

CAPITAL PROJECT JUSTIFICATION FORM

1	PROJECT NAME KIF--YARD - COAL RECEIVING SYSTEM F:\97CPJFRM\FINAL\CPJKIF4589.WK4	2	PROJECT ID 4589
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I. PROJECT DESCRIPTION

3	PROJECT LOCATION KINGSTON FOSSIL PLANT UNIT (if applicable): 0	4	ORGANIZATION CAO <input type="checkbox"/> CFO <input type="checkbox"/> CNO <input type="checkbox"/> COO <input checked="" type="checkbox"/>
5	IDENTIFY RELATED OUTAGE (If any)		
6	TECHNICAL CONTACT NAME: Ken Burnett PHONE (423) 751-6607 LOCATION: Chattanooga	7	SPONSORED BY NAME: John Dunn PHONE (423) 376-6135 LOCATION: Kingston
8	PROJECT CATEGORY ECONOMIC <input checked="" type="checkbox"/> REGULATORY <input type="checkbox"/> CUSTOMER <input type="checkbox"/> BOARD/STRATEGIC <input type="checkbox"/>		
9	REASON FOR IMPROVEMENT (Consequences of not doing) Kingston's coal cost was \$0.48/Ton higher than the TVA average in FY94.		
10	PROBLEM DEFINITION Kingston Fossil Plant's total fuel costs are elevated by \$1.68/ton for CSX origin coal due to switching fees assessed to CSX by Norfolk-Southern.		
11	PROJECT SCOPE Add new rail from Harriman that will allow larger CSX unit trains to deliver directly to Plant.		
12	IMPACT OF DELAY TO NEXT AVAILABLE IMPLEMENTATION WINDOW Delay of implementation will result in additional costs of \$1.68/ton. Kingston receives approximately 3.7 to 4.5 million tons of coal per year.		
13	HOW WILL THE ACHIEVEMENT OF CLAIMED BENEFITS BE MEASURED FOR THIS PROJECT? Implementation of this project will result in a reduced price for delivered coal.		

CAPITAL PROJECT ECONOMIC ANALYSIS INPUT

KINGSTON FOSSIL PLANT

PRIAVG

1.1530

REC#3118

UNITS 1-4

PROJECT NAME: KIF-YARD - COAL RECEIVING SYSTEM

UNIT: 0

PROJECT ID: 4589

Prior Years

Cost \$ 000's):

2752

BENEFIT INPUT SECTION

YEAR	HEAT RATE	EFOR			O&M	STATION SERVICE	OTHER BENEFITS	OUTAGE REDUCTNS	PROJECT COST (\$000'S)
	IMPRVMT	FORCED OUTAGE	FORCED DERATING	MWHL	SAVINGS	SAVINGS	SAVINGS	OUTAGE HRS REDUCED	
	BTU/KWH	HOURS	MW	HRS	IN (\$ 000'S)	IN KWH	IN (\$ 000'S)		
1997	0	0	0	0	0	0	0	0	5000
1998	0	0	0	0	0	0	0	0	6000
1999	0	0	0	0	0	0	0	0	6000
2000	0	0	0	0	0	0	13838	0	0
2001	0	0	0	0	0	0	13838	0	0
2002	0	0	0	0	0	0	13838	0	0
2003	0	0	0	0	0	0	13838	0	0
2004	0	0	0	0	0	0	13838	0	0
2005	0	0	0	0	0	0	13838	0	0
2006	0	0	0	0	0	0	13838	0	0
2007	0	0	0	0	0	0	13838	0	0
2008	0	0	0	0	0	0	13838	0	0
2009	0	0	0	0	0	0	13838	0	0
2010	0	0	0	0	0	0	13838	0	0
2011	0	0	0	0	0	0	13838	0	0
2012	0	0	0	0	0	0	13838	0	0
2013	0	0	0	0	0	0	13838	0	0
2014	0	0	0	0	0	0	13838	0	0
2015	0	0	0	0	0	0	13838	0	0
2016	0	0	0	0	0	0	13838	0	0
2017	0	0	0	0	0	0	13838	0	0

Contingency included in Project Estimate : 0

CALCULATION AND BENEFIT VALUE SECTION

FISCAL YEAR	HEAT RATE	EFOR			O&M	STATION SERVICE	OTHER BENEFITS	OUTAGE REDUCTNS	BENEFIT VALUE* IN (\$ 000'S)
	BENEFIT	MWH	UNIT	SYSTEM	SAVINGS	SAVINGS	SAVINGS	SAVINGS	
	IN (\$ 000'S)	IMPROVE	EFOR	EFOR	IN (\$ 000'S)	IN (\$ 000'S)	IN (\$ 000'S)	IN (\$ 000'S)	
1997	0	0	0.00%	0.000%	0	0	0	0	0
1998	0	0	0.00%	0.000%	0	0	0	0	0
1999	0	0	0.00%	0.000%	0	0	0	0	0
2000	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2001	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2002	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2003	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2004	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2005	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2006	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2007	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2008	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2009	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2010	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2011	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2012	0	0	0.00%	0.000%	0	0	13838	0	13838
2013	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2014	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2015	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2016	0	0	0.00%	0.000%	0	0	13,838	0	13,838
2017	0	0	0.00%	0.000%	0	0	13,838	0	13,838

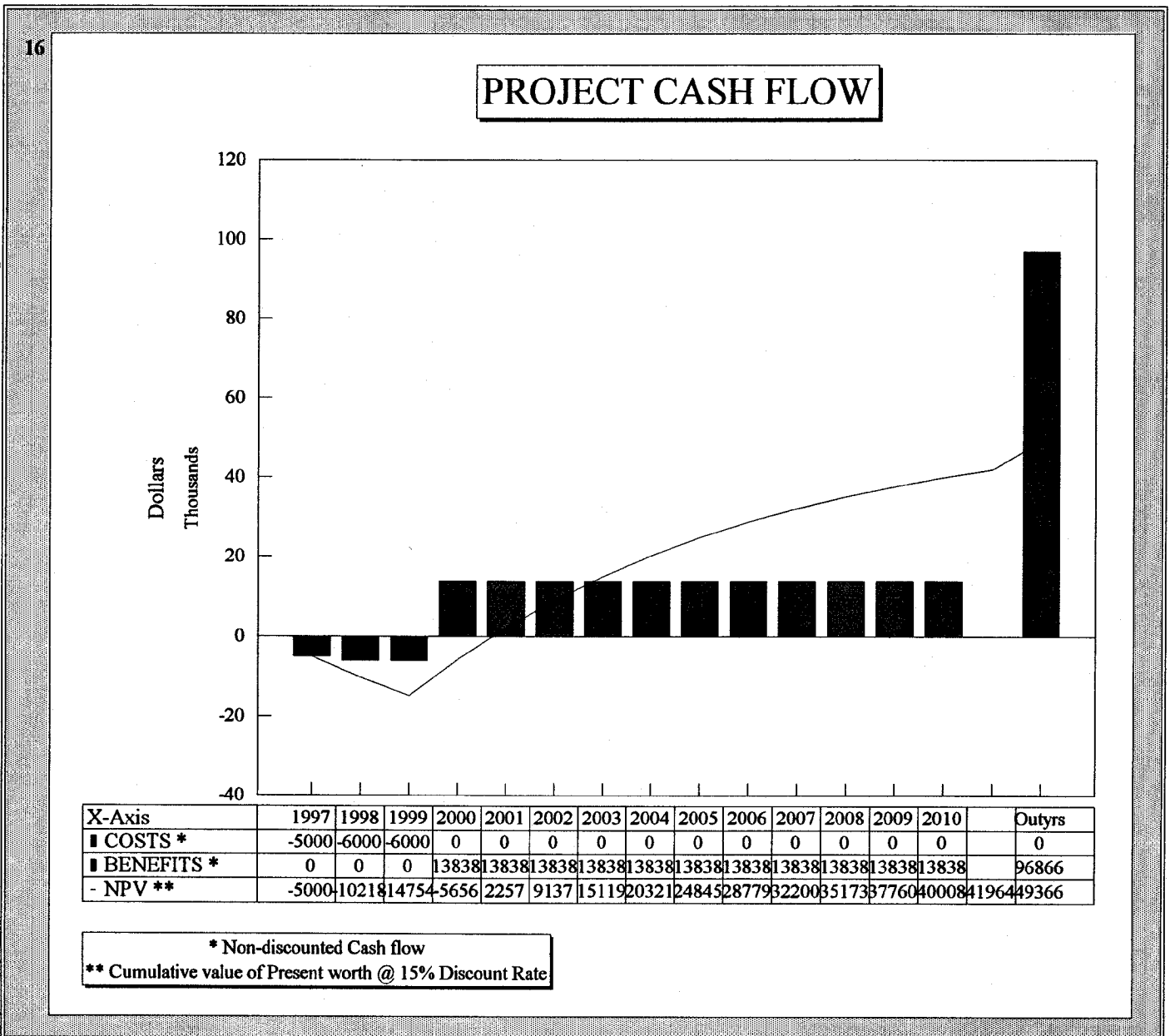
* Benefit Value is in non-discounted dollars (i.e. year of benefit dollars). Conversion to FY97 dollars is done next page of CJP form.

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II. PROJECT ECONOMIC EVALUATION

14	PROJECT COST Thousands of Dollars SUNK COSTS: 2752 REMAINING COST: 17000 TOTAL COST: 19752 CONTINGENCY: 0	15	PROJECT ECONOMIC INDICATORS NPV @ 15%: 49366 IRR: 51.9 % PI @ 15%: 4.346 PAYBACK: 3 yrs
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CAPITAL PROJECT JUSTIFICATION FORM

PROJECT NAME

Blank Project (for printing empty CPJ Form)

PROJECT ID

Blank

I. PROJECT DESCRIPTION

PROJECT LOCATION

UNIT (If applicable):

ORGANIZATION

CAO

CFO

CNO

COO

IDENTIFY RELATED OUTAGE (If any)

TECHNICAL CONTACT

NAME: _____

PHONE: _____

LOCATION: _____

SPONSORED BY

NAME: _____

PHONE: _____

LOCATION: _____

PROJECT CATEGORY

ECONOMIC

REGULATORY

CUSTOMER

BOARD/STRATEGIC

REASON FOR IMPROVEMENT (Consequences of not doing)

PROBLEM DEFINITION

PROJECT SCOPE

IMPACT OF DELAY TO NEXT AVAILABLE IMPLEMENTATION WINDOW

HOW WILL THE ACHIEVEMENT OF CLAIMED BENEFITS BE MEASURED FOR THIS PROJECT?

CAPITAL PROJECT JUSTIFICATION FORM

PROJECT NAME Blank Project (for printing empty CPJ Form)	PROJECT ID Blank
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II. PROJECT ECONOMIC EVALUATION (continued)

<u>COST ASSUMPTIONS</u>					
Cost Assumptions	CL L/M/H	Basis for Confidence Level (CL)	Sensitivity/Range		
			Low	Most Probable	High

<u>BENEFIT ASSUMPTIONS</u>					
Benefit Assumptions	CL L/M/H	Basis for Confidence Level (CL)	Sensitivity/Range		
			Low	Most Probable	High

CAPITAL PROJECT JUSTIFICATION FORM

PROJECT NAME

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PROJECT ID

Blank

V. REGULATORY

(If this Project is not a Requirement, Commitment, or Nuclear Safety, skip this page.)

THIS PROJECT IS A REQUIREMENT:

THIS PROJECT IS A COMMITMENT:

THIS PROJECT IS FOR NUCLEAR SAFETY:

SOURCE OF REQUIREMENT, COMMITMENT, NUCLEAR SAFETY (Provide specific refernces)

WHAT IS THE PENALTY FOR NON-COMPLIANCE (Finacial, legal, politcal)?

DOES THIS PROJECT TOTALLY RESOLVE THIS ISSUE?

YES:

NO:

If NO, list other projects required

PROJECT NAME	ID	APPROVAL		RELATIONSHIP
		YES / NO	ORG	

DOES THIS PROJECT RESOLVE OTHER ISSUES?

YES:

If YES, identify the issue(s)

NO:

THIS PROJECT MUST BE FUNDED THIS YEAR?

YES:

If YES, Why?

NO:

This project must be completed by:

(Date)

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PROJECT ID

Blank

VI. BOARD / STRATEGIC

WHO DIRECTED?

WHEN?

WHY (Tie to Strategic Directive)?

THIS PROJECT MUST BE FUNDED THIS YEAR?

YES:

If YES, Why?

NO:

This project must be completed by: (Date)