



*JK*  
*MCD*  
*7/21/03*

TO: MARTY DUFF  
TAMPA ELECTRIC COMPANY  
TAMPA, FLORIDA 33601  
FUELS DEPARTMENT

DATE: July 21, 2003

RE: RATE ADJUSTMENT

In accordance with section 6.4 of the Coal Transportation Agreement between Teco Transport and Tampa Electric Company, the following revised rate adjustments, effective July 1, 2003 are proposed for your approval. The fuel adjustment is based on the average low price rate of No. 2 Diesel fuel at New Orleans for the 2nd quarter of 2003. The variable component for all rates has been adjusted based on the CPI and PPI rates for the 2nd quarter of 2003.

All changes effected in the contract amendment have been adjusted to reflect those changes.

If you have any questions concerning the attached rates please do not hesitate to call.

*APR 11-26-05 (entire DN)*  
**DECLASSIFIED**

Sincerely,

Cherie L. Lukcic  
Budget & Financial Manager

cc: Carey McBride  
Joann Wehle  
Karen Bramley  
Ellen Campbell

DOCUMENT NUMBER-DATE

06672 JUN 16 3

*declass 11-26-05*  
FPSC-COMMISSION CLERK

"Performance You Can Count On"

TECO TRANSPORT CORPORATION  
702 N. FRANKLIN STREET, PLAZA 9 P.O. BOX 22048 TAMPA, FLORIDA, USA 33622-2048  
(813) 209-4200 FAX (813) 273-0248 WWW.TECOTRANSPORT.COM  
TECO BARGE LINE      TECO BULK TERMINAL      TECO OCEAN SHIPPING

AN EQUAL OPPORTUNITY COMPANY

161

PSC Docket No. 031033-EI  
In Re: TECO Coal Transportation  
Exhibit CSA  
TECO Transport Letter to TECO Re:  
Rate Adjustments, 7/21/2003

TAMPA ELECTRIC COMPANY  
July 21, 2003  
PAGE TWO

Adjustment Factors:  
FUEL ADJUSTMENT

|  |               |           |
|--|---------------|-----------|
| Price per gallon per contract (Base)     |               | 0.3587    |
| Average est price per gallon at 06/30/03 |               | 0.7333    |
|  | <u>0.7333</u> | = 2.04433 |
|  | 0.3587        |           |

Calculation of adjustment rate:

VARIABLE COMPONENT ADJUSTMENT

|                                     | <u>CPI</u>                   | <u>PPI</u>   |           |
|-------------------------------------|------------------------------|--------------|-----------|
| October, 1998                       | 172.2                        | 138.6        |           |
| November, 1998                      | 172.3                        | 138.4        |           |
| December, 1998                      | 172.3                        | 138.7        |           |
| April, 2003                         | 190.2 ✓                      | 144.9 ✓      |           |
| May, 2003                           | 190.3 ✓                      | 144.8 ✓      |           |
| June, 2003                          | 190.3 ✓                      | 144.8 ✓      |           |
| <br>                                |                              |              |           |
| <u>CPI 4th Quarter 1998 Average</u> | <u>172.2 + 172.3 + 172.3</u> |              |           |
|                                     | 3                            |              | = 172.3   |
| <br>                                |                              |              |           |
| <u>PPI 4th Quarter 1998 Average</u> | <u>138.6 + 138.4 + 138.7</u> |              |           |
|                                     | 3                            |              | = 138.6   |
| <br>                                |                              |              |           |
| <u>Base Quarterly Index Average</u> | <u>172.3 + 138.6</u>         |              |           |
| <u>AVERAGE CPI + AVERAGE PPI</u>    | 2                            |              | = 155.5   |
| <br>                                |                              |              |           |
| <u>Quarterly Index Average</u>      | <u>190.2 + 190.3 + 190.3</u> |              |           |
| CPI 2nd Quarter 2003 Average        | 3                            |              | = 190.3   |
| <br>                                |                              |              |           |
|                                     | <u>144.9 + 144.8 + 144.8</u> |              |           |
| PPI 2nd Quarter 2003 Average        | 3                            |              | = 144.8   |
| <br>                                |                              |              |           |
| <u>Average CPI + Average PPI</u>    | <u>190.3 + 144.8</u>         |              |           |
|                                     | 2                            |              | = 167.6   |
| <br>                                |                              |              |           |
| Calculation of adjustment rate:     |                              | <u>167.6</u> |           |
|                                     |                              | 155.5        | = 1.07781 |

TAMPA ELECTRIC COMPANY  
July 21, 2003  
PAGE THREE

| <u>TECO BULK TERMINAL</u>            | <u>BASE RATE</u> | <u>ADJUSTMENT FACTOR</u> | <u>OTHER ADJUSTMENT</u> | <u>RATE EFFECTIVE 07/01/03</u> |
|--------------------------------------|------------------|--------------------------|-------------------------|--------------------------------|
| DIRECT                               | 1.75             | 1.00000                  | 0.00                    | 1.75                           |
| STORAGE                              | 2.69             | 1.00000                  | 0.00                    | 2.69                           |
| IMPORT                               | 4.25             | 1.00000                  | 0.00                    | 4.25                           |
| <br>                                 |                  |                          |                         |                                |
| <u>TECO OCEAN SHIPPING</u>           |                  |                          |                         |                                |
| FUEL                                 | 0.98             | 2.04433                  | 0.00                    | 2.00                           |
| VARIABLE                             | 3.85             | 1.07781                  | 0.00                    | 4.15                           |
| OTHER                                | 2.17             | 1.00000                  | 0.00                    | 2.17                           |
| TOTAL                                | 7.00             |                          |                         | 8.32                           |
| <br>                                 |                  |                          |                         |                                |
| <u>TECO OCEAN SHIPPING - PETCOKE</u> |                  |                          |                         |                                |
| FUEL                                 | 0.98             | 2.04433                  | 0.00                    | 2.00                           |
| VARIABLE                             | 5.60             | 1.07781                  | 0.00                    | 6.04                           |
| OTHER                                | 2.17             | 1.00000                  | 0.00                    | 2.17                           |
| TOTAL                                | 8.75             |                          |                         | 10.21                          |

TAMPA ELECTRIC COMPANY  
July 21, 2003  
PAGE FOUR*Gulf Coast #*GIBRALTER M.P. 86

|          |        |         |        |         |
|----------|--------|---------|--------|---------|
| FUEL     | \$1.95 | 2.04433 | \$0.00 | \$3.99  |
| VARIABLE | 4.69   | 1.07781 | 0.00   | 5.05    |
| OTHER    | 1.17   | 1.00000 | 0.00   | 1.17    |
| TOTAL    | \$7.81 |         |        | \$10.21 |

HAMILTON M.P. 852

|          |        |         |      |        |
|----------|--------|---------|------|--------|
| FUEL     | \$1.55 | 2.04433 | 0.00 | \$3.17 |
| VARIABLE | 3.73   | 1.07781 | 0.00 | 4.02   |
| OTHER    | 0.93   | 1.00000 | 0.00 | 0.93   |
| TOTAL    | \$6.21 |         |      | \$8.12 |

CASEYVILLE M.P. 872

|          |        |         |      |        |
|----------|--------|---------|------|--------|
| FUEL     | \$1.44 | 2.04433 | 0.00 | \$2.94 |
| VARIABLE | 3.44   | 1.07781 | 0.00 | 3.71   |
| OTHER    | 0.86   | 1.00000 | 0.00 | 0.86   |
| TOTAL    | \$5.74 |         |      | \$7.51 |

OVERLAND TERMINAL (CONSOL) M.P. 841.5

|          |        |         |      |        |
|----------|--------|---------|------|--------|
| FUEL     | \$1.50 | 2.04433 | 0.00 | \$3.07 |
| VARIABLE | 3.60   | 1.07781 | 0.00 | 3.88   |
| OTHER    | 0.90   | 1.00000 | 0.00 | 0.90   |
| TOTAL    | \$6.00 |         |      | \$7.85 |

MT. VERNON M.P. 829

|          |        |         |      |        |
|----------|--------|---------|------|--------|
| FUEL     | \$1.50 | 2.04433 | 0.00 | \$3.07 |
| VARIABLE | 3.60   | 1.07781 | 0.00 | 3.88   |
| OTHER    | 0.90   | 1.00000 | 0.00 | 0.90   |
| TOTAL    | \$6.00 |         |      | \$7.85 |

BIG SANDY

|          |        |         |      |        |
|----------|--------|---------|------|--------|
| FUEL     | \$1.82 | 2.04433 | 0.00 | \$3.72 |
| VARIABLE | 4.38   | 1.07781 | 0.00 | 4.72   |
| OTHER    | 1.09   | 1.00000 | 0.00 | 1.09   |
| TOTAL    | \$7.29 |         |      | \$9.53 |

TAMPA ELECTRIC COMPANY  
 July 21, 2003  
 PAGE FIVE

TAMPA ELECTRIC COMPANY  
 DOCKET NO. 031033-EI  
 FIPUG'S 1<sup>ST</sup> REQUEST FOR POD

PYRAMID / DEMAQ (PATRIOT) M.P. GR 32

|          |               |         |      |               |
|----------|---------------|---------|------|---------------|
| FUEL     | \$1.82        | 2.04433 | 0.00 | \$3.72        |
| VARIABLE | 4.38          | 1.07781 | 0.00 | 4.72          |
| OTHER    | 1.09          | 1.00000 | 0.00 | 1.09          |
| TOTAL    | <u>\$7.29</u> |         |      | <u>\$9.53</u> |

PYRAMID M.P. 94

|          |               |         |      |                |
|----------|---------------|---------|------|----------------|
| FUEL     | \$1.95        | 2.04433 | 0.00 | \$3.99         |
| VARIABLE | 4.69          | 1.07781 | 0.00 | 5.05           |
| OTHER    | 1.17          | 1.00000 | 0.00 | 1.17           |
| TOTAL    | <u>\$7.81</u> |         |      | <u>\$10.21</u> |

BRT M.P. 23

|          |               |         |      |               |
|----------|---------------|---------|------|---------------|
| FUEL     | \$1.50        | 2.04433 | 0.00 | \$3.07        |
| VARIABLE | 3.60          | 1.07781 | 0.00 | 3.88          |
| OTHER    | 0.90          | 1.00000 | 0.00 | 0.90          |
| TOTAL    | <u>\$6.00</u> |         |      | <u>\$7.85</u> |

YANKEETOWN M.P. OR 773

|          |               |         |      |               |
|----------|---------------|---------|------|---------------|
| FUEL     | 1.56          | 2.04433 | 0.00 | \$3.19        |
| VARIABLE | 3.76          | 1.07781 | 0.00 | 4.05          |
| OTHER    | 0.94          | 1.00000 | 0.00 | 0.94          |
| TOTAL    | <u>\$6.26</u> |         |      | <u>\$8.18</u> |

SOUTHERN IN. M.P. 784

|          |               |         |      |               |
|----------|---------------|---------|------|---------------|
| FUEL     | 1.54          | 2.04433 | 0.00 | \$3.15        |
| VARIABLE | 3.70          | 1.07781 | 0.00 | 3.99          |
| OTHER    | 0.92          | 1.00000 | 0.00 | 0.92          |
| TOTAL    | <u>\$6.16</u> |         |      | <u>\$8.06</u> |

NEW HOPE M.P. 734

|          |               |         |      |               |
|----------|---------------|---------|------|---------------|
| FUEL     | 1.60          | 2.04433 | 0.00 | \$3.27        |
| VARIABLE | 3.85          | 1.07781 | 0.00 | 4.15          |
| OTHER    | 0.96          | 1.00000 | 0.00 | 0.96          |
| TOTAL    | <u>\$6.41</u> |         |      | <u>\$8.38</u> |

TAMPA ELECTRIC COMPANY  
 July 21, 2003  
 PAGE SEVEN

TAMPA ELECTRIC COMPANY  
 DOCKET NO. 031033-EI  
 FIPUG'S 1<sup>st</sup> REQUEST FOR POD

**INLAND (OWENSBORO)**

|              |               |         |      |               |
|--------------|---------------|---------|------|---------------|
| FUEL         | \$1.60        | 2.04433 | 0.00 | \$3.27        |
| VARIABLE     | 3.85          | 1.07781 | 0.00 | 4.15          |
| OTHER        | 0.96          | 1.00000 | 0.00 | 0.96          |
| <b>TOTAL</b> | <b>\$6.41</b> |         |      | <b>\$8.38</b> |

**JEFFERSON RIVERPORT-MP 618**

|              |               |         |      |               |
|--------------|---------------|---------|------|---------------|
| FUEL         | \$1.63        | 2.04433 | 0.00 | \$3.33        |
| VARIABLE     | 3.91          | 1.07781 | 0.00 | 4.21          |
| OTHER        | 0.98          | 1.00000 | 0.00 | 0.98          |
| <b>TOTAL</b> | <b>\$6.52</b> |         |      | <b>\$8.52</b> |

**EMPIRE DOCK M.P. 896**

|              |               |         |      |               |
|--------------|---------------|---------|------|---------------|
| FUEL         | \$1.44        | 2.04433 | 0.00 | \$2.94        |
| VARIABLE     | 3.44          | 1.07781 | 0.00 | 3.71          |
| OTHER        | 0.86          | 1.00000 | 0.00 | 0.86          |
| <b>TOTAL</b> | <b>\$5.74</b> |         |      | <b>\$7.51</b> |

**CAHOKIA MARINE M.P. 178**

|              |               |         |      |               |
|--------------|---------------|---------|------|---------------|
| FUEL         | \$1.67        | 2.04433 | 0.00 | \$3.41        |
| VARIABLE     | 4.02          | 1.07781 | 0.00 | 4.33          |
| OTHER        | 1.00          | 1.00000 | 0.00 | 1.00          |
| <b>TOTAL</b> | <b>\$6.69</b> |         |      | <b>\$8.74</b> |

**COOK COAL TERMINAL M.P. 948**

|              |               |         |      |               |
|--------------|---------------|---------|------|---------------|
| FUEL         | \$1.09        | 2.04433 | 0.00 | \$2.23        |
| VARIABLE     | 2.63          | 1.07781 | 0.00 | 2.83          |
| OTHER        | 0.66          | 1.00000 | 0.00 | 0.66          |
| <b>TOTAL</b> | <b>\$4.38</b> |         |      | <b>\$5.72</b> |

**RIGSBY - BARNARD (ARCLAR) M.P. 881**

|              |               |         |      |               |
|--------------|---------------|---------|------|---------------|
| FUEL         | \$1.44        | 2.04433 | 0.00 | \$2.94        |
| VARIABLE     | 3.44          | 1.07781 | 0.00 | 3.71          |
| OTHER        | 0.86          | 1.00000 | 0.00 | 0.86          |
| <b>TOTAL</b> | <b>\$5.74</b> |         |      | <b>\$7.51</b> |

TAMPA ELECTRIC COMPANY  
July 21, 2003  
PAGE EIGHT

MOUND CITY M.P. 976

|          |               |         |      |               |
|----------|---------------|---------|------|---------------|
| FUEL     | \$1.31        | 2.04433 | 0.00 | \$2.68        |
| VARIABLE | 3.14          | 1.07781 | 0.00 | 3.38          |
| OTHER    | 0.78          | 1.00000 | 0.00 | 0.78          |
| TOTAL    | <u>\$5.23</u> |         |      | <u>\$6.84</u> |

SEBREE, KY M.P. 43

|          |               |         |      |               |
|----------|---------------|---------|------|---------------|
| FUEL     | \$1.82        | 2.04433 | 0.00 | \$3.72        |
| VARIABLE | 4.38          | 1.07781 | 0.00 | 4.72          |
| OTHER    | 1.09          | 1.00000 | 0.00 | 1.09          |
| TOTAL    | <u>\$7.29</u> |         |      | <u>\$9.53</u> |