

MAR 12-28-05

031033-ET

1 that the contract between Tampa Electric and TECO Transport  
2 includes a fuel cost escalator?

3 A Yes, linked to the 70 cents baseline -- excuse me.  
4 Yes.

5 Q Linked to that number?

6 A Linked to a number, yes.

7 Q That number is probably not confidential.

8 A That number is in the bid, I believe, but yes.

9 Q And actually, that number is --

10 A That's public.

11 Q -- a published number by an industry source; correct?

12 A The indexed number is public, and I believe the bid  
13 base was, in fact, issued -- asked for by TECO.

14 Q Thank you. So to get the actual rate at a point in  
15 time, would I be correct that we would take the ratio of the  
16 then current index price as reflected in the footnote there and  
17 divide that by the index price -- the ratio of the current  
18 price to the index price and multiply that times the rate in  
19 the right-hand column?

20 A That's correct.

21 Q Thank you. Do you know what the current index price  
22 is?

23 A I haven't looked lately. Obviously petroleum prices  
24 are rising. I would have to speculate. I know -- like  
25 gasoline and crude, prices are rising right now.

(Hrg Transcript -)  
Vol. 2

*Rev 12-28-05*

*031033-ET*

1 Q You would agree that the rate today would be  
2 noticeably higher than the rate of 70 cents that you mentioned,  
3 wouldn't you?

4 A Yes, it would.

5 Q Thank you. Will you agree that it would be  
6 appropriate to measure fuel efficiency for various  
7 transportation moves on the basis of fuel consumption per trip  
8 or per ton trip for the commodity being moved?

9 A It could be measured, yes, that way or other ways, by  
10 per ton mile, whatever. There are many ways to measure fuel  
11 efficiency.

12 Q Well, if the mileages are significantly different as  
13 between one mode versus another, wouldn't you agree that it's  
14 appropriate to measure it in either total fuel use or total  
15 fuel cost per trip?

16 A Yes. That might not be a measure of efficiency. It  
17 might simply be a measurement of cost.

18 Q Cost or cost-effectiveness?

19 A Right.

20 Q Thanks. Would you agree that it would be a fair  
21 measure of the energy efficiency of the total haul?

22 A Adjusted for distance it probably is, yes.

23 Q Thank you. I know this may sound simple and I'm  
24 going as fast as I can, but would I be correct that if I wanted  
25 to calculate the fuel percentage of the total rate, I would

*(Hrg. Transcript -)  
Vol. 2  
DN  
06279-04*