managers in less than one year
- ISO 9002 Certified

Daily responsibilities include: Assembly and reporting of daily production statistics, manage staff of 41 people, including three managers, to ensure attainment of daily production goals, analyze reports to ensure timely and accurate data reporting, P&L responsibility, weekly interaction with sales representatives and participation in sales calls, daily customer interaction (recipient of six Blue Ribbon Awards for outstanding customer service)

Kinder Morgan Bulk Terminals **1999**

Consultant, Pier IX Terminal, Newport News, VA

Reported to Vice President of Operations

- Hired to review all aspects of Terminal Operations, Transportation and Marketing and to implement changes that positively impact the bottom line
- Reduced the workforce from 48 to 41 employees and reduced overtime, for a net annual savings in excess of $350K
- Facilitated changes in the Railroad transportation contract
- Changed accounting procedures to more accurately capture and segregate costs and instituted new reporting procedures
- Made numerous marketing contacts and stimulated activities which will lead to growth
- Identified and justified capital improvement projects in excess of $1M
- Reported activities weekly to Company Vice President
- Prepared and distributed Monthly Operating Report outlining achievements at the Terminal

Pacific Carbon Services **1997 - 1999**

VP and General Manager, Los Angeles, CA
Reported to Vice President of Operations

- Responsible for the daily operations, engineering, and maintenance of the new Los Angeles Export Terminal
- Hired and managed staff of 54 employees to operate and maintain the facility
- Cultivated and produced a team approach to operations and maintenance emphasizing cross-training
- Successfully built a non-union team in a strong union environment
- Responsible for Terminal P&L
- Managed daily and long term logistics of trains, trucks, and vessels
- Exceeded annual operating budget goals in the first two years of operation, despite a 20% shortfall in tonnage
- Maintained a perfect safety record

Daily responsibilities included: Reporting of production statistics, interaction with customers regarding scheduling and operational planning of trucks, trains and vessels, management of staff to ensure attainment of short and long term goals, tactical and strategic planning, management of daily operating budget (a unique system which captured all costs daily)

CSX Transportation **1977 – 1997**

Director Interline Service Scheduling, Jacksonville, FL
Reported to Vice President of Service Design

- Developed interline train plans (service agreements) with partner railroads
- Cultivated relationships with partner railroads to provide reliable, seamless service to customers
- Established measurements to ensure compliance with joint line train plans
- Developed system to create, store, and distribute Interline Service Agreements among all North American Railroads

Daily responsibilities included: coordinating with Service Design Department, field operations and partner railroad representatives to develop interline train plans, customer interaction to ensure that plans met or exceeded customer requirements, consistently exceeded goal of two interline service agreements per month.

Director Coal Operations, Jacksonville, FL
Reported to Vice President of Operations Center

- Responsible for daily planning and logistics of coal, coke and iron ore on the CSXT network
- Directly supervised 21 managers involved in the daily delivery of rail services to the largest commodity group
- Responsible for tactical and strategic planning of the coal network
- Direct customer contact for service-related issues
- Developed Coal Transportation Workstation to facilitate daily management of resources

Daily responsibilities included: management of the entire fleet of open top hoppers (in excess of 35,000 rail cars), compilation and reporting of daily performance statistics, directed 21 managers to ensure that rail car load per month goals were consistently met or exceeded, constant contact with customers to ensure that their expectations were met, coordinated with Sales and Marketing Department to develop new business opportunities

Director Bulk Terminals (Sales and Marketing Dept.) Baltimore, MD/Jacksonville, FL
Reported to Vice President of Coal Marketing

- Responsible for daily operations, engineering, and maintenance of three bulk-handling facilities with a total annual volume of 26 million tons
- Managed up to 350 employees including 21 management positions
- Led marketing efforts to increase tonnage levels and develop new markets at each facility
- Responsible for long-term planning and capital improvements
- Chief labor contract negotiator with International Longshoremen's Association
- Reduced employees by 30% due to effective labor negotiations

- Improved safety performance dramatically, including an unprecedented zero injury rate for a full year
- Consistently operated within the operating budget
- Instituted numerous programs to improve logistical performance of trains, trucks and vessels
- Chairman of Ore and Coal Exchange, an organization which coordinated the movement of all lake cargo between the North American railroads and the vessel owners
- Member of Corporate Safety Steering Committee

Daily responsibilities included: management of three World Class export facilities, compiled statistics and analyzed trends, ensured that terminals remained focused on short and long term goals, interacted with major customers to ensure that their expectations were met or exceeded, met with customers to develop business opportunities, communicated with Ore and Coal exchange to ensure customer satisfaction, coordinated daily train movements with Operations Center

EDUCATION

University of Baltimore, Baltimore, MD **1972 – 1976**

- Bachelor of Science Degree, Management

CSXT & Coal

March 12, 2003

EXHIBIT NO. ____ (RFW-2)
ROBERT F. WHITE - CSXT
DOCKET NO. 031033-EI
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CSX TRANSPORTATION

CSX Transportation

The Largest Railroad in Eastern North America

Serves all major markets in the eastern United States, and more ports than any other railroad

Operates 144 terminals

Covers 23,400 route miles in 23 states, the District of Columbia, and two Canadian Provinces

Operates a fleet of over 3,500 locomotives and 100,000 freight cars

Employs 35,000 dedicated individuals

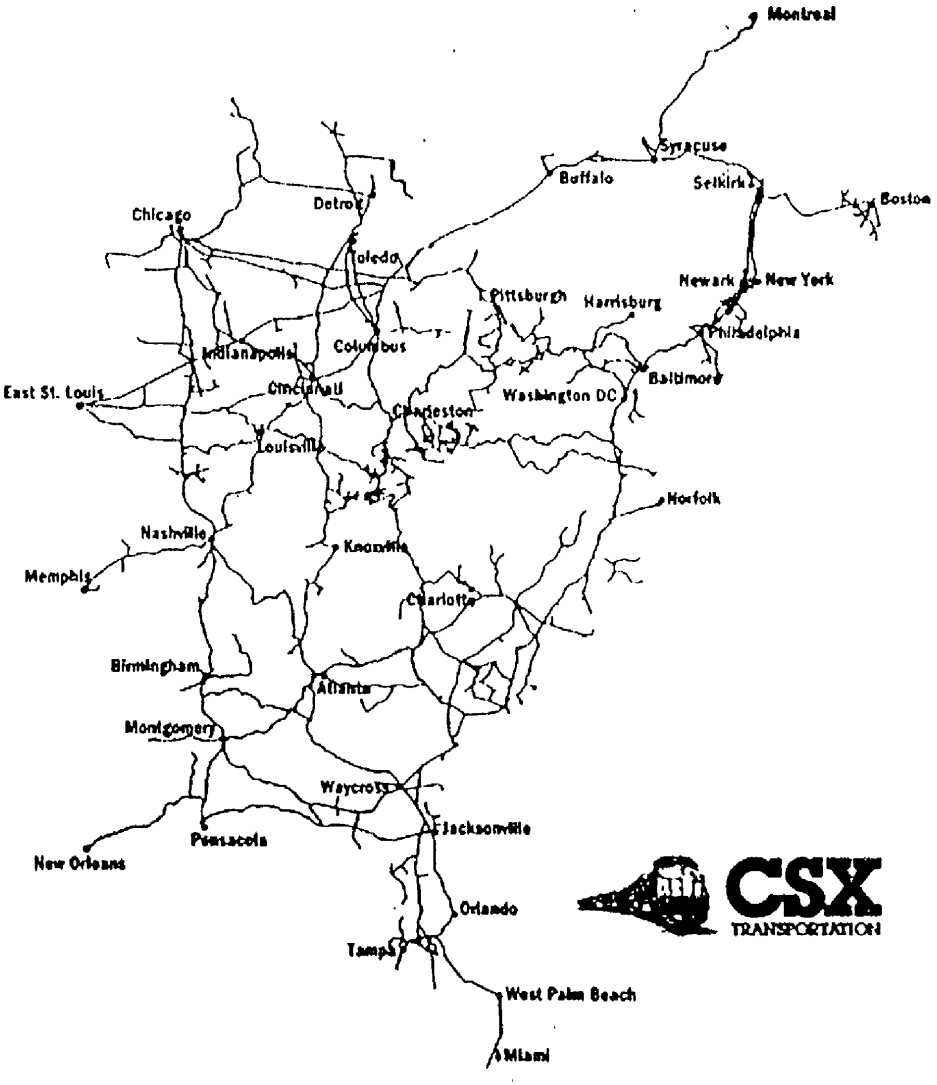
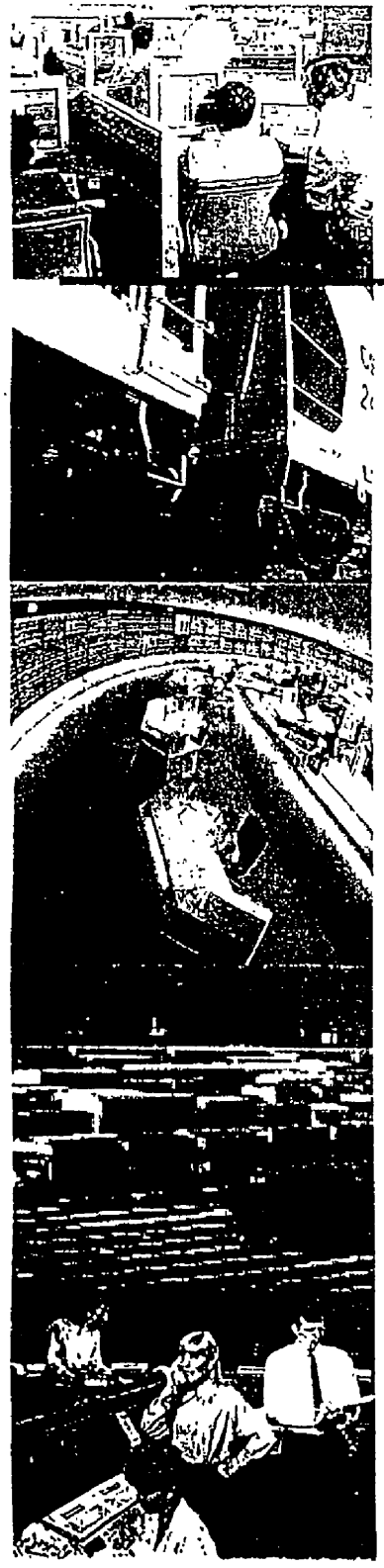


EXHIBIT NO. ____ (RFW-2)
ROBERT F. WHITE - CSXT
DOCKET NO. 031033-EI
PAGE 2 OF 23

CSX TRANSPORTATION



A review of our core ideology...

- **Vision:**
  - **To be the safest, most progressive North American railroad, relentless in the pursuit of customer and employee excellence**

- **Purpose:**
  - **To capitalize on the efficiency of rail transportation to serve America**

- **Core Values:**
  - **It starts with the customer**
  - **People make the difference**
  - **Safety is a way of life**
  - **Fact - based**
  - **Right results; right way**

EXHIBIT NO. ____ (RFW-2)
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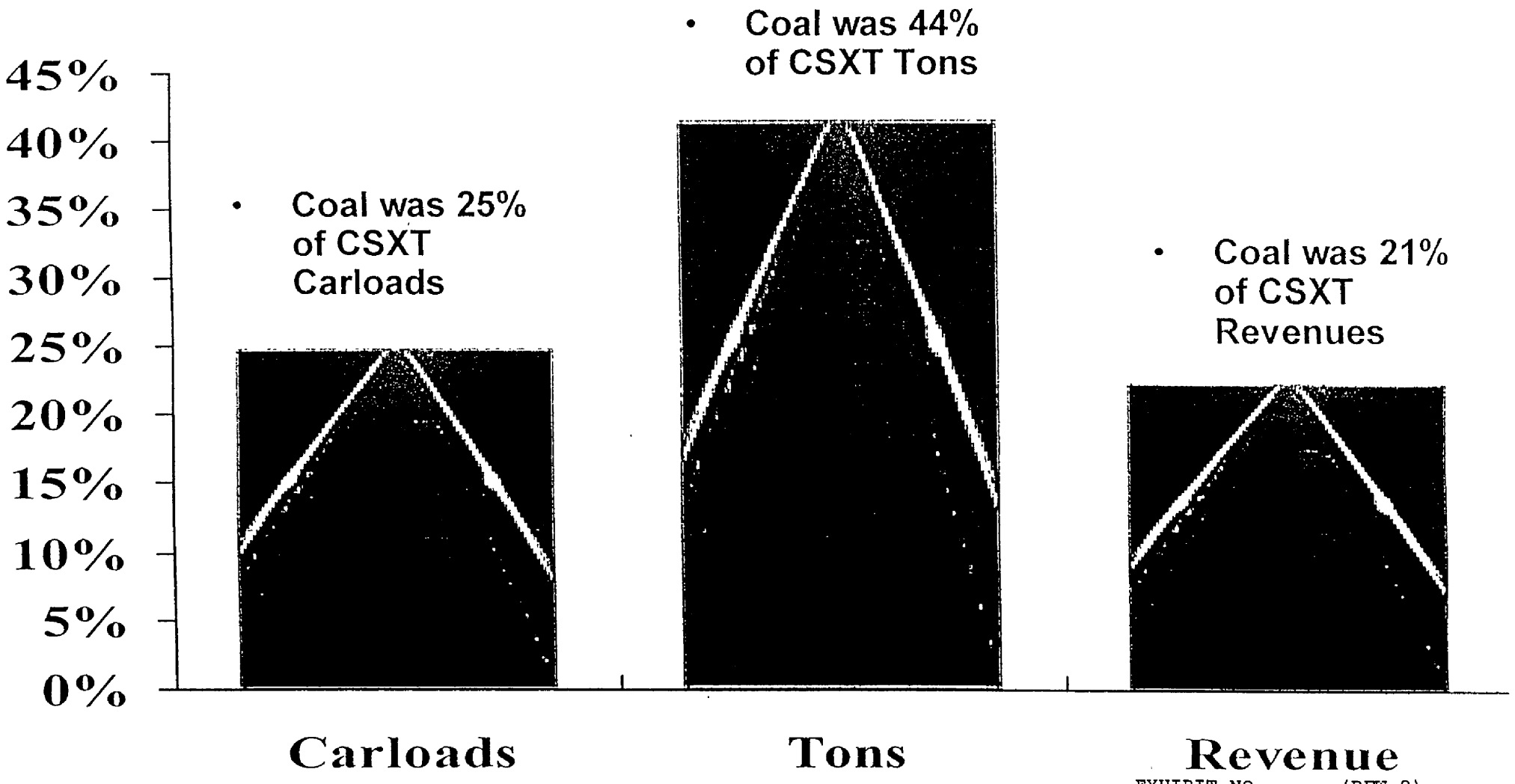
Coal is CSXT's backbone



Source: AAR March 2002

CSX TRANSPORTATION

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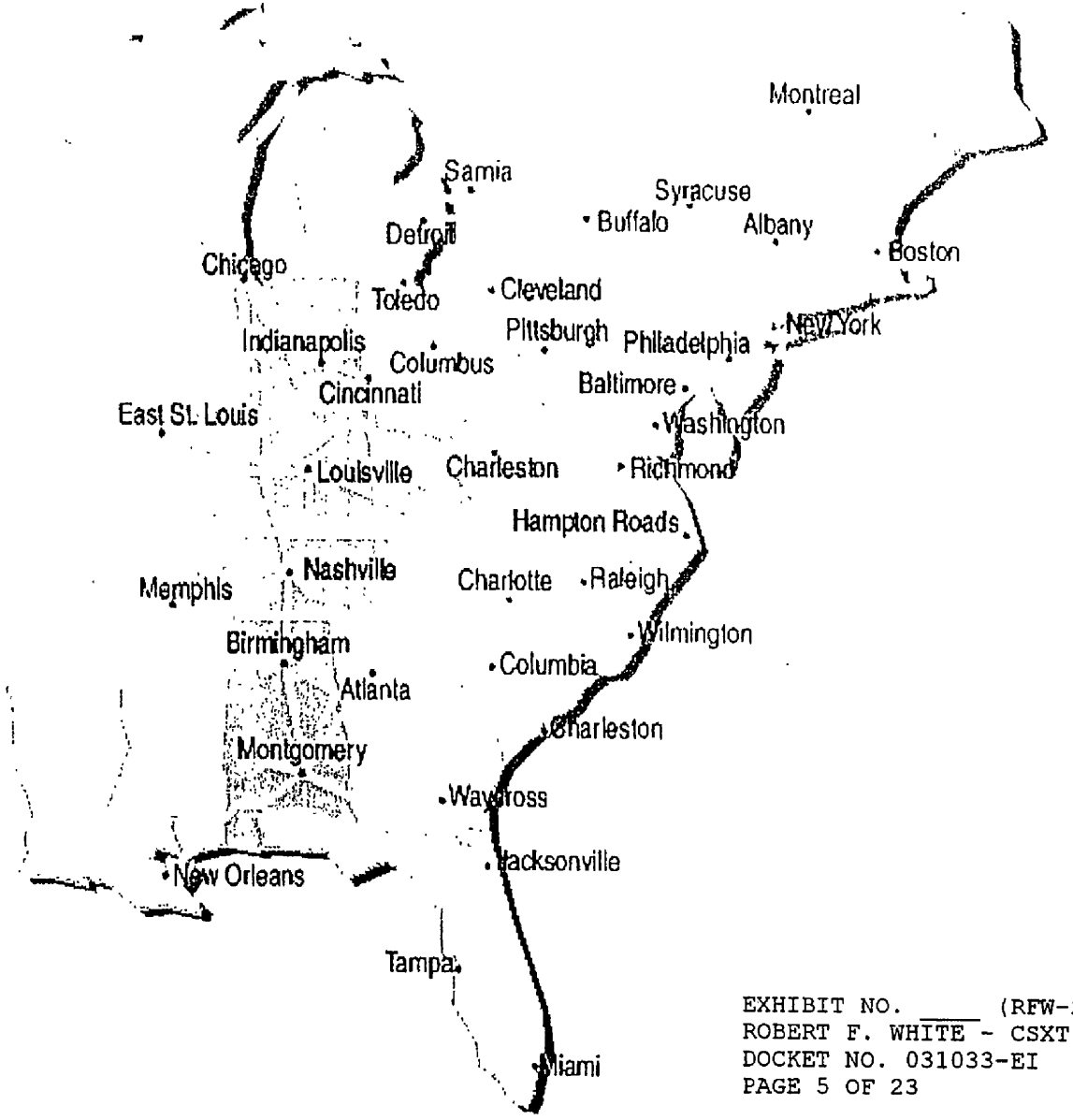
CSXT serves all of the major Eastern Coal reserves

- CSX serves reserves in all the states highlighted in gray



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ROBERT F. WHITE - CSXT
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CSX TRANSPORTATION

CSXT's Coal geography has remained virtually constant 1991 thru 2000

- **CSXT has maintained its large coal field infrastructure to the benefit of consumers**
  - » **C&O/LN/SBD/Clinchfield/B&O largely unchanged during the decade**
- **Steam coal prices on CSXT continue to be reported as lower than other Eastern CAPP RR's**
- **CSXT continues to work with coal producers to develop, increase efficiencies and expand coal loadings on CSXT**

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ROBERT F. WHITE - CSXT
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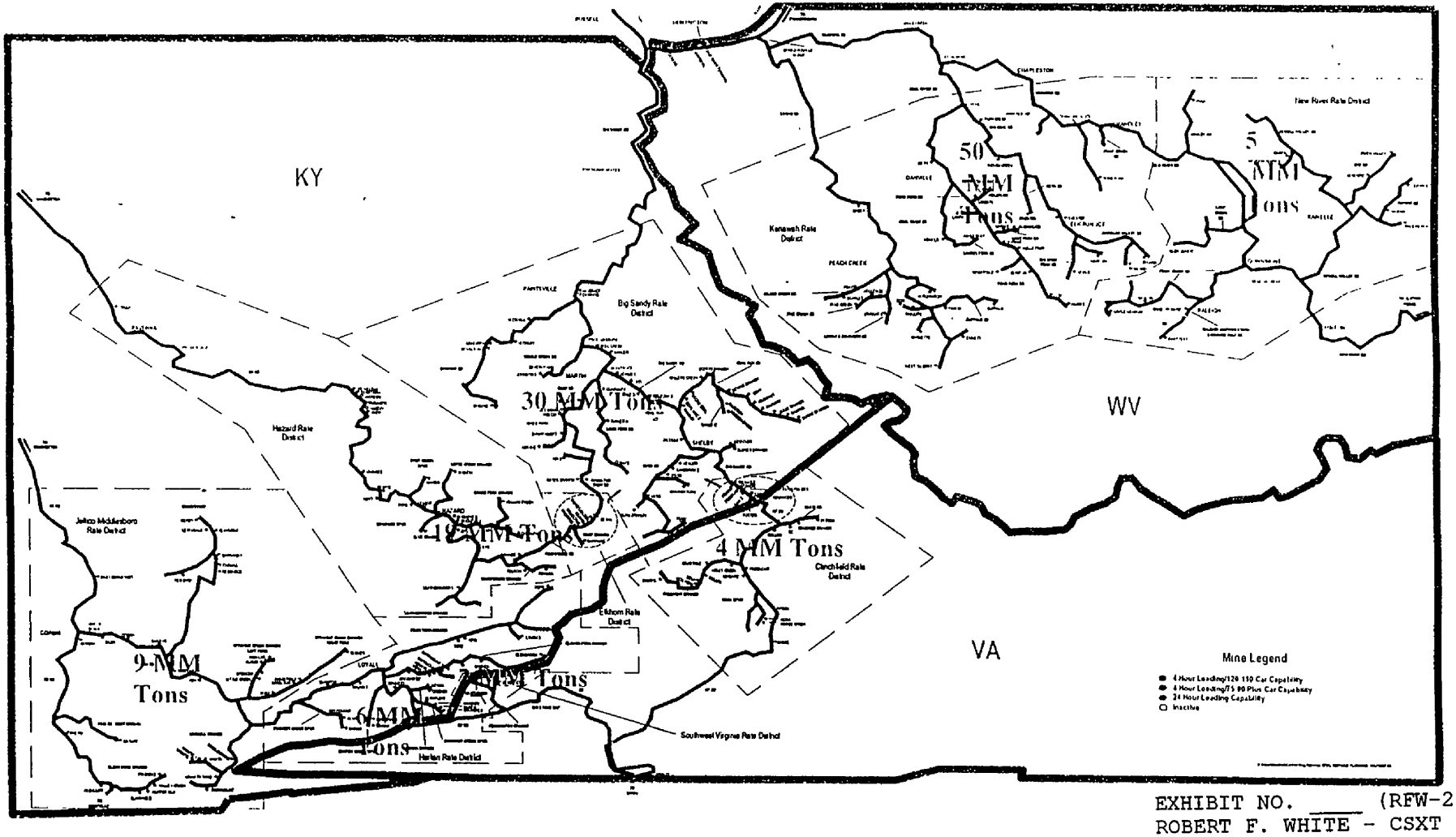
CSX TRANSPORTATION

Roughly 3/4 th's of CSXT originated coal is former C&O/LN CAPP origins

- The consolidation and merger of Chessie and Seaboard has provided southeast buyers with the opportunity to source cheaper coals



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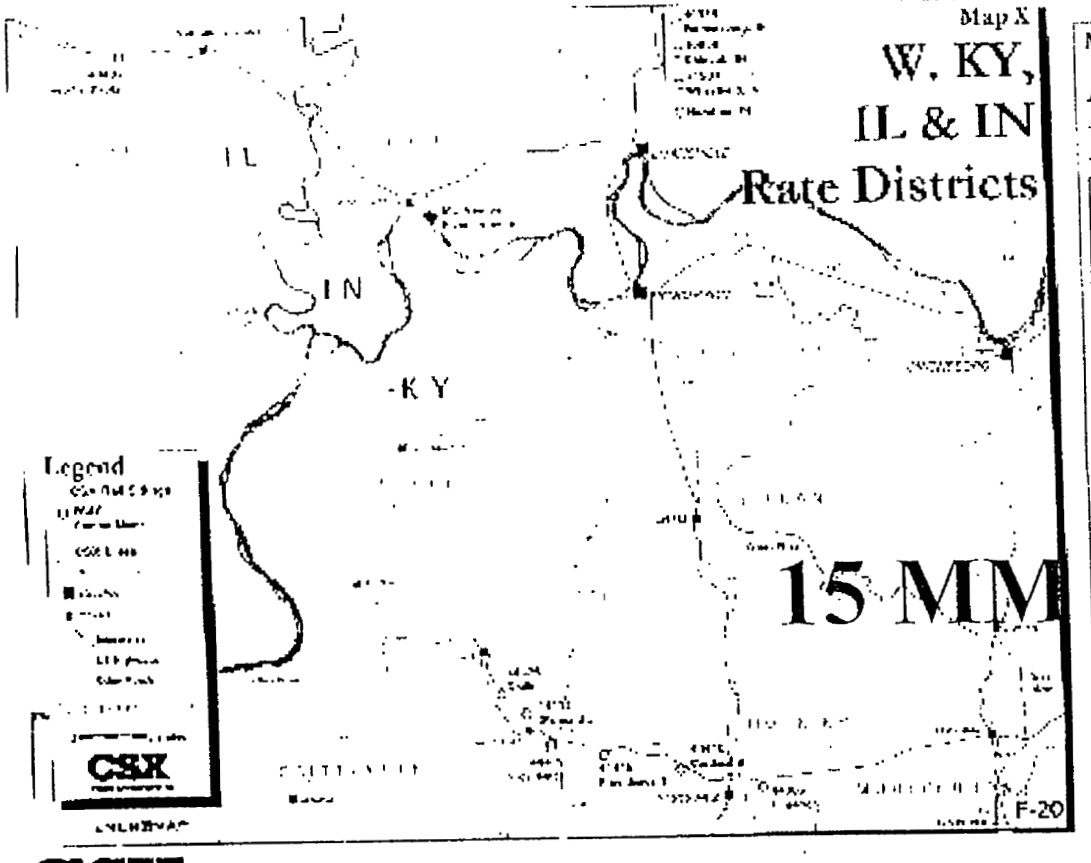
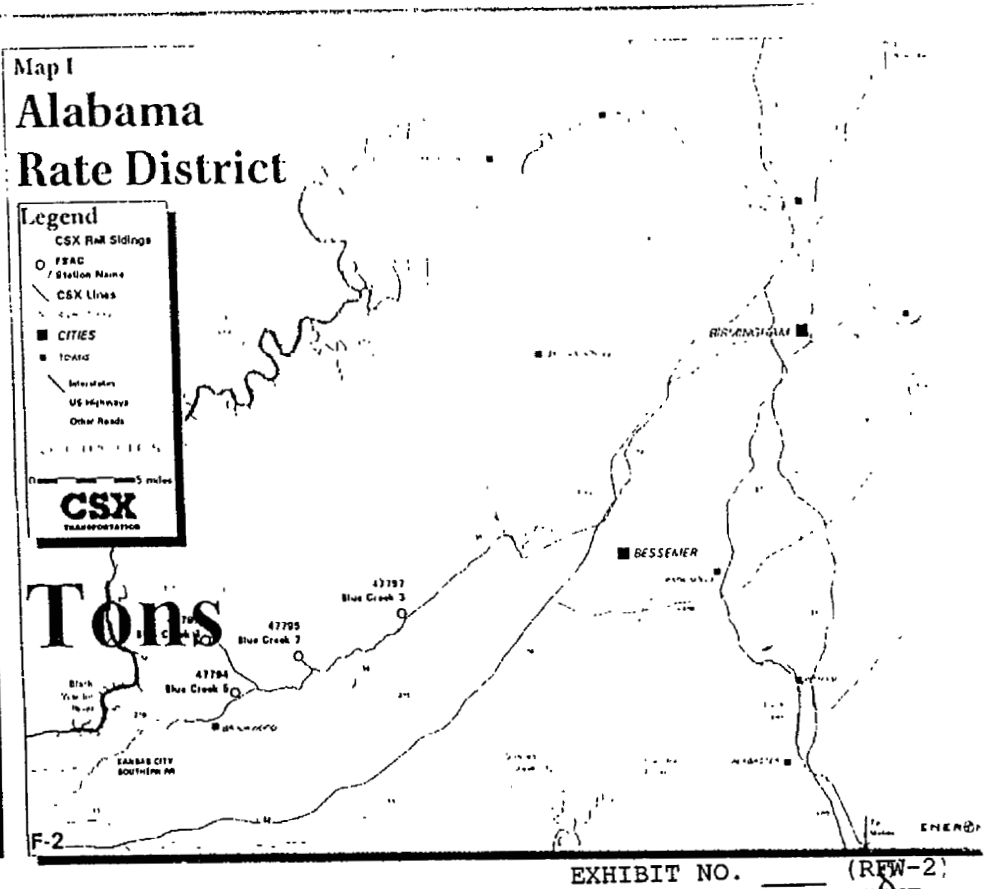
CSX TRANSPORTATION

West Kentucky and Alabama origins account for 9% of CSXT loadings





CSX TRANSPORTATION

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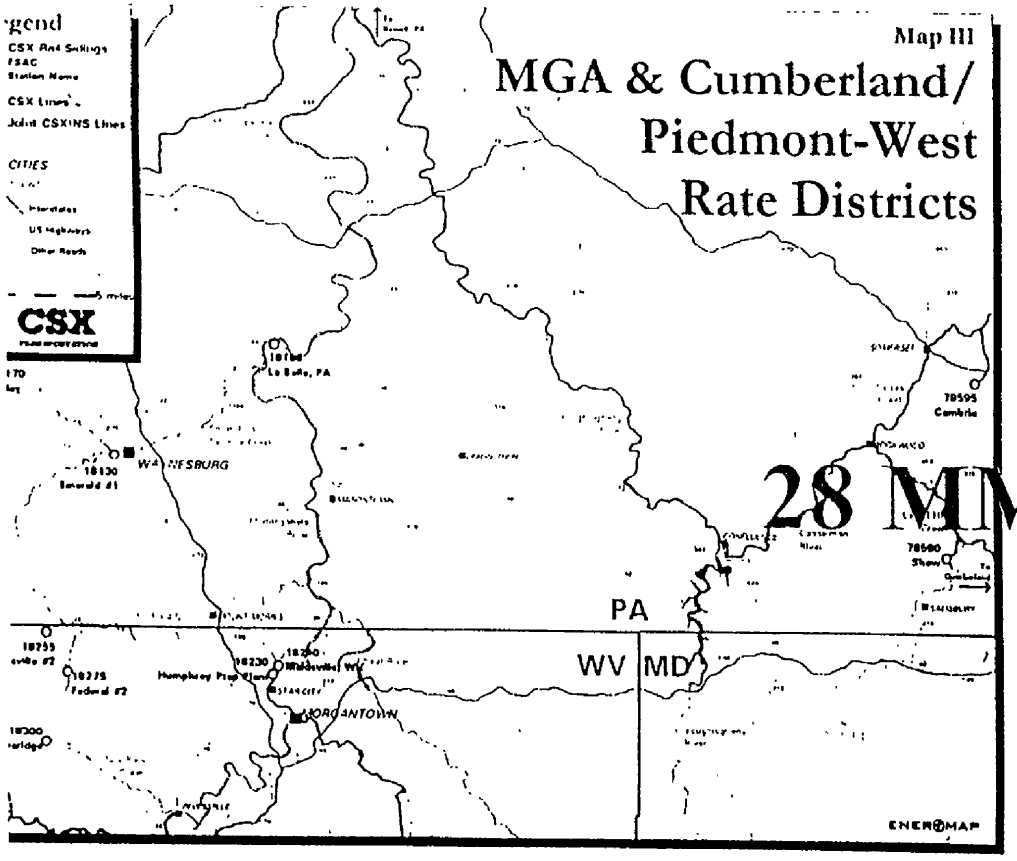
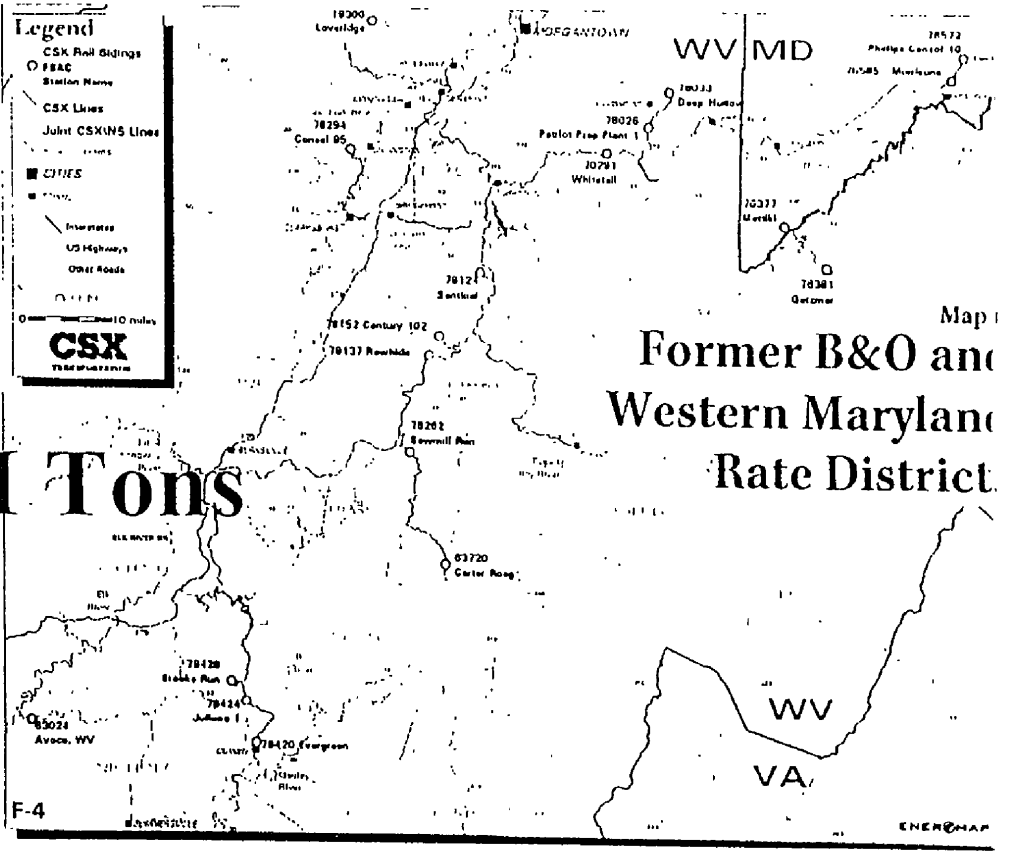
MGA and former B&O districts account for 17 % of CSXT loadings



28 MM Tons



CSX TRANSPORTATION

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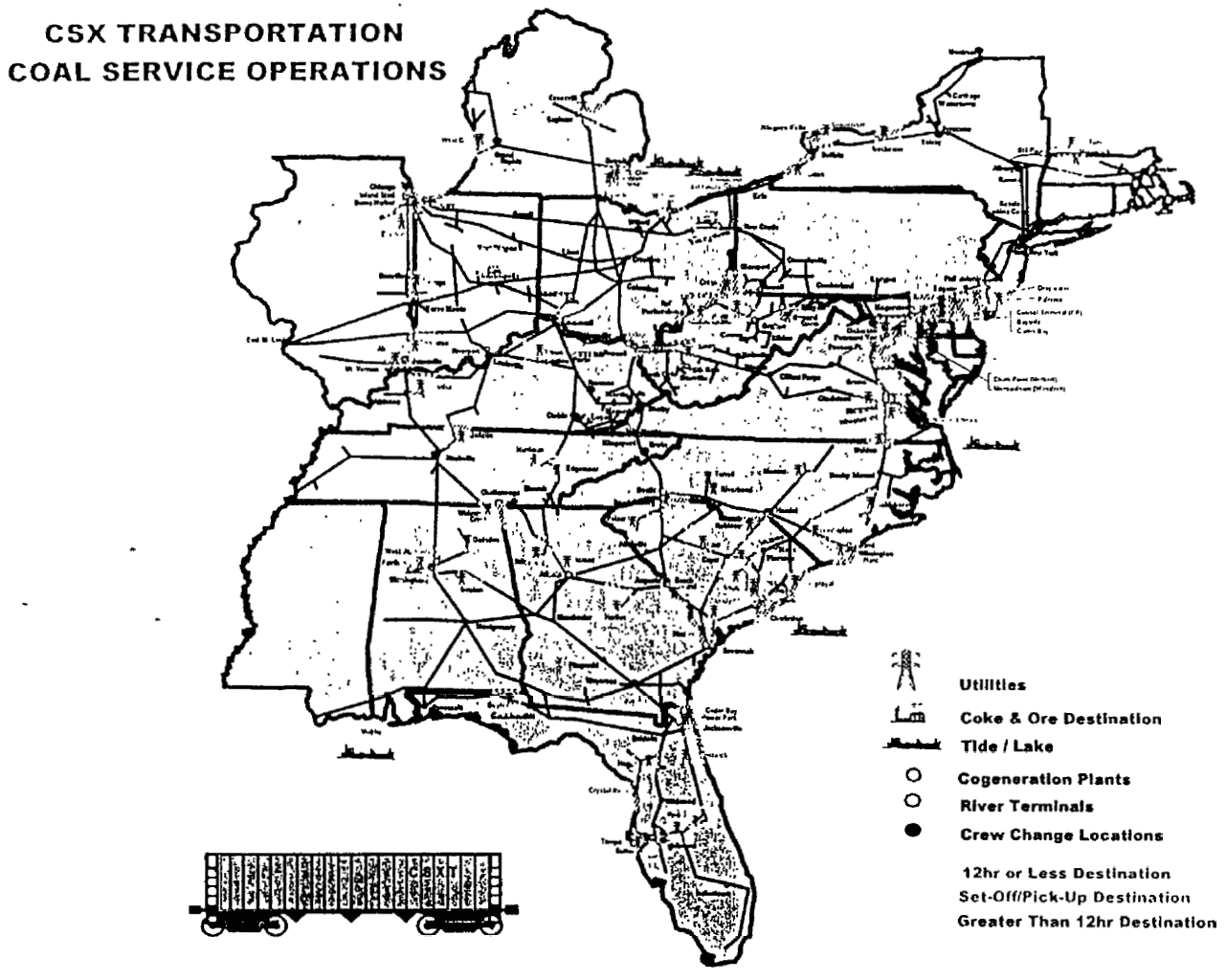
CSXT delivers coal throughout its system



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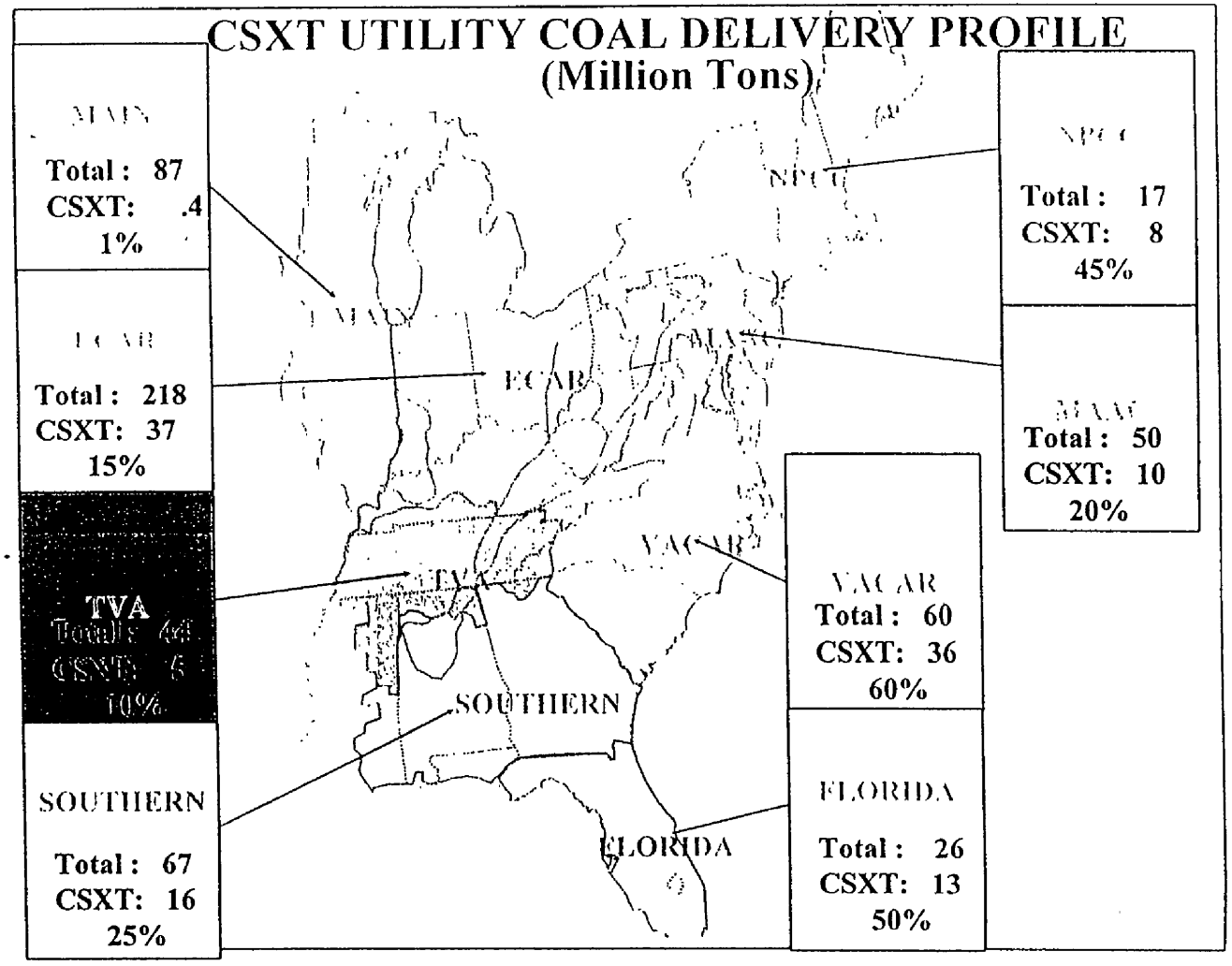
CSX TRANSPORTATION

CSXT has a presence in each of the NERC regions East of the Mississippi



CSX TRANSPORTATION

EXHIBIT NO. ____ (RFW-2)
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CSXT owns and operates a fleet of 28,000 coal cars

- **Of the total 100,000 rail cars owned by CSXT 28 % are coal cars**
- **CSXT owned cars provide 45-50 % of all loadings on CSXT**
- **Coal bottom drops, rotary tubs and coal tubs make up the coal fleet**

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CSX TRANSPORTATION

CSXT owns and operates a fleet of over 3,500 locomotives

- **CSXT's locomotive fleet purchases are AC powered technology**
- **CSXT operates many of the AC units in coal service on CSXT**
- **CSXT typically utilizes two AC locomotives per 90 car train with helper service in strategic locations**

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ROBERT F. WHITE - CSXT
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CSX TRANSPORTATION

CSXT has created value for its customer base through improved service

Service levels in 2002 exceed any short term performance period post-Staggers.

Q1 2002 Improvements

Service continues to improve

Category	Measurement	First Quarter 2001	First Quarter 2002	Percent Improvement
Car Inventory	Cars-on-Line	245,313	233,584	4.8%
Crews	Recrews	29	22	24.1%
Locomotives	Setback Hours	53	11	79.2%
Locomotives	# of Locomotives Deployed	3,830	3,791	1.0%
Velocity	Velocity - All Trains	21.3	23.0	8.0%
Yard/Terminal	Terminal Dwell	26.5	23.4	11.7%
Yard/Terminal	On-time Originations (+2hrs.)	84.5%	91.4%	8.2%
Yard/Terminal	On-time Destination Arrivals	72.0%	81.0%	12.5%

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ROBERT F. WHITE - CSXT
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CSX TRANSPORTATION

TAMPA ELECTRIC - CSXT

MEETING

MARCH 12, 2003

EXHIBIT NO. ____ (RFW-2)
ROBERT F. WHITE - CSXT
DOCKET NO. 031033-EI
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OPPORTUNITY OVERVIEW

PROJECT OBJECTIVE:

Create value for Tampa Electric by establishing rail infrastructure at Big Bend and Polk providing lower transportation costs and alternatives to the current water mode.

TECO BENEFITS IN USING CSXT

- TRANSPORTATION
  - Expand competitive options via rail
  - Decrease TECO exposure to increased fuel prices for barge and truck deliveries
  - Increased coal source competition
  - Decreased transit time- Inventory Carrying Cost
  - Fewer transfers resulting in less degradation and loss
  - Single invoice option - F.O.B. Delivered
- COAL SOURCING
  - Access to CSXT coal origins: MGA, C&O, Illinois, Kentucky
  - Broader range of coal qualities

EXHIBIT NO. ____ (RFW-2)
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CSXT's UNDERSTANDING OF TECO'S CURRENT COMMITMENT

- Restructuring activities to accommodate cost reductions
- Integrated coal gasification combined cycle IGCC at Polk "Monetizing the Gasifier"
- SO2 emissions reduction at Big Bend
- Transportation commitment through 2003
- Purchased primary coal requirements through 2003

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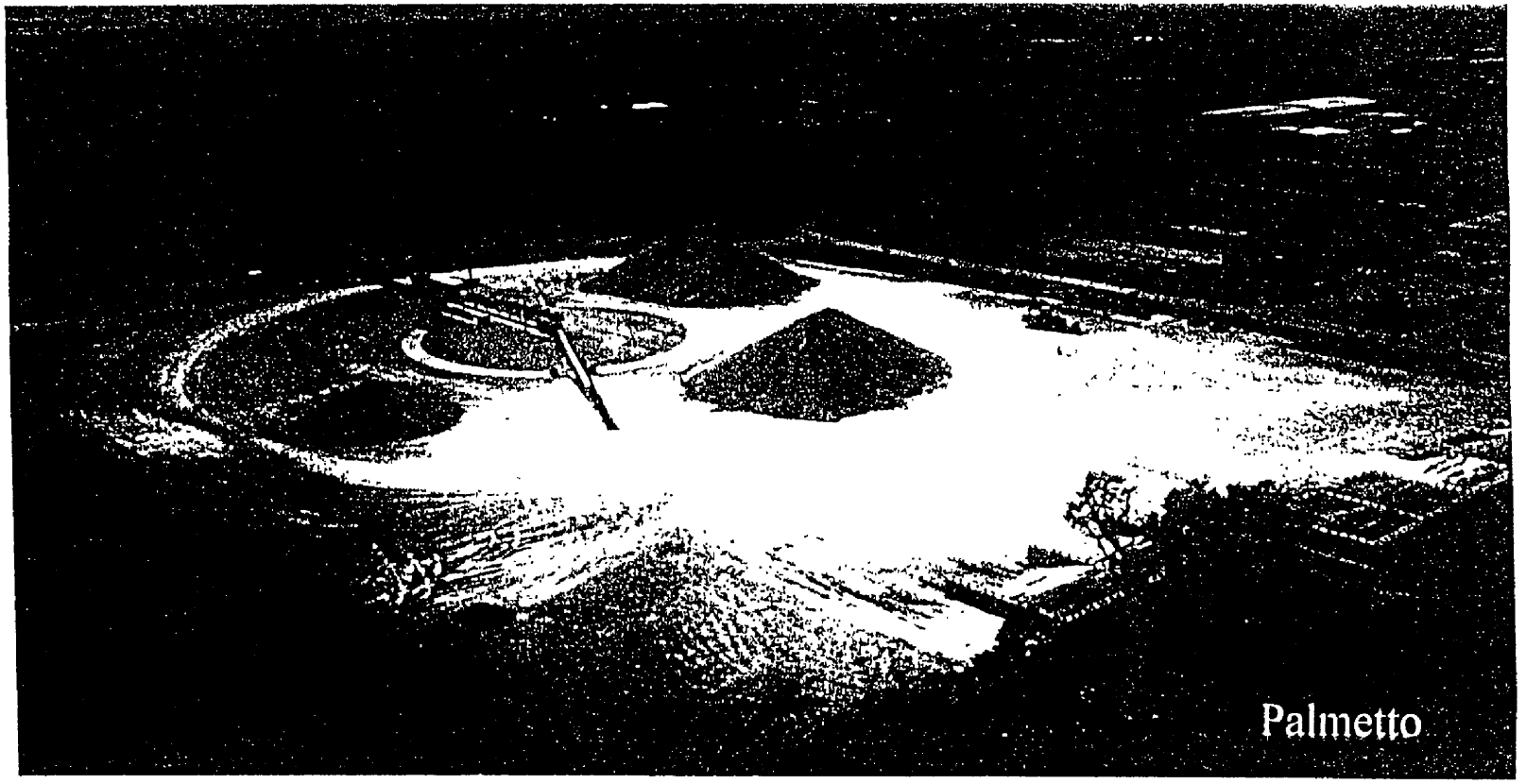
PLANT INFRASTRUCTURE NEEDS

- Long-Term
  - CSXT- Rail access, dumper, conveyor system
- Possible Short-Term or Contingency Period
  - Conrad Yelvington / CSXT
    - Construction / Operating / Investment

CONTINGENCY PERIOD

- CSXT will utilize Conrad-Yelvington's Distribution Facilities for the Rail to Truck transfer for final delivery to both plants



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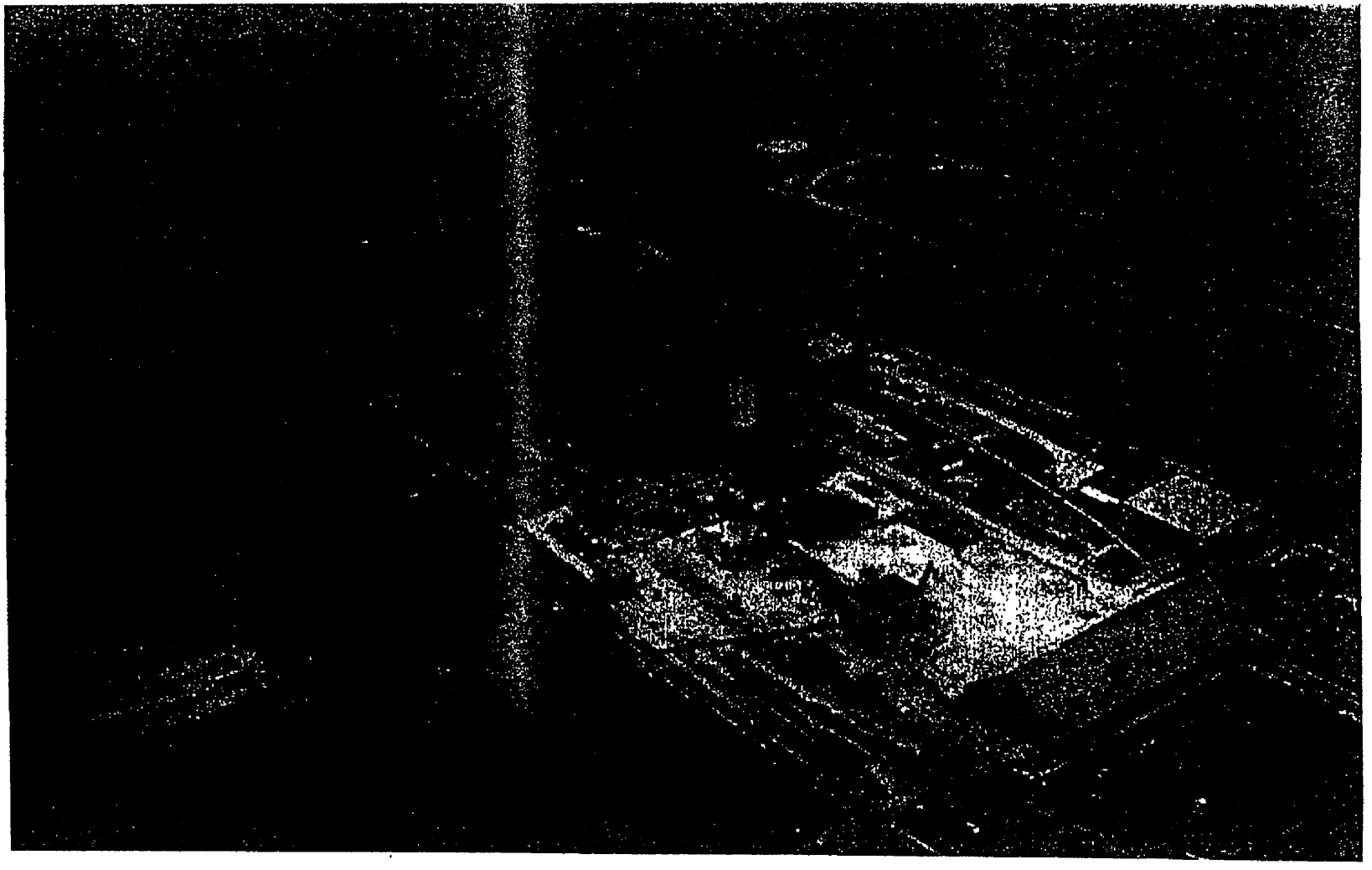
LONG TERM REQUIREMENT FOR CAPITAL IMPROVEMENTS

- CSXT is prepared to provide capital funding:
  - Big Bend: upgrade to the existing railcar dumping system, construction of a new truck dump for limestone, additional trackage, additional conveyance system and a radial stacker
  - Polk: improvements to include a rail loop track, dumping system, additional covered storage and required conveyance systems.

BIG BEND MODIFICATIONS



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Next Steps

- Feedback
  - Determine TECO economic target and coal sourcing needs
  - CSXT's proposal- indicative of CSXT offer and TECO's needs
- Timing
  - Agree on project timeline and milestones
- Engineering Plans
  - Work with Teco's engineering group to provide a more detailed outline of plant requirements
- Test Shipments
  - Secure several test shipments prior to start-up

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TAMPA ELECTRIC - CSXT

MEETING

MAY 9th, 2002

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ROBERT F. WHITE - CSXT
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OPPORTUNITY OVERVIEW

PROJECT DESCRIPTION:

Develop CSXT competitive rail option to Tampa Electric –Big Bend/Polk for Modal Conversion from current water mode. Create competitive "value" for Tampa Electric.

TAMPA ELECTRIC AND CSXT HAVE A LONG HISTORY OF DOING BUSINESS

BUT TONS HAVE DECLINED:

YEAR	TONS
1996	1,186,801
1997	951,341
1998	811,916
1999	506,199
2000	213,011
2001	382,224
2002	-

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ROBERT F. WHITE - CSXT
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CSXT HAS SEVERAL OBJECTIVES IN WORKING WITH TAMPA ELECTRIC

- Modal Conversion from current water and truck modes to rail
- Short-Term - Develop CSXT/Truck Transfer to Big Bend, Gannon, and Polk plants as well as barge transfer option through CSXT Rockport
- Long-Term - Develop CSXT direct rail option to Big Bend and Polk plants
- Potential volume of 0.5 MM to 1.5 MM tons in 2003/04
- Test shipments targeted for 3Q 2002
- Bottom Line- Create value for Tampa Electric
  - Earn revenue growth for CSXT

EXHIBIT NO. ____ (RFW-3)
ROBERT F. WHITE - CSXT
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FOR TECO THERE ARE SEVERAL DERIVED BENEFITS IN USING CSXT

- TRANSPORTATION
  - Expand competitive options via rail
  - Lower cost
  - Access to CSXT coal origins: MGA, C&O, Illinois, Kentucky
  - Decreased transit time- Inventory Carrying Cost
  - Fewer transfers
  - Less product loss
- COAL SOURCING
  - Increased coal source competition
  - Broader range of coal qualities
  - Single invoice option - F.O.B. Delivered

FOR TECO THERE ARE SEVERAL DERIVED BENEFITS IN USING CSXT

- PLANT INFRASTRUCTURE
  - Rail access, Dumper, conveyor system
  - Potential for capital contribution from CSXT & Coal Company
  - CSXT logistics and engineering assistance
    - Project Manager-Logistics
    - RAS Engineering
  - Conrad Yelvington / CSXT / Coal Company
    - Construction / Operating / Investment
- OTHER
  - Scrubber limestone via CSXT

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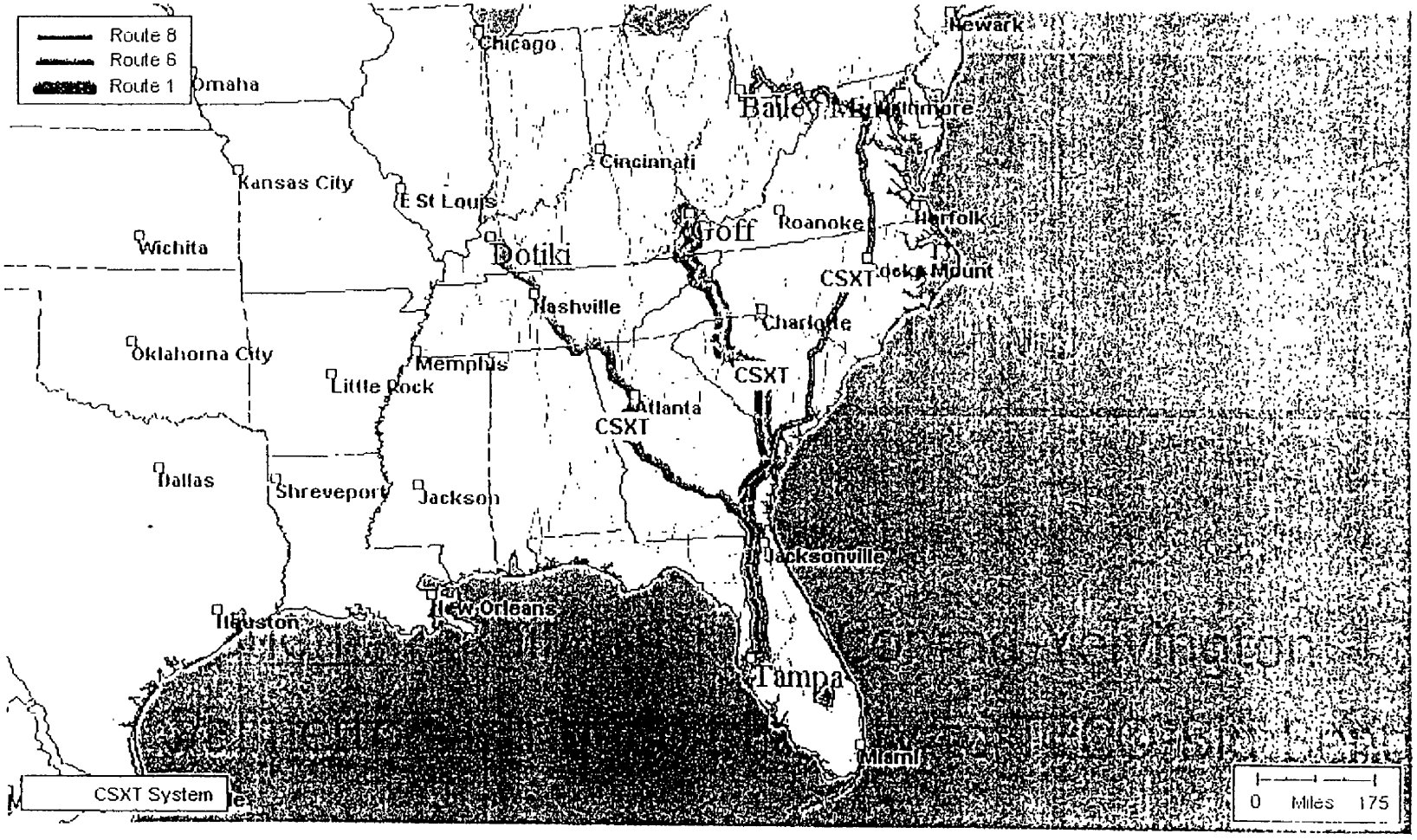
TAMPA ELECTRIC HAS SEVERAL COAL SUPPLY OPTIONS VIA CSXT



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SHORT TERM OPTIONS

- Short-term
  - Option A: Rail/Truck via Conrad-Yelvington Palmetto Distribution Facility to TECO-Big Bend, Gannon, Polk
  - Option B: Rail/Barge via Rockport to Big Bend, Gannon

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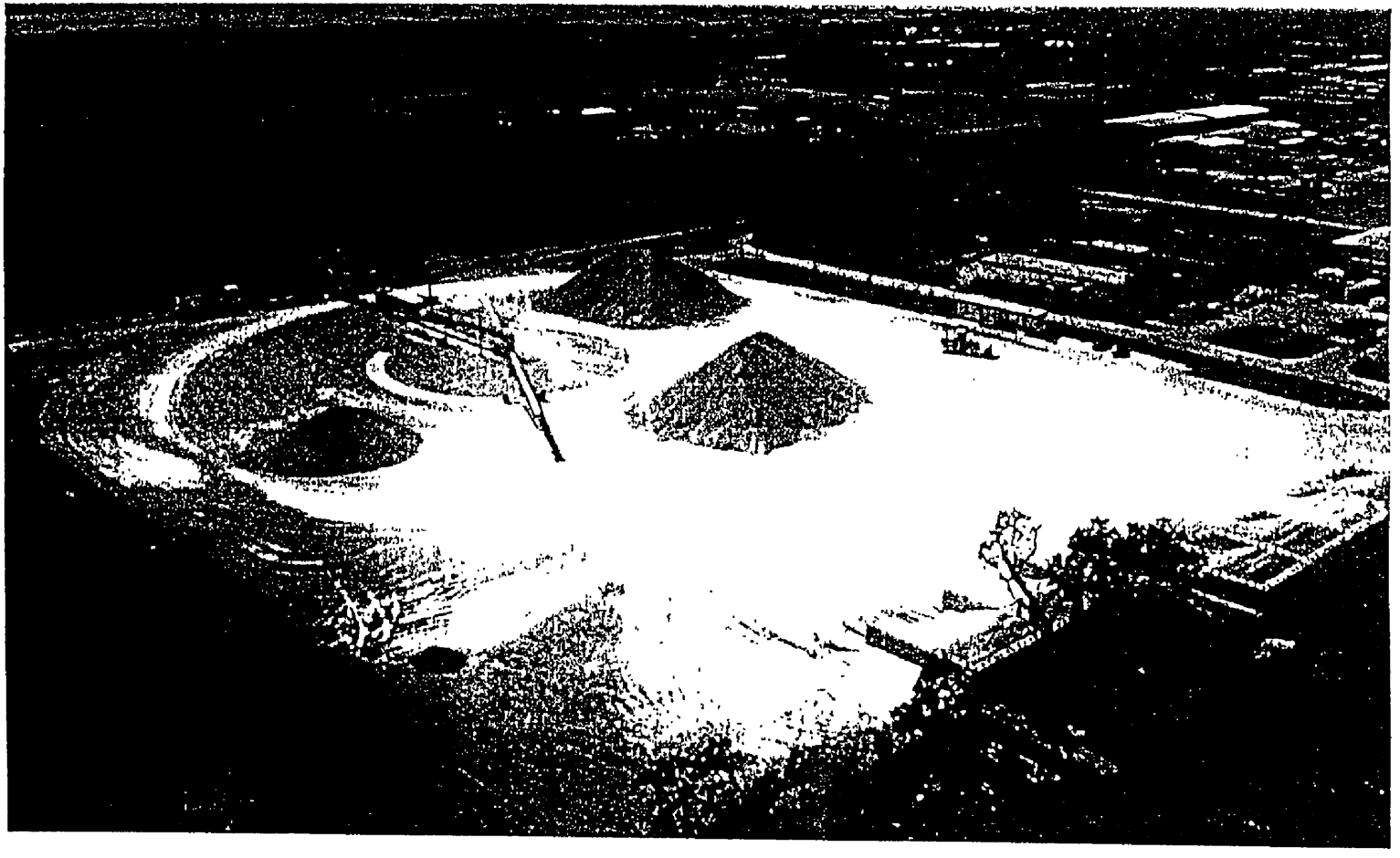
CONRAD YELVINGTON-PALMETTO YARD



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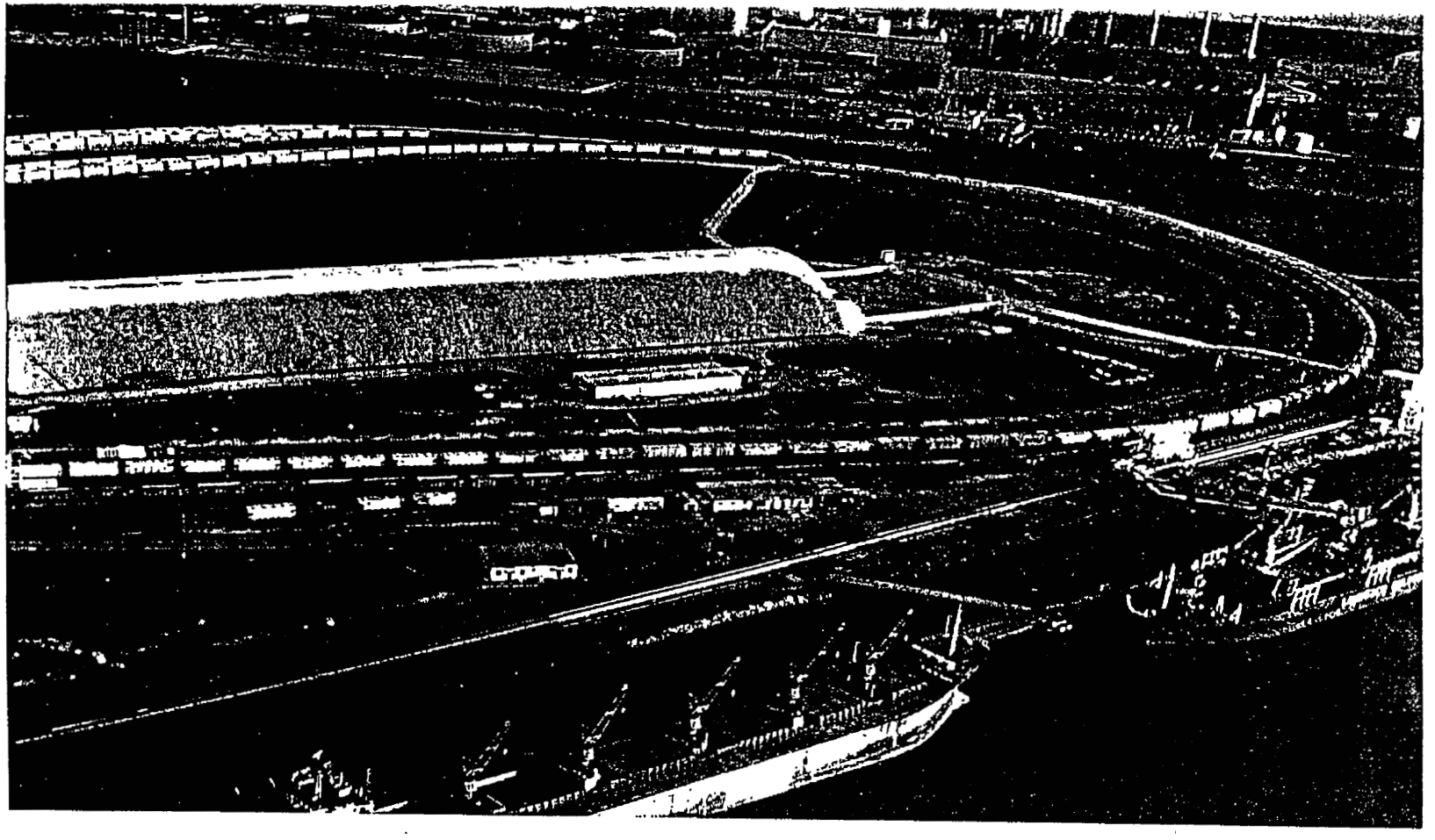
CSXT's ROCKPORT TERMINAL



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ROBERT F. WHITE - CSXT
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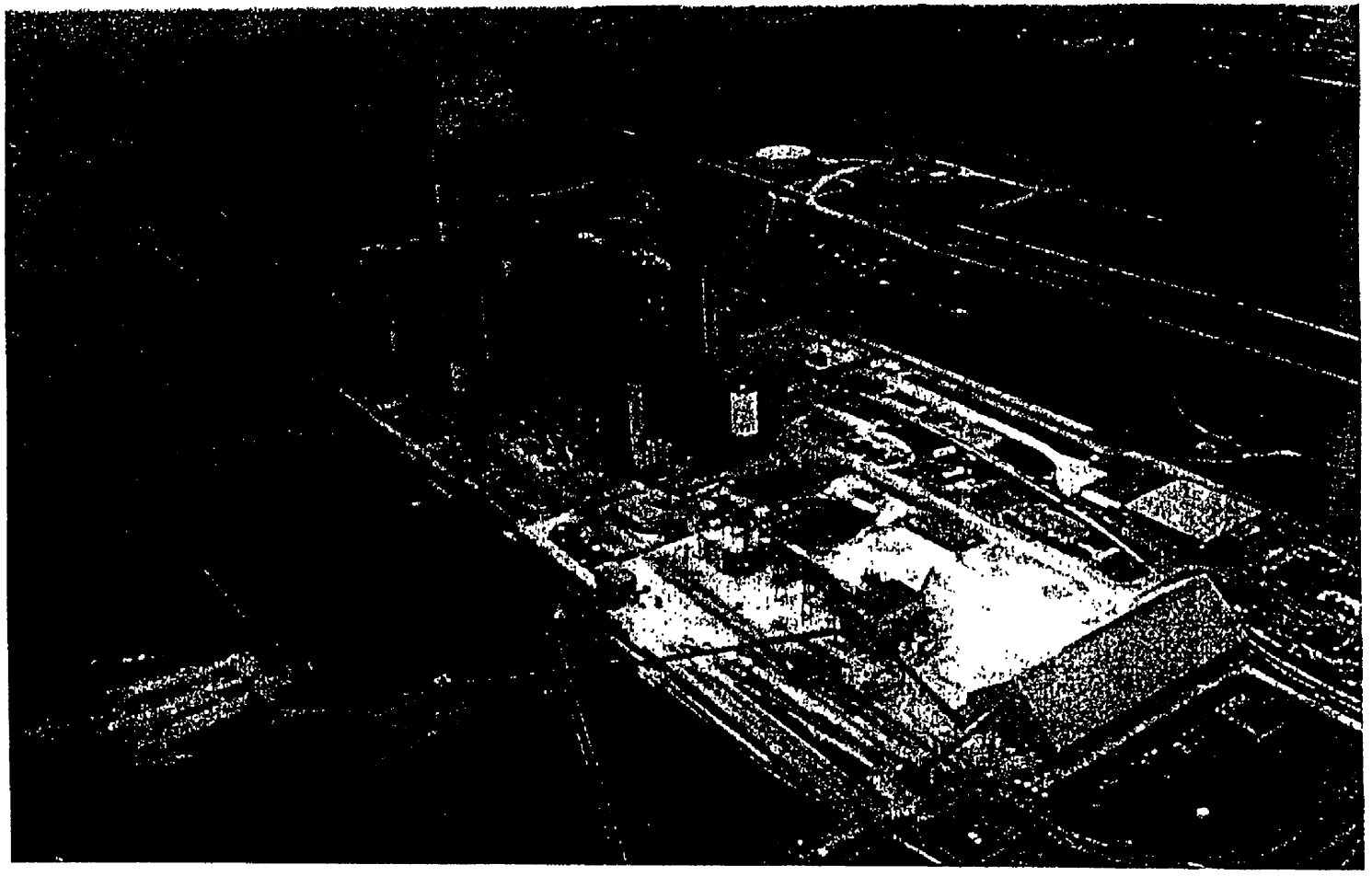
LONG TERM OPTIONS

- Long-term
  - Option A: Rail build-in to Big Bend and Polk
  - Option B: Short haul rail Big Bend to Polk
  - Option C: Develop rail/truck with Brewster Yard (CSXT) and Conrad Yelvington

TAMPA ELECTRIC- BIG BEND PLANT



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VIEW OF TAMPA ELECTRIC'S POLK PLANT FROM BREWSTER YARD

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ROBERT F. WHITE - CSXT
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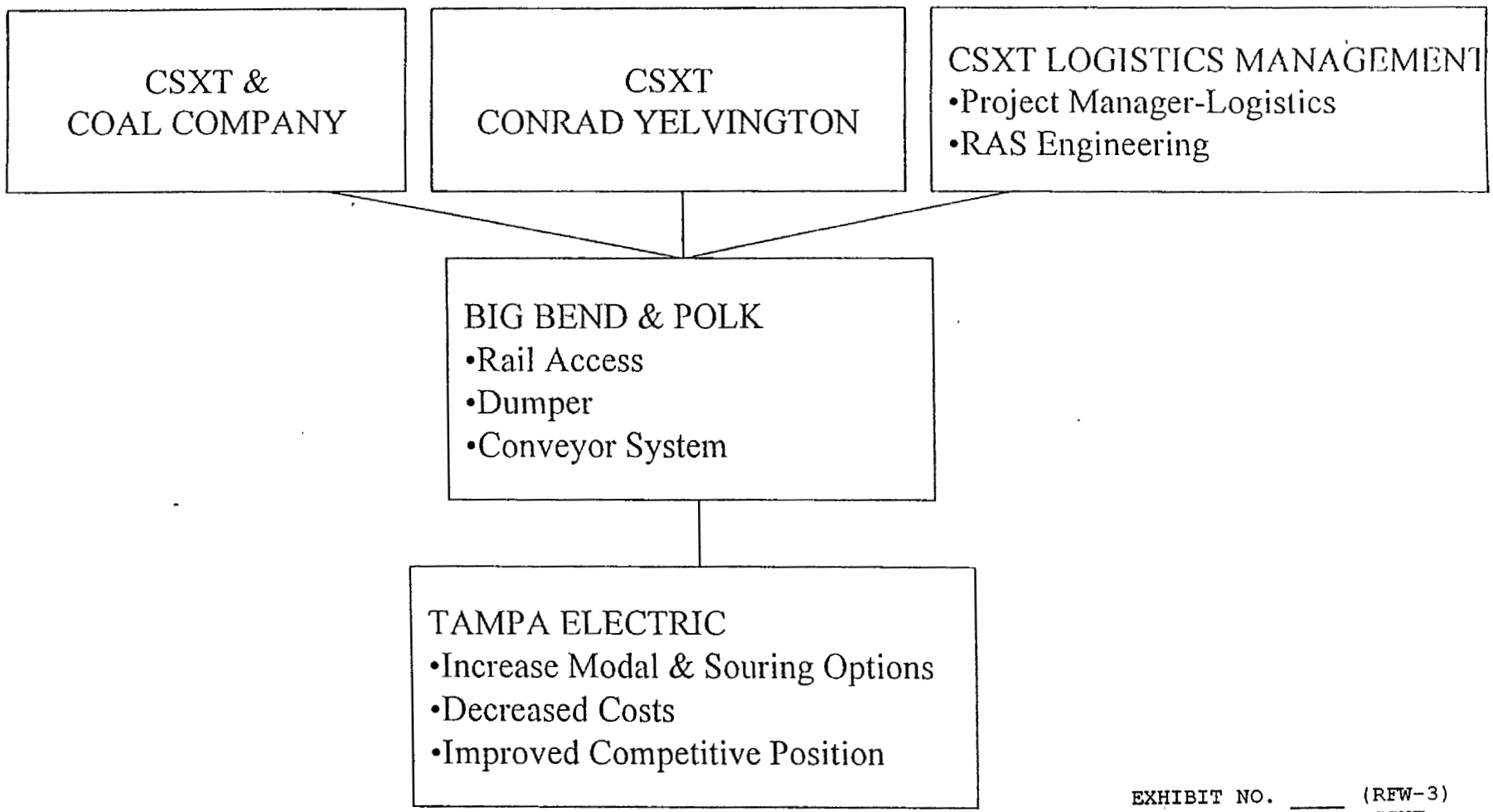
TAMPA ELECTRIC INFRASTRUCTURE
DIRECT RAIL



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THE PROPOSAL

HOW THE SHORT & LONG TERM OFFERS WORK

	Short Term	Long Term
Origins:	IL, IN, KY, WV, PA	IL, IN, KY, WV, PA
Destination:	Big Bend, Polk, Gannon	Big Bend, Polk
Route:	CSXT-Palmetto-Truck CSXT-Rockport-Barge	CSXT Direct
Term:	1-3 Years	5 Years
Equipment:	CSXT Ownership	CSXT Ownership
Payment:	Single invoice or separate billing	Single invoice or separate billing
Annual Volume:	.5 to 1.0MM tons	1.0 to 1.5MM tons
Rate:	At long term rate if agree to rail build-in and L.T. contract	TBA- Market Competitive
Infrastructure Investment:	None	CSXT or Coal Company Refund-Negotiable
Logistics Management:	CSXT Project Manager- Logistics Conrad Yelvington	CSXT Project Manager- Logistics Conrad Yelvington RAS Engineering

EXHIBIT NO. ____ (RFW-3)
ROBERT F. WHITE - CSXT
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PROPOSED NEXT STEPS TO INITIATE THE PROCESS

- FEEDBACK FROM TAMPA ELECTRIC
  - Transportation Requirements
  - Coal Souring Needs
  - Economic Targets
- FINALIZE SHORT TERM OPTIONS
  - Conrad Yelvington
  - Rockport
- DEVELOP LONG TERM PARAMETERS- Rail Capacity
  - Big Bend
  - Polk
  - Brewster Option

EXHIBIT NO. ____ (RFW-3)
ROBERT F. WHITE - CSXT
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PROPOSED NEXT STEPS TO INITIATE THE PROCESS (Cont.)

- COMPREHENSIVE CSXT PROPOSAL TO TAMPA ELECTRIC
  - Coal Company
  - Conrad Yelvington
- TAMPA ELECTRIC / CSXT PARTNERSHIP
  - Create value for both companies

EXHIBIT NO. ____ (RFW-3)
ROBERT F. WHITE - CSXT
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EXHIBITS 4 THROUGH 8 TO ROBERT F. WHITE'S TESTIMONY ARE CONFIDENTIAL AND HAVE BEEN REDACTED FROM THIS PUBLICLY FILED VERSION OF MR. WHITE'S TESTIMONY.

CSX
TRANSPORTATION
Mike Bullock
Director Utility Coal

500 Water Street - J842
Jacksonville, FL 32202

March 21, 2003

Ms. Joann Wehle
Director Fuels Department
Tampa Electric Company
PO Box 111
Tampa, FL 33601-0111

Dear Joann,

I appreciate the Fuel departments availability and comments on Wednesday where CSXT reconfirmed it's desire to provide transportation service for Tampa Electric including possible build-ins at the Big Bend and Polk plants.

Reviewing our things to do, as requested we provided Karen with a CSXT origin mine directory and we are easily reached should any questions arise regarding possible coal sources. As outlined in our presentation, Bob White is available to meet with your engineering group to better understand the plants requirements and to eliminate any remaining logistical issues that could challenge our ability to service both plants. This is a critical next step in order to finalize and secure the capital required for this project. Regarding your concern as to possible environmental issues, we can enlist our State Relations group to address any impediments to the project. Finally, from your side we understand that you will be providing CSXT with needed feedback to our proposed plan.

Again, I appreciate the time that your group took to listen to our proposal and as stated in our meeting we will work through your response to ensure that we create value for Tampa Electric. We look forward to hearing from you.

Sincerely,

M. C. Bullock

cc: H. W. Smith
K. Bramley
M. C. Duff
V. L. Saunier
M. P. Sullivan
R. F. White

EXHIBIT NO. ____ (RFW-9)
ROBERT F. WHITE - CSXT
DOCKET NO. 031033-EI
PAGE 1 OF 4

CSX
TRANSPORTATION

500 Water Street-J842
Jacksonville, FL 32202-4057

June 13, 2003

JoAnn T. Wehle
Director - Fuels Department
Tampa Electric Company
P. O. Box 111
Tampa, FL 33601-0111

Dear JoAnn,

This letter follows my letter of March 21, 2003 given that three months has elapsed since our meeting I felt that it is appropriate that I drop you a letter as a reminder.

As part of the follow-up action plan it was agreed that CSXT would get together with TECO's engineering personnel to better estimate the physical constraints and logistical issues at the plant. This visit will enable us to refine the capital requirement for infrastructure improvements to serve the plants directly. We remain excited about this opportunity.

I look forward to hearing from you.

Best regards,

Michael C. Bullock
Director Utility South

EXHIBIT NO. ____ (RFW-9)
ROBERT F. WHITE - CSXT
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PAGE 2 OF 4

CSX
TRANSPORTATION
Michael C. Bullock
Director
Utility South

500 Water Street - J842
Jacksonville, FL 32202-4057
Phone: (904) 359-3163
Fax: (904) 359-3341

July 11, 2003

Ms. Joann T. Wehle
Tampa Electric Company
Director – Fuels Department
P. O. Box 111
Tampa, FL 33601-0111

Subject: Tampa Electric's Big Bend and Polk Plants Visits

Dear Joann,

We understand you've been extremely busy these last few months, so instead of exchanging voice messages, we decided a letter would be best to express our continued interest in rail direct coal. We were disappointed that we were unable to meet with your engineering teams to review and discuss our proposed rail construction and operations at Big Bend and Polk. However, we remain very excited about the opportunity to deliver rail coal direct to these plants.

It is our understanding you are planning to solicit coal bids in the near future and we look forward to it considering FOB Rail as well as FOB Barge options. We would like to get down their prior to the bid solicitation so we can obtain your feedback prior to submitting our capital requirement for next year's capital budget. Some of your recent coal sourcing has included Galatia 56, Zeigler, Eagle Valley, and Dotiki. Are there other sources you are interested in because we would like to better understand your anticipated coal origins in order that we may provide the rates you require.

We stand ready to work with you during the bidding period to identify and develop opportunities that not only diversify Tampa Electric's supply chain but add value as well. If you have any question or would like to discuss, please feel free to contact me.

Respectfully,

Michael C. Bullock

Cc: M. Duffy – TECO
M. Sullivan – CSXT
G. Davis – CSXT
B. White – CSXT

EXHIBIT NO. ____ (RFW-9)
ROBERT F. WHITE - CSXT
DOCKET NO. 031033-EI
PAGE 3 OF 4

CSX
TRANSPORTATION

500 Water Street - J842
Jacksonville, FL 32202-4057
Phone: (904) 359-3153
Fax: (904) 359-3341

Michael C. Bullock
Director
Utility South

July 16, 2003

Ms. Joann T. Wehle
Tampa Electric Company
Director – Fuels Department
P. O. Box 111
Tampa, FL 33601-0111

Subject: Tampa Electric's Solicitation

Dear Joann,

Recently the Coal Transportation Report stated that Tampa Electric has issued a solicitation for waterborne transportation services for deliveries of solid fuel. If so, I wanted to let you know that CSXT has not received a solicitation to date. As previously discussed, CSXT does have the capability of delivering solid fuel via water through our Tampa facility (Rockport Terminal). This facility is strategically located near Tampa Electric's Big Bend plant.

CSXT assumes a rail transportation proposal in addition to the water delivery via Rockport will receive proper consideration. Even though rail infrastructure is required, CSXT can provide either waterborne or truck delivery during the time required to build in at both destinations.

Again, we stand ready to work with you during the bidding period to identify and develop opportunities that not only diversify Tampa Electric's supply chain but add value as well. If a bid has been solicited please forward a package to me. If not, please give us a best indication when you will be soliciting the bid and again we would like to get together with TECO's engineering personnel to better estimate the physical constraints and logistical issues at the plant.

Thank you,

Michael C. Bullock

Cc: M. C. Duff – TECO
M. P. Sullivan – CSXT
G. W. Davis – CSXT
R. F. White – CSXT

EXHIBIT NO. ____ (RFW-9)
ROBERT F. WHITE - CSXT
DOCKET NO. 031033-EI
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EXHIBIT 10 TO ROBERT F. WHITE'S TESTIMONY IS CONFIDENTIAL AND HAS BEEN REDACTED FROM THIS PUBLICLY FILED VERSION OF MR. WHITE'S TESTIMONY.