



JAMES A. MCGEE  
ASSOCIATE GENERAL COUNSEL  
PROGRESS ENERGY SERVICE CO., LLC

November 7, 2003

Ms. Blanca S. Bayó, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 030001-EI; **Notice of Intent  
to Request Confidential Classification.**

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., formerly Florida Power Corporation, are an original and fifteen copies of its Notice of Intent to Request Confidential Classification. Also enclosed is a sealed envelope containing the document subject to the Notice, with the confidential information highlighted. **This document should be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.** A public copy of the document in which the confidential information has been redacted is attached to each copy of the Notice.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. A 3½ inch diskette containing the above-referenced Notice in WordPerfect format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc  
Enclosures

cc: Parties of record

DOCUMENT FILED IN CASE  
1118 | NOV 10 8  
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Fuel and Purchased Power Cost  
Recovery Clause and Generating  
Performance Incentive Factor.

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Docket No. 030001-EI

Submitted for filing:  
November 10, 2003

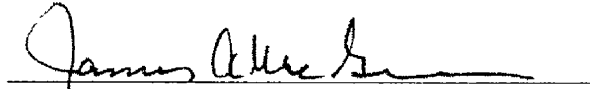
**NOTICE OF INTENT TO REQUEST  
CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., formerly Florida Power Corporation, (Progress Energy) pursuant to Rule 25-22.006, Florida Administrative Code, hereby files this notice of its intent to request Confidential Classification of the highlighted portions of the enclosed Responses of Progress Energy to Staff's Sixth Set of Interrogatories, Nos. 89 and 90 (the Interrogatory Responses), and the documents responsive to Staff's Third Request for Production of Documents, No. 16 (the POD Documents), all of which are contained in the sealed envelope enclosed with this Notice. A public version of the Interrogatory Responses and the POD Documents, with the confidential information redacted, are attached to each filed copy of this Notice. Accordingly, Progress Energy hereby submits the following:

1. A separate, sealed envelope containing one copy of the Interrogatory Responses and the POD Documents, with the information for which Progress Energy intends to request confidential classification highlighted. **This information should be accorded confidential treatment pending the filing of Progress Energy's request and a decision thereon by the Commission.**

2. As an attachment to each copy of this Notice, a copy of the Interrogatory Responses and the POD Documents, with the information for which Progress Energy intends to request confidential classification redacted.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James A. McGee", is written over a horizontal line.

James A. McGee  
Associate General Counsel  
Progress Energy Service Company, LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5184  
Facsimile: (727) 820-5519

Attorney for  
PROGRESS ENERGY FLORIDA, INC.

PROGRESS ENERGY FLORIDA

DOCKET NO. 030001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of Progress Energy Florida's Notice of Intent to Request Confidential Classification has been furnished to the following individuals by regular U.S. Mail the 7<sup>th</sup> day of November, 2003:

Wm. Cochran Keating IV, Esquire  
Office of General Counsel  
Economic Regulation Section  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Robert Vandiver, Esquire  
Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, FL 32399-1400

Lee L. Willis, Esquire  
James D. Beasley, Esquire  
Ausley & McMullen  
P.O. Box 391  
Tallahassee, FL 32302

John T. Butler, Esquire  
Steel, Hector & Davis  
200 South Biscayne Blvd., Suite 4000  
Miami, FL 33131-2398

Jeffrey A. Stone, Esquire  
Russell A. Badders, Esquire  
Beggs & Lane  
P. O. Box 12950  
Pensacola, FL 32576-2950

Norman Horton, Jr., Esquire  
Messer, Caparello & Self  
P. O. Box 1876  
Tallahassee, FL 32302

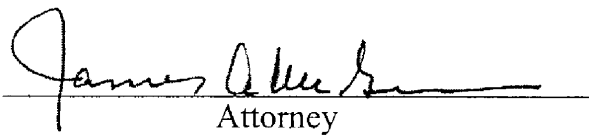
John W. McWhirter, Jr., Esquire  
McWhirter, Reeves, et al.  
100 N. Tampa Street, Suite 2900  
Tampa, FL 33602

Vicki Gordon Kaufman, Esquire  
McWhirter, Reeves, et al.  
117 S. Gadsden Street  
Tallahassee, FL 32301

Ronald C. Laface, Esquire  
Seann M. Frazier, Esquire  
Greenberg Traurig  
101 East College Avenue  
Tallahassee, FL 32301

Robert Scheffel Wright, Esquire  
John T. Lavia, III, Esquire  
Landers and Parsons  
P. O. Box 271  
Tallahassee, FL 32302

Michael B. Twomey, Esquire  
P. O. Box 5256  
Tallahassee, FL 32314-5256

  
\_\_\_\_\_  
Attorney

**E**LECTRIC  
**F**FUELS  
**E**CORPORATION

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

March 15, 2002

Mr. A. W. Pitcher  
Vice President – Sales  
Marnet Synfuel LLC  
as Agent for Calla Synfuel LLC  
One Progress Plaza, BT10C  
St. Petersburg, Florida 33701

Dear Mr. Pitcher:

This letter will respond to your recent offer, wherein you offered Electric Fuels Corporation (EFC) 1.2 LB "compliance" synfuel during each of the months May 1, 2002, through December 31, 2002. Specifically, EFC accepts quantity in the amount of 33,000 tons per month for the above period.

The price on these synfuels will be [REDACTED] f.o.b. barge fixed for the term and will be based on a guarantee of 13,200 Btu/LB. Premium/penalty, if any, will be computed from the guarantee at the rate of \$ [REDACTED] 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 or Marnet Terminals 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:

<b>SPECIFICATION</b>	<b>REQUIREMENT</b>
SIZE	2" x 0"
SULFUR DIOXIDE	1.2 LB SO <sub>2</sub> PER MILLION BTU MAXIMUM
ASH	8.0% MAXIMUM
MOISTURE	7.0% MAXIMUM
ASH SOFTENING TEMPERATURE	2650 DEGREES FAHRENHEIT MINIMUM
VOLATILE	32.0% MINIMUM
BTU	13,200/LB MINIMUM
GRIND	45 MINIMUM

Synfuels not meeting any of the following parameters: a 12,000 Btu minimum, a 10 percent ash maximum, a 9.0 percent moisture maximum, a "compliance" sulfur specification, or a 30.0 percent volatile minimum may be rejected.

These synfuels will be shipped by barge on the river system. Coordination of these shipments will be made with EFC's Mrs. Tina McRoberts at 813/824-6682. Coordination of sampling related matters will be with EFC's Mr. Roy F. Potter at 813/824-6684.

If you are in agreement with the terms and conditions outlined above, please indicate so by signing in the acceptance block provided below and returning one original for our files.

Thank you for working with us on this order. If you have any questions, please do not hesitate to contact us.

Sincerely,

**Dennis G. Edwards**

Dennis G. Edwards  
Vice President – CSX/Barge Coal Procurement

DGE/ro

cc: Mrs. D. M. Davis  
Mr. S. M. Hopkins  
Mrs. M. J. Kuderick  
Mr. F. M. Lelak  
Ms. C. A. Leonard  
Mrs. T. M. McRoberts  
Mrs. V. M. Muehlendyck  
Mr. R. F. Potter

**Note to All Copied Personnel:**

**This order converts the Panther contract coal to synfuel for the period indicated at a \$2 per ton discount.**

*Agreed to and accepted this the \_\_\_\_\_ day of \_\_\_\_\_, 2002.*

*Marnet Synfuel LLC*

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## COAL SALES AGREEMENT

This COAL SALES AGREEMENT ("Agreement") is made and entered into as of the 30<sup>th</sup> day of October, 2001, with an effective date of May 1, 2002, between ELECTRIC FUELS CORPORATION, a Florida corporation, with an address at 200 Central Avenue, One Progress Plaza, St. Petersburg, Florida, 33701 (hereinafter "Purchaser"), and MASSEY COAL SALES COMPANY, INC., a Virginia corporation, with an address at P.O. Box 26765, Richmond, Virginia 23261-6755 (hereinafter "Seller").

WHEREAS, Purchaser desires to purchase a dependable supply of coal; and

WHEREAS, Seller or its affiliates engage in the commercial production of coal and own or control reserves or production which Seller will use to satisfy the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants, agreements and obligations of the parties contained herein, the adequacy and sufficiency of which are acknowledged, Seller agrees to sell and supply, and Purchaser agrees to purchase and pay for, coal of the quality and quantity herein stated during the term of this Agreement and under the terms and conditions hereinafter set forth.

1. Term. The "Initial Term" of this Agreement shall commence on May 1, 2002, and continue in effect for a period of eighteen (18) months thereafter to and including October 31, 2003. No later than thirty (30) days prior to the expiration of the Initial Term, Purchaser and Seller agree to negotiate in good faith for an extension of this Agreement for an additional term of eighteen (18) months ("Extended Term")

upon mutually agreeable terms and conditions. Unless otherwise extended as provided herein, this Agreement shall terminate at the end of the Initial Term. The failure to reach agreement with respect to the terms and conditions of any extension shall not be an arbitrable dispute hereunder.

2. Quantity. During the Initial (eighteen (18) month) Term hereof, SELLER shall deliver 950,000 tons of coal. Coal deliveries made under this Agreement shall be in approximately equal monthly quantities in accordance with requests for shipment made from time to time by Purchaser.

3. Warranty and Dedication of Seller's Reserves. Seller represents and warrants that its affiliates identified in Section 7 as the source of coal hereunder own, lease or control mineral interests containing reserves in seams sufficient in quality and quantity to supply the coal covered by this Agreement ("Coal Property"). Seller hereby expressly dedicates to Purchaser sufficient mining capacity on or in the Coal Property so as to fulfill the quantity and quality specifications hereof.

4. Price.

(a) During the Initial Term of this Agreement, the price per ton for all coal sold, delivered and accepted hereunder, f.o.b. Seller's mine loading site ("Price"), shall be [REDACTED] per ton, adjusted monthly for the quality of coal in accordance with the provisions of Section 4(b) hereto. The Price during any Extended Term shall be negotiated as provided in Section 1 above.

(b) During the Initial Term of this Agreement, Seller shall receive a per ton premium of [REDACTED]/100 BTU for coal shipments with BTU levels above 12,500, fractions prorata, on a monthly composite and pay a per ton penalty of \$[REDACTED]/100 BTU



**BLACK HAWK SYNFUEL LLC  
AS AGENT FOR NEW RIVER SYNFUEL LLC  
SALES ORDER**

Main & River, P.O. Box 308  
Caredo, West Virginia 25507

**SELLER/PHONE NO.**  
BLACK HAWK SYNFUEL LLC  
MAIN & RIVER  
P O BOX 308  
CEREDO, WV 25507  
304-526-0700

**BUYER/PHONE NO.**  
PROGRESS FUELS CORPORATION  
One Progress Plaza/P.O. Box 15208  
St. Petersburg, FL/33733  
ATTN: Dennis Edwards, VP Coal Procurement  
727-824-6673

We agree to sell and you agree to purchase Synfuel with the following guaranteed specifications, subject to EFC's letter dated 05/01/02, and the terms and conditions set forth below and attached.

SHIPMENTS		PAYMENTS	
Ship from:	KRT's Marmet or Quincy Dock	Sales Order No:	600636
Stockpile number:		Date issued:	May 1, 2002
Shipping period:	May 1, 2002 - Oct.31, 2003	Payment terms:	Upon Receipt Of Invoice.
Effective date:	May 1, 2002	Quality Adjustments:	Btu @ [REDACTED] 100 Pro rata based upon a 12500 Guarantee.
Transportation paid by:	Seller		

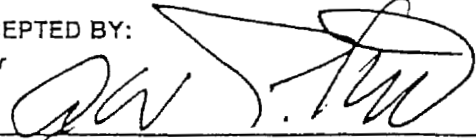
TONNAGE	SIZE	MINE NAME	BASE PRICE PER TON	
			FOB Barge:	PIT
Up To 950,000 tons SEE SPECIAL INSTRUCTIONS	Synfuel	2002-2003 Price	[REDACTED]	

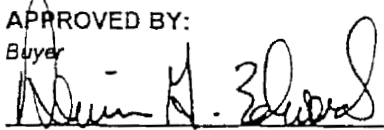
BELOW

QUALITY SPECIFICATIONS			
	GUARANTEE	REJECT	ADJUSTMENTS
Moisture:	8.00%	>10.0%	Moisture:
Ash:	12.00%	>13.5%	Ash:
Sulfur-%	0.68	>0.68	Sulfur/SO <sub>2</sub> :
Btu:	12,500	<12000	Btu:
VOL:	31%	<29.0%	Other:

WEIGHT DETERMINATION		ANALYSIS DETERMINATION	
Scaled Weight:	N/A	Sampled at:	Quincy Dock
Draft Survey:	Commercial Testing	Sampled by:	Commercial Testing

**SPECIAL INSTRUCTIONS:** All Guaranteed quality, excepting SO<sub>2</sub>, will be determined on a monthly composite. SO<sub>2</sub> will be based on a per shipment basis. For additional terms and conditions, see attached. Buyer and Seller have agreed that this Sales Order in combination with Sales Order 9011 shall have a maximum tonnage of 950,000 total tons to be shipped from either Marmet or Quincy Docks.

ACCEPTED BY:  
Seller  
  
A.W. PITCHER  
VICE PRESIDENT SALES

APPROVED BY:  
Buyer  
  
Dennis G. Edwards  
VICE PRESIDENT-CSX/BARGE COAL  
PROCUREMENT

**MARMET SYNFUEL LLC  
AS AGENT FOR CALLA SYNFUEL LLC  
SALES ORDER**

Main & River, P.O. Box 308  
Ceredo, West Virginia 25507

**SELLER/PHONE NO.**  
MARMET SYNFUEL LLC  
MAIN & RIVER  
P.O. BOX 308  
CEREDO WV 25507  
304-526-0700

**BUYER/PHONE NO.**  
PROGRESS FUELS CORPORATION  
One Progress Plaza/P.O. Box 15208  
St. Petersburg, FL33733  
ATTN: Dennis Edwards, VP Coal Procurement  
727-824-6673

We agree to sell and you agree to purchase Synfuel with the following guaranteed specifications, subject to EFC's letter dated 05/01/02, and the terms and conditions set forth below and attached.

SHIPMENTS	PAYMENTS
Ship from: KRT's Marmet or Quincy Dock	Sales Order No: 9011
Stockpile number:	Date issued: May 1, 2002
Shipping period: May 1, 2002 - Oct. 31, 2003	Payment terms: Upon Receipt Of Invoice.
Effective date: May 1, 2002	Quality Adjustments: Btu @ 100 Pro rata based upon a 12500 Guarantee.
Transportation paid by: Seller	

TONNAGE	SIZE	MINE NAME	BASE PRICE PER TON	
			FOB Barge	PIT
Up To 950,000 tons SEE SPECIAL INSTRUCTIONS	Synfuel	2002-2003 Price		

BELOW

QUALITY SPECIFICATIONS			
	GUARANTEE	REJECT	ADJUSTMENTS
Moisture:	8.00%	>10.0%	Moisture:
Ash:	12.00%	>13.5%	Ash: N/A
Sulfur-%	0.68	>0.68	Sulfur/SO <sub>2</sub> : N/A
Btu:	12,500	<12000	Btu: See Above
VOL:	31%	<29.0%	Other:

WEIGHT DETERMINATION	ANALYSIS DETERMINATION
Scaled Weight: N/A	Sampled at: Quincy Dock
Draft Survey: Commercial Testing	Sampled by: Commercial Testing

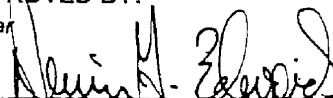
**SPECIAL INSTRUCTIONS:** All Guaranteed quality, excepting SO<sub>2</sub>, will be determined on a monthly composite. SO<sub>2</sub> will be based on a per shipment basis. For additional terms and conditions, see attached. Buyer and Seller have agreed that this Sales Order in combination with Sales Order 600636 shall have a maximum tonnage of 950,000 total tons to be shipped from either Marmet or Quincy Docks.

ACCEPTED BY:  
Seller



A.W. PITCHER  
VICE PRESIDENT SALES

APPROVED BY:  
Buyer



Dennis G. Edwards  
VICE PRESIDENT-CSX/BARGE COAL  
PROCUREMENT

**KANAWHA RIVER TERMINALS**

**SALES ORDER**

Main & River, P.O. Box 308  
Ceredo, West Virginia 25507

#75

**SELLER/PHONE NO.**

KANAWHA RIVER TERMINALS LLC  
MAIN & RIVER  
P O BOX 308  
CEREDO, WV 25507  
304-526-0700

**BUYER/PHONE NO.**

ELECTRIC FUELS CORPORATION  
One Progress Plaza/P.O. Box 15208  
St. Petersburg, FL/33733  
ATTN: Dennis Edwards, VP Coal Procurement  
727-824-6673

We agree to sell and you agree to purchase Synfuel with the following guaranteed specifications, subject to EFC's letter dated 05/01/02, and the terms and conditions set forth below and attached.

SHIPMENTS		PAYMENTS	
Ship from: KRT's Marmet or Quincy Dock		Sales Order No:	
Stockpile number:		Date issued: May 1, 2002	
Shipping period: May 1, 2002 - Oct.31, 2003		Payment terms: Upon Receipt Of Invoice.	
Effective date: May 1, 2002		Quality Adjustments: Btu @ [REDACTED] 100 Pro rata based upon a 12500 Guarantee.	
Transportation paid by: Seller			

TONNAGE	SIZE	MINE NAME	BASE PRICE PER TON	
			FOB Barge	PIT
Up To 950,000 tons	Synfuel	2002-2003 Price	[REDACTED]	

QUALITY SPECIFICATIONS			
	GUARANTEE	REJECT	ADJUSTMENTS
Moisture:	8.00%	>10.0%	Moisture:
Ash:	12.00%	>13.5%	Ash:
Sulfur-%	0.68	>0.68	Sulfur/SO <sub>2</sub> :
Btu:	12,500	<12000	Btu:
VOL:	31%	<29.0%	Other:

WEIGHT DETERMINATION		ANALYSIS DETERMINATION	
Scaled Weight:	N/A	Sampled at:	Quincy Dock
Draft Survey:	Commercial Testing	Sampled by:	Commercial Testing

**SPECIAL INSTRUCTIONS:** All quality, excepting SO<sub>2</sub>, will be determined on a monthly composite. SO<sub>2</sub> will be based on a per shipment basis. For additional terms and conditions, see attached.

ACCEPTED BY:  
Seller

APPROVED BY:  
Buyer

\_\_\_\_\_  
A.W. PITCHER  
VICE PRESIDENT SALES

\_\_\_\_\_  
Dennis G. Edwards  
VICE PRESIDENT-CSX/BARGE COAL  
PROCUREMENT

5/10/00

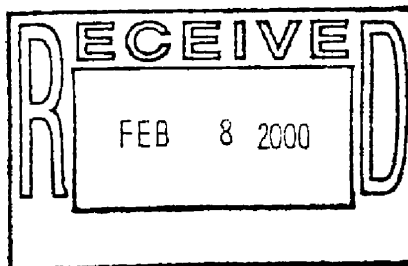


# Massey Utility Sales Company

Post Office Box 26765  
Richmond, Virginia 23261  
4 North Fourth Street  
Richmond, Virginia 23219  
Tel (804) 788-1800  
Fax (804) 788-1811

February 7, 2000

id 2-8-00  
XC WDC  
DMD FYI,  
FML new  
RFP Wally  
RAH agreed  
RSM  
DGE (mail) 2/8  
This to CF



Mr. Dennis G. Edwards  
Vice President of Coal Procurement  
Electric Fuels Corporation  
One Progress Plaza  
St. Petersburg, FL 33701

Dear Dennis:

Enclosed is a fully executed copy of the Eighth Amendment to the Agreement for the Sale and Purchase of Coal.

We look forward to continuing our long-standing relationship by the extension of this Agreement.

Thank you.

Sincerely,

Thomas J. Smith  
President

TJS/jc

Enclosure a/s

cc: John Parker (w/o attach)  
Charlie Bearnse (w/o attach)  
Ben Hatfield (w/ attach)  
Don Blankenship (w/ attach)

**EIGHTH AMENDMENT  
TO  
AGREEMENT FOR THE SALE AND PURCHASE OF COAL**

This EIGHTH AMENDMENT, effective as of the first day of January 2000, by and between Electric Fuels Corporation, a Florida corporation (hereinafter "PURCHASER"); and Massey Coal Sales Company, Inc., a Virginia corporation (successor to A. T. Massey Coal Company, Inc.), and Elk Run Coal Company, Inc., a West Virginia corporation, (hereinafter collectively "SELLER") to the Agreement for the Sale and Purchase of Coal dated December 15, 1978, amended as of June 1, 1983, January 1, 1986, July 31, 1987, January 1, 1989, January 1, 1992, January 1, 1995, and January 1, 1998, by and between PURCHASER and SELLER (hereinafter the "Agreement").

WHEREAS, PURCHASER and SELLER are of the opinion that it would be mutually beneficial to amend the Agreement in certain respects;

NOW, THEREFORE, in consideration of the mutual benefits to be derived from amending the Agreement PURCHASER and SELLER agree as follows:

All prior Amendments (including the sections of the Agreement deleted thereby), Letters of Understanding or Agreement, Appendices and Exhibits are deleted in their entirety and in substitution thereof the following new Sections 4.01, 4.02, 4.03, 6.01, 6.02, 6.03, 6.04, 6.05, 6.06, 6.07, 7.01 and 8.01 are added, Section 9.01 is modified, and Appendix A is replaced as follows:

**4.01 Base Price Per Ton of Coal.** Except as hereinafter provided, the base price per ton of coal shall be \$ [REDACTED] per ton f.o.b. SELLER'S mine-loading sites, (hereinafter "base price"). "Ton" as used herein means 2,000 lb. avoirdupois weight. The base price will be effective for coal shipped on and after January 1, 2000, and will be fixed and firm until December 31, 2000. Effective January 1, 2001, the base price

will be ██████ per ton for all coal shipped during calendar year 2001. Effective January 1, 2002, the base price will be ██████ per ton for all coal shipped between January 1 and April 30, 2002.

4.02 Compliance with Laws, Regulations, Policies and Restrictions. The parties recognize that, during the continuance of this Agreement, legislative or regulatory bodies or the courts may adopt laws, regulations, policies, and/or restrictions or a change in interpretation or enforcement which impact SELLER'S mining costs and which will make it impossible or economically impractical for SELLER to continue delivery hereunder. If, as a result of the increased costs associated with the adoption of such laws, regulations, policies or restrictions, or change in interpretation or enforcement, SELLER decides that it will be impossible or economically impracticable for SELLER to continue delivery hereunder, SELLER shall so notify PURCHASER and thereupon SELLER and PURCHASER shall promptly consider whether corrective actions can be taken in the mining and preparation of the coal at the mine and/or in the handling and utilization of the coal at FPC's Generating Units; and if, in SELLER'S judgment, such actions will, without unreasonable expense to SELLER, make it impossible and economically impractical for SELLER to continue to delivery coal hereunder without violating any applicable law, regulation, policy or restriction, SELLER shall have the right, upon three (3) months prior notice to PURCHASER, to terminate this Agreement without further obligation hereunder on the part of either party; provided, however, that if the impracticality of SELLER'S continuing to deliver coal hereunder is only on economical grounds, PURCHASER may, at its option, prevent such termination by agreeing to reimburse SELLER for such expense to the extent that SELLER deems such expense to be unreasonable.

The parties also recognize that, during the continuance of this Agreement, legislative or regulatory bodies or the courts may adopt laws, regulations, policies and/or restrictions or a change in interpretation or enforcement which impact PURCHASER'S costs and which make it impossible or economically impracticable for PURCHASER to utilize in FPC's Generating Units this or like kind and quality coal which thereafter would be delivered hereunder. If, as a result of the increased costs associated with the adoption of such laws, regulations, policies or restrictions, or change in interpretation or enforcement, PURCHASER decides that it will be impossible or economically impracticable for PURCHASER to utilize in FPC's Generating Units coal which would be delivered hereunder, PURCHASER shall so notify SELLER, and thereupon PURCHASER and SELLER shall promptly consider whether corrective actions can be taken in the mining and preparation of the coal at the mine and/or in the handling

Exec Doc

Wesley

# Memorandum

To: D.G. Edwards

CC: Shannon Keeran, Lora Zerkle, Denise Wright, Mike Gatens, & Brett Phipps

From: A.W. Pitcher

Date: 03/01/02

Re: Sales Order Extension

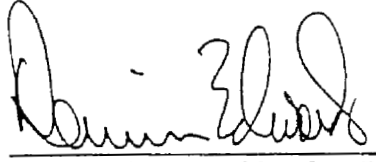
id 3-4  
 Ke-DMO  
 FML  
 W-EE  
 DMZ  
 3/1/02

Purchase Order #600570 issued February 7, 2001, between Electric Fuels Corporation and Black Hawk Synfuel LLC. expired December 31. See copy attached. It is the intent of the parties to extend this purchase order through April 30, 2002. The tonnage will be approximately 55,000 tons per month. The price of ~~XXXX~~ and all other terms and conditions will be as stated in the original purchase order. If you agree, please sign one copy and return to me.

45 + 20%

ACCEPTED BY:

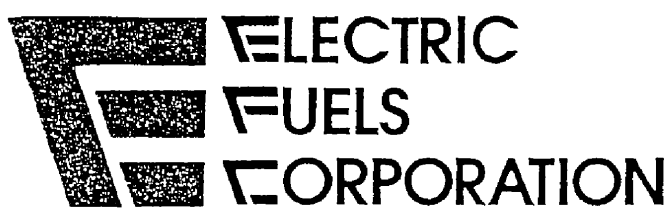
SELLER



ELECTRIC FUELS CORPORATION

**CONFIDENTIAL**

EFC Doc



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

February 12, 2001

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

Dear Mr. Pitcher:

This letter will confirm our acceptance of your offer of February 7, 2001, wherein Electric Fuels Corporation (EFC) agrees to purchase up to 45,000 tons plus or minus 20 percent (26 to 32 barges) of 1.2 LB "compliance" synfuel per month during the period January through December 2001.

The price on these synfuels will be [redacted] per ton f.o.b. barge and will be based on a guarantee of 12,500 Btu/LB. Premium/penalty, if any, will be computed from the guarantee at the rate of [redacted] 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	.68% MINIMUM
ASH	11.0% MAXIMUM
MOISTURE	8.0% MAXIMUM
ASH SOFTENING TEMPERATURE	2650 DEGREES FAHRENHEIT MINIMUM
VOLATILE	32.0% MINIMUM
BTU	12,500/LB MINIMUM
GRIND	45 MINIMUM

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



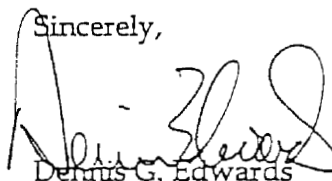
Mr. A. W. Pitcher  
February 12, 2001  
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These synfuels will be shipped by barge on the river system. Coordination of these shipments will be made with EFC's Mrs. Tina McRoberts at 813/824-6682. Coordination of sampling related matters will be with EFC's Mr. Roy F. Potter at 813/824-6684.

If you are in agreement with the terms and conditions outlined above, please indicate so by signing in the acceptance block provided below and returning one original for our files.

Thank you for working with us on this order. If you have any questions, please do not hesitate to contact us.


Sincerely,  
  
Dennis G. Edwards  
Vice President  
CSX/Barge Coal Procurement

DGE/ro

cc: Mr. W. D. Carter  
Mrs. D. M. Davis  
Mr. S. M. Hopkins  
Mrs. M. J. Kuderick  
Mr. F. M. Lelak  
Ms. C. A. Leonard  
Mrs. T. M. McRoberts  
Mrs. V. M. Muehlendyck  
Mr. R. F. Potter

Agreed to and accepted this the 12<sup>th</sup> day of February, 2001.

New River Synfuel LLC

By:   
Its: Vice President - Sales

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88. For each year from 1993 through 2001, please provide PFC's weighted average direct cost (contractual) of foreign waterborne coal transportation, by the following components:  
 A. Gulf Terminal; and  
 B. Gulf Transport.  
 In preparing your response, please use the same cost groupings that were provided in response to Staff Interrogatory No. 16.

**Response:** Not required per PSC staff.

89. For each year from 1997 through 2002, please provide the volume and weighted average commodity price, by supplier, for compliance synfuel purchased for use at Crystal River Units 3 and 4.

**Response:** While data is not available for 1997, synfuel purchases by supplier for 1998-2002 are listed in the following table:

Synfuel:	1998		1999		2000		2001		2002	
	Tons	Wtd Avg Price	Tons	Wtd Avg Price	Tons	Wtd Avg Price	Tons	Wtd Avg Price	Tons	Wtd Avg Price
River Trading Company Synfuel			14,802							
Black Hawk Synfuel LLC			114,791		790,496		1,174,891		543,186	
Marmet Synfuel									220,629	
New River Synfuel					77,116		605,655		315,815	
Sandy River Synfuel LLC					329,390					
Kanawha River Terminal									501,204	

90. For each year from 1997 through 2002, please provide the volume and weighted average commodity price, by supplier, for compliance coal purchased for use at Crystal River Units 3 and 4.

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**Response:** While data is not available for 1997, compliance coal purchases by supplier for 1998-2002 are listed in the following table:

Coal	1998		1999		2000		2001		2002	
	Tons	Wtd Avg Price	Tons	Wtd Avg Price	Tons	Wtd Avg Price	Tons	Wtd Avg Price	Tons	Wtd Avg Price
AEI Resources					8,767					
A.T. Massey Coal Co	641,401		604,065		660,638		19,150			
Black Hawk Synfuel, LLC							26,743		140,534	
Black Hills Coal Network, Inc			85,788		6,066					
Cincinnati Bulk Terminal			30,670							
Coal Network, Inc.	63,019									
Diamond May Coal Company			188,688							
Emerald International Corp			60,794		3,032		136,307		1,401	
Franklin Coal Sales	63,533		27,550							
Glencore							159,260			
Guasare Coal International	79,764								278,397	
Inter-American Coal, Inc.			38,559				127,955			
Inter-Ocean							47,260			
James River Coal Sales	17,640									
Kanawha River Terminals	35,385								35,724	
Kentucky Coal Terminal			8,607							
Kentucky May Coal Co.	82,221		98,232							
Mapco Coal Sales			9,004		9,269					
Marmet Synfuel									5,196	
McMining, Inc.	35,760									
Oak Hill Coal Corp.	8,091									
Peabody Coaltrade	6,713		24,268							
Pen Coal Company	492,528		450,236		171,906		178,742		12,327	
Pittston Coal Sales Corp.	9,364									
Quaker Coal Company, Inc.	114,287		176,565		17,499					
Riverwood Coal Sales	29,014									
Stafford Coal Co	28,508									
Tanoma Energies			37,800							

91. Please describe the extent to which synfuel can be used as the fuel source for each of PEFI's Crystal River units.

**Response:** Crystal River units 1 & 2 were permitted in the 1960's to burn non-compliance or "A" coal and do not consume synfuel.