

PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT

12 MONTHS ENDED DEC. 31, 2002

DOCKET NO. 030001-EI

AUDIT CONTROL NO. 03-045-2-1

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PEF

050001-EI

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4-21-05
DECLASSIFIED

DOCUMENT NUMBER-DATE

04788 MAY 29 8

Disclosure No. 2

DRAFT

Subject: Coal Purchases

Statement of Fact:

42-2 Progress Fuels Corporation (PFC) purchases its coal from various suppliers and through its affiliates acting as agents. The per ton coal prices reviewed ranged from \$29.77 per ton from Pen Coal Corporation, a non-affiliated entity, under a contract originating in 1998 to \$47.09 per ton from Black Hawk Synfuel, an affiliated company, under a 2001 contract. The coal specifications in both contracts were similar.

47
46-2 In May 2001 PFC issued a Request For Proposal for bids on 2002 coal purchases. Progress Fuels Corporation has contracts with its suppliers, setting the prices and terms of delivery. The prices under the contracts reviewed varied but all were FOB dock..

45-2 The waterborne coal purchased by PEF is blended with different per ton costs at the terminals upriver or in New Orleans, Louisiana prior to loading and shipment on barges to Crystal River. PFC accrues the coal inventory and computes an average cost per ton, including transportation costs, when billing PEF.

Auditor Opinion:

46-2 The cost to PFC is at the contracted price. In reviewing the invoices for PFC from its suppliers, the auditor noted that prior to delivery to PEF a portion of the invoice cost is charged to "non-regulated" operations with the remainder charged to PEF. The utility spokesperson stated this non regulated portion was for the trucking of the coal from the mine to the KRT dock in accordance with Order No. PSC-93-1331-FOF-EI.

WP-1

DOCUMENT NUMBER-DATE

04788 MAY 29 8

FPSC-COMMISSION CLERK

6087

DRAFT

Disclosure No. 3

Subject: Waterborne Transportation Cost

Statement of Fact:

48-2 Commission Order No. PSC-93-1331-FOF-EI authorized a market pricing mechanism for water borne transportation services provided by Electric Fuels Corporation (now called Progress Fuels Corporation) to Florida Power Corporation (now Progress Energy Florida). The base price of \$23.00
48-1 per ton was effective January 1, 1993 adjusted January 1 of each year, thereafter, using a composite index approved by the Commission. Based on the escalation, the rate charged by PFC to PEF for
45-1 2002 was \$29.31 per ton. PFC estimates that \$19.82 of this amount relates to transportation from the mine to the Gulf terminal and \$9.49 is for transportation across the Gulf to Crystal River.

The market price for PFC's deliveries cover the transportation components from the coal mine to the Crystal River plant site. This includes short-haul rail/truck transportation from the mine to the up-river dock, up-river barge transloading, river barge transportation, Gulf barge transloading, Gulf barge transportation and transportation to the Crystal River plant, as well as other charges, such as port fees and assist tug.

Auditor Opinion:

45-2 We determined the average cost of waterborne transportation for Progress Fuels Corporation for 2002 was \$24.45.

The companies providing transportation from the mines to the up-river dock and transloading to river barges and Gulf barge transportation to Crystal River is provided by Kanawha River Terminals, Inc. and Dixie Fuels Limited, both affiliated companies. Since the contracts were not put out for bid, we are unable to determine if the costs reflect a true market price.

Market proxy charged to PEF	\$29.31
Average direct cost for PFC	<u>24.45</u>
Gross Profit	<u>\$ 4.86</u>

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JAN TO JUN 2002
12 MONTHS ENDED 12/31/02

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
INCOME -						
COAL SALES						
3000-100	25,697,279.30	23,637,072.24	25,004,629.34	28,630,408.80	24,621,861.16	22,639,145.42
3000-400	(592,385.85)	287,772.15	31,840.45	(658,468.60)	877,776.04	(272,944.86)
TOTAL OPERATING REVENUES	25,074,893.45	23,904,844.39	25,036,469.79	25,971,942.20	25,499,637.20	22,366,200.56
EQUITY EARNINGS -						
OTHER INCOME						
INTEREST INCOME - LOCOMOTIVES	4230-030	113,602.86	113,602.86	113,602.86	113,602.86	109,589.50
TOTAL INTEREST INCOME		113,602.86	113,602.86	113,602.86	113,602.86	109,589.50
GAIN/(LOSS) ON DISPOSAL ASSET	4300-200					50,372.86
MISCELLANEOUS INCOME	MISCINC					50,372.86
TOTAL REVENUES	REVENUES	25,188,496.31	24,016,447.25	25,150,072.65	26,085,545.06	25,613,240.06
EXPENSES -						
COAL COGS - INVENTORY	5310-010	14,966,352.32	14,543,863.07	15,362,570.74	15,438,691.85	15,653,307.60
COAL COGS - PRICE ADJUSTMENT	5310-020			(3,808.28)	33,580.50	(9,167.92)
COAL COGS - PRICE ADJ. P/P	5310-025	(2,861.35)		(10,840.17)	87,602.44	823.14
COAL COGS - TONNAGE ADJ	5310-050	(14,535.14)		(43,051.45)	(6,598.45)	
COAL COGS - OTHER COST	5310-100		(684,000.00)			
COAL COGS - QUALITY ADJUSTMENT	5310-110	115,074.01	223,219.64	(65,685.02)	144,589.34	122,574.89
COAL COGS - QUALITY ANALYSIS	5310-120	35,339.83	27,383.84	11,121.52	92,380.23	39,873.67
COAL COST OF GOODS SOLD	COAL COGS	15,119,369.47	14,110,436.55	15,230,509.34	15,770,125.91	15,807,511.56
RAIL COGS - INVENTORY	5320-010	4,411,965.89	3,535,577.29	4,389,715.50	4,378,471.77	3,955,484.96
RAIL COGS - PRICE ADJUSTMENT	5320-020					3,933.26
RAIL COGS - PRICE ADJ. P/P	5320-025			2,269.27		
COGS - RAIL - OTHER COST	5320-100			1,711.63		
COGS - WATER TRANSPORTATION	5380-010	4,712,908.30	5,385,651.35	4,431,764.90	5,025,217.98	4,928,890.49
*FREIGHT COST OF GOODS SOLD	FRTTCOST	9,124,875.19	8,971,426.64	8,825,481.30	9,406,623.01	8,864,375.45

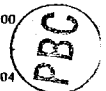


PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JAN TO JUN 2002
12 MONTHS ENDED 12/31/02

PROPERTY TAXES - RAILCARS	6530-100	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
RAILCAR LEASING EXPENSE	6710-000	375.00	375.00	374.69	375.00	375.00	375.00
MAINTENANCE - RAILCAR	6820-000	141,666.67	141,666.67	141,666.67	141,666.68	141,666.67	141,666.67
RAIL CAR OPERATING COST	RCCOGS	154,541.67	154,541.67	154,541.38	154,541.68	154,541.67	154,541.67
TOTAL COST OF GOODS SOLD	COGS	24,396,786.33	23,186,406.66	24,210,532.00	25,333,290.60	24,846,426.70	21,780,337.27
GENERAL AND ADMINISTRATIVE -							
PAYROLL EXPENSES -							
WAGES	6010-000	62,524.40	64,331.70	120,151.81	66,288.25	66,939.55	65,421.67
P/R TAXES - FICA	6020-001	4,672.70	4,959.50	9,191.61	4,804.32	5,120.88	4,733.14
ALLOCATED EMPLOYEE BENEFITS	6030-999	4,789.37	3,255.18	3,820.83	5,077.68	5,127.57	5,011.30
EMPLOYEE BENEFITS-PENSION	6040-010	(8,057.00)	(8,057.00)	(8,057.00)	(8,057.00)	(8,057.00)	(8,057.00)
EMPLOYEE BENEFITS-EDC	6040-025	-	-	-	3,676.36	-	-
EMPLOYEE BENEFITS-FAS106(OPEB)	6040-030	3,972.00	3,972.00	3,972.00	3,972.00	3,972.00	3,972.00
EMPLOYEE BENEFITS-SERP	6040-040	15,196.00	15,196.00	15,196.00	15,196.00	15,196.00	15,196.00
TEMPORARY LABOR	6050-000	2,512.23	-	299.89	-	-	-
PAYROLL EXPENSES	PAYROLL	85,609.70	83,657.38	144,575.14	90,957.61	88,299.00	86,277.11
PROFESSIONAL FEES -							
PROFESSIONAL FEES-LEGAL	6310-020	(43.81)	-	-	-	-	-
PROFESSIONAL FEES-AUDIT	6310-031	(2,175.20)	-	-	-	-	-
PROFESSIONAL FEES-CONSULTANT	6310-035	(115.20)	4,728.09	-	1,527.16	3,048.27	431.54
DIRECTOR FEES	6340-000	(14.91)	-	-	-	-	-
FLA POWER OVERHEAD	6320-000	491.98	491.98	(491.98)	3,000.00	4,000.00	4,000.00
FLORIDA PROGRESS OVERHEAD	6330-000	-	-	-	11,000.00	10,000.00	11,000.00
PROGRESS ENERGY SERVICES	6331-300	7,632.90	95,471.50	149,514.51	-	-	-
ENERGY VENTURES SERVICES	6331-400	50,682.88	16,889.31	8,689.23	3,154.52	3,273.04	3,273.04
PROFESSIONAL FEES	PROF-FEE	56,456.64	117,580.88	157,711.76	16,681.68	20,321.31	18,704.58

BUILDING & OFFICE EXPENSE -

WP-4



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JAN TO JUN 2002
12 MONTHS ENDED 12/31/02

RENT EXPENSE	6410-000	13,611.44	-	26,878.67	13,355.26	14,808.23	14,808.23
BUILDING SERVICES	6420-000	122.87	168.01	281.81	157.72	180.03	19.28
UTILITIES	6430-000	3,577.66	4,452.32	2,954.21	1,856.47	5,198.67	2,112.43
OFFICE SERVICES	6440-005	3,658.77	2,704.93	7,774.87	6,007.73	6,564.51	6,128.42
OFFICE SUPPLY - GENERAL	6440-010	6.10	-	-	-	-	23.72
OFFICE SUPPLY - SUPPLIES	6440-020	205.73	144.48	771.99	672.29	660.96	753.27
OFFICE SUPPLY - COPY RENTAL	6440-025	(21.58)	-	-	-	-	-
SUBSCRIPTION & PUBLICATIONS	6440-030	71.81	371.02	8.39	3,894.12	404.36	422.80
OFFICE SUPPLY - EQUIPMENT	6440-040	106.91	-	-	-	-	1,402.88
OFFICE SUPPLY-DATA PROCESSING	6440-050	4,049.99	1,147.05	949.63	717.30	1,224.59	679.96
BUILDING & OFFICE EXPENSE	BUILD-OF	25,389.70	8,987.81	39,619.57	26,660.89	29,039.35	26,350.99
OTHER GENERAL & ADMINISTRATIVE -							
EXPENSE ACCT & TRAVEL - TAX	6510-100	127.81	150.66	333.07	499.12	74.50	252.69
NONTAX MEALS/ENTERTAINMENT	6510-210	253.45	203.04	508.50	326.95	406.12	500.03
NONTAXABLE OTHER	6510-220	(430.22)	1,170.78	2,998.81	1,023.75	2,748.99	5,026.10
CORPORATE AIRCRAFT EXPENSE	6510-225	(358.12)	-	-	-	-	-
INSURANCE EXPENSE	6520-000	90.88	-	-	-	-	-
EXCESS LIABILITY INSURANCE	6520-010	(162.48)	-	-	-	-	-
OFFICER & DIRECTOR LIAB. INS.	6520-011	(112.91)	-	-	-	-	-
PROPERTY & CRIME INSURANCE	6520-013	105.11	-	-	-	-	-
MARINE CARGO INSURANCE	6520-014	9,558.87	9,500.00	-	-	9,500.00	-
PROPERTY TAX REAL ESTATE	6530-200	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
LICENSES	6540-000	1.87	-	-	-	98.64	(717.59)
OTHER TAXES	6550-000	159.19	490.90	-	4,652.91	23.51	978.19
EMPLOYEE DEVELOPMENT	6560-000	339.23	-	-	525.86	194.58	30.82
SEMINARS	6560-010	(14.44)	355.00	67.14	304.45	207.92	29.59
TUITION REIMBURSEMENT	6560-015	-	-	-	38.51	-	75.15
PROFESSIONAL AFFILIATIONS	6560-020	243.68	21,375.00	-	16.88	-	273.15
EMPLOYMENT - ADVERTISING	6565-010	2.01	-	-	-	-	-
EMPLOYMENT - MOVING EXPENSE	6565-030	3.06	-	-	-	-	-
EMPLOYMENT - MISC EXPENSE	6565-040	2.96	-	-	27.91	-	-
MISCELLANEOUS EXPENSE	6570-000	1,159.01	47.83	54.43	5.70	129.08	30.84

WP-5

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JAN TO JUN 2002
12 MONTHS ENDED 12/31/02

MISC EXPENSE - RECORD STORAGE	6570-007	552.51	48.87			267.91	307.21	
AUTO OPERATING EXPENSE	6570-040	168.47	147.11	171.50	217.00	188.00	206.50	
AUTO EXPENSE REIMBURSEMENTS	6570-050	1,720.92	1,567.63	1,206.26	1,310.73	1,333.04	1,341.65	
CONTRIBUTION	6570-060	(2.89)						
PENALTIES	6570-070	(0.18)						
MAINTENANCE - GENERAL	6810-000	5.44		1,167.44	10.33			
MAINTENANCE - AUTO	6810-020	17.97	24.97	32.91	14.28	16.99		
MAINTENANCE - DP EQUIPMENT	6810-030	2,422.76	362.46	1,676.27	945.31	10,239.60	691.66	
OTHER GENERAL & ADMINISTRATION	OTHG-A	17,354.16	36,944.25	9,714.33	11,687.40	26,966.16	10,216.78	
TOTAL GENERAL & ADMINISTRATION	GENL/ADM	184,812.20	247,170.32	351,620.80	147,987.58	164,625.82	141,549.48	
OTHER EXPENSES -								
DEPRECIATION EXPENSES -								
DEPRECIATION - RAIL CARS	6230-020	145,386.91	145,386.63	145,386.86	145,386.91	145,386.62	145,386.67	
DEPRECIATION - EQUIPMT GENERAL	6230-010	166.69	166.69	166.69	166.69	166.69		
DEPRECIATION - DP EQUIPMENT	6230-030	1,938.12	1,938.13	1,938.12	1,938.12	1,938.13	1,938.12	
DEPRECIATION - FURN & FIXTURES	6240-000	3,250.96	3,075.10	2,793.12	2,550.71	2,521.04	2,370.20	
AMORTIZATION - LEASEHOLDS	6260-000	6.29	6.29	6.29				
DEPRECIATION EXPENSES	DEPRECC	150,748.97	150,574.84	150,291.06	150,048.43	150,014.48	149,695.19	
INTEREST EXPENSE -								
ALLOCATION INTEREST EXPENSE	6100-999	(298.00)		(297.00)	(210.63)			
INTEREST EXPENSE - PCH MTN	6120-102	54,488.89	29,118.67	28,800.00	28,800.00	28,800.00	28,800.00	
INTEREST EXPENSE - PEC LINE	6120-105	17,758.00	20,478.91	26,459.91	50,365.03	44,927.08	36,365.38	
INTEREST EXPENSE - PEG UT NODE PAY	6120-106	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00	
COMMITMENT FEE - PCH	6160-101	2,917.62	2,767.13	2,917.62	2,842.38	2,917.62	2,842.38	
COMMITMENT FEE - MTN	6160-102	824.49	305.96	306.05	306.05	306.05	306.05	
INTEREST EXPENSE	INTEREST	139,941.00	118,918.67	122,436.58	146,352.83	141,200.75	132,563.81	
TOTAL EXPENSES		24,874,288.50	23,701,070.89	24,534,880.46	25,177,678.44	25,302,289.75	22,214,145.73	

PBC

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2002
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JAN TO JUN 2002
12 MONTHS ENDED 12/31/02

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
INCOME BEFORE INCOME TAXES	314,207.81	317,376.56	315,192.19	307,865.62	310,970.31	309,017.19
PROVISION (BENEFIT) FOR INC TAXES -						
CURRENT FIT - CURRENT YEAR	6900-101 406,667.81	92,933.56	165,668.19	496,990.62	(113,065.69)	267,643.19
CURRENT FEDERAL INCOME TAXES	CUR-FED 406,667.81	92,933.56	165,668.19	496,990.62	(113,065.69)	267,643.19
CURRENT SIT - CURRENT YEAR	6900-111 17,335.00	3,961.00	7,062.00	21,185.00	(4,820.00)	11,409.00
CURRENT STATE INCOME TAXES	CUR-STAT 17,335.00	3,961.00	7,062.00	21,185.00	(4,820.00)	11,409.00
DEFERRED FIT - CURRENT YEAR	6900-201 (298,177.00)	16,652.00	(56,838.00)	(390,690.00)	220,439.00	(160,945.00)
DEFERRED FEDERAL INCOME TAXES	DEF-FED (298,177.00)	16,652.00	(56,838.00)	(390,690.00)	220,439.00	(160,945.00)
DEFERRED SIT - CURRENT YEAR	6900-211 (12,711.00)	709.00	(2,423.00)	(16,654.00)	9,396.00	(6,861.00)
DEFERRED STATE INCOME TAXES	DEF-STAT (12,711.00)	709.00	(2,423.00)	(16,654.00)	9,396.00	(6,861.00)
REGULAR DEFERRED TAX CREDITS	RDEFTC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
INVESTMENT TAX CREDIT	ITC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
TOTAL INCOME TAXES	TAXES 111,387.81	112,528.56	111,742.19	109,104.62	110,222.31	109,519.19
INCOME FROM CONTINUING OPERATIONS	202,820.00	204,848.00	203,450.00	198,761.00	200,748.00	199,498.00
NET INCOME	\$ 202,820.00	\$ 204,848.00	\$ 203,450.00	\$ 198,761.00	\$ 200,748.00	\$ 199,498.00

W/P WP-7



SOURCE: PBC

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JUL TO DEC 2002
12 MONTHS ENDED 12/31/02

NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
3000-100	31,689,170.18	30,715,501.66	33,361,309.16	27,737,695.83	31,918,765.86	31,918,765.86
3000-100	30,893,425.25	31,765,652.71	30,609,074.58	32,978,159.38	28,818,300.31	32,132,748.21
3000-100	(23,162.62)	76,482.53	(106,427.08)	(383,149.78)	(919,395.52)	213,980.35
3000-100	30,916,607.87	30,715,501.66	33,361,309.16	27,737,695.83	31,918,765.86	31,918,765.86
COAL SALES						
REVENUE ADJUSTMENT						
TOTAL OPERATING REVENUES						
EQUITY EARNINGS -						
OTHER INCOME						
INTEREST INCOME - LOCOMOTIVES	109,589.48	109,589.48	109,589.48	109,589.48	109,589.48	105,464.27
INTEREST INCOME	109,589.48	109,589.48	109,589.48	109,589.48	109,589.48	105,464.27
MISCELLANEOUS OTHER INCOME						
4300-100						699,528.13
4300-200						726,590.93
GAIN/(LOSS) ON DISPOSAL ASSET						
MISCELLANEOUS INCOME						
REVENUES	31,003,014.73	31,875,242.19	30,720,737.81	33,087,748.86	27,854,480.72	32,937,738.81
EXPENSES -						
COAL COGS - INVENTORY	19,407,250.03	19,774,137.54	19,468,638.28	21,102,416.31	17,815,804.65	20,994,665.56
COAL COGS - PRICE ADJUSTMENT		0.07	(1.07)	59,813.08		(8.02)
COAL COGS - TONNAGE ADJ	(20,664.36)	(28,983.21)			(10,798.76)	(15,570.53)
COAL COGS - OTHER COST	(18,144.00)		2,802.22			
COAL COGS - QUALITY ADJUSTMENT	81,429.09	68,533.53	221,484.23	97,459.92	98,563.42	164,972.58
COAL COGS - QUALITY ANALYSIS	51,594.83	40,590.29	48,538.03	3,685.19	60,752.34	12,328.05
COAL COST OF GOODS SOLD	19,501,465.59	19,852,278.22	19,757,457.09	21,263,374.50	17,964,341.65	21,156,415.64
COAL COGS - INVENTORY	5,238,573.42	5,165,276.73	6,248,832.46	6,151,733.48	5,865,494.89	6,048,507.43
RAIL COGS - PRICE ADJUSTMENT			147,518.30	(147,519.75)		
RAIL COGS - ADJ P/P			(35,775.22)			
COGS-WATER TRANSPORTATION	5,317,256.57	5,908,390.08	3,546,480.37	4,789,264.74	2,950,803.70	5,053,441.44
FREIGHT COST OF GOODS SOLD	10,555,829.99	11,073,666.81	9,907,055.91	10,903,478.47	8,818,298.47	11,101,948.87

PPC

WP-8

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JUL TO DEC 2002
12 MONTHS ENDED 12/31/02

PROPERTY TAXES - RAILCARS	6530-100	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
RAILCAR LEASING EXPENSE	6710-000	375.00	375.00	375.00	375.00	375.00	375.00	(1,125.00)	
MAINTENANCE - RAILCAR	6820-000	141,666.67	141,666.67	141,666.67	141,666.67	141,666.67	141,666.67	141,666.67	(126,998.67)
RAIL CAR OPERATING COST	RCCOGS	154,541.67	154,541.67	154,541.67	154,541.67	154,541.67	154,541.67	153,041.67	(114,498.67)
TOTAL COST OF GOODS SOLD	COGS	30,211,837.25	31,080,486.70	29,819,054.67	32,321,394.64	26,933,681.79	32,143,866.44		
GENERAL AND ADMINISTRATIVE -									
FAVORABLE EXPENSES -									
WAGES	6010-000	64,015.32	102,943.36	71,112.46	66,893.65	67,907.30	64,878.79		
P/R TAXES - FICA	6020-001	4,828.24	6,737.85	4,220.77	3,536.29	3,543.51	4,441.59		
ALLOCATED EMPLOYEE BENEFITS	6030-999	4,903.57	7,885.46	5,447.21	5,124.05	5,201.70	4,989.72		
EMPLOYEE BENEFITS-PENSION	6040-010	(8,057.00)	(8,057.00)	152,662.00	(6,057.00)	(8,057.00)	(8,057.00)		
EMPLOYEE BENEFITS-EDC	6040-025				(817.10)				
EMPLOYEE BENEFITS-FAS106(OPRB)	6040-030	3,972.00	3,972.00	19,674.00	3,972.00	3,972.00	3,972.00		
EMPLOYEE BENEFITS-SEHP	6040-040	15,196.00	15,196.00	16,957.60	15,196.00	15,196.00	15,196.00		
TEMPORARY LABOR	6050-000	(65.25)							
PAYROLL EXPENSES	PAYROLL	84,592.86	126,677.67	270,673.44	85,847.89	87,763.51	85,744.72		
PROFESSIONAL FEES -									
PROFESSIONAL FEES-LEGAL	6310-020	(43.98)							
PROFESSIONAL FEES-AUDIT	6310-031	(2,183.90)							
PROFESSIONAL FEES-CONSULTANT	6310-035	22,667.14	20,808.95	1,267.20	(452.18)	116.67	4,577.97		
DIRECTOR FEES	6340-000	(14.98)							
FLA POWER OVERHEAD	6320-000	4,000.00	4,000.00	4,000.00	3,000.00	4,000.00	4,000.00		
FLA POWER SERVICE - OTHER	6320-080	24,847.97			23,824.04				
FLORIDA PROGRESS OVERHEAD	6330-000	11,000.00	10,000.00	11,000.00	11,000.00	10,000.00	11,000.00		
ENERGY VENTURES SERVICES	6330-080	3,273.04	3,273.04	5,079.44	3,442.92	3,442.92	3,442.92		
PROFESSIONAL FEES	PROF-FEE	63,535.31	38,081.99	21,346.64	40,814.80	17,359.59	23,020.89		
BUILDING & OFFICE EXPENSE -									
RENT EXPENSE	6410-000	18,227.83	14,149.43	14,600.24	12,581.80	11,785.92	11,556.41		

(114,498.67)

9
12

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JUL TO DEC 2002
12 MONTHS ENDED 12/31/02

BUILDING SERVICES	6420-000	214.19	165.81	175.46	208.97	144.88	118.20
UTILITIES	6430-000	3,674.78	1,875.74	1,475.81	1,860.79	1,602.94	839.91
OFFICE SERVICES	6440-005	6,005.57	7,249.46	6,221.59	4,884.74	4,957.93	4,325.32
OFFICE SUPPLY - GENERAL	6440-010	(3.58)	134.30	80.15	10.24	51.55	146.29
OFFICE SUPPLY - SUPPLIES	6440-020	965.75	359.61	533.94	935.98	234.88	676.57
OFFICE SUPPLY - COPY RENTAL	6440-025	(56.81)	-	-	-	-	-
SUBSCRIPTION & PUBLICATIONS	6440-030	10,423.46	1,166.00	744.07	565.71	1,570.72	1,463.23
OFFICE SUPPLY - EQUIPMENT	6440-040	(23.81)	335.60	-	-	-	-
OFFICE SUPPLY-DATA PROCESSING	6440-050	3,407.17	2,885.29	1,060.54	301.96	580.57	1,545.28
BUILDING & OFFICE EXPENSE	BUILD-OF	40,834.55	28,321.04	24,891.80	21,350.20	20,929.39	20,689.21
OTHER GENERAL & ADMINISTRATIVE -							
EXPENSE ACCT & TRAVEL - TAX	6510-100	436.71	522.13	245.53	231.98	165.92	113.66
NONTAX MEALS/ENTERTAINMENT	6510-210	510.90	688.22	380.06	540.95	544.59	891.87
NONTAXABLE OTHER	6510-220	4,352.34	6,095.41	1,462.52	3,327.13	2,094.38	7,291.81
CORPORATE AIRCRAFT EXPENSE	6510-225	(359.55)	-	-	-	-	-
INSURANCE EXPENSE	6520-000	(180.62)	-	-	-	(2,312.28)	4,167.58
EXCESS LIABILITY INSURANCE	6520-010	(163.14)	-	-	-	-	-
OFFICER & DIRECTOR LIAB. INS.	6520-011	(113.37)	-	-	-	-	-
PROPERTY & CRIME INSURANCE	6520-013	(105.11)	-	-	-	398.83	158.19
MARINE CARGO INSURANCE	6520-014	-	-	-	13,000.00	-	11,125.98
PROPERTY TAX REAL ESTATE	6530-200	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
LICENSES	6540-000	(102.36)	(986.56)	-	-	193.00	-
OTHER TAXES	6550-000	801.05	(1,727.09)	-	4,847.37	2,333.53	-
FRANCHISE TAX	6550-010	0.83	-	-	-	2,283.94	-
EMPLOYEE DEVELOPMENT	6560-000	30.85	-	2,053.26	52.33	16.49	17.31
SEMINARS	6560-010	492.94	-	4.69	82.69	190.00	-
PROFESSIONAL AFFILIATIONS	6560-020	123.96	79.88	-	138.37	145.00	-
EMPLOYMENT - ADVERTISING	6565-010	2.01	-	-	-	-	-
EMPLOYMENT - MOVING EXPENSE	6565-030	(3.06)	-	-	-	-	-
EMPLOYMENT - MISC EXPENSE	6565-040	0.63	-	-	-	-	-
MISCELLANEOUS EXPENSE	6570-000	(294.51)	101.71	1,098.01	(2.51)	10.60	36.40
MISC EXPENSE - RECORD STORAGE	6570-007	32.22	219.44	-	360.59	235.02	88.71

WP-10

PBC

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JUL TO DEC 2002
12 MONTHS ENDED 12/31/02

MISC EXPENSE-EQUIPMENT RENTAL	6570-013	(10.08)	-	-	-	-	-
AUTO OPERATING EXPENSE	6570-040	259.50	235.45	189.00	153.75	80.62	-
AUTO EXPENSE REIMBURSEMENTS	6570-050	1,295.05	1,133.70	1,663.47	1,256.81	1,187.47	1,218.92
CONTRIBUTION	6570-060	(1.35)	-	-	-	-	-
PENALTIES	6570-070	(0.18)	-	-	-	-	-
MAINTENANCE - GENERAL	6810-000	70.24	-	43.94	363.10	-	1,129.60
MAINTENANCE - AUTO	6810-020	16.99	40.99	4.00	622.96	9.00	18.00
MAINTENANCE - DP EQUIPMENT	6810-030	1,729.57	1,103.98	1,010.57	3,262.92	373.85	2,613.38
OTHER GENERAL & ADMINISTRATION	OTHG-A	10,322.46	9,007.32	9,655.05	29,738.44	9,449.96	30,369.41
TOTAL GENERAL & ADMINISTRATION	GENLADM	199,285.20	204,088.02	325,966.93	177,751.33	135,702.45	159,804.23
OTHER EXPENSES -							
DEPRECIATION EXPENSES -							
DEPRECIATION - RAILCARS	6230-020	144,956.44	144,736.88	149,685.15	149,685.17	143,277.24	143,275.26
DEPRECIATION - DP EQUIPMENT	6230-030	1,843.33	1,843.35	1,829.16	1,829.17	1,829.19	1,829.16
DEPRECIATION - FURN & FIXTURES	6240-000	2,011.87	2,061.83	2,107.57	2,016.11	2,274.12	2,255.28
DEPRECIATION EXPENSES	DEPREC	148,811.64	148,644.06	153,621.88	153,530.45	147,380.55	147,359.70
INTEREST EXPENSE -							
ALLOCATION INTEREST EXPENSE	6100-999	-	-	(20.97)	-	-	(582.64)
INTEREST EXPENSE - PCH MTN	6120-102	28,800.00	34,868.52	28,800.00	28,800.00	28,800.00	28,800.00
INTEREST EXPENSE - PEC LINE	6120-105	45,472.59	35,306.22	23,577.81	44,194.08	43,939.37	36,053.15
INTEREST EXPENSE - PEC L/T NOTE PAY	6120-106	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00
COMMITMENT FEE - PCH	6160-101	2,917.62	2,917.62	2,842.38	2,917.62	2,842.38	2,917.62
COMMITMENT FEE - MTN	6180-102	306.05	306.05	306.05	306.05	306.05	306.05
INTEREST EXPENSE	INTEREST	141,746.26	137,648.41	119,755.27	140,467.75	140,137.80	131,744.18
TOTAL EXPENSES		30,701,680.35	31,570,867.19	30,418,398.75	32,793,144.17	27,356,902.59	32,582,774.55
INCOME BEFORE INCOME TAXES		301,334.38	304,375.00	302,339.06	294,804.69	297,578.13	354,964.06

WP-11

PBC

01/16/2003
08:38

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2002
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INCOME STATEMENT - JUL TO DEC 2002
12 MONTHS ENDED 12/31/02

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
PROVISION (BENEFIT) FOR INC TAXES -						
CURRENT FIT - CURRENT YEAR	6900-101 137,117.38	159,565.00	221,634.06	278,277.69	625,581.13	34,866.06
CURRENT FIT - PRIOR YEAR	6900-102 -	-	-	-	-	23,680.00
CURRENT FEDERAL INCOME TAXES	CUR-FED 137,117.38	159,565.00	221,634.06	278,277.69	625,581.13	58,546.06
CURRENT SIT - CURRENT YEAR	6900-111 5,845.00	6,802.00	9,448.00	11,862.00	26,666.00	1,486.00
CURRENT SIT - PRIOR YEAR	6900-112 -	-	-	-	-	28,452.00
CURRENT STATE INCOME TAXES	CUR-STAT 5,845.00	6,802.00	9,448.00	11,862.00	26,666.00	29,938.00
DEFERRED FIT - CURRENT YEAR	6900-201 (33,072.00)	(54,470.00)	(117,242.00)	(176,556.00)	(522,832.00)	87,697.00
DEFERRED FIT - PRIOR YEAR	6900-202 -	-	-	-	-	(18,764.00)
DEFERRED FEDERAL INCOME TAXES	DEF-FED (33,072.00)	(54,470.00)	(117,242.00)	(176,556.00)	(522,832.00)	68,933.00
DEFERRED SIT - CURRENT YEAR	6900-211 (1,410.00)	(2,322.00)	(4,998.00)	(7,526.00)	(22,287.00)	3,738.00
DEFERRED SIT - PRIOR YEAR	6900-212 -	-	-	-	-	4,913.00
DEFERRED STATE INCOME TAXES	DEF-STAT (1,410.00)	(2,322.00)	(4,998.00)	(7,526.00)	(22,287.00)	8,651.00
REGULAR DEFERRED TAX CREDITS	RDEFTC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
INVESTMENT TAX CREDIT	ITC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
TOTAL INCOME TAXES	TAXES 106,753.38	107,848.00	107,115.06	104,330.69	105,401.13	164,341.06
INCOME FROM CONTINUING OPERATIONS	194,581.00	196,527.00	195,224.00	190,274.00	192,177.00	190,623.00
NET INCOME	\$ 194,581.00	\$ 196,527.00	\$ 195,224.00	\$ 190,274.00	\$ 192,177.00	\$ 190,623.00

Staff WP 215
Company WP 12

PRC

SOURCE: PRC

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Javier Portuondo/ Marcia Oliver
UTILITY: Progress Energy Florida
FROM: J. W. Rohrbacher
(AUDIT MANAGER)

(AUDITOR PREPARING REQUEST)
DATE OF REQUEST: 4/10/03

REQUEST NUMBER: 5
AUDIT PURPOSE: Transportation Audit

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/11/03

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:
 INCIDENT TO AN INQUIRY
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please provide (should include but not limited to) information on the following:

On the amounts going to Crystal River from IMT, how are the per ton coal prices determined. Please show calculation for Dec. 2002.

The 423's shows coal product is F.O.B. mine price. Is this for all the suppliers. How does the coal get from the mine to the KRT docks. If there is any rail or truck transportation, how much and to whom is it paid. Is this part of KRT's charge. Please provide answer for each of the suppliers listed previously on Request No. 4.

How is the \$14.60 and \$5.11 for Guasare Coal sales arrived at.

Additional information may be requested at a later date.

TO: AUDIT MANAGER

DATE: 4/11/03

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEM(S) 3 IS(ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Marcia Oliver (Lead Bus Fin Analyst)
(SIGNATURE AND TITLE OF RESPONDENT)

Distribution: Original: Utility (for completion and return to Auditor)
Copy: Audit File and FPSC Analyst
PSC/AUS-6 (Rev.2/95)

Progress Energy Florida, Inc.
Transportation Audit
Response to Audit Document Request No. 5
Date of Request: 04/10/03
Date of Response: 04/11/03

1. On the amounts going to Crystal River from IMT, how are the per ton coal prices determined. Please show calculation for Dec 2002.

Response: Please refer to month end closing workpapers previously provided, specifically workpaper titled:

Electric Fuels Corporation
Regulated (FPC) Business
Crystal River 4 and 5
December 2002
Range name: V
Supplier: From IMT

2. The 423's show coal product is F.O.B. mine price. Is this for all the suppliers? How does the coal get from the mine to the KRT docks? If there is any rail or truck transportation, how much and to whom is it paid? Is this part of KRT's charge? Please provide answer for each of the suppliers listed previously on Request No. 4.

Response: F.O.B. mine price is not for all the suppliers. The coal gets from the mines to the KRT dock by truck or rail. The transportation is paid by non-regulated PFC and varied in 2002 from \$3.75 to \$7.86 per ton. This is part of KRT's charge. The freight cost is not kept by supplier.

- ok 3. How is the \$14.60 and \$5.11 for Guasare Coal sales arrived?

Response: Per the order, foreign coal freight is \$29.08 multiplied by .502 = \$14.60. PFC splits the \$14.60 for internal purposes only at \$9.49 for transportation from IMT to Crystal River and \$5.11 for transportation (handling, storage, etc.) at IMT for foreign deliveries.

Edward Doe

ELECTRIC FUELS CORPORATION

ONE PROGRESS PLAZA, P.O. BOX 15208, ST. PETERSBURG, FLORIDA 33733, (727) 824-6600

January 2, 2002

Mr. Michael Gatens
Vice President
Kanawha River Terminals, Inc.
150 Dairy Lane
Belle, West Virginia 25015

Dear Mr. Gatens:

This letter is to confirm our recent conversations wherein spot coal bids submitted to Progress Fuels Corporation (formerly Electric Fuels Corporation) from the Quincy and Marmet docks for calendar year 2002 include a trucking, storage, and transfer fee of \$3.75 (transportation fee). Therefore, if one deducts this transportation fee from the spot bid price, one derives an equivalent f.o.b. mine price.

If you are in agreement with the above, please sign both originals, return one original to me, and retain one original for your files.

Sincerely,

PROGRESS FUELS CORPORATION

F. Michael Lelak
F. Michael Lelak
Manager, CSX/Barge Transportation

FML/ro

Agreed to and accepted this the 5 day of Jan 2002.

KANAWHA RIVER TERMINALS, INC.

By: *Michael Gatens*
Michael Gatens, Vice President

WP-15

10-6
1

ELECTRIC FUELS CORPORATION

Pls see July

ONE PROGRESS PLAZA, P.O. BOX 15208, ST. PETERSBURG, FLORIDA 33733, (727) 824-6600

INVOICE

*Why are rail + barge
amounts same. Should
there be some difference?
Please show how per ton
charge was determined*

TO: FLORIDA POWER CORPORATION
ACCOUNTS PAYABLE (CX1K)
P. O. BOX 14042
ST. PETERSBURG, FLORIDA 33733

*Thanks
Joe*

INVOICE DATE: JULY 16, 2002

INVOICE NUMBER: EFC - 054

FOR COAL DELIVERED TO CRYSTAL RIVER UNITS 4 AND 5, CITRUS COUNTY, FLORIDA
FOR THE PERIOD JULY 1 - 15, 2002.

\$ 81.22 Per Ton

Barge Deliveries

98,202 Tons \$ 6,011,926.44

Rail Deliveries

39,830 Tons 2,438,392.60

Total Deliveries

138,032 Tons 8,450,319.04

TOTAL DUE EFC \$ 8,450,319.04

(2)

13:34 From- Black Hawk
 AGENT FOR NEW R. & SYN FUEL
 P.O. BOX 15208
 ST. PETERSBURG
 FL 33733

T-733 P.003/005 F-564
 INVOICE NO.: 43001149

INVOICE DATE: 2002/08/12
 NET DUE: 30 DAYS

SHIPPED TO: 64
 COMPLIANCE

ELECTRIC FUELS CORPORATION
 QUALITY ASSURANCE
 OVER 2000 TONS
 TO LORA ZERNIT
 SOLD TO: 10
 FROM CHINA, ETC
 ELECTRIC FUELS CORPORATION
 ONE PROGRESS PLAZA
 P. O. BOX 15208
 ST. PETERSBURG, FL
 33733

RECEIVED
 SEP 25 2002

PF ACCOUNTS PAYABLE AMOUNT DUE: \$249,590.85

HAULER NAME	ORDER NO	TICKET DATE	TICKET NUMBER	TICKET REFERENCE	NET TONS	SALES PRICE	AMOUNT
	600598	2002/07/24	9004384	H-9270	1,725.96	46.750	80,688.63
	600598	2002/07/24	9004380	PEN-110	1,725.45	46.750	80,664.79
	600598	2002/07/29	9004725	CMI-103	1,844.61	46.750	86,235.52
TOTAL TONS:					5,296.02		\$247,588.94
	601888	2002/07/31	601888	BTU	5,296.02	.378	2,001.90
TOTAL ADJUSTMENTS:					5,296.02		\$2,001.90
TOTAL:							\$249,590.84

PROGRESS FUELS CORP
 VENDOR #:
 AMOUNT APPROVED: 249,590.84
 PAYMENT DATE: WIRE 9/30
 ACCTG PERIOD:
 APPROVED BY: [Signature]
 ACCTG APPROVAL: CA 9/23
 UNIT ACCT #:
 PROJECT #:
 DESCRIPTION (20) 5296.02 7/1-31 #6

TRAIN #:
 LOAD DATE: 7/24-29
 TONS: 5296.02
 SUPPLIER: BLACK HAWK
 COAL TYPE: S
 DELIVERY MODE: Water
 INITIALS: ggb/mtg/10

Pay: Black Hawk

CUSTOMER COPY
 13.00 FPC 2006 890 227,728.86 ✓
 3.75 NFPC 19,860.08 ✓
 4WAT 5310 110 2,001.90
 FPC 2010 901 19,860.08
 NFPC 1, 1

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2002
EFC REGULATED SUMMARY

WP-18

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
PROPERTY TAXES - RAILCARS	6530-100	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
RAILCAR LEASING EXPENSE	6710-000	375.00	375.00	375.00	375.00	(1,125.00)
MAINTENANCE - RAILCAR	6820-000	141,666.67	141,666.67	141,666.67	141,666.67	(126,998.07)
RAIL CAR OPERATING COST	RCCOGS	154,541.67	154,541.67	154,541.67	154,541.67	(114,498.07)
TOTAL COST OF GOODS SOLD	COGS	30,211,837.25	31,080,466.70	29,819,054.67	32,321,394.64	26,933,681.79
GENERAL AND ADMINISTRATIVE -						
PAYROLL EXPENSES -						
WAGES	6010-000	64,015.32	102,943.36	71,112.46	66,893.65	67,907.30
P/R TAXES - FICA	6020-001	4,628.24	6,737.85	4,220.77	3,536.29	3,543.51
ALLOCATED EMPLOYEE BENEFITS	6030-999	4,903.57	7,885.46	5,447.21	5,124.05	5,201.70
EMPLOYEE BENEFITS-PENSION	6040-010	(8,057.00)	(8,057.00)	152,662.00	(8,057.00)	(8,057.00)
EMPLOYEE BENEFITS-EDC	6040-025	-	-	-	(817.10)	-
EMPLOYEE BENEFITS-FAS106(OPEB)	6040-030	3,972.00	3,972.00	19,674.00	3,972.00	3,972.00
EMPLOYEE BENEFITS-SERP	6040-040	15,196.00	15,196.00	16,957.00	15,196.00	15,196.00
TEMPORARY LABOR	6050-000	(65.25)	-	-	-	-
PAYROLL EXPENSES	PAYROLL	84,592.88	128,677.67	270,073.44	85,847.89	87,763.51
PROFESSIONAL FEES -						
PROFESSIONAL FEES-LEGAL	6310-020	(43.98)	-	-	-	-
PROFESSIONAL FEES-AUDIT	6310-031	(2,183.90)	-	-	-	-
PROFESSIONAL FEES-CONSULTANT	6310-035	22,657.14	20,808.95	1,267.20	(452.16)	116.67
DIRECTOR FEES	6340-000	(14.96)	-	-	-	-
FLA POWER OVERHEAD	6320-000	4,000.00	4,000.00	4,000.00	3,000.00	4,000.00
FLA POWER SERVICE - OTHER	6320-090	24,847.97	-	-	23,824.04	-
FLORIDA PROGRESS OVERHEAD	6330-000	11,000.00	10,000.00	11,000.00	11,000.00	10,000.00
ENERGY VENTURES SERVICES	6331-400	3,273.04	3,273.04	5,079.44	3,442.92	3,442.92
PROFESSIONAL FEES	PROF-FEE	63,535.31	38,081.99	21,346.64	40,814.80	17,559.59
BUILDING & OFFICE EXPENSE -						
RENT EXPENSE	6410-000	16,227.83	14,149.43	14,600.24	12,581.80	11,785.92

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2002
EFC REGULATED SUMMARY

MP-19

	ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
BUILDING SERVICES	6420-000	214.19	165.61	175.46	208.97	144.88	116.20
UTILITIES	6430-000	3,674.78	1,875.74	1,475.81	1,860.79	1,602.94	839.91
OFFICE SERVICES	6440-005	6,005.57	7,249.46	6,221.59	4,884.74	4,957.93	4,325.32
OFFICE SUPPLY - GENERAL	6440-010	(3.58)	134.30	80.15	10.24	51.55	146.29
OFFICE SUPPLY - SUPPLIES	6440-020	965.75	359.61	533.94	935.99	234.88	676.57
OFFICE SUPPLY - COPY RENTAL	6440-025	(56.81)	-	-	-	-	-
SUBSCRIPTION & PUBLICATIONS	6440-030	10,423.46	1,166.00	744.07	565.71	1,570.72	1,463.23
OFFICE SUPPLY - EQUIPMENT	6440-040	(23.81)	335.60	-	-	-	-
OFFICE SUPPLY-DATA PROCESSING	6440-050	3,407.17	2,885.29	1,060.54	301.96	580.57	1,545.28
BUILDING & OFFICE EXPENSE	BUILD-OF	40,834.55	28,321.04	24,891.80	21,350.20	20,929.39	20,669.21
OTHER GENERAL & ADMINISTRATIVE -							
EXPENSE ACCT & TRAVEL - TAX	6510-100	436.71	522.13	245.53	231.98	165.92	113.66
NONTAX MEALS/ENTERTAINMENT	6510-210	510.90	688.22	380.06	540.95	544.59	891.87
NONTAXABLE OTHER	6510-220	4,352.34	6,095.41	1,482.52	3,327.13	2,094.38	7,291.81
CORPORATE AIRCRAFT EXPENSE	6510-225	(359.55)	-	-	-	-	-
INSURANCE EXPENSE	6520-000	(180.62)	-	-	-	(2,312.28)	4,167.58
EXCESS LIABILITY INSURANCE	6520-010	(163.14)	-	-	-	-	-
OFFICER & DIRECTOR LIAB. INS.	6520-011	(113.37)	-	-	-	-	-
PROPERTY & CRIME INSURANCE	6520-013	(105.11)	-	-	-	398.83	158.19
MARINE CARGO INSURANCE	6520-014	-	-	-	13,000.00	-	11,125.98
PROPERTY TAX REAL ESTATE	6530-200	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
LICENSES	6540-000	(102.36)	(986.56)	-	-	193.00	-
OTHER TAXES	6550-000	801.05	(1,727.09)	-	4,847.37	2,333.53	-
FRANCHISE TAX	6550-010	0.83	-	-	-	2,283.94	-
EMPLOYEE DEVELOPMENT	6560-000	30.85	-	2,053.26	52.33	16.49	17.31
SEMINARS	6560-010	492.94	-	4.69	82.69	190.00	-
PROFESSIONAL AFFILIATIONS	6560-020	123.96	79.88	-	138.37	145.00	-
EMPLOYMENT - ADVERTISING	6565-010	2.01	-	-	-	-	-
EMPLOYMENT - MOVING EXPENSE	6565-030	(3.06)	-	-	-	-	-
EMPLOYMENT - MISC EXPENSE	6565-040	0.63	-	-	-	-	-
MISCELLANEOUS EXPENSE	6570-000	(294.51)	101.71	1,098.01	(2.51)	10.60	36.40
MISC EXPENSE - RECORD STORAGE	6570-007	32.22	219.44	-	360.59	235.02	88.71

01/16/2003
08:38

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2002
EFC REGULATED SUMMARY

REPORT ID: DELIS
UNIT CODE: F

MP-20

	ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
MISC EXPENSE-EQUIPMENT RENTAL	6570-013	(10.08)	-	-	-	-	-
AUTO OPERATING EXPENSE	6570-040	259.50	235.45	189.00	153.75	80.62	-
AUTO EXPENSE REIMBURSEMENTS	6570-050	1,295.05	1,133.78	1,663.47	1,256.81	1,187.47	1,218.92
CONTRIBUTION	6570-060	(1.35)	-	-	-	-	-
PENALTIES	6570-070	(0.18)	-	-	-	-	-
MAINTENANCE - GENERAL	6810-000	70.24	-	43.94	363.10	-	1,129.60
MAINTENANCE - AUTO	6810-020	16.99	40.99	4.00	622.96	9.00	16.00
MAINTENANCE - DP EQUIPMENT	6810-030	1,729.57	1,103.96	1,010.57	3,262.92	373.85	2,613.38
OTHER GENERAL & ADMINISTRATION	OTHG-A	10,322.46	9,007.32	9,655.05	29,738.44	9,449.96	30,369.41
TOTAL GENERAL & ADMINISTRATION	GENLADMI	199,285.20	204,088.02	325,966.93	177,751.33	135,702.45	159,804.23
OTHER EXPENSES -							
DEPRECIATION EXPENSES -							
DEPRECIATION - RAILCARS	6230-020	144,956.44	144,738.88	149,685.15	149,685.17	143,277.24	143,275.26
DEPRECIATION - DP EQUIPMENT	6230-030	1,843.33	1,843.35	1,829.16	1,829.17	1,829.19	1,829.16
DEPRECIATION - FURN & FIXTURES	6240-000	2,011.87	2,061.83	2,107.57	2,016.11	2,274.12	2,255.28
DEPRECIATION EXPENSES	DEPREC	148,811.64	148,644.06	153,621.88	153,530.45	147,380.55	147,359.70
INTEREST EXPENSE -							
ALLOCATION INTEREST EXPENSE	6100-999	-	-	(20.97)	-	-	(582.64)
INTEREST EXPENSE - PCH MTN	6120-102	28,800.00	34,868.52	28,800.00	28,800.00	28,800.00	28,800.00
INTEREST EXPENSE - PEC LINE	6120-105	45,472.59	35,306.22	23,577.81	44,194.08	43,939.37	36,053.15
INTEREST EXPENSE - PEC L/T NOTE PAY	6120-106	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00
COMMITMENT FEE - PCH	6160-101	2,917.62	2,917.62	2,842.38	2,917.62	2,842.38	2,917.62
COMMITMENT FEE - MTN	6160-102	306.05	306.05	306.05	306.05	306.05	306.05
INTEREST EXPENSE	INTEREST	141,746.26	137,648.41	119,755.27	140,467.75	140,137.80	131,744.18
TOTAL EXPENSES		30,701,680.35	31,570,867.19	30,418,398.75	32,793,144.17	27,356,902.59	32,582,774.55
INCOME BEFORE INCOME TAXES		301,334.38	304,375.00	302,339.06	294,604.69	297,578.13	354,964.06

COMPANY: PROGRESS FUELS CORPORAION
 SUBJECT: SUMMARY TRANSPORTATION CONTRACTS
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER *11/15*

AUDIT: WATERBORNE TRANSPORTATION
 FILENAME: CONTRACTS
 SHEET: CONTRACT SUMMARY

Vendor	Contract Amount	Utility Summary	Comments
Kanawha River Terminals (KRT)	<i>42-3</i> 7.86 <i>p1</i>	From <i>42-1</i> 7.86	
International Marine Terminals (IMT)			
Despatch Calculations 1/1-12/31/02			
Dockage	<i>42-3</i> 0.0925	0.0500	Contract for 12 hour period, utility based 6 hours
Line Handling	<i>3</i> 1,200.00	0.08	@ transfer 15,000 tons
Direct Unload	1.50	1.50	
Storage	1.95	1.95	
Conveyor Discharge	1.80	1.80	
Plaquemines Harbor Fee	0.007500		
MEMCO			
Demurrage	<i>42-3</i> 200.00 day	0.02	@10,000 tons
Freight - Kanawha River - Dec July	<i>p2</i> 8.60	8.60	
Dixie Fuels Limited			
Demurrage		0.73	
Charter of Dixie Rebel	<i>42-3</i> 500.00 day <i>p4</i>		
Freight - Dec July	<i>p3</i> 4.0625 4.2500	4.0625 4.2500	Rate for less than initial 1.6 mm tons Rate greater than initial 1.6mm tons

*Averages
Not
Really
Averages
(See
next
page)*

NOTE: All rates are per ton unless otherwise noted

Avg 2002 costs per company

Rail & truck - Kanawhaq River Terminals (KRT)	<i>42-1</i> 7.86
River - MEMCO	8.60
Demurrage	0.02
International Marine Terminal (IMT)	1.95
Other charges	0.21
Gulf - Dixie Fuels (Avg rate paid)	4.68
Other charges	1.13
	<hr/> 24.45
Amt charged PEF (\$19.82+9.49)	<i>48-1</i> 29.31
	<hr/> Difference 4.86

WP-33

JUN 11/05

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
UTILITY SUMMARY OF TRANSPORTATION CONTRACTS
12 MONTHS ENDED 12/31/02

Staff WP 42-
 Company WP 34

CONFIDENTIAL									
Progress Fuels Corporation									
Summary of Transportation Contracts for Shipments to Crystal River									
Line	Contract Term	Contract Rates per Ton			Notes				
		2001	2002	2003					
1	Rail & Truck - Kanawha River Terminals (KRT)	01/02-12/03							
2	Elk Run to KRT Kanawha River Docks			42					
3	Martin County to KRT Big Sandy River Dock		\$6.00	\$7.86	\$7.86	\$7.86	\$7.86	1	
4			\$5.90	\$5.90	\$5.90				
5	River - MEMCO	07/01-07/04							
6	Kanawha River		\$8.60	\$8.60	\$9.80	\$9.80	\$9.80	4	
7	Big Sandy River		\$7.00	\$7.00	\$7.98				
8	Ohio River		\$8.90	\$6.90	\$7.87				
9	Demurrage		\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	2	
10									
11	Terminal at New Orleans - International Marine Terminals (IMT)	01/02-10/04							
12	Storage		\$1.95	\$1.95	\$1.95	\$1.95	\$1.95		
13	Direct		\$1.50	\$1.50	\$1.50				
14	Import of Foreign Coal								
15	- Terminal crane discharge through storage including barge charges		\$3.97	\$3.97	\$3.97				
16	- Terminal crane discharge through storage excluding barge charges		\$3.50	\$3.50	\$3.50				
17	- Terminal crane discharge through CBU direct to gulf barge		\$3.47	\$3.47	\$3.47				
18	- Full service package for vessel crane discharge through storage		\$3.07	\$3.07	\$3.07				
19	- Terminal crane discharge through CBU direct to gulf barge		\$3.00	\$3.00	\$3.00				
20	- Vessel crane discharge through storage		\$2.35	\$2.35	\$2.35				
21	- Vessel crane discharge through CBU direct to gulf barge		\$1.85	\$1.85	\$1.85				
22	- Vessel conveyor discharge through inbound hopper through storage		\$1.80	\$1.80	\$1.80				
23	Harbor Fee								
24	Additional charges								
25	- Demurrage								
26	- Line Handling		\$0.07	\$0.07	\$0.07	\$0.07	\$0.07		
27	- Port Fees		\$0.08	\$0.08	\$0.08	\$0.08	\$0.08		
28	- Dockage		\$0.01	\$0.01	\$0.01	\$0.01	\$0.01		
29			\$0.05	\$0.05	\$0.05	\$0.05	\$0.05		
30	Gulf - Dixie Fuels Limited (Dixie)	4/02-4/05							
31	Rate less than initial 1.6 million tons			\$4.06	N/A				
32	Rate greater than initial 1.6 million tons			\$4.25	\$4.25				
33	Average adjusted rate actually paid		\$6.30	\$4.68	\$4.53	\$4.53	\$6.30	3 & 5	
34	Additional charges								
35	- Port Fees		\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	2	
36	- Assist Tug		\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	2	
37	- Demurrage/Repairs		\$0.27	\$0.73	\$0.73	\$0.73	\$0.73	2	
38	- Insurance/Labor Adjustment		\$0.00	\$0.20	\$0.20	\$0.20	\$0.20	2	
39	- Customs/Surveys		\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	2	
40									
41									
42	Notes:					\$25.50	\$27.27	6	
43	1 Increase is expected in WV truck bill due to road reconstruction, not reflected above								
44	2 2001 and 2003 are estimated based on 2002 rates, except demurrage 2001.								
45	3 Dixie Fuels current rate is based upon an inadequate IRR for the partnership. We anticipate the rate to increase in 2005.								
46	4 The MEMCO contract has a rate adjustment clause for increases/decreases in diesel fuel prices. 2003-2005 reflects current increase								
47	5 The Dixie contract has a rate adjustment clause for increases/decreases in diesel fuel prices. 2003-2005 reflects current increase								
48	2003-2005 reflect current increase.								
49	- Drydocking repairs estimated at \$37 million over next 10 years, or \$3.7 million per year @ 2.1 million tons = \$1.76 per ton								
50	6 Other costs not included in total 2003 estimated charges include but are not limited to the following:								
51	a. Lost coal at IMT due to hurricanes/flooding.								
52	b. Potential damage to Gulf barge or lost of Gulf barge.								
53	c. Increase cost for drydocking repairs to Gulf barges.								
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SOURCE: PBC

W/P WP-34

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
COAL PURCHASE CONTRACTS
12 MONTHS ENDED 12/31/02

COAL PURCHASE CONTRACTS

Pen Coal Corporation and Electric Fuels Corporation (now PFC)

Term - April 1, 1998 to July 31, 2001. May elect to extend term for additional 36 months.

Base Price Per Ton of Coal - Beginning April 1, 1998, **FOB Seller's barge loading site, load the barge**, was \$28.30 per ton. On October 1, 1998, and each April 1 and October 1 thereafter Base Price shall be adjusted by adding an amount equal to .85 percent (.0085) of the prior per Base Price. As of April 1, 2001 this price was \$29.77⁴⁷ per ton and October 1, 2001 it was \$30.02 per ton.⁴⁷

In the event of any changes in law after January 1, 1998 which increases or decreases the cost to mine, produce, or process coal to be supplied, an appropriate adjustment shall be made then effective base price. There shall be no adjustments for changes in costs associated with related benefits or taxes, real or property taxes, franchise taxes, income taxes, or any tax computation of which is based upon income.

Delivery and Shipment - Delivery is FOB barge at Seller's river terminals on the Big Sandy or other mutually agreeable barge delivery point. Contract stated that coal sold will be shipped barge from Seller's Big Sandy Dock (M. P. 4.7) or Wayne County River Terminal loading facility (M. P. 7.65) on the Big Sandy River to destinations specified by purchaser.

Black Hawk Synfuel LLC and as Agent for New River Synfuel LLC

Term - letters for "spot" purchases

Approximately 60,000 tons (30 barges) of 1.2 LB "compliance" synfuel during each months July through December 2001. The price on these synfuels is **\$46.75 FOB barge at seller's Quincy Terminal on the Kanawha River**. Extended to 2002.

As agent for New River Synfuel, 40,000 tons of 1.2 LB "compliance" synfuel each for the period January 1, 2002 through December 31, 2002. The price on these synfuels is **\$39.25 FOB barge at seller's Quincy Terminal on the Kanawha River**.

As agent for New River Synfuel, 950,000 tons at **\$37.50 per ton FOB barge, shipped KRT's Marmet or Quincy Dock**. Shipping period May 1, 2002 - October 31, 2003. Letter of Intent 10, 2003 revises previous sales agreement Synfuel will be blended with crushed run of mine (CROM) at contract price of \$39.50 per ton.

As agent for New River Synfuel, 45,000 tons of 1.2 LB "compliance" synfuel each for the period January 1, 2001 through December 31, 2001. The price on these synfuels is **\$28.20 FOB barge at seller's Quincy Terminal on the Kanawha River**. By letter of Intent 2002 this purchase order was extended through April 30, 2002.

Page 4/15

**PROGRESS FUELS CORPORATION
 WATERBORNE TRANSPORTATION AUDIT
 COAL PURCHASE CONTRACTS**

12 MONTHS ENDED 12/31/02

Guasare Coal international and Electric Fuels Corporation (now PFC)

Term - January 1, 2002 - December 31, 2002

Quantity - Six (6) firm cargos of 40,000-50,000 metric tons spread during contract period.

Price - \$49.66 per ton received FOB into buyer's barges at International Marine Terminal (IMT).
 Metric tons converted to US tons? And price adjusted on invoice.

Marmet Synfuel LLC and EFC

33,000 tons of 1.2 LB "compliance" synfuel each month for the period May 1, 2002 through December 31, 2002. The price on these synfuels is fixed at **\$41.25 FOB barge at seller's Quincy or Marmet Terminals on the Kanawha River.**

2 of 2

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42	SOURCE: Read Contracts
43	
44	

Staff WP 42-2

Company WP 36

11.8 1/1-

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
BLACK HAWK SYNFUEL CONTRACT COAL SPECIFICATIONS
12 MONTHS ENDED 12/31/02



ONE PROGRESS PLAZA, P.O. BOX 15208, ST. PETERSBURG, FLORIDA 33733, (727) 824-6600

June 26, 2001

Mr. A. W. Pitcher
 Vice President - Sales
 Black Hawk Synfuel LLC
 Main Street & River
 Post Office Box 305
 Ceredo, West Virginia 25507

Dear Mr. Pitcher:

This letter will respond to your offer of June 8, 2001, wherein you offered Electric Fuels Corporation (EFC) approximately 60,000 tons (30 barges) of 1.2 LB "compliance" synfuel during each of the months July through December 2001.

The price on these synfuels will be \$46.75 f.o.b. barge and will be based on a guarantee of 12,100 Btu/LB. Premium/penalty, if any, will be computed from the guarantee at the rate of \$.386 per 100 Btu on a weighted shipment basis. Invoices, *reflecting premium/penalty calculations*, are payable by wire transfer upon receipt and should be sent to the attention of Mr. Samuel M. Hopkins, Vice President and Controller.

These synfuels will be sampled as loaded in the barge at your Quincy Terminal on the Kanawha River by an independent contractor employed by EFC. These samples will govern payment. Excess loading costs resulting from your failure to comply with the barge line's loading requirements will be for your account.

These synfuels shall be prepared so as to be free of excess quantities of bone, slate, shale, fire clay, wood, rock, loose clay, and other impurities and are expected to meet the following specifications on an "as-received, per-shipment" basis:

SPECIFICATION	REQUIREMENT
SIZE	2" X 0"
SULFUR DIOXIDE	1.2 LB SO ₂ PER MILLION BTU MAXIMUM
ASH	12.0% MAXIMUM
MOISTURE	8.0% MAXIMUM
ASH SOFTENING TEMPERATURE	2650 DEGREES FAHRENHEIT MINIMUM
VOLATILE	32.0% MINIMUM
BTU	12,100/LB MINIMUM
GRIND	45 MINIMUM

PBC Synfuels not meeting a 12,000 Btu minimum, a "compliance" sulfur specification and a 31.0 percent volatile minimum may be rejected.

A Progress Energy Company

SOURCE: Supplier Contract		W/P	WP-37
			2

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION CONTRACTS
12 MONTHS ENDED 12/31/02

WATERBORNE TRANSPORTATION CONTRACTS

Kanawha River Terminals, Inc. (KRT) and Electric Fuels Corporation (now PFC)

Term - January 1, 2002 through December 31, 2003

Services Provided:

Ohio River Rail facility - Ceredo Dock

- 1) Coordinate with CSXT and Shipper's barge carriers the scheduling in of trains an to the KRT facility.
- 2) Receive coal in railcars at the KRT facility.
- 3) Unload railcars and directly load coal into river barges.
- 4) Thaw frozen coal as required using existing equipment.

Kanawha River Truck Facilities

- 1) Coordinate with truck companies and shipper's barge carriers the scheduling in and barges to the KRT facilities.
- 2) Crush coal received to 2" x 0" in size.
- 3) Load coal into barges.
- 4) Determine weight of coal loaded into barges and maintain accurate weight reco

Big Sandy River Truck Facility

- 1) Coordinate with truck companies and shipper's barge carriers the scheduling in and barges to the KRT facilities.
- 2) Crush coal received to 2" x 0" in size.
- 3) Load coal into barges.
- 4) Determine weight of coal loaded into barges and maintain accurate weight reco

Fee - For each ton of coal transported by truck or received by rail and loaded into ba following fees are fixed and firm for calendar year 2002 except for any surcharges, assessr increased fees which may be assessed by transportation or independent hauling companies

KRT Ceredo Dock - Direct transloading rates:
Without Thaw Shed Services \$.85 - With Thaw Shed Services \$1.00

KRT Kanawha River Docks
Truck, transfer and storage from Elk Run Mines \$6.00
Revised to \$7.86 per letter Feb. 5, 2002 42
Straight transloading and storage \$1.40

KRT Big Sandy River Dock
Truck, transfer and storage from Martin County \$5.90
Straight transloading and storage \$1.40

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION CONTRACTS
12 MONTHS ENDED 12/31/02

AEP MEMCO LLC and Electric Fuels Corporation (now PCF)

Term - August 1, 2001 - July 31, 2004

Services Provided - Move Dry Bulk Fuel (DBF), such as coal, petcoke, synfuel certain origin docks on the Inland Waterways System to the New Orleans, Louisiana transfer to and trans-shipment across the Gulf of Mexico by other carriers.

“Origin docks” shall mean docks or terminals located at various Mile points on the Big Sandy and Ohio Rivers or other docks or terminals mutually acceptable to the parties.

“Transfer point” shall mean the International Marine Terminals Partnership transfer point at Mile 57, Lower Mississippi River, or other mutually agreeable transfer terminal on the Mississippi River between Mile 30 AHP and Mile 230 AHP, Baton Rouge.

Quantity - The base quantity of DBF to be shipped will be 1,400,000 net tons per month period beginning on the commencement date (a “Contract Year”). In any Contract Year, PFC will tender no less than 90% of the base quantity and MEMCO shall not be obligated to transport more than 110% of the base quantity.

In any contract year in which PFC ships less than 90% of the base quantity of 1,400,000 net tons of DBF, MEMCO shall have the option to either (a) provide PFC with the opportunity to make up such shortfall during the remaining term of this Agreement or (b) require PFC to pay an amount of \$2.00 per ton of shortfall less than 90% of the base quantity.

Freight Rates - the following rates are per net ton for the transportation and delivery from the following origin docks to the transfer point:

<u>Rates</u>	<u>Origin</u>	<u>Milepoint</u>
	<u>Kanawha river</u>	
\$8.60	Kanawha River Terminals	69.0
\$8.60	Amherst	74.0
\$8.60	Hughes Creek	81.5
\$8.70	Cannelton	84.3
\$8.70	Eagle/Hawks Nest	87.1
	<u>Big Sandy River</u>	
\$7.00	All docks	
	<u>Ohio River</u>	
\$7.00	ORC Huntington	306.5
\$6.90	Ceredo	315.0
\$6.70	TTI	406.0
\$6.20	Louisville & Jefferson Riverport	618.5
\$6.70	CBT Cincinnati	471.8

The initial base price for raw fuel is \$0.85 per gallon, excluding any applicable taxes. T

~~PROGRESS FUELS CORPORATION~~
~~WATERBORNE TRANSPORTATION AUDIT~~
~~WATERBORNE TRANSPORTATION CONTRACTS~~
~~12 MONTHS ENDED 12/31/02~~

Base Rate will be subject to fuel escalation/de-escalation, calculated on a quarterly basis beginning January 1, 2002 and based in the prior quarter's average fuel price on Friday of each week. There will be no change in the freight rates if the raw fuel price remains between \$0.75 and \$0.95 per gallon. In the event the raw fuel price falls below \$0.75 per gallon or rises above \$0.95 per gallon, the freight rate will increase or decrease as follows: for each \$0.03 decrease or increase, or fraction thereof above the initial base price of \$0.85, the base freight rates will decrease or increase one percent (1%) or fraction thereof.

The fuel price used for escalation/de-escalation will be the average price per gallon of #2 diesel fuel as posted by Exxon at Baton Rouge, Louisiana, or if the carrier has changed its principal supplier of fuel, such other comparable unaffiliated third-party fuel supplier that posts its price weekly the quarter preceding the period to be adjusted.

Dixie Fuels Limited and Progress Fuels Corporation

Term - April 1, 2002 - March 31, 2005

This contract replaces prior contract dated December 2, 1977.

Services Provided - Operator will provide marine transportation services for shipment of DBF from bulk cargo terminal(s) in the New Orleans area to the Crystal River Plant. Rates are predicated on agreeable minimum quantities of DBF cargo shipped on each individual voyage (15,500 Shipper Tons) and with respect to cumulative quantity shipped during each six month period during term of the contract. In the event the shipper fails to meet the minimum tonnage for any single voyage, shipper shall pay the operator deadfreight for each voyage.

Base Freight Rates and Freight Rate Adjustments - The Base Freight Rate is \$4.0625 per ST for initial 1,600,000 ST transported and thereafter \$4.25 per ST or prorate portion thereof. Freight rates for load ports other than the Terminal will be calculated on an equivalent revenue per day basis of fuel, port and voyage related expenses.

Fuel Price Adjustment - For each 1% increase or decrease in the weighted average price for marine diesel fuel purchased, rates shall be adjusted by 0.12%. Rates shall be adjusted on the first day of each calendar quarter, based on the fuel price calculated for the calendar quarter preceding the adjustment date as compared to the Base Fuel Price. The Base Fuel Price is \$0.85.

Labor Cost Adjustment - For each 1% increase or decrease in operator's crew costs (wages on all rates shall be adjusted by 0.13%. Rates shall be adjusted annually based on the labor cost on adjusting date as compared to the Base Labor Cost on April 1, 2002.

Producer Price Index Adjustment - For each 1% increase or decrease in the Base Producer Price Index, Industrial Commodities Less Fuels and Related Products and Power (Table 3) unadjusted published by U.S. Department of Labor, Bureau of Labor Statistics (PPI) all rates shall be adjusted by 0.5%. Rates shall be so adjusted annually based on the PPI on the date three months prior to adjustment date as compared to the base PPI. The Base PPI is the PPI for January 1, 2002.

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION CONTRACTS
12 MONTHS ENDED 12/31/02

Crew Cost and Insurance Cost Adjustment - On April 1, 2003, and annually thereafter, the parties shall determine the actual towing vessel crew wage costs (Crew Costs) and the actual self-insurance loss costs and insurance premium costs (Insurance Costs) incurred during the preceding 12 months and compare actual costs to the annual costs contemplated in the Base Freight Rate and determine the adjustment necessary to reflect any overcharges or undercharges. (See Exhibit A)

Additional Costs and Expenses - The Base Freight Rate, and such rate as adjusted, includes the following costs with respect to the operation of the Tows (Barges):

- A. The costs of assist tug(s) positioning the Tow at the terminal dock prior to loading.
- B. The costs of assist tug(s) assisting the Tow in departing the Terminal dock after completion of loading.
- C. Fees assessed for dockage of the Tow at the Terminal prior to commencement of loading and/or following the release of the Tow after completion of loading, provided that such dockage fees are incurred solely for the benefit of Dixie Fuels.

Revenue Shortfall Mitigation - If, during any shipping period, shipper fails to tender for transportation the quantity of cargo previously declared PFC shall pay a sum equal to the Actual Net Revenue Shortfall. (See Exhibit B)

Assist Tug, Dixie Rebel - DFL will provide an assist tug suitable for its needs at Crystal River. DFL will reimburse DFL \$500 per day for providing said assist tug. No other fees, expenses, or charges of any kind will apply. This agreement will expire on April 1, 2005, unless terminated or extended by mutual agreement of the parties.

International Marine Terminals Partnership (Terminal) and Electric Fuels Corporation

Term - January 1, 2002 - October 31, 2004

Services Provided - Terminal agrees to provide transfer services including the unloading of cargo from river barges and transfer either into shore storage and then to sea-going vessel or direct to sea-going vessel.

Rates Per Net Ton of Coal - Storage \$1.95 - Direct \$1.50

For import coal vessels the following throughput rates per net ton of coal:

Terminal crane discharge through storage: \$:
Rate includes all services including barging and associated barge charges.

Terminal crane discharge through storage: \$:
Rate includes all services except barge chartering/handling/fleeting/shifting.

12/15

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION CONTRACTS
12 MONTHS ENDED 12/31/02

Terminal crane discharge through CBU direct to gulf barge: Rate includes all services including barging and associated barge charges.	\$3.47
Full service package for vessel crane discharge through storage: Rate includes receiving coal from vessel in river barges: barge chartering, handling, fleeting, shifting, and lashing to side of vessel; draftsmen and supervision to coordinate swap-out of loads/empties at the vessel; blade cleaning of vessel holds (inclusive of labor and equipment); later reclaim of coal to gulf barge. Rate does not include labor or equipment to operate the shipboard cranes.	\$3.07
Terminal crane discharge through CBU direct to gulf barge: Rate includes all services except barge chartering/handling/ fleeting/shifting.	\$3.00
Vessel crane discharge through storage: Rate <u>excludes</u> all services listed in the full service package but includes later reclaim from storage to gulf barge.	\$2.35
Vessel crane discharge through CBU direct to gulf barge: Rate <u>excludes</u> all services listed in the full service package.	\$1.85
Vessel conveyor discharge through inbound hopper through storage: Rate <u>excludes</u> any barging and barge services, hold cleaning, crane operations, and all other services not necessary for a vessel conveyor boom discharge direct to and compatible with Terminal's inbound "Nelvana" hopper.	\$1.80

Shipper must declare an above rate option for each import vessel at least 15 days prior to each vessel arrival. Plaquemines Parish Supplemental Harbor Fee is currently \$.0075 per short ton. Rates include all fees, taxes, rolls, duties, or port charges applicable to Terminal as of the effective date of agreement. See Attachment III for vessel fees.

$$\frac{42.3}{3}$$

41		
42	SOURCE: Rec'd Contract.	
43		

Staff WP 42-3
Company WP 43

1/27/02

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
DIXIE FUELS - CREW COST & INSURANCE ADJUSTMENT
12 MONTHS ENDED 12/31/02

EXHIBIT A
Dixie Fuels
CREW COST ADJUSTMENT EXAMPLE

The following example of a Crew Cost Adjustment pursuant to Section 14 is based on the historical man count of 6.73 men per day per Tow with Wheelhouse personnel representing 2.03 men per day per Tow, Engineers representing 1.43 men per day per Tow and Deckhands representing 3.27 men per day per Tow and assumes regular wages for the Adjustment Period of \$2,234,000.

	Historical Man count in Base Freight Rate		Manning	Percent	Crew Cost	% Days in	EFC
	Man/Days	% of Cost	Man/Day	Change	Change	DBF Service	Credit/ Debit
	Per Tow	(B)	Per Tow	(D)	(E)	(F)	(G)
	(A)		(C)				
Wheelhouse	2.03	40	2.10	+0.01%	+\$22,340	41.03%	+\$9,166
Engineers	1.43	20	1.58	+0.02%	+44,680	41.03%	+18,332
Deckhands	3.27	40	3.13	-0.02%	-44,680	41.03%	-18,332
Total	<u>6.73</u>	<u>100%</u>	<u>6.81</u>		<u>\$22,340</u>		<u>\$9,166</u>

INSURANCE COST ADJUSTMENT EXAMPLE

The following examples of Insurance Cost Adjustments pursuant to Section 14 are based on the Insurance Allowance of \$486,000 and assumed Actual Insurance Costs of \$250,000 in Example A and \$550,000 in Example B.

	Example A	Example B
Actual Insurance Costs	\$ 250,000	\$ 550,000
Insurance Allowance	<u>486,000</u>	<u>486,000</u>
	(236,000)	64,000
% Days in DBF service	<u>.4103</u>	<u>.4103</u>
EFC Credit	\$ (96,831)	
Invoice to EFC		\$ 26,259



SOURCE: PBC - Contract

Staff Workpaper 42-3

Company W/P 44

4

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
DIXIE FUELS - REVENUE SHORTFALL ADJUSTMENT
12 MONTHS ENDED 12/31/02

//

Exhibit B
Dixie Fuels

Operator shall transport such cargo, subject to the capacity of three (3) T
Shipper declares its requirement for a fourth Tow as provided herein, fou

- b. Declaring Tonnage. Shipper will declare its planned tonnage require
month Shipping Periods in accordance with Section 8 hereof beginning J
ending June 30 and beginning July 1 and ending December 31. Shipper
its first tonnage requirement for the initial abbreviated Shipping Perio
April 1, 2002 and ending June 30, 2002 by March 31, 2002. Thereafter,
declare its tonnage requirements by October 1 of the year preceding for
Period beginning January 1 and will declare its tonnage by April 1 for t
Shipping Period beginning July 1. Coincident with declaration
requirements, Shipper will also declare whether it requires that Operat
fourth Tow in Shipper's service transporting DBF cargo for such Shippi
the event Shipper declares or tenders tonnage in excess of 1,050,000
Shipping Period it shall be deemed that Shipper required that Operat
fourth Tow in Shipper's service for such Shipping Period.
- c. Payment for Quantity Declared. Shipper will pay freight at the applicabl
greater of (i) ninety percent (90%) of all DBF cargo declared for ea
Period whether said DBF cargo is tendered to Operator for transportatio
or not (but subject to Sections 8 and 16 hereof), or (ii) all DBF ca
tendered in such Shipping Period.
16. Revenue Shortfall: Mitigation: If, during any Shipping Period described in
hereof, Shipper fails to tender for transportation hereunder the quantity of cargo
declared, or in the event of termination, Shipper shall pay to Operator a sum
Adjusted Net Revenue Shortfall determined as provided below, but only so
Adjusted Net Revenue Shortfall is a positive number. Upon written notice from
Shipper anticipates an inability to tender said quantity of cargo, Operator shall use
commercial efforts, taking into account market conditions for such services at
mitigate the shortfall by soliciting cargoes from third parties, and shall prompt
Shipper the terms and estimated voyage time of each charter or affreightme
proposed to be accepted by Operator in its effort to so mitigate the shortfall.

The "Adjusted Net Revenue Shortfall" shall be determined for any Shipping Per
multiplying the Cargo Shortfall times that rate in effect on the first day of th
Period, to yield the Gross Revenue Shortfall, then by subtracting therefrom the A
of-Pocket Costs (defined below) to yield the Net Revenue Shortfall, and then by
therefrom the Mitigation Percentage (defined below) of net revenues realize
Qualified Third Party Business (defined below) undertaken by Operator in anti
Shipper's Cargo Shortfall, to yield the Adjusted Net Revenue Shortfall.

The "Cargo Shortfall" for any Shipping Period shall be equal to ninety percent (9
tonnage declared, minus the actual tonnage lifted during such Shipping Period.

PBC

47

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
DIXIE FUELS - REVENUE SHORTFALL ADJUSTMENT
12 MONTHS ENDED 12/31/02

By "Avoided Out-of-Pocket Costs" is meant the out-of-pocket costs avoided result of the Cargo Shortfall, including but not limited to brokerage cor cleaning expenses, miscellaneous port charges, towing charges, line hand fees, crew costs (if laid off), fuel costs, and local agents' fees.

By "Mitigation Percentage" is meant the ratio, not to exceed 1.0, determined number of barge days ("Idle Days") Operator's barge fleet is idled as a res Shortfall, by the number of barge days ("Active Days") Operator's barge fleet transporting Qualified Third Party Business (as defined in this Section). Acti deemed to begin when an empty barge departs the Crystal River Plant and empty barge arrives at the Terminal.

In calculating Idle Days and in calculating out-of-pocket costs avoided b result of the Cargo Shortfall, a per-trip cargo of 15,500 ST and a per-trip elap of 4.96 days shall be conclusively presumed.

By "Qualified Third Party Business" is meant any charter or affreightm undertaken by Operator on behalf of a chartering or shipping party other th excluding any transaction rejected by Shipper (as provided below) or Operator is able to reasonably demonstrate would have been feasible for Ope even if the Cargo Shortfall did not occur.

Shipper may reject any charter or affreightment contract proposed by Opera Third Party Business in mitigation, by tendering written notice to Operator of receipt by Shipper of notice by Operator that Operator intends to accept affreightment contract. In such event such charter or affreightment co subsequent charters or affreightment contracts undertaken by Operator durin Period shall be excluded from Qualified Third Party Business.

In determining net revenues realized from Qualified Third Party Business included all freight and demurrage received and subtracted all out-of-p including, but not limited to, dispatch money paid, brokerage commissions, expenses, miscellaneous port charges, towing charges, line handling fees, p costs, and local agents' fees.

- a. Example of Adjusted Revenue Shortfall Calculations. Assume an \$4.25 per ST; declared tonnage of 1,000,000, and actual tonnage o
- A. Declared Tonnage
 - B. 90% of Declared Tonnage
 - C. Actual Tonnage
 - D. Cargo Shortfall (B - C)

PBC

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
DIXIE FUELS - REVENUE SHORTFALL ADJUSTMENT
12 MONTHS ENDED 12/31/02

E.	Gross Revenue Shortfall (\$4.25 x D)	
F.	Avoided Out-of-Pocket Costs	
	Brokerage Commissions	
	Barge Cleaning	
	Miscellaneous Port Charges	
	Assisting Tugs (Estimated \$1,000 per voyage x 400,000 ÷ 15,500 or 25.806 voyages)	\$25,800
	Pilot Fees	
	Fuel Costs (Estimated Shipper incremental 6090 gals x \$0.85/gal x 25.806 voyages)	\$77,000
	Local Agents' Fees	<u> </u>
	Total	\$102,810
G.	Net Revenue Shortfall (E - F)	
H.	Qualified Third Party Business:	
	22-day voyage from New Orleans to San Juan	
	Freight (\$18.00/ST x 15,000 ST)	+270,000
	Demurrage (2 days x 12,000/day)	+240,000
	Brokerage Commission @ 2.5%	-7,350
	Cleaning	-5,000
	Miscellaneous Port Charges	-5,000
	Towing	-10,000
	Fuel Costs	-30,000
	Agents in Puerto Rico	<u> 3,000</u>
	Total	\$233,650
	(Net Revenue of \$10,620.45 per day x 22 days)	
I.	Qualified Third Party Business:	
	10.3-day voyage to Tampa to Houston, net revenues of \$13,000 per day	
J.	Qualified Third Party Business	
	45-day voyage from Corpus Christi to Haiti, net revenue of \$11,000 per day	
K.	Total Qualified Third Party Business (H + I + J)	
L.	Idle Days (D + 15,500 x 4.96)	
M.	Actual Days (total from H, I, J)	



Jan 1/13

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
DIXIE FUELS - REVENUE SHORTFALL ADJUSTMENT
12 MONTHS ENDED 12/31/02

N.	Mitigation Percentage (L + M)	1.0
O.	Mitigation Percentage of all Total Qualified Third Party Business (K x N)	\$862,550
P.	Adjusted Net Revenue Shortfall (G-0)	\$734,636

b. Settlement. Any amounts owned by Shipper for cargoes declared but not tendered for shipment in any six-month calendar period will be paid not later than the earlier of (a) the 20th day following the end of each such six-month calendar period, or (b) the 20th day following Shipper's tender of notice to reject charter or affreightment contract.

17. Demurrage and Despatch: In the event that loading and/or discharging the Tow is not completed within the freetime allowed herein through no fault of Operator or the Tow, demurrage shall accrue for all time used in excess of allowed freetime, and Shipper shall pay Operator for the Tow at the Demurrage Rate \$500.00 per hour or portion thereof or, in the case of demurrage accrued during a Shipper declared Twelve Hour Force Majeure Event, as defined in Section 32 hereof, one-half the Demurrage Rate. In the event that loading and/or discharging the Tow is completed within the freetime allowed herein, despatch shall accrue for all allowed freetime not used, and Operator shall provide Shipper with a credit against demurrage accrued hereunder for such despatch at the Demurrage Rate.

Demurrage and despatch shall be calculated on an annual basis. Within thirty (30) days after the end of each calendar year, Operator shall review the voyages completed during such calendar year, determine the demurrage and despatch accrued, and prepare and transmit to Shipper by telefax a cumulative demurrage invoice for such voyages reflecting the demurrage or despatch accrued on each such voyage and charging Shipper for any demurrage not offset by despatch at the Demurrage Rate. Shipper shall pay such invoice by wire transfer to the account specified herein for payments within fifteen (15) days of receipt. In the event that despatch accrued exceeds the demurrage accrued during such calendar year, Operator shall reduce such excess despatch by the amount of any Stacking Delays during the calendar year, provided, however, that Operator shall not reduce excess despatch by the amount of Stacking Delays related to a fourth Tow unless the employment of such Tow was requested or required by Shipper as provided in Section 15 hereof, and shall provide Shipper with a credit for such excess despatch at one-half the Demurrage Rate against the first available freight invoice.

The Demurrage Rate shall be adjusted by 50 percent of the changes in the factors, and on the intervals, specified in Sections 11, 12 and 13 hereof.

18. Payments: Payments required by Shipper hereunder shall be made to the account as styled below:

Chase Manhattan Bank, Houston, Texas
 ABA No.113000609
 Credit Account No. 00100359554
 For further credit to Dixie Fuels Limited

4064

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
IMT VESSEL FEES
12 MONTHS ENDED 12/31/02

IMT

ATTACHMENT III

Agreement No. 02EFC01

VESSEL FEES

ARTICLE I
TERMS OF AGREEMENT

The following sets forth the vessel fees under which International Marine Terminals, hereinafter "Terminal," will invoice to Electric Fuels Corporation, hereinafter Shipper, for shipments of coal in Gulf barges. Import vessels will be charged the standard vessel fees and billed to the vessel's account. The fees listed below are in effect as of January 1, 2002.

ARTICLE II

<u>Dockage</u>	\$0.0925 per GRT per 12 hour period, billed on a 12 hour minimum. Partial time after the first 12 hours will be prorated on a straight time basis. GRT based on the Gulf barge only (not accompanying tug). Terminal will assess dockage charges starting the sooner of three (3) hours prior to the loading start time if already at the dock or arrival time at dock if loading start time is within three (3) hours from arrival. Dockage time ends when the Gulf barge departs the dock.
<u>Tug Assistance</u>	\$500.00 per tug (dock/undock)
<u>Line Handling</u>	\$1200.00
<u>Shifting</u>	\$450.00 per hour per tug.
<u>Holding</u>	\$450.00 per hour per tug.
<u>Delays (tug standby)</u>	\$400.00 per hour per tug.
<u>Reporting</u>	\$800.00
<u>Bunkers</u>	\$850.00
<u>Lube</u>	\$850.00
<u>Deslop</u>	\$850.00
<u>Fresh Water</u>	\$300.00

1042

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 January 2002

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CRYSTAL RIVER 4 AND 5

* denotes UC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		28.44	0.00		
A CBT/S to KCT		24.88	0.00		
A May/S to KCT		20.75	0.00		
Sandy River/S to Cyrus Dock		20.35	0.00		
Labody/S to Rvr Eagle		21.95	0.00		
BB XMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pan Dock	3,390.20	30.02	101,773.80		
E Pen to Placer Dock		30.02	0.00		
E Coal Nev/S to WhiteCreek		21.70	0.00	3,390.20	OK 101,773.80
F Massey to Ceredo		24.60	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
G Quaker to Ceredo		24.75	0.00		
H BlackHawk/S to Ceredo #5		43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT/Eagle to KRT/Quincy	38,701.50	37.50	1,378,306.25		
J KRT/Eagle to KRT/Quincy		37.50	0.00		
K BlackHawk/Spot to Quincy	27,122.28	35.50	962,840.94		
X Black Hawk/S to KRT/Quincy #5	20,041.01	46.25	928,896.71		
K Black Hawk/S to KRT/Quincy #8	19,883.99	43.00	846,411.47		
L New River/S to KRT/Quincy	84,241.05	22.20	1,428,151.31	187,789.83	OK 5,538,806.78
S Glencore/S to IMT		40.15	0.00		
S Glencore/S to IMT		41.30	0.00	0.00	0.00
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	<u>171,180.03</u>	<u>32.95</u>	<u>5,840,380.58</u>	<u>171,180.03</u>	<u>5,840,380.58</u>
		Average Rate		OK	

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pan Dock	3,390.20		0.00		
N Pen to Placer Dock			0.00	3,390.20	OK 0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Franklin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk/S to Ceredo			0.00		
O DMay/S to Ceredo			0.00	0.00	0.00
Eagle to KRT/Quincy	38,701.50		0.00		
BlackHawk/Spot to Quincy	27,122.28		0.00		
P Black Hawk/S to KRT/Quincy	39,725.00		0.00		
P New River/S to KRT/Quincy	84,241.05		0.00	187,789.83	0.00
	<u>171,180.03</u>	<u>0.00</u>	<u>0.00</u>	<u>171,180.03</u>	<u>0.00</u>
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle CHRVS			0.00	0.00	0.00
N From Pen/Whitark on ACBUS			0.00		
N From Pen/Placer on Memco	3,390.20		0.00		
N From Pen/Whitark on CHRVS			0.00	3,390.20	0.00
O From Ceredo on Memco			0.00		
O From Ceredo on CHRVS			0.00		
O From Ceredo on ACBUS			0.00	0.00	0.00
P From KRT/Quincy on CHRVS			0.00		
P From KRT/Quincy on Memco	187,789.83		0.00		
P From Kanawha on ACBUS			0.00	187,789.83	0.00
	<u>171,180.03</u>	<u>0.00</u>	<u>0.00</u>	<u>171,180.03</u>	<u>0.00</u>
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
J From KCT OK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
J From Pen Dock/Placer Dk	11,021.23	19.82	218,440.78	R From Pen Dock		19.82	0.00
J From Ceredo/Ohio Rvr Dk	26,742.86	19.82	530,043.49	R From Ceredo/Ohio Rvr Dk		19.82	0.00
J From Kanawha/Quincy	129,841.72	19.82	2,569,498.89	R From Kanawha/Quincy		19.82	0.00
J From Glencore/S		5.11	0.00	R From Glencore/S		5.11	0.00
J From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	<u>167,405.81</u>	<u>19.82</u>	<u>3,317,983.16</u>		<u>0.00</u>	<u>#DIV/0!</u>	<u>0.00</u>
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
V From IMT	181,530.85	0.00	0.00
V From Electro-Coal & Quar		0.00	0.00
	<u>181,530.85</u>	<u>0.00</u>	<u>0.00</u>
		Average Rate	

ILF FREIGHT	Tons	Cost/Ton	Dollars
From delivered-IMT	180,131.70	9.49	1,519,849.83
From delivered-Electro & Other		9.49	0.00
	<u>180,131.70</u>	<u>9.49</u>	<u>1,519,849.83</u>
		Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 February 2002

04-Mar-02
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CRYSTAL RIVER 4 AND 5

* denotes UC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		26.44	0.00		
A CBT/S to KCT		24.85	0.00		
A DMay/S to KCT		20.75	0.00		
A Sandy River/S to Cyrus Dock		20.35	0.00		
A Jbody/S to Rvr Eagle		21.95	0.00		
BB KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock	7,106.27	29.77	211,553.66		
E Pen to Placer Dock		29.77	0.00		
E Coal Net/S to WhiteCreek		21.70	0.00	7,106.27	211,553.66
F Massey to Ceredo		24.60	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
G Quaker to Ceredo		24.75	0.00		
H BlackHawk/S to Ceredo	#6	43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT/Eagle to KRT/Quincy	35,884.84	41.25	1,471,998.65		
J KRT/Eagle to KRT/Quincy		41.25	0.00		
J BlackHawk/Spot to Quincy	39,509.14	39.25	1,550,733.75		
K Black Hawk/S to KRT/Quincy	#5	46.25	903,821.26		
K Black Hawk/S to KRT/Quincy	#6	43.00	841,087.31		
L New River/S to KRT/Quincy	46,696.28	22.20	1,036,657.42	160,992.51	5,804,299.33
S Glencore/S to IMT		40.15	0.00		
S Glencore/S to IMT		41.30	0.00	0.00	0.00
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	<u>168,098.78</u>	<u>35.79</u>	<u>6,015,852.99</u>	<u>168,098.78</u>	<u>6,015,852.99</u>
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock	7,106.27		0.00		
N Pen to Placer Dock			0.00	7,106.27	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Frkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk/S to Ceredo			0.00		
O DMay/S to Ceredo			0.00	0.00	0.00
I T/Eagle to KRT/Quincy	35,884.84		0.00		
J BlackHawk/Spot to Quincy	39,509.14		0.00		
P Black Hawk/S to KRT/Quincy	39,102.25		0.00		
P New River/S to KRT/Quincy	46,696.28		0.00	160,992.51	0.00
	<u>168,098.78</u>	<u>0.00</u>	<u>0.00</u>	<u>168,098.78</u>	<u>0.00</u>
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle CHR/V/S			0.00	0.00	0.00
N From Pen/Whitlark on ACBUS			0.00		
N From Pen/Placer on Memco	7,106.27		0.00		
N From Pen/Whitlark on CHR/V/S			0.00	7,106.27	0.00
O From Ceredo on Memco			0.00		
O From Ceredo on CHR/V/S			0.00		
O From Ceredo on ACBUS			0.00	0.00	0.00
P From KRT/Quincy on CHR/V/S			0.00		
P From KRT/Quincy on Memco	160,992.51		0.00		
P From Kanawha on ACBUS			0.00	160,992.51	0.00
	<u>168,098.78</u>	<u>0.00</u>	<u>0.00</u>	<u>168,098.78</u>	<u>0.00</u>
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
Q From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
Q From Pen Dock/Placer Dk	3,449.26	19.82	68,364.33	R From Pen Dock		19.82	0.00
Q From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
Q From Kanawha/Quincy	131,923.69	19.82	2,614,727.54	R From Kanawha/Quincy		19.82	0.00
Q From Glencore/S		5.11	0.00	R From Glencore/S		5.11	0.00
Q From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	<u>135,372.95</u>	<u>19.82</u>	<u>2,683,091.87</u>		<u>0.00</u>	<u>#CIV/01</u>	<u>0.00</u>
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
V From IMT	157,941.17	0.00	0.00
W From Electro-Coal & Other		0.00	0.00
	<u>157,941.17</u>	<u>0.00</u>	<u>0.00</u>
		Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
ons delivered-IMT	190,207.54	9.49	1,805,069.53
ons delivered-Electro & Other		9.49	0.00
	<u>190,207.54</u>	<u>9.49</u>	<u>1,805,069.53</u>
		Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 March 2002

02-Apr-02
12:00 PM

CRYSTAL RIVER 4 AND 5

* denotes UC

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		26.44	0.00		
A CBT/S to KCT		24.85	0.00		
AJ KMay/S to KCT		20.75	0.00		
F Sandy River/S to Cyrus Dock		20.35	0.00		
F Body/S to Rvr Eagle		21.95	0.00		
Bb KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock	1,830.76	29.77	54,501.73		
E Pen to Placer Dock		29.77	0.00		
E Coal New/S to WhiteCreek		21.70	0.00	1,830.76	54,501.73
F Massey to Carado		24.80	0.00		
G Masco/S to Carado		24.25	0.00		
G Franklin to Carado		24.50	0.00		
G Quaker to Carado		24.75	0.00		
H BlackHawk/S to Carado #6		43.00	0.00		
I DMay/S to Carado		21.50	0.00	0.00	0.00
J KRT/Eagle to KRT/Quincy	36,276.58	41.25	1,496,408.93		
J KRT/Eagle to KRT/Quincy		41.25	0.00		
J BlackHawk/Spot to Quincy	43,882.80	39.25	1,722,399.90		
K Black Hawk/S to KRT/Quincy #5	19,804.82	46.25	915,972.93		
K Black Hawk/S to KRT/Quincy #6	21,327.36	43.00	917,076.48		
L New River/S to KRT/Quincy	58,449.42	20.34	1,148,181.20	177,740.98	8,200,039.44
S Guasare/S to IMT	47,873.14	49.854	2,377,571.82		
S Guasare/S to IMT		41.30	0.00	47,873.14	2,377,571.82
T InterAmer/S to IMT		45.89	0.00		0.00
	<u>227,444.88</u>	<u>37.95</u>	<u>8,632,112.79</u>	<u>227,444.88</u>	<u>8,632,112.79</u>
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock	1,830.76		0.00		
N Pen to Placer Dock			0.00	1,830.76	0.00
N Massey to Carado			0.00		
O Masco/S to Carado			0.00		
O Frkin to Carado			0.00		
O Quaker to Carado			0.00		
O BlackHawk/S to Carado			0.00		
O DMay/S to Carado			0.00	0.00	0.00
F RT/Eagle to KRT/Quincy	36,276.58		0.00		
I BlackHawk/Spot to Quincy	43,882.80		0.00		
P Black Hawk/S to KRT/Quincy	41,132.18		0.00		
P New River/S to KRT/Quincy	58,449.42		0.00	177,740.98	0.00
	<u>179,571.74</u>	<u>0.00</u>	<u>0.00</u>	<u>179,571.74</u>	<u>0.00</u>
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N From Pen/Whitlock on ACBUS			0.00		
N From Pen/Placer on Memco	1,830.76		0.00		
N From Pen/Whitlock on OHRV/S			0.00	1,830.76	0.00
O From Carado on Memco			0.00		
O From Carado on OHRV/S			0.00		
O From Carado on ACBUS			0.00	0.00	0.00
P From KRT/Quincy on OHRV/S			0.00		
P From KRT/Quincy on Memco	177,740.98		0.00		
P From Kanawha on ACBUS			0.00	177,740.98	0.00
	<u>179,571.74</u>	<u>0.00</u>	<u>0.00</u>	<u>179,571.74</u>	<u>0.00</u>
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
J From KCT Dk/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
J From Pen Dock/Placer Dk	7,177.65	19.82	142,261.02	R From Pen Dock		19.82	0.00
J From Carado/Ohio Rvr Dk		19.82	0.00	R From Carado/Ohio Rvr Dk		19.82	0.00
J From Kanawha/Quincy	154,431.38	19.82	3,080,829.95	R From Kanawha/Quincy		19.82	0.00
J From Guasare/S	47,873.14	5.11	244,831.75	R From Guasare/S		5.11	0.00
J From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	<u>209,482.17</u>	<u>18.48</u>	<u>3,447,722.72</u>		<u>0.00</u>	<u>#DIV/0!</u>	<u>0.00</u>
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
V From IMT	178,109.48	0.00	0.00
V From Electro-Coal & Other		0.00	0.00
	<u>178,109.48</u>	<u>0.00</u>	<u>0.00</u>
		Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
is delivered-IMT	159,846.43	9.49	1,515,044.82
is delivered-Electro & Other		9.49	0.00
	<u>159,846.43</u>	<u>9.49</u>	<u>1,515,044.82</u>
		Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 April 2002

02-May-02
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CRYSTAL RIVER 4 AND 5

* denotes UC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		26.44	0.00		
A CBT/S to KCT		24.85	0.00		
A* KMay/S to KCT		20.75	0.00		
Sandy River/S to Cyrus Dock		20.35	0.00		
abody/S to Rvr Eagle		21.95	0.00		
Bb KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		23.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
F Coal N&S to WhiteCreek		21.70	0.00	0.00	0.00
G Massey to Carado		24.60	0.00		
H Mapco/S to Carado		24.25	0.00		
I Franklin to Carado		24.50	0.00		
J Quaker to Carado		24.75	0.00		
K BlackHawk/S to Carado	#6	43.00	0.00		
L DMay/S to Carado		21.50	0.00	0.00	0.00
M KRT/Eagle to KRT/Quincy	23,380.48	41.25	964,444.80		
N Harrel/Eagle to KRT/Quincy	10,462.83	41.25	431,593.49		
O BlackHawk/Spot to Quincy	1,727.27	35.50	61,318.09		
P Black Hawk/S to KRT/Quincy	#5 12,842.05	46.25	594,894.31		
Q Black Hawk/S to KRT/Quincy	#6 12,947.81	43.00	556,755.32		
R New River/S to KRT/Quincy	55,787.48	20.34	1,134,717.34	116,947.72	3,733,514.36
S Guasare/S to IMT		49.654	0.00		
T Guasare/S to IMT		41.30	0.00	0.00	0.00
U InterAmer/S to IMT		45.89	0.00	0.00	0.00
	116,947.72	31.92	3,733,514.36	116,947.72	3,733,514.36
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massey to Carado			0.00		
O Mapco/S to Carado			0.00		
O Frkin to Carado			0.00		
O Quaker to Carado			0.00		
O BlackHawk/S to Carado			0.00		
O DMay/S to Carado			0.00	0.00	0.00
P Harrel/Eagle to Quincy	33,843.11		0.00		
Q Hawk/Spot to Quincy	1,727.27		0.00		
R Black Hawk/S to KRT/Quincy	25,389.86		0.00		
P New River/S to KRT/Quincy	55,787.48		0.00	116,947.72	0.00
	116,947.72	0.00	0.00	116,947.72	0.00
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N From Pen/Whitck on ACBUS			0.00		
N From Pen/Placer on Memco			0.00		
N From Pen/Whitck on OHRV/S			0.00	0.00	0.00
J From Carado on Memco			0.00		
J From Carado on OHRV/S			0.00		
J From Carado on ACBUS			0.00	0.00	0.00
J From KRT/Quincy on OHRV/S			0.00		
J From KRT/Quincy on Memco	116,947.72		0.00		
J From Kanawha on ACBUS			0.00	116,947.72	0.00
	116,947.72	0.00	0.00	116,947.72	0.00
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
1 From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
1 From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
1 From Carado/Ohio Rvr Dk		19.82	0.00	R From Carado/Ohio Rvr Dk		19.82	0.00
1 From Kanawha/Quincy	213,116.60	19.82	4,223,971.01	R From Kanawha/Quincy		19.82	0.00
1 From Guasare/S		5.11	0.00	R From Guasare/S		5.11	0.00
1 From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	213,116.60	19.82	4,223,971.01		0.00	#CIV/OI	0.00
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
From IMT	179,917.80	0.00	0.00
From Electro-Coal & Other		0.00	0.00
		0.00	0.00
	179,917.80	0.00	0.00
		Average Rate	

IF FREIGHT	Tons	Cost/Ton	Dollars
delivered-IMT	178,833.38	9.49	1,697,128.78
delivered-Electro & Other		9.49	0.00
		0.00	0.00
	178,833.38	9.49	1,697,128.78
		Average Rate	

PFC

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 May 2002

04-Jun-02
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CRYSTAL RIVER 4 AND 5

* denotes UC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		28.44	0.00		
A CBT/S to KCT		24.86	0.00		
y/S to KCT		20.75	0.00		
y River/S to Cyrus Dock		20.35	0.00		
B Resbody/S to Rvr Eagle		21.95	0.00		
BB KMay/S to KCT Dock		29.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
E Coal Net/S to WhiteCreek		21.70	0.00	0.00	0.00
F Massey to Ceredo		24.80	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
G Quaker to Ceredo		24.75	0.00		
H BlackHawk/S to Ceredo #5		43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT/Eagle to KRT/Quincy	37,701.16	41.25	1,558,172.85		
J Marmet/Eagle to KRT/Quincy		41.25	0.00		
K BlackHawk/Spot to Quincy	42,503.34	35.50	1,508,868.57		
K Black Hawk/S to KRT/Quincy #5	3,580.85	48.25	168,814.31		
K Black Hawk/S to KRT/Quincy #6	5,151.35	43.00	221,508.05		
L New River/S to KRT/Quincy	64,453.80	20.34	1,310,990.29	153,390.50	4,782,154.07
S Guasare/S to IMT	58,753.50	49.664	2,917,938.79		
S Guasare/S to IMT		41.30	0.00	58,753.50	2,917,938.79
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	<u>212,144.10</u>	<u>36.20</u>	<u>7,880,092.96</u>	<u>212,144.10</u>	<u>7,880,092.86</u>
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Frkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk/S to Ceredo			0.00		
y/S to Ceredo			0.00	0.00	0.00
I /-Marmet/Eagle to Quincy	37,701.16		0.00		
P BlackHawk/Spot to Quincy	42,503.34		0.00		
P Black Hawk/S to KRT/Quincy	8,732.20		0.00		
P New River/S to KRT/Quincy	64,453.80		0.00	153,390.50	0.00
	<u>153,390.50</u>	<u>0.00</u>	<u>0.00</u>	<u>153,390.50</u>	<u>0.00</u>
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N From Pen/Whitck on ACBUS			0.00		
N From Pen/Placer on Memco			0.00		
N From Pen/Whitck on OHRV/S			0.00	0.00	0.00
O From Ceredo on Memco			0.00		
O From Ceredo on OHRV/S			0.00		
O From Ceredo on ACBUS			0.00	0.00	0.00
P From KRT/Quincy on OHRV/S			0.00		
P From KRT/Quincy on Memco	153,390.50		0.00		
P From Kanawha on ACBUS			0.00	153,390.50	0.00
	<u>153,390.50</u>	<u>0.00</u>	<u>0.00</u>	<u>153,390.50</u>	<u>0.00</u>
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERMINAL & OTHER	Tons	Cost/Ton	Dollars
Q From KCT Dk/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
Q From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
Q From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
Q From Kanawha/Quincy	133,175.35	19.82	2,639,535.44	R From Kanawha/Quincy		19.82	0.00
Q From Guasare/S	58,753.60	5.11	300,230.90	R From Guasare/S		5.11	0.00
Q From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	<u>191,928.95</u>	<u>15.32</u>	<u>2,939,766.34</u>		<u>0.00</u>	<u>#DIV/0!</u>	<u>0.00</u>
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
V From IMT	179,563.81	0.00	0.00
W From Electro-Coal & Other		0.00	0.00
		0.00	0.00
	<u>179,563.81</u>	<u>0.00</u>	<u>0.00</u>
		Average Rate	

OFF FREIGHT	Tons	Cost/Ton	Dollars
is delivered-IMT	179,167.23	9.49	1,700,297.01
Tons delivered Electro & Other		9.49	0.00
		0.00	0.00
	<u>179,167.23</u>	<u>9.49</u>	<u>1,700,297.01</u>
		Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 June 2002

02-Jul-02
10:53 AM

CRYSTAL RIVER 4 AND 5

* denotes IC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replaces to KCT		26.44	0.00		
A CBT/S to KCT		24.85	0.00		
A May/S to KCT		20.75	0.00		
Sandy River/S to Cyrus Dock		20.35	0.00		
Marmet/S to Rvr Eagle		21.95	0.00		
BB KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
E Coal Net/S to WhiteCreek		21.70	0.00	0.00	0.00
F Massey to Ceredo		24.60	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
G Quaker to Ceredo		24.75	0.00		
H BlackHawk to Ceredo	#S	43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT to KRT/Quincy	46,131.97	29.64	1,189,511.59		
J Marmet/Eagle to KRT/Quincy	33,238.08	41.25	1,371,070.80		
K BlackHawk/Spot to Quincy	42,515.54	35.50	1,509,301.67		
K Black Hawk to KRT/Quincy	#S 3,395.70	46.25	157,051.13		
K Black Hawk to KRT/Quincy	#S 5,100.66	43.00	219,328.38		
L New River to KRT/Quincy	24,742.63	20.34	503,265.09	149,124.58	4,949,528.66
S Guasare/S to IMT		49.664	0.00		
S Guasare/S to IMT		41.30	0.00	0.00	0.00
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	<u>149,124.58</u>	<u>33.19</u>	<u>4,949,528.66</u>	<u>149,124.58</u>	<u>4,949,528.66</u>
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Frkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk to Ceredo			0.00	0.00	0.00
O DMay/S to Ceredo			0.00	0.00	0.00
T-Marmet/Eagle to Quincy	73,370.05		0.00		
BlackHawk/Spot to Quincy	42,515.54		0.00		
P Black Hawk to KRT/Quincy	8,496.36		0.00	149,124.58	0.00
P New River to KRT/Quincy	24,742.63		0.00	149,124.58	0.00
	<u>149,124.58</u>	<u>0.00</u>	<u>0.00</u>	<u>149,124.58</u>	<u>0.00</u>
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBL/S			0.00		
M From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N From Pen/Whitark on ACBL/S			0.00		
N From Pen/Placer on Memco			0.00		
N From Pen/Whitark on OHRV/S			0.00	0.00	0.00
O From Ceredo on Memco			0.00		
O From Ceredo on OHRV/S			0.00		
O From Ceredo on ACBL/S			0.00	0.00	0.00
P From KRT/Quincy on OHRV/S			0.00		
P From KRT/Quincy on Memco	149,124.58		0.00		
P From Kanawha on ACBL/S			0.00	149,124.58	0.00
	<u>149,124.58</u>	<u>0.00</u>	<u>0.00</u>	<u>149,124.58</u>	<u>0.00</u>
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
Q From KCT Dk/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
Q From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
Q From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
Q From KRT/Quincy, Marmet	127,057.81	19.82	2,518,285.79	R From KRT/Quincy, Marmet		19.82	0.00
Q From Guasare/S		5.11	0.00	R From Guasare/S		5.11	0.00
Q From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	<u>127,057.81</u>	<u>19.82</u>	<u>2,518,285.79</u>		<u>0.00</u>	<u>#OIV/OI</u>	<u>0.00</u>
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
V From IMT	98,432.79	0.00	0.00
W From Electro-Coal & Other		0.00	0.00
		0.00	0.00
		0.00	0.00
	<u>98,432.79</u>	<u>0.00</u>	<u>0.00</u>
		Average Rate	

LF FREIGHT	Tons	Cost/Ton	Dollars
ions delivered-IMT	131,223.91	9.49	1,245,314.91
ions delivered-Electro & Other		9.49	0.00
		0.00	0.00
		0.00	0.00
	<u>131,223.91</u>	<u>9.49</u>	<u>1,245,314.91</u>
		Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 July 2002

02-Aug-02
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CRYSTAL RIVER 4 AND 5

* denotes VC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		28.44	0.00		
A CBT/S to KCT		24.88	0.00		
/ y/S to KCT		20.78	0.00		
y River/S to Cyrus Dock		20.35	0.00		
B esbody/S to Rvr Eagle		21.95	0.00		
SB KMay/S to KCT Dock		20.78	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
F Coal New/S to WhiteCreek		21.70	0.00	0.00	0.00
G Massey to Ceredo		24.80	0.00		
H Mapco/S to Ceredo		24.25	0.00		
I Franklin to Ceredo		24.50	0.00		
J Quaker to Ceredo		24.75	0.00		
H BlackHawk to Ceredo	#6	43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT to KRT/Quincy	56,125.20	29.84	1,663,550.93		
J Marmel/Eagle to KRT/Quincy	26,127.11	41.25	1,077,743.29		
K BlackHawk/Spot to Quincy	41,562.75	38.50	1,475,477.83		
K Black Hawk to KRT/Quincy	#5 3,524.02	46.25	163,448.43		
K Black Hawk to KRT/Quincy	#6 5,298.02	43.00	227,728.86		
L New River to KRT/Quincy		20.34	0.00	132,845.10	4,607,949.14
S Guasare/S to IMT	52,021.33	49.864	2,583,587.33		
S Guasare/S to IMT		41.00	0.00	52,021.33	2,583,587.33
T InterAmer/S to IMT		45.89	0.00		0.00
	184,668.43	38.94	7,191,536.47	184,668.43	7,191,536.47
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Fkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk to Ceredo			0.00		
O ay/S to Ceredo			0.00	0.00	0.00
I Marmel/Eagle to Quincy	82,252.31		0.00		
F BlackHawk/Spot to Quincy	41,562.75		0.00		
P Black Hawk to KRT/Quincy	8,830.04		0.00		
P New River to KRT/Quincy			0.00	132,845.10	0.00
	132,845.10	0.00	0.00	132,845.10	0.00
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N From Pen/Whitck on ACBUS			0.00		
N From Pen/Placer on Memco			0.00		
N From Pen/Whitck on OHRV/S			0.00	0.00	0.00
O From Ceredo on Memco			0.00		
O From Ceredo on OHRV/S			0.00	0.00	0.00
O From Ceredo on ACBUS			0.00		
P From KRT/Quincy on OHRV/S			0.00		
P From KRT/Quincy on Memco	132,845.10		0.00		
P From Kanawha on ACBUS			0.00	132,845.10	0.00
	132,845.10	0.00	0.00	132,845.10	0.00
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
Q From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
Q From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
Q From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
Q From KRT/Quincy, Marmet	150,231.57	19.82	2,977,589.72	R From KRT/Quincy, Marmet		19.82	0.00
Q From Guasare/S	52,021.33	5.11	265,829.00	R From Guasare/S		5.11	0.00
Q From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	202,252.90	18.04	3,243,418.72		0.00	#CIV/DI	0.00
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
✓ From IMT	211,915.53	0.00	0.00
N From Electro-Coal & Other		0.00	0.00
		0.00	0.00
	211,915.53	0.00	0.00
		Average Rate	

IF FREIGHT	Tons	Cost/Ton	Dollars
✓ From delivered-IMT	195,415.53	9.49	1,854,493.38
Tons delivered-Electro & Other		9.49	0.00
		0.00	0.00
	195,415.53	9.49	1,854,493.38
		Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 August 2002

04-Sep-02
 11:43 AM

CRYSTAL RIVER 4 AND 5

* denotes UC

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
COST OF COAL					
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		26.44	0.00		
A CBT/S to KCT		24.85	0.00		
A KMay/S to KCT		20.75	0.00		
Sandy River/S to Cyrus Dock		20.35	0.00		
Labody/S to Rvr Eagle		21.95	0.00		
BB KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
E Coal Neu/S to WhiteCreek		21.70	0.00	0.00	0.00
F Massey to Ceredo		24.60	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
G Quaker to Ceredo		24.75	0.00		
H BlackHawk to Ceredo	#5	43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT to KRT/Quincy	53,818.34	29.64	1,595,116.32		
J Marmet/Eagle to KRT/Quincy	37,810.53	41.25	1,559,684.36		
K BlackHawk/Spot to Quincy	36,222.06	35.50	1,285,883.13		
K Black Hawk to KRT/Quincy	#5 1,765.75	46.25	81,665.94		
K Black Hawk to KRT/Quincy	#5 5,224.40	43.00	224,649.20		
L New River to KRT/Quincy		20.34	0.00	134,839.08	4,746,998.95
S Guasara/S to IMT		49.684	0.00		
S Guasara/S to IMT		41.30	0.00	0.00	0.00
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	<u>134,839.08</u>	<u>35.20</u>	<u>4,748,998.95</u>	<u>134,839.08</u>	<u>4,748,998.95</u>
		Average Rate			

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
RIVER TERMINAL					
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Frkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk to Ceredo			0.00		
O KMay/S to Ceredo			0.00	0.00	0.00
I T-Marmet/Eagle to Quincy	91,828.87		0.00		
I chHawk/Spot to Quincy	36,222.06		0.00		
P Black Hawk to KRT/Quincy	6,990.15		0.00		
P New River to KRT/Quincy			0.00	134,839.08	0.00
	<u>134,839.08</u>	<u>0.00</u>	<u>0.00</u>	<u>134,839.08</u>	<u>0.00</u>
		Average Rate			

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
RIVER FREIGHT					
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N From Pen/Whitck on ACBUS			0.00		
N From Pen/Placer on Memco			0.00		
N From Pen/Whitck on OHRV/S			0.00	0.00	0.00
O From Ceredo on Memco			0.00		
O From Ceredo on OHRV/S			0.00		
O From Ceredo on ACBUS			0.00	0.00	0.00
P From KRT/Quincy on OHRV/S			0.00		
P From KRT/Quincy on Memco	134,839.08		0.00		
P From Kanawha on ACBUS			0.00	134,839.08	0.00
	<u>134,839.08</u>	<u>0.00</u>	<u>0.00</u>	<u>134,839.08</u>	<u>0.00</u>
		Average Rate			

	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
GULF TERMINAL - IMT							
Q From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
Q From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
Q From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
Q From KRT/Quincy, Marmet	140,192.20	19.82	2,778,609.40	R From KRT/Quincy, Marmet		19.82	0.00
Q From Guasara/S		5.11	0.00	R From Guasara/S		5.11	0.00
Q From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	<u>140,192.20</u>	<u>19.82</u>	<u>2,778,609.40</u>		<u>0.00</u>	<u>#DIV/0!</u>	<u>0.00</u>
		Average Rate				Average Rate	

	Tons	Cost/Ton	Dollars
GULF FREIGHT			
V From IMT	231,312.41	0.00	0.00
W From Electro-Coal & Other		0.00	0.00
	<u>231,312.41</u>	<u>0.00</u>	<u>0.00</u>
		Average Rate	

	Tons	Cost/Ton	Dollars
U.P. FREIGHT			
ions delivered-IMT	214,460.82	9.49	2,035,231.28
ions delivered-Electro & Other		9.49	0.00
	<u>214,460.82</u>	<u>9.49</u>	<u>2,035,231.28</u>
		Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 September 2002

02-Oct-02
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CRYSTAL RIVER 4 AND 5

* denotes I/C

COST OF COAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A	CBT/S to KCT		21.71	0.00		
A	CBT/Replace to KCT		26.44	0.00		
A	CBT/S to KCT		24.85	0.00		
	May/S to KCT		20.75	0.00		
	ndy River/S to Cyrus Dock		20.35	0.00		
	abody/S to Rvr Eagle		21.95	0.00		
BB	KMay/S to KCT Dock		20.75	0.00		
C	DMay/S to KCT		21.50	0.00		
CC	Sandy Rvr(Pen) to Cyrus Dock		29.02	0.00	0.00	0.00
D	Pen to Pan Dock		29.77	0.00		
E	Pen to Placer Dock		29.77	0.00		
E	Coal Net/S to WhiteCreek		21.70	0.00	0.00	0.00
F	Massey to Ceredo		24.50	0.00		
G	Mapco/S to Ceredo		24.25	0.00		
G	Franklin to Ceredo		24.50	0.00		
G	Quaker to Ceredo		24.75	0.00		
H	BlackHawk to Ceredo	#5	43.00	0.00		
I	DMay/S to Ceredo		21.50	0.00	0.00	0.00
J	Marmet(KRT) to Marmet	66,634.49	29.64	1,975,046.28		
J	Marmet/Eagle to Marmet	35,476.13	41.25	1,463,190.36		
K	BlackHawk/Spot to Quincy	35,066.75	35.50	1,244,869.83		
X	Black Hawk to KRT/Quincy	#5 1,552.76	48.25	71,816.16		
X	Black Hawk to KRT/Quincy	#5 5,061.53	43.00	217,845.79		
X	BlackHawk(KRT) to Quincy	88.73	29.84	2,629.96		
L	New River to KRT/Quincy		20.34	0.00	143,880.39	4,975,397.17
S	Guasare/S to IMT	60,981.66	49.664	3,028,593.18		
S	Guasare/S to IMT		41.30	0.00	60,981.66	3,028,593.18
T	InterAmer/S to IMT		45.89	0.00	0.00	0.00
		<u>204,862.05</u>	<u>39.07</u>	<u>8,003,990.33</u>	<u>204,862.05</u>	<u>8,003,990.33</u>
			Average Rate			

RIVER TERMINAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	CBT/S to KCT			0.00		
M	KMay/S to KCT			0.00		
M	Sandy River/S to Cyrus Dock			0.00		
M	KMay/S to KCT Dock			0.00		
M	DMay/S to KCT			0.00		
M	Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N	Pen to Pan Dock			0.00		
N	Pen to Placer Dock			0.00	0.00	0.00
N	Massey to Ceredo			0.00		
O	Mapco/S to Ceredo			0.00		
O	Frkin to Ceredo			0.00		
O	Quaker to Ceredo			0.00		
O	BlackHawk to Ceredo			0.00		
O	May/S to Ceredo			0.00	0.00	0.00
P	Marmet/Eagle to KRT/Marmet	102,110.62		0.00		
P	BlackHawk/Spot to KRT/Quincy	35,066.75		0.00		
P	Black Hawk to KRT/Quincy	8,703.02		0.00		
P	New River to KRT/Quincy			0.00	143,880.39	0.00
		<u>143,880.39</u>	<u>0.00</u>	<u>0.00</u>	<u>143,880.39</u>	<u>0.00</u>
			Average Rate			

RIVER FREIGHT		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	From KCT/Cyrus Memco			0.00		
M	From KCT/Rvr Eagle ACBUS			0.00		
M	From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N	From Pen/Whitck on ACBUS			0.00		
N	From Pen/Placer on Memco			0.00		
N	From Pen/Whitck on OHRV/S			0.00	0.00	0.00
O	From Ceredo on Memco			0.00		
O	From Ceredo on OHRV/S			0.00		
O	From Ceredo on ACBUS			0.00	0.00	0.00
O	From KRT/Quincy on OHRV/S			0.00		
O	From KRT/Quincy, Marmet on Memco	143,880.39		0.00		
O	From Kanawha on ACBUS			0.00	143,880.39	0.00
		<u>143,880.39</u>	<u>0.00</u>	<u>0.00</u>	<u>143,880.39</u>	<u>0.00</u>
			Average Rate			

GULF TERMINAL - IMT		Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	
1	From KCT Dk/Cyrus Dock		19.82	0.00	R From KCT Dock	Tons Cost/Ton Dollars
1	From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock	19.82 0.00
1	From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk	19.82 0.00
1	From KRT/Quincy, Marmet	106,923.39	19.82	2,119,221.59	R From KRT/Quincy, Marmet	19.82 0.00
1	From Guasare/S	60,981.66	5.11	311,816.28	R From Guasare/S	5.11 0.00
1	From InterAmer/S		5.11	0.00	R From InterAmer/S	5.11 0.00
		<u>167,905.05</u>	<u>14.48</u>	<u>2,430,937.87</u>		<u>0.00</u> #QIV/DI
			Average Rate			Average Rate

GULF FREIGHT		Tons	Cost/Ton	Dollars
V	From IMT	130,941.04	0.00	0.00
V	From Electro-Coal & Other		0.00	0.00
		<u>130,941.04</u>	<u>0.00</u>	<u>0.00</u>
			Average Rate	

FREIGHT		Tons	Cost/Ton	Dollars
	Tons delivered-IMT	131,741.47	9.49	1,250,226.55
	Tons delivered-Electro & Other		9.49	0.00
		<u>131,741.47</u>	<u>9.49</u>	<u>1,250,226.55</u>
			Average Rate	



PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 October 2002

04-Nov-02
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CRYSTAL RIVER 4 AND 5

* denotes I/C

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		28.44	0.00		
* CBT/S to KCT		24.85	0.00		
ly/S to KCT		20.75	0.00		
ly River/S to Cyrus Dock		20.35	0.00		
B body/S to Rvr Eagle		21.95	0.00		
BB KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
E Coal Nav/S to WhiteCreek		21.70	0.00	0.00	0.00
F Massay to Caredo		24.60	0.00		
G Mappa/S to Caredo		24.25	0.00		
G Franklin to Caredo		24.50	0.00		
G Quaker to Caredo		24.75	0.00		
H BlackHawk to Caredo	#8	43.00	0.00		
I OMay/S to Caredo		21.50	0.00	0.00	0.00
J Marmet(KRT) to Marmet	31,059.48	29.84	920,603.28		
J Marmet/Eagle to Marmet	29,415.04	41.25	1,213,370.40		
K BlackHawk/Spot to Quincy	42,328.10	35.50	1,509,747.55		
K Black Hawk to KRT/Quincy	#5 1,883.22	46.25	76,923.93		
K Black Hawk to KRT/Quincy	#6 5,115.22	43.00	219,954.46		
K BlackHawk(KRT) to Quincy	18,548.09	29.84	490,485.39		
L New River to KRT/Quincy		20.34	0.00	128,329.16	4,431,065.01
S Guasare/S to IMT	58,786.96	49.864	2,918,802.30		
S Guasare/S to IMT		41.30	0.00	58,786.96	2,918,802.30
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	185,096.12	39.71	7,349,887.31	185,096.12	7,349,687.31
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M OMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massay to Caredo			0.00		
O Mappa/S to Caredo			0.00		
O Frkin to Caredo			0.00		
O Quaker to Caredo			0.00		
O BlackHawk to Caredo			0.00		
ly/S to Caredo			0.00	0.00	0.00
met/Eagle to KRT/Marmet	60,474.53		0.00		
P BlackHawk/Spot to KRT/Quincy	42,328.10		0.00		
P Black Hawk to KRT/Quincy	23,328.53		0.00		
P New River to KRT/Quincy			0.00	128,329.16	0.00
	128,329.16	0.00	0.00	128,329.16	0.00
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBL/S			0.00		
M From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N From Pen/Whitck on ACBL/S			0.00		
N From Pen/Placer on Memco			0.00		
N From Pen/Whitck on OHRV/S			0.00	0.00	0.00
O From Caredo on Memco			0.00		
O From Caredo on OHRV/S			0.00		
O From Caredo on ACBL/S			0.00	0.00	0.00
P From KRT/Quincy on OHRV/S			0.00		
P Frm KRT/Quincy, Marmet on Memco	128,329.16		0.00		
P From Kanawha on ACBL/S			0.00	128,329.16	0.00
	128,329.16	0.00	0.00	128,329.16	0.00
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
Q From KCT OK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
Q From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
Q From Caredo/Ohio Rvr Dk		19.82	0.00	R From Caredo/Ohio Rvr Dk		19.82	0.00
Q From KRT/Quincy, Marmet	182,590.90	19.82	3,222,551.84	R From KRT/Quincy, Marmet		19.82	0.00
Q From Guasare/S	58,786.96	5.11	300,298.17	R From Guasare/S		5.11	0.00
Q From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	221,357.86	15.91	3,522,850.81		0.00	#DIV/0!	0.00
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
I From IMT	164,778.91	0.00	0.00
N From Electro-Coal & Other		0.00	0.00
		0.00	0.00
		0.00	0.00
	164,778.91	0.00	0.00
		Average Rate	

F FREIGHT	Tons	Cost/Ton	Dollars
ons delivered-IMT	181,104.33	9.49	1,718,880.09
Tons delivered-Electro & Other		9.49	0.00
		0.00	0.00
		0.00	0.00
	181,104.33	9.49	1,718,880.09
		Average Rate	



Jan 1/17

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
INVENTORY ACCRUAL
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 December 2002

03-Jan-03
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CRYSTAL RIVER 4 AND 5

* denotes UC

DESCRIPTION OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
BT/S to KCT		21.71	0.00		
BT/Replace to KCT		26.44	0.00		
BT/S to KCT		24.85	0.00		
BT/S to KCT		20.75	0.00		
BT/S to KCT		20.35	0.00		
by River/S to Cyrus Dock		21.95	0.00		
abody/S to Rvr Eagle		20.75	0.00		
May/S to KCT Dock		21.50	0.00		
May/S to KCT		28.02	0.00		
andy Rvr(Pen) to Cyrus Dock		29.77	0.00	0.00	0.00
on to Pan Dock		29.77	0.00		
on to Placer Dock		21.70	0.00		
oal Net/S to WhiteCreek		24.60	0.00	0.00	0.00
assey to Ceredo		24.25	0.00		
apca/S to Ceredo		24.50	0.00		
anklin to Ceredo		24.75	0.00		
aker to Ceredo		43.00	0.00		
ackHawk to Ceredo	#6	21.50	0.00		
May/S to Ceredo		35.50	314,854.12	0.00	0.00
ackHawk/Spot to Marmet	8,889.13	41.25	1,200,312.30		
irme/Eagle to Marmet	29,098.48	36.50	1,298,310.26		
ackHawk/Spot to Quincy	36,572.12	46.26	0.00		
ack Hawk to KRT/Quincy	#5	43.00	0.00		
ack Hawk to KRT/Quincy	#6	29.84	1,759,075.02		
ackHawk(KRT) to Quincy	59,348.01	20.34	0.00	133,887.74	4,572,551.70
w River to KRT/Quincy		49,864	0.00		
asare/S to IMT		41.30	0.00	0.00	0.00
asare/S to IMT	1,400.70	25.50	35,717.85	1,400.70	35,717.85
erald/S to IMT	135,288.44	34.06	4,608,269.55	135,288.44	4,608,269.55
		Average Rate			

TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
BT/S to KCT			0.00		
ay/S to KCT			0.00		
dy River/S to Cyrus Dock			0.00		
ay/S to KCT Dock			0.00		
ay/S to KCT			0.00		
dy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
to Pan Dock			0.00		
to Placer Dock			0.00	0.00	0.00
sey to Ceredo			0.00		
ica/S to Ceredo			0.00		
to Ceredo			0.00		
ker to Ceredo			0.00		
XHawk to Ceredo			0.00		
y/S to Ceredo			0.00	0.00	0.00
ne/BHS to KRT/Marmet	37,967.81		0.00		
XHawk/Spot to KRT/Quincy	36,572.12		0.00		
X Hawk to KRT/Quincy	59,348.01		0.00		
River to KRT/Quincy			0.00	133,887.74	0.00
	133,887.74	0.00	0.00	133,887.74	0.00
		Average Rate			

TER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
KCT/Cyrus Memco			0.00		
KCT/Rvr Eagle ACBL/S			0.00		
KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
Pen/Whitck on ACBL/S			0.00		
Pen/Placer on Memco			0.00		
Pen/Whitck on OHRV/S			0.00	0.00	0.00
Ceredo on Memco			0.00		
Ceredo on OHRV/S			0.00		
Ceredo on ACBL/S			0.00	0.00	0.00
KRT/Quincy on OHRV/S			0.00		
KRT/Quincy, Marmet on Memco	132,058.02		0.00		
Kanawha on ACBL/S			0.00	132,058.02	0.00
	132,058.02	0.00	0.00	132,058.02	0.00
		Average Rate			

TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER Tons	Cost/Ton	Dollars
KCT OK/Cyrus Dock		19.82	0.00	R From KCT Dock	19.82	0.00
Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock	19.82	0.00
Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk	19.82	0.00
KRT/Quincy, Marmet	124,556.28	19.82	2,468,705.07	R From KRT/Quincy, Marmet	19.82	0.00
Gussare/S		5.11	0.00	R From Gussare/S	5.11	0.00
Emerald/S	1,400.70	5.11	7,157.58	R From InterAmer/S	5.11	0.00
	125,956.96	19.86	2,475,862.65		0.00	0.00
		Average Rate			#DIV/0!	0.00

FREIGHT	Tons	Cost/Ton	Dollars
MT	170,538.81	0.00	0.00
Electro-Coal & Other		0.00	0.00
		0.00	0.00
	170,538.81	0.00	0.00
		Average Rate	

FREIGHT	Tons	Cost/Ton	Dollars
silvered-IMT	188,405.07	9.49	1,788,984.11
silvered-Electro & Other		9.49	0.00
		0.00	0.00
	188,405.07	9.49	1,788,984.11
		Average Rate	

Direct Freight - Gulf

WP-61

12 of 13

SOURCE: Workpapers show number of tons of coal for each transport component - See 4/24/05 W/P 45-1

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 December 2002

03-Jan-03
 12:18 PM

CRYSTAL RIVER 4 AND 5

* denotes UC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		28.44	0.00		
A CBT/S to KCT		24.85	0.00		
A y/S to KCT		20.75	0.00		
E y River/S to Cyrus Dock		20.35	0.00		
B yabody/S to Rvr Eagle		21.95	0.00		
BB KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		29.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
F Coal Net/S to WhiteCreek		21.70	0.00	0.00	0.00
F Massey to Carado		24.60	0.00		
G Mappo/S to Carado		24.25	0.00		
G Franklin to Carado		24.60	0.00		
G Quaker to Carado		24.75	0.00		
H BlackHawk to Carado	#8	43.00	0.00		
I DMay/S to Carado		21.50	0.00		
J BlackHawk/Spot to Marmet		8,869.13	314,854.12		
K Marmet/Eagle to Marmet		29,098.48	1,200,312.30		
J BlackHawk/Spot to Quincy		36,572.12	1,298,310.26		
K Black Hawk to KRT/Quincy	#5	46.25	0.00		
K Black Hawk to KRT/Quincy	#6	43.00	0.00		
K BlackHawk(KRT) to Quincy		59,348.01	1,759,075.02		
L New River to KRT/Quincy		20.34	0.00	133,887.74	4,572,551.70
S Guasare/S to IMT		49.864	0.00		
S Guasare/S to IMT		41.30	0.00	0.00	0.00
T Emerald/S to IMT		25.50	35,717.85	1,400.70	35,717.85
		135,288.44	4,608,269.55	135,288.44	4,608,269.55
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massey to Carado			0.00		
O Mappo/S to Carado			0.00		
O Frkin to Carado			0.00		
O Quaker to Carado			0.00		
C kHawk to Carado			0.00		
I y/S to Carado			0.00	0.00	0.00
P Marmet/BHS to KRT/Marmet		37,967.81	0.00		
P BlackHawk/Spot to KRT/Quincy		36,572.12	0.00		
P Black Hawk to KRT/Quincy		59,348.01	0.00		
P New River to KRT/Quincy			0.00	133,887.74	0.00
		133,887.74	0.00	133,887.74	0.00
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M From KCT/Cyrus Memco			0.00		
M From KCT/Rvr Eagle ACBUS			0.00		
M From KCT/Rvr Eagle CHRVS			0.00	0.00	0.00
N From Pen/Whitlock on ACBUS			0.00		
N From Pen/Placer on Memco			0.00		
N From Pen/Whitlock on CHRVS			0.00	0.00	0.00
O From Carado on Memco			0.00		
O From Carado on CHRVS			0.00		
O From Carado on ACBUS			0.00	0.00	0.00
P From KRT/Quincy on CHRVS			0.00		
P From KRT/Quincy, Marmet on Memco		132,058.02	0.00		
P From Kanawha on ACBUS			0.00	132,058.02	0.00
		132,058.02	0.00	132,058.02	0.00
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
J From KCT Dock/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
J From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
J From Carado/Ohio Rvr Dk		19.82	0.00	R From Carado/Ohio Rvr Dk		19.82	0.00
J From KRT/Quincy, Marmet		124,558.26	2,468,705.07	R From KRT/Quincy, Marmet		19.82	0.00
J From Guasare/S		5.11	0.00	R From Guasare/S		5.11	0.00
J From Emerald/S		1,400.70	7,157.58	R From InterAmer/S		5.11	0.00
		125,958.96	2,475,862.65		0.00	#DIV/0!	0.00
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
V From IMT	170,538.81	0.00	0.00
V From Electro-Coal & Other		0.00	0.00
	170,538.81	0.00	0.00
		Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
Tons delivered-IMT	186,405.07	9.49	1,768,984.11
Tons delivered-Electro & Other		9.49	0.00
	186,405.07	9.49	1,768,984.11
		Average Rate	

Aug Coal 34.0
 Aug Transp 17.1
 Gulf Transp 7.1
 Aug Per Ton 63

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

	Tons	Cost	Total
Cost per ton		#DIV/0!	
Beginning inventory	0.00	\$0.00	\$0.00
Inventory accrual	37,967.61	1,515,166.42	1,515,166.42
ADJUSTMENTS:			
	45-2	45-2	
			0.00
			0.00
			0.00
			0.00
Total	37,967.61	1,515,166.42	1,515,166.42
Cost per ton		39.91	
Transferred to dock	37,967.61	1,515,166.42	1,515,166.42
Ending inventory	0.00	\$0.00	\$0.00
Cost per ton		#DIV/0!	

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

	Tons	Coal Cost	#DIV/0!	Total
Cost per ton				
Beginning inventory	0.00	\$0.00	#DIV/0!	\$0.00
Inventory accrual	95,920.13 ⁴⁵⁻²	3,057,385.28 ⁴⁵⁻²		3,057,385.28
ADJUSTMENTS:				
				0.00
				0.00
				0.00
				0.00
Total	95,920.13	3,057,385.28		3,057,385.28
Cost per ton		31.87 *		31.87
Transferred to dock	95,920.13	3,057,385.28		3,057,385.28
Ending inventory	0.00	\$0.00		\$0.00
Cost per ton			#DIV/0!	#DIV/0!

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

	Tons	Coal Cost	#DIV/01	Total
Cost per ton				
Beginning inventory	0.00	\$0.00		\$0.00
Inventory accrual	1,400.70 ⁴⁵⁻²	35,717.85 ⁴⁵⁻²		35,717.85
ADJUSTMENTS:				
				0.00
				0.00
				0.00
				0.00
Total	1,400.70	35,717.85		35,717.85
Cost per ton		25.50 ^W		25.50
Transferred to gulf term	1,400.70	35,717.85		35,717.85
Ending inventory	0.00	\$0.00		\$0.00
Cost per ton		#DIV/01		#DIV/01

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

	Tons	Cost	#DIV/0!	Total	Tons	Cost	Total
Cost per ton						\$35.43	\$0.00
Beginning inventory	0.00	\$0.00	\$0.00	\$0.00	78,168.24	\$2,769,647.18	\$0.00
Inventory accrual							
Marmet/BHS to KRT/Marmet	37,967.61	1,515,166.42	0.00	1,515,166.42	132,058.02	4,518,318.80	0.00
Black Hawk to KRT/Quincy	95,920.13	3,057,385.28	0.00	3,057,385.28			0.00
New River to KRT/Quincy	0.00	0.00	0.00	0.00			0.00
ADJUSTMENTS:							
U07 Dec KRT(Syn) lost coal rvr barge sank	(1,829.72)	(54,232.90)		(54,232.90)			\$0.00
				0.00			\$0.00
				0.00			\$0.00
				0.00			\$0.00
Total	132,058.02	4,518,318.80	0.00	4,518,318.80	210,226.26	7,287,965.98	0.00
Cost per ton		34.21	0.00	34.21		34.67	0.00
Transferred to river/IMT	132,058.02	4,518,318.80	0.00	4,518,318.80	124,556.26	4,318,365.53	0.00
Transferred to Electro-Coal					0.00	0.00	0.00
Ending inventory	0.00	\$0.00	\$0.00	\$0.00	85,670.00	\$2,969,600.45	\$0.00
Cost per ton		#DIV/0!	#DIV/0!	#DIV/0!		\$34.66	\$0.00

BHS/Spot 17,237.33 ✓
 KRT Syn 57,518.29 ✓
 Marmet 10,914.38 ✓
 85,670.00

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

	Tons	Coal Cost		Water Freight	Total
Cost per ton		36.89	0.00	0.00	54.25
Beginning inventory	642,742.54	\$23,712,879.19	\$0.00	\$11,153,251.58	\$34,866,130.77
Inventory accrual					
From KCT DK/Cyrus Dock	0.00	0.00	0.00	0.00	0.00
From Pen Dock/Placer Dk	0.00	0.00	0.00	0.00	0.00
From Cerredo/Ohio Rvr Dk	0.00	0.00	0.00	0.00	0.00
From KRT/Quincy/Mammet	453- 4-124,556.26	4,318,365.53	0.00	2,468,705.07	6,787,070.60
From Guasare/S	0.00	0.00	0.00	0.00	0.00
From Emerald/S	1,400.70	35,717.85	0.00	7,157.58	42,875.43
ADJUSTMENTS:					
U02 Addtl Nov tons loaded on gulf	(17.96)	(662.54)		(311.61)	0.00
U02 Nov zero pile adj @ IMT	163.11	6,017.13		2,829.96	(974.15)
U06A Dec zero pile adj @ IMT	258.97	9,553.40		4,493.13	8,847.09
					14,046.53
					0.00
					0.00
					0.00
					0.00
					0.00
Total	769,103.62	28,081,870.56	0.00	13,636,125.71	41,717,996.27
Cost per ton		36.51	0.00	17.73	54.24
Transferred to Gulf barge	170,538.81	6,226,371.95	0.00	3,023,635.04	9,250,025.05
Ending inventory	598,564.81	21,855,498.61	0.00	10,612,490.67	32,467,971.22
Cost per ton		\$36.51	\$0.00	\$17.73	\$54.24

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

	Tons	Coal Cost	Cost	Cost
Cost per ton		\$36.90	\$17.32	\$0.00
Beginning inventory	62,348.30	\$2,300,588.97	\$1,079,635.97	\$0.00
Inventory accrual				
Transferred from IMT	45-2 170,538.81	6,226,371.95	3,023,635.04	
ADJUSTMENTS:				
LI02 Additl tons Transf from IMT	17.96	662.54	311.61	
Total	232,905.07	8,527,623.46	4,103,582.62	0.00
Cost per ton		36.61	17.62	0.00
Sold to FPC	45-2 186,405.07	45-2 6,824,289.61	45-2 3,284,457.33	45-2 0.00
Ending inventory	46,500.00	\$1,703,333.85	\$819,125.29	\$0.00
Cost per ton		\$36.63	\$17.62	\$0.00
		5310-010 4WAT	5380-010 4WAT	5380-010 4WAT

Jun 4/02

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
WATERBORNE TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/02

Electric Fuels Corporation RANGE: CGSJE
 Regulated (FPC) Business
 Cost of Goods Sold JE02E
 December 2002

CTQ#	UNIT	ACCOUNT	DEBIT	CREDIT	DESCRIPTION
	04WD	1310-000		0.00	JE02E 4&5 WATR COGS
	04WD	1310-000		(6,824,289.61)	JE02E 4&5 WATR COGS
	04WD	1350-000		0.00	JE02E 4&5 WATR COGS
	04WD	1360-000		0.00	JE02E 4&5 WATR COGS
	04WD	1350-000		(3,284,457.33)	JE02E 4&5 WATR COGS
	04WD	1360-000		(1,768,984.11)	JE02E 4&5 WATR COGS
	4WEC	5310-010	0.00		JE02E 4&5 WATR COGS
	4WAT	5310-010	6,824,289.61		JE02E 4&5 WATR COGS
	4WEC	5380-010	0.00		JE02E 4&5 WATR COGS
	4WEC	5380-010	0.00		JE02E 4&5 WATR COGS
	4WAT	5380-010	3,284,457.33		JE02E 4&5 WATR COGS
	4WAT	5380-010	1,768,984.11		JE02E 4&5 WATR COGS
			11,877,731.05	(11,877,731.05)	
			=====	=====	

PREPARED BY: _____ POSTED BY: _____ BATCH ID: _____

COMPANY: PROGRESS FUELS CORPORAION
 SUBJECT: AVERAGE TRANSPORTATION COSTS
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILENAME: A-5 TO GL RECON.123
 SHEET: PFC TRANSPORTATION

Month	Tons to CR From IMT	Average Transp Cost Per Ton	Average Transp Cost	Barge Frght @\$9.49	Total Transp Cost
Jan-02	160,132	18.61	2,980,051	1,519,650	4,499,701
CR 1 & 2	7,579	18.61	141,045	71,925	212,970
Feb-02	190,208	18.83	3,581,608	1,805,070	5,386,678
Mar-02	159,646	18.27	2,916,740	1,515,045	4,431,785
Apr-02	178,833	18.61	3,328,089	1,697,129	5,025,218
May-02	179,167	18.02	3,228,593	1,700,297	4,928,890
Jun-02	131,224	18.16	2,383,026	1,245,315	3,628,341
Jul-02	195,416	17.72	3,462,763	1,854,493	5,317,257
Aug-02	214,461	18.06	3,873,159	2,035,231	5,908,390
Sep-02	131,741	17.43	2,296,254	1,250,227	3,546,480
Oct-02	181,104	17.01	3,080,585	1,718,680	4,799,265
Nov-02	110,064	17.32	1,906,301	1,044,503	2,950,804
Dec-02	186,405	17.62	^{45.2} 3,284,457	1,768,984	5,053,441
	2,025,980	>	36,462,672	19,226,548	55,689,220

Avg Gulf Freight 9.49
 Avg Other Transp 18.00
 Avg Water Transp 27.49 - Chg P E F

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: INVOICE TESTING - Transportation
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: PFC INV TEST. 123
 SHEET:

Inv #	Inv Date	Amount	Vendor	Contract Amount	Invoice Amount	Difference	Comments
Kanawha River Terminals (KRT)							
10002666	10/03/02	475,704.90		7.86	7.86		
10002628	08/07/02	403,971.90		19,071.06	7.86		Prior month adjs
10002732	01/06/03	407,965.68		34,058.09	7.46	0.40	Adj in later invoice
International Marine Terminals (IMT)							
9099	01/31/03	107,481.15	Despatch Calculations 1/1-12/31/02		107,481.10		True-up for better unloading times per contract
8985	01/03/03	22,886.68	Dockage Line Handling	0.0925 1,200.00	0.1000 1,200.00	0.0075	Error in billing, PFC will correct
8920	12/18/02	55,229.50	Direct Unload (EFC01D) Plaquemines Harbor Fee	1.50 0.007500	1.50 0.007125	0.000375	Adj in fees charged
8921	12/18/02	23,158.68	Storage (EFC01T) Plaquemines Harbor Fee	1.95 0.007500	1.95 0.007125	0.000375	
8959	12/31/02	83,049.46	Direct Unload (EFC01D) Plaquemines Harbor Fee	1.50 0.007500	1.50 0.007125	0.000375	
8960	12/31/02	50,518.47	Storage (EFC01T) Plaquemines Harbor Fee	1.95 0.007500	1.95 0.007125	0.000375	
9020	01/14/03	42,167.55	Direct Unload (EFC01D) Plaquemines Harbor Fee	1.50 0.007500	1.50 0.007125	0.000375	
8391	07/19/02	94,028.55	Conveyor Discharge Plaquemines Harbor Fee (import vessels)	1.80 0.007500	1.80 0.007500	0.000000	
8399	07/24/02	99,817.82	Direct Unload (EFC01D) Plaquemines Harbor Fee	1.50 0.007500	1.50 0.007125	0.000375	
8400	07/24/02	102,723.40	Storage (EFC01T) Plaquemines Harbor Fee	1.95 0.007500	1.95 0.007125	0.000375	
8451	07/31/02	47,564.85	Direct Unload (EFC01D) Plaquemines Harbor Fee	1.50 0.007500	1.50 0.007125	0.000375	
8494	08/20/02	88,788.67	Direct Unload (EFC01D) Plaquemines Harbor Fee	1.50 0.007500	1.50 0.007125	0.000375	
8446	08/03/02	27,989.44	Dockage Line Handling	0.0925 1,200.00	0.1000 1,200.00	0.0075	
MEMCO							
61565	02/07/03	30,800.00	Demurrage	200.00 day	200.00 day		
59676	01/03/03	506,605.62	Freight - Kanawha River - Dec	8.60	8.26		Per contract quarterly adj for fuel
58801	12/17/02	584,193.62			8.26		
52497	08/02/02	13,945.76	Freight - Kanawha River - July	8.60	8.08		
52498	08/02/02	449,376.72			8.08		
51775	07/18/02	608,449.67					
Dixie Fuels Limited							
102-05	11/15/02	574,429.50	Demurrage and repair on L. Howland		535.00 hr		
ious		40,100.00	Charter of Dixie Rebel	500.00 day	500.00 day		
ious		682,369.95	Freight - Dec	4.0625	3.9909		Per contract quarterly adj for fuel
		839,511.79	July	4.2500	3.9625		

The Dixie Fuels contract has rate adjustment for increases/decreases in various areas

NOTE: All rates are per ton unless otherwise noted

Inclusion:

p. 1/1 =

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
CONTRACT - INVOICE DIFFERENCE
12 MONTHS ENDED 12/31/02

04/09/03
 Marcia

In reviewing the contracts and invoices I have noted the following differences between contract and invoice amounts.
 Please explain.

	Contract	Invoice	Difference	
KRT	7.86	7.46	(0.40)	Contract vs. Separate Invoice
IMT - Dockage	0.0925	0.10	0.0075	*
MEMCO	8.60	8.08 July 8.26 December	(0.52) (0.34)	Contract vs. Separate Invoice 600 ton rate, including 29.00 contract vs. separate invoice
Dixie Fuels initial 1.6mm tons	4.0625 4.2500	3.9625 3.9909	(0.1000) (0.2591)	Contract vs. Separate Invoice contract vs. separate invoice

Thanks - Joe

* 8/26/02 - 8/26/02 - T. Damn will correct.



SOURCE: PBC

W/P WP-73

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: INVOICE TESTING - COAL PURCHASE
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: PFC INV TEST. 123
 SHEET: COAL PURCH

Inv #	Inv Date	Amount	Vendor	Contract Amount	Invoice Amount	Comments - Accounts Charged
			Black Hawk Synfuel LLC			
43001149	08/12/02	249,590.84		46.75	5698.02 tons @ 46.750 247,588.94 @ .378 2,001.90	Tons @43.00 to FPC 2006 890 = \$227,728.86 Tons @3.75 to NFPC 2006 890 = \$19,860.08
43001150	08/12/02	163,921.99		46.75	3534.02 tons @46.250 163,448.43 @ .134 473.56	
43001148	08/12/02	1,650,872.45		39.25	41562.75 tons @ 39.250 1,631,337.96 @ .470 19,534.49	Tons @35.50 to FPC 2006 890 = \$1,475,477.64 Tons @3.75 to NFPC 2006 890 = \$155,860.32
51000144	01/03/03	362,082.25	Marmet Synfuel, LLC	39.25	8869.13 tons @39.250 348,113.37 @1.575 13,968.88	Tons @35.50 to FPC 2006 890 = \$314,854.12 Tons @3.75 to NFPC 2006 890 = \$33,259.25
43001315	01/03/03	141,861.11	Black Hawk Synfuel LLC	39.25	3543.25 tons @39.25 139,072.56 @.787 2,788.54	Tons @35.50 to FPC 2006 890 = \$125,785.38 Tons @3.75 to NFPC 2006 890 = \$13,287.19
10002730	01/06/03	1,296,383.17	Black Hawk Synfuel LLC	39.25	33028.87 tons @ 39.250 1,296,383.15	Tons @35.50 to FPC 2006 890 = \$1,172,524.90 Tons @3.75 to NFPC 2006 890 = \$123,858.27
10000036	08/05/02	969,319.47	Black Hawk agent for New River	37.50	26574.17 tons @37.50 996,531.38 @-1.024 (27,211.95)	
13001151	08/12/02	1,086,768.71		37.50	29551.03 tons @37.50 1,108,163.63 @-.724 (21,394.95)	
00027.31	01/06/03	335,133.41		39.50	8484.39 tons 335,133.41	Tons @31.64 to FPC 2006 890 = \$266,446.10 Tons @7.86 to NFPC 2006 890 = \$66,887.31
3001318	01/03/03	1,956,214.90		37.50	50863.62 tons @37.50 1,907,385.75 @.960 48,829.08	Tons @29.64 to FPC 2006 890 = \$1,507,597.74 Tons @7.86 to NFPC 2006 890 = \$399,788.08
5100035	08/05/02	1,084,275.08	Marmet Synfuel LLC	41.25	26127.11 tons @ 41.250 1,077,743.29 @.250 6,531.78	
1000145	01/03/03	1,181,718.38		41.25	29098.48 tons @41.250 1,200,312.30 @-.639 (18,593.93)	
02-048	07/06/02	2,583,559.17	Guasare Coal International	49.664	52021.33 2,583,587.33	
02-035	07/10/02	11,304.36			Caloric Value Adjustment	

Inclusion: Invoices tested agreed to contract rates

SOURCE: Invoices and Contracts

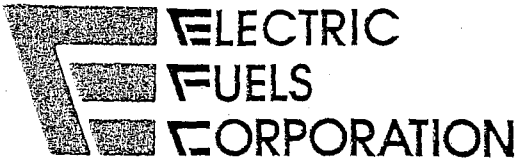
WP-74

WIP 46-2

46-2

JWP 4/22

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
ADJUSTMENT FOR MINE TO DOCK TRUCKING
12 MONTHS ENDED 12/31/02



ONE PROGRESS PLAZA, P.O. BOX 15208, ST. PETERSBURG, FLORIDA 33733, (727) 824-6600

January 2, 2002

Mr. Michael Gatens
Vice President
Kanawha River Terminals, Inc.
150 Dairy Lane
Belle, West Virginia 25015

Dear Mr. Gatens:

This letter is to confirm our recent conversations wherein spot coal bids submitted to Progress Fuels Corporation (formerly Electric Fuels Corporation) from the Quincy and Marmet docks for calendar year 2002 include a trucking, storage, and transfer fee of \$3.75 (transportation fee).⁴⁶⁻² Therefore, if one deducts this transportation fee from the spot bid price, one derives an equivalent f.o.b. mine price.

If you are in agreement with the above, please sign both originals, return one original to me, and retain one original for your files.

Sincerely,

PROGRESS FUELS CORPORATION

F. Michael Lelak
Manager, CSX/Barge Transportation

FML/ro

Agreed to and accepted this the 5 day of Jan 2002.

KANAWHA RIVER TERMINALS, INC.

By:
Michael Gatens, Vice President



WP-75

A Progress Energy Company

URCE: PBC

W/P 46-3

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: INVOICE TESTING - COAL PURCHASE
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER *WP-7/25*

AUDIT: WATERBORNE TRANSPORTATION
 FILE: PFC INV TEST. 123
 SHEET: PEF INVOICES

Inv #	Inv Date	Amount	Vendor	Transp Mode	Number of Tons	Cost Per Ton	Total Charge
1195153	01/02/02	11,674,571.31	Electric Fuels Corp. (now PFC)	Rail	226,383	51.57	11,674,571.31
1196276	12/20/01	10,630,948.65		Barge	89,588	59.05	5,290,171.40
				Rail	90,445 180,033	59.05	5,340,777.25 10,630,948.65
2104310	02/01/02	9,058,810.50		Barge	7,579	51.30	388,802.70
				Rail	169,006 176,585	51.30	8,670,007.80 9,058,810.50
2104311	02/01/02	10,260,096.00		Barge	99,208	61.60	6,111,212.80
				Rail	67,352 166,560	61.60	4,148,883.20 10,260,096.00
4110876	04/10/02	10,773,072.04		Barge	127,858	60.86	7,781,437.88
				Rail	49,156 177,014	60.86	2,991,634.16 10,773,072.04
5113375	04/16/02	9,571,411.30		Barge	80,515	61.90	4,983,878.50
				Rail	74,112 154,627	61.90	4,587,532.80 9,571,411.30
1440942	07/23/02	8,450,319.04		Barge	98,202	61.22	6,011,926.44
				Rail	39,830 138,032	61.22	2,438,392.60 8,450,319.04
1435370	07/16/02	18,346,790.56		Barge	98,432	61.46	6,049,630.72
				Rail	59,208 153,216 310,856	61.46 56.51	3,638,923.68 8,658,236.16 18,346,790.56
1465494	08/16/02	9,359,781.12		Barge	99,090	60.86	6,030,617.40
				Rail	54,702 153,792	60.86	3,329,163.72 9,359,781.12
1457144	08/08/02	22,466,288.83		Barge	97,214	61.22	5,951,441.08
				Rail	66,996 219,201 383,411	61.22 56.63	4,101,495.12 12,413,352.63 22,466,288.83
1516382	10/18/02	10,038,405.64		Barge	65,955	60.98	4,021,935.90
				Rail	98,683 164,618	60.98	6,016,469.74 10,038,405.64
1507962	10/08/02	23,761,973.81		Barge	65,656	61.37	4,029,308.72
				Rail	104,118 236,871 406,645	61.37 56.33	6,389,721.66 13,342,943.43 23,761,973.81
1571345	12/23/02	8,690,355.70		Barge	77,984	59.30	4,624,451.20
				Rail	68,565 146,549	59.30	4,065,904.50 8,690,355.70
1555070		9,709,392.22		Barge	63,715	60.17	3,833,731.55
				Rail	97,651 161,366	60.17	5,875,660.67 9,709,392.22
1561134	12/11/02	18,028,303.36		Barge	46,349	60.17	2,788,819.33
				Rail	86,334 181,150 313,833	60.17 55.45	5,194,716.78 10,044,767.50 18,028,303.61

7
1 why
same

10-8
 NOTE: When PEF is Billed by PFC the Rail and barge coal is combined and charge at average cost.

SOURCE: EPC Invoices

W/P 46-4

WP-76

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: COAL PURCHASES (@IMT)
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER *WR 4/30*

AUDIT: WATERBORNE TRANSPORTATION
 FILENAME: COAL PURCHASE.123
 SHEET: COAL PURCHASES

Supplier Name	Mine Location	Price per Ton		Tons	January		Price per Ton		Tons	February		Price per Ton		Tons	March		
		Coal	Transp		Coal \$	Transp \$	Coal	Transp		Coal	Transp	Coal	Transp				
Pen Coal Company	08, Wv, 99	30.02	19.82	3,390	101,767.80	67,189.80	29.77	19.82	7,106	211,545.62	140,840.92	29.77	19.82	1,831	54,508.87	36,290.42	
Black Hawk Synfuel, LLC	08, Wv, 39	46.25	19.82	20,041	926,896.25	397,212.62	47.09	19.82	19,542	920,232.78	387,322.44	46.25	19.82	19,805	915,981.25	392,535.10	
Black Hawk Synfuel, LLC	08, Wv, 39	43.00	19.82	19,684	846,412.00	390,136.88	44.30	19.82	19,560	866,508.00	387,679.20	43.00	19.82	21,327	917,061.00	422,701.14	
Black Hawk Synfuel, LLC	08, Wv, 39	39.25	19.82	27,122	1,064,538.50	537,558.04	36.40	19.82	39,509	1,438,127.60	783,068.38	35.50	19.82	78,438	2,784,549.00	1,554,641.16	
New River Synfuel, LLC	08, Wv, 39	22.20	19.82	64,241	1,426,150.20	1,273,256.62	20.03	19.82	46,696	935,320.88	925,514.72	20.34	19.82	59,894	1,218,243.96	1,187,099.08	
Guasare Coal Sales Corp.	08, Wv, 999											49.66	14.60	47,873	2,377,373.18	698,945.80	
Kanawha River Terminals	08, Wv, 39	41.25	19.82	36,702	1,513,957.50	727,433.64	40.35	19.82	35,685	1,439,889.75	707,276.70	41.25	19.82	36,276	1,496,385.00	718,990.32	
				171,180	5,879,722.25	3,392,787.60					168,098	5,811,624.63	3,331,702.36				
														265,444	9,764,102.26	5,011,203.02	

Supplier Name	Mine Location	Price per Ton		Tons	April		Price per Ton		Tons	May		Price per Ton		Tons	June		
		Coal	Transp		Coal	Transp	Coal	Transp		Coal	Transp	Coal	Transp				
Pen Coal Company	08, Wv, 99				0.00	0.00				0.00	0.00				0.00	0.00	
Black Hawk Synfuel, LLC	08, Wv, 39	46.25	19.82	12,642	584,692.50	250,564.44	46.25	19.82	3,581	165,621.25	70,975.42	46.25	19.82	3,396	157,065.00	67,308.72	
Black Hawk Synfuel, LLC	08, Wv, 39	43.00	19.82	12,948	556,764.00	256,629.36	43.00	19.82	5,151	221,493.00	102,092.82	43.00	19.82	5,101	219,343.00	101,101.82	
Black Hawk Synfuel, LLC	08, Wv, 39	35.50	19.82	1,727	61,308.50	34,229.14	35.50	19.82	42,503	1,508,856.50	842,409.46	35.50	19.82	42,516	1,509,318.00	842,667.12	
Black Hawk Synfuel, LLC	08, Wv, 39						41.25	19.82	32,505	1,340,831.25	644,249.10						
New River Synfuel, LLC	08, Wv, 39	20.34	19.82	55,787	1,134,707.58	1,105,698.34	20.34	19.82	64,454	1,310,994.36	1,277,478.28	20.34	19.82	24,743	503,272.62	490,406.26	
Guasare Coal Sales Corp.	08, Im, 999				0.00	0.00	49.66	14.80	58,754	2,917,723.64	857,808.40				0.00	0.00	
Marmet Synfuel, LLC	08, Wv, 39						41.25	19.82	5,196	214,335.00	102,984.72	41.25	19.82	33,238	1,371,067.50	658,777.16	
Kanawha River Terminals	08, Wv, 39	41.25	19.82	33,843	1,396,023.75	670,768.26						29.64	19.82	40,132	1,189,512.48	795,416.24	
				116,947	3,733,496.33	2,317,889.54					212,144	7,679,855.00	3,897,998.20				
														149,126	4,949,578.60	2,955,677.32	

NOTE: The tonnage listed on the 423-2 for IMT is listed as being on river (river freight) on the inventory accrual.

42-2 (A) Adj for Escalation (29.77 x 1.0085)

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: COAL PURCHASES (@IMT)
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER *W/P 4/30*

AUDIT: WATERBORNE TRANSPORTATION
 FILENAME: COAL PURCHASE.123
 SHEET: COAL PURCHASES

	Price per Ton			Tons	July		Tons	Price per Ton		Tons	August		Tons	Price per Ton		Tons	September	
	Coal	Transp			Coal	Transp		Coal	Transp		Coal	Transp		Coal	Transp		Coal	Transp
Black Hawk Synfuel, LLC 08, Wv, 39	46.25	✓ 19.82	3,534	163,447.50	70,043.88	46.25	19.82	1,766	81,677.50	35,002.12	46.25	19.82	1,553	71,826.25	30,780.46			
Black Hawk Synfuel, LLC 08, Wv, 39	43.00	7 19.82	5,296	227,728.00	104,966.72	43.00	19.82	5,224	224,632.00	103,539.68	43.00	19.82	5,062	217,666.00	100,328.84			
Black Hawk Synfuel, LLC 08, Wv, 39	35.50	7 19.82	41,563	1,475,486.50	823,778.66	35.50	19.82	36,222	1,285,881.00	717,920.04	35.50	19.82	35,067	1,244,878.50	695,027.94			
Guasare Coal Sales Corp. 08 (50), Im, 99	49.66	✓ 14.60	52,021	2,583,362.86	759,506.60				0.00	0.00	49.66	5.11	60,982	3,028,366.12	311,618.02			
Marmet Synfuel, LLC 08, Wv, 39	41.25	✓ 19.82	26,127	1,077,738.75	517,837.14	41.25	19.82	37,811	1,559,703.75	749,414.02	41.25	19.82	35,476	1,463,385.00	703,134.32			
Kanawha River Terminals 08, Wv, 39	29.64	7 19.82	56,125	1,663,545.00	1,112,397.50	29.64	19.82	53,816	1,595,106.24	1,066,633.12	29.64	19.82	66,723	1,977,669.72	1,322,449.86			
			184,666	7,191,308.61	3,388,530.50			134,839	4,747,000.49	2,672,508.98			204,863	8,003,791.59	3,163,339.44			

	Price per Ton			Tons	October		Tons	Price per Ton		Tons	November		Tons	Price per Ton		Tons	December	
	Coal	Transp			Coal	Transp		Coal	Transp		Coal	Transp		Coal	Transp		Coal	Transp
Black Hawk Synfuel, LLC 08, Wv, 39	46.25	19.82	1,663	76,913.75	32,960.66	46.25	19.82	3,602	166,592.50	71,391.64							0.00	0.00
Black Hawk Synfuel, LLC 08, Wv, 39	43.00	19.82	5,115	219,945.00	101,379.30	43.00	19.82	7,095	305,085.00	140,622.90							0.00	0.00
Black Hawk Synfuel, LLC 08, Wv, 39	35.50	19.82	42,528	1,509,744.00	842,904.96	35.50	19.82	48,396	1,718,058.00	959,208.72	35.50	19.82	45,441	1,613,155.50	900,640.62			
Guasare Coal Sales Corp. 08 (50), Im, 99	49.66	5.11	58,767	2,918,369.22	300,299.37				0.00	0.00							0.00	0.00
Marmet Synfuel, LLC 08, Wv, 39	41.25	19.82	29,415	1,213,368.75	583,005.30	41.25	1.82	29,464	1,215,390.00	53,624.48	41.25	19.82	29,098	1,200,292.50	576,722.36			
Kanawha River Terminals 08, Wv, 39	29.64	19.82	47,607	1,411,071.48	943,570.74	29.64	19.82	38,166	1,131,240.24	756,450.12	37.50	19.82	59,348	2,225,550.00	1,176,277.36			
Emerald International Corp 45, IM, 999						49.77	5.11	1,401										
			185,095	7,349,412.20	2,804,120.33			126,723	4,536,365.74	1,981,297.86			135,288	5,038,998.00	2,653,640.34			

Conclusion: The coal arriving at IMT, eventually, is shipped across the Gulf to Crystal River.
 The transportation charges are for mine to IMT only. Do not include Gulf to CR (\$9.49)

*✓ = agrees to contract
 7 = adj for rail-mine-to dock (see W/P 4/30)*

*Total Coal \$ = 74,689,256
 Total Tons = 2,054,413
 Avg \$ per Ton = \$36.35*

COMPANY: PROGRESS FUELS CORPORAION
 SUBJECT: AVERAGE COAL & TRANSPORTATION CHARGES TO PEF
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER *WP 79*

AUDIT: WATERBORNE TRANSPORTATION
 FILENAME: A-5 TO GL RECON.123
 SHEET: PFC TRANSPORTATION
Aug Cost

Month	Tons to CR From IMT	Average Coal Cost Per Ton	Total Coal Cost	Average Transp Cost Per Ton	Average Transp Cost	Barge Flight @\$9.49	Total Transp Cost
Jan-02	160,132	35.54	5,691,081	18.61	2,980,051	1,519,650	4,499,701
CR 1 & 2	7,579	35.54	269,358	18.61	141,045	71,925	212,970
Feb-02	190,208	35.46	6,744,759	18.83	3,581,608	1,805,070	5,386,678
Mar-02	159,646	36.14	5,769,622	18.27	2,916,740	1,515,045	4,431,785
Apr-02	178,833	35.18	6,291,358	18.61	3,328,089	1,697,129	5,025,218
May-02	179,167	35.46	6,353,270	18.02	3,228,593	1,700,297	4,928,890
Jun-02	131,224	35.15	4,612,520	18.16	2,383,026	1,245,315	3,628,341
Jul-02	195,416	35.71	6,978,289	17.72	3,462,763	1,854,493	5,317,257
Aug-02	214,461	35.55	7,624,075	18.06	3,873,159	2,035,231	5,908,390
Sep-02	131,741	36.36	4,790,120	17.43	2,296,254	1,250,227	3,546,480
Oct-02	181,104	37.01	6,702,671	17.01	3,080,585	1,718,680	4,799,265
Nov-02	110,064	36.9	4,061,345	17.32	1,906,301	1,044,503	2,950,804
Dec-02	186,405	36.61	6,824,290	17.62	3,284,457	1,768,984	5,053,441
	2,025,980		72,712,758		36,462,672	19,226,548	55,689,220
	=====		=====		=====	=====	=====
		Avg Coal Cost	35.89				
		Avg Transp	27.49		18.00	9.49	27.49
		Avg Total Cost to PEF	63.38				
			=====				

453

SOURCE: Acct 5380-010, JE02E (From IMT inventory accrual)

WP 47-1

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: COAL SOLICITATION PROPOSELS
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER *4/13/02*

AUDIT: WATERBORNE TRANSPORTATION
 FILENAME: COAL PURCHASE.123
 SHEET: BID RESPONSE

47-2

Response to PFC coal purchase bid packages

Company	FOB Mine Bid 2002	Transp Cost	Total Bid Price	Term of Contract	Submitted Bid	Accepted By PFC	Used in 2002	
Black Hawk Synfuel LLC	39.25	3.75	43.00	1/1-12/31/2	Yes	Yes	Yes	Price coal is FOB Barge - Quincy
Massey Utility Sales Company	39.75 38.50	0.00 0.00	39.75 38.50	04/02-04/04 03/02-03/04	Yes	Yes	Yes	FOB Barge Pit Elk Run Black Castle
ENRON (Panther Coal)	43.25	0.00	43.25	01/02-12/31/02	Yes	Yes	Yes	FOB Quincy Dock
Alliance Coal, LLC	48.00	0.00	48.00	2002-2006	Yes	Yes	Yes	Prices for years 2003-2006 vary between 42.00 - \$56.00
AEI Coal Sales Co.					No			
Clinchfield Coal Company	58.00	0.00	58.00	05/02-12/31/02	Yes	No		Prices to be negotiated for 2003+
Appalachian Fuels, LLC	43.00	0.00	43.00	2002-2006	Yes	No		Price for synfuel
Arch Coal Sales	11.30 38.25 39.75	0.00 0.00 0.00	11.30 38.25 39.75	01/03-12/04 05/02-12/03 05/02-12/03	Yes		No	Prices to be negotiated for 2004+
Cardigan Coal & Coke Corporation					No			
Coal Energy Resources, Inc.					No			
Commonwealth Coal services, Inc.	27.00	0.00	27.00	1/1-12/31/02	Yes	No		
Electric Fuels Corporation ? Cincinnati, Ohio					No			
Guasare Coal America, Inc.	48.99	0.00	48.99 47.17 45.36	05/02-12/02 2003 2004	Yes	Yes	Yes	Price for barge at IMT
James River Coal Sales					No			
Kentucky-Cumberland Coal Company					No			
Pen Coal Corporation					No			
PS Energy Group					No			
RAG Coal Sales of America					No			
Smoky Mountain Coal Corporation					No			
Solar Services, Inc.	38.50	0.00	38.50	05/02-12/04	Yes	No		FOB Wheatland, Indiana, via CSX Railroad
Triton Coal Company, LLC	9.50-11.00 13.25,15.50			05/02-12/04	Yes	No		FOB Mine in Wyoming

WP-80

4/21/03

CONFIDENTIAL

48

WP-81

Company: Florida Power Corporation
 Subject: Analysis of the Escalation of the Costs of Waterborne Coal Transportation
 Period: Year Ended 12/31/02.

Filename: Waterborne Coal Transportation
 Range: A37..Y115
 Auditor: Tom Stambaugh *TS* 04/02/03

Purpose: Verify that the escalation of the benchmark price for waterborne coal transportation has been calculated accurately and with the use of the proper factors and weighting of factors.

Verification of Calculation of Basic Components of Benchmark Price and Escalation:

Escalation of Total Benchmark Price by Total Change

Benchmark price as recalculated by auditor	\$23.00	1.342%	\$23.31	-0.030%	\$23.30	2.455%	\$23.87	6.235%	\$25.36	-0.436%	\$25.25	-5.216%	\$23.93	5.460%	\$25.24	15.780%	\$29.22	-0.476%	\$29.09	-1.045%	\$28.78
Benchmark price as recalculated by Utility	\$23.00	1.340%	\$23.31	-0.030%	\$23.30	2.460%	\$23.87	6.240%	\$25.36	-0.440%	\$25.25	-5.220%	\$23.93	5.460%	\$25.24	15.780%	\$29.22	-0.480%	\$28.98	-1.050%	\$28.78
Unaccounted Difference	\$0.00		\$0.00		\$0.00		(\$0.00)		(\$0.00)		(\$0.00)		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

Verification of Weighted Percentage Change:

Component	Weights	Factors By year	(CY 1993) Base Year	Factors By year	(CY 1994) Escalated Year	Factors By year	(CY 1995) Escalated Year	Factors By year	(CY 1996) Escalated Year	Factors By year	(CY 1997) Escalated Year	Factors By year	(CY 1998) Escalated Year	Factors By year	(CY 1999) Escalated Year	Factors By year	(CY 2000) Escalated Year	Factors By year	(CY 2001) Escalated Year	Factors By year	(CY 2002) Escalated Year
Fixed	10.00%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%
Consumer Price Index-U	20.00%	2.99%	0.59800%	2.56%	0.51200%	2.83%	0.56600%	2.95%	0.59000%	2.29%	0.45800%	1.56%	0.31200%	2.21%	0.44200%	3.36%	0.67200%	2.85%	0.57000%	1.64%	0.32800%
Rail Cost Adjustment Factor-Unadjusted	20.00%	2.62%	0.52400%	2.46%	0.49200%	2.97%	0.59400%	1.12%	0.22400%	1.93%	0.38600%	-0.50%	-0.10000%	1.40%	0.28000%	4.94%	0.98800%	1.41%	0.28200%	0.72%	0.14400%
Producer Price Index-All Commodities	20.00%	1.54%	0.30800%	1.26%	0.25200%	3.57%	0.71400%	2.33%	0.46600%	0.00%	0.00000%	-2.51%	-0.50200%	0.88%	0.17600%	5.66%	1.13200%	1.13%	0.22600%	-2.16%	-0.43200%
Average Hourly Earnings Index	10.00%	2.36%	0.23600%	2.58%	0.25800%	2.97%	0.29700%	3.23%	0.32300%	3.72%	0.37200%	4.16%	0.41600%	3.68%	0.36800%	3.78%	0.37800%	4.22%	0.42200%	3.21%	0.32100%
Producer Price Index-#2 Diesel Fuel	20.00%	-1.62%	-0.32400%	-7.72%	-1.54400%	1.42%	0.28400%	23.16%	4.63200%	-8.26%	-1.85200%	-26.71%	-5.34200%	20.97%	4.19400%	63.05%	12.61000%	-9.88%	-1.97600%	-7.03%	-1.40600%
Calculation of Weighted Factors	100.00%		1.34200%		-0.03000%		2.45500%		6.23500%		-0.43600%		-5.21600%		5.46000%		15.78000%		-0.47600%		-1.04500%
Calculations by Utility			1.34000%		-0.03000%		2.46000%		6.24000%		-0.44000%		-5.22000%		5.46000%		15.78000%		-0.48000%		-1.05000%
Unaccounted Difference			0.00200%		-0.00000%		-0.00500%		-0.00500%		0.00400%		0.00400%		0.00000%		0.00000%		0.00400%		0.00500%

Conclusion: The Utility has apparently used the weighted average of the factors to calculate the annual escalation of the benchmark price. Accept the Utility calculation of the benchmark price.

source: FAC Audit

2/1

PROGRESS FUELS CORPORATION
WATERBORNE TRANSPORTATION AUDIT
UTILITY CALCULATION OF TRANSPORTATION RATE
12 MONTHS ENDED 12/31/02

PROGRESS FUELS CORPORATION
 Average Indices - FPC Waterborne Rate
 2002 Rate

CONFIDENTIAL

Waterborne rate estimated based upon YTD average indices.

		AVERAGE												WATER RATE		Variance				
		Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	2001	2002		% CHG	2001	2002	
FIXED	10%	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	172.2	2.85%				
CPI-U	20%	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	172.2	2.85%				
RCAP-U	20%			107.6			107.9			107.8			107.6	107.7	106.2	1.41%				
				96.9			97.2			97.3			96.9	97.1	97.1					
PPI-ALL COMMODITIES	20%	138.8	136.5	135.9	136.3	136.6	135.7	133.9	133.5	133.4	130.2	130.1	128.0	134.1	132.6	1.13%				
AHE-TOTAL PRIVATE	10%	14.0	14.1	14.2	14.2	14.3	14.3	14.4	14.4	14.5	14.5	14.5	14.6	14.3	13.7	4.22%				
PPI#2 DIESEL FUEL	20%	96.6	93.4	86.3	84.7	89.8	92.6	85.0	80.9	91.2	75.4	74.4	56.2	83.9	93.1	-9.88%				
	100%																			
TOTAL WEIGHTED AVERAGE PERCENT CHANGE																-0.48%	\$29.22	\$29.08	4%	(\$0.14)

Note: 2002 Rate calculation is based on 2001 YTD Average Indices.

Waterway User Tax 44.3 0.23
 Total Waterborne rate \$29.45 \$29.31 (\$0.14)
 Offshore rate - 50.2% 44.3 \$14.67 \$14.60 (\$0.07)

AVGWTR.XLS

2/18/2003 10:09 AM rah



SOURCE: PBC

W/P WP-82

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: GENERAL & ADMINISTRATIVE EXPENSE
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002
 AUDITOR: J. W. ROHRBACHER *J.W.R. 5/1*

AUDIT: WATERBORNE TRANSPORTATION
 FILENAME: A-5 TO GL RECON.123
 SHEET: G&A EXPENSE

GENERAL & ADMINISTRATIVE EXPENSES

Allocate NFPC charges based on Payroll

	2002	2001
Total Positions (#empX100%)	4800	5000
Regulated PFC	1153	1079
Percent	0.2402083 (A)	0.2158 (B)

July 2002		(C)	(D)	(E)	(C+D+E)	((C+D)*A+E*B)
Acct No.	Acct Name	Alloc of Prev Month Exp	Est 2002 Expenses	Revrsd 2001 Est Expense	Total Month Expense	Regulated Allocation
6410-000	Rent	<i>49-2</i> 60,050.84	<i>49-3</i> 60,050.84	<i>49-4</i> (58,486.96)	61,614.32	16,227.84
6440-005	Office Services	23,349.73	24,795.19	(25,761.09)	22,383.83	<i>49-1</i> 6,005.57
5440-030	Subs & Pubs Direct charge	53.50	598.30	(1,080.20)	(428.40)	(76.54) 10,500.00 <i>49-1</i> 10,423.46
1310-035	Professional Fees-Consult Direct charge	0.00	2,023.62	(3,011.73)	(988.11)	<i>49-5</i> (163.84) <i>49-1</i> 22,820.98 22,657.14
1320-090	Fia Power Service - Other	Regulated portion of coal handling costs Jan-Apr				24,847.97
1010-000	Wages Based on % time spent on regulated per employee time sheets					<i>49-1</i> 64,015.32
Dec 2002						
330-000	Florida Progress Overhead Based on budget					<i>49-1</i> 11,000.00
331-400	Energy Ventures Services Coal procurement services from EF Carolinas Salaries & Wages Payroll Tax A&G Employee Pension					2,693.88 165.68 <i>49-1</i> 583.36 3,442.92
110-220	Nontaxable Other Travel expense - direct charge					<i>49-1</i> 7,291.81
110-000	Wages					<i>49-1</i> 64,876.79

Source: Company schedules

WIP 49