



Progress Energy

ORIGINAL

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

November 3, 2004

HAND DELIVERY

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

RECEIVED-FPSC
NOV - 3 PM 2:42
COMMISSION
CLERK

Re: Docket No. 040001-EI; Responses to Staff's Seventh Set of Interrogatories (Nos. 50-54); Notice of Intent to Request Confidential Classification.

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc. are an original and seven copies of its Notice of Intent to Request Confidential Classification. Also enclosed is a sealed envelope containing the documents subject to the Notice, with the confidential information highlighted. **These documents should be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.** A public version of the documents in which the confidential information has been redacted is attached to each filed 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 Word format is also enclosed. Thank you for your assistance in this matter.

- CMP _____
- COM _____
- CTR _____
- ECR 1
- GCL _____
- OPC _____
- MMS _____ JAM/scc
- RCA _____ Enclosures
- SCR _____ cc: Parties of record
- SEC 1
- OTH 1 copy records

Very truly yours,

James A. McGee

This docketed notice of intent was filed with Confidential Document No. 1184404. The document has been placed in confidential storage pending timely receipt of a request for confidentiality.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

100 Central Avenue (33701) □ Post Office Box 14042 (33733) □ St. Petersburg, Florida
Phone: 727.820.5184 □ Fax: 727.820.5519 □ Email: james.mcgee@pgnmail.com

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 040001-EI

Submitted for filing:
November 3, 2004.

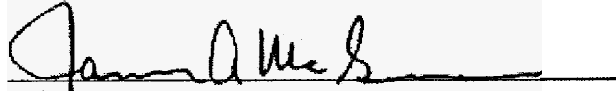
**NOTICE OF INTENT TO REQUEST
CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc. (Progress Energy or the Company), pursuant to pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby files this notice of its intent to request Confidential Classification of the highlighted portions of Progress Energy's responses to Interrogatories Nos. 50, 51 and the attachment to the response to Interrogatory No. 53 in Staff's Seventh Set of Interrogatories (the Interrogatory Responses) contained in the sealed envelope enclosed with this Notice. A public version of the Interrogatory Responses, with the confidential information redacted, is 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, 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 public copy of the Interrogatory Responses, with the information for which Progress Energy intends to request confidential classification redacted.

Respectfully submitted,



James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5519
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Attorney for
PROGRESS ENERGY FLORIDA, INC.

PROGRESS ENERGY FLORIDA

DOCKET NO. 040001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Notice of Intent to Request Confidential Classification on behalf of Progress Energy Florida has been furnished to the following individuals by regular U.S. Mail the 3rd day of November, 2004.

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

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

John W. McWhirter, Jr., Esquire
McWhirter Reeves McGlothlin Davidson
Kaufman & Arnold, P.A.
400 North Tampa Street
Suite 2450
Tampa, FL 33601

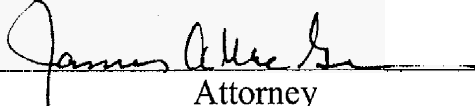
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Russell A. Badders, Esquire
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Patricia A. Christensen, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400


Attorney

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating
performance incentive factor.

Docket No. 040001-EI

Dated: November 2, 2004

RESPONSE OF PROGRESS ENERGY FLORIDA
TO STAFF'S SEVENTH SET OF INTERROGATORIES (NOS. 50 - 54)

50. What is PEF's 2004 monthly and year-total actual/estimated waterborne coal transportation costs as may be included in the coal cost recovery amounts appearing in Schedule E1-B, Line 8 (Total Cost of Generated Power) of the August 10, 2004 Direct Testimony of Javier Portuondo?

Response:

| | | | |
|----------|--|-----------|--|
| January | | July | |
| February | | August | |
| March | | September | |
| April | | October | |
| May | | November | |
| June | | December | |

Average waterborne coal transportation costs for 2004 are [REDACTED].

51. What is PEF's 2005 monthly and year-total projected waterborne coal transportation costs as may be included in the coal cost recovery amounts appearing in Schedule E5, Line 30 of the September 9, 2004 Direct Testimony of Javier Portuondo?

Response:

| | | | |
|----------|--|-----------|--|
| January | | July | |
| February | | August | |
| March | | September | |
| April | | October | |
| May | | November | |
| June | | December | |

Average waterborne coal transportation costs for 2005 are [REDACTED].

52. What are PEF's monthly and year-total actual/estimated/projected tons of waterborne coal shipped FOB Mine, FOB Barge at the river terminal, and FOB Gulf Terminal, for 2004 and 2005?

RESPONSE OF PROGRESS ENERGY FLORIDA TO
STAFF'S SEVENTH SET OF INTERROGATORIES (NOS. 50-54)
DOCKET NO. 040001-EI
PAGE 2

Response:

2004 FOB Mine – Domestic Coal

| | |
|----------------|----------|
| Progress Fuels | 600 tons |
| Central | 290 tons |
| Spot | 220 tons |

2004 FOB Barge – Domestic Coal

0 (zero)

2004 FOB Gulf Terminal – Foreign Coal

| | |
|----------|----------|
| Drummond | 315 tons |
| Guarsare | 830 tons |

2005 FOB Mine – Domestic Coal

| | |
|---------|----------|
| Central | 300 tons |
| Massey | 360 tons |
| Spot | 40 tons |

2005 FOB Barge – Domestic Coal

0 (zero)

2005 FOB Gulf Terminal – Foreign Coal

| | |
|----------|----------|
| Drummond | 800 tons |
| Guarsare | 800 tons |

53. How are the requirements of Order No. PSC-04-0713-AS-EI (i.e. the terms of the settlement) reflected in PEF's requested waterborne coal transportation cost recovery amounts in the Actual/Estimated and Projected Fuel and Purchase Power Cost Recovery Filings of August 10, 2004 and September 9, 2004? Please show all calculations, assumptions, and new contract information (rates) that may apply for each transportation component and for each time period.

Response: See responses to Interrogatories 50, 51 and 52 and the worksheets attached to this response. There were no new contract rates applicable to the transportation component.

54. What was the first month in 2004 for which adjustments were made to the FPSC 423 Forms to reflect the findings of Order No. PSC-04-0713-AS-EI, and how and when will the corrections or adjustments be made to waterborne transportation charges included in the FPSC 423 Forms prior to that month.

Response: May 2004 was the first month that adjustments were made to the 423 Forms to reflect settlement approved by Order No. PSC-04-0713-AS-EI. Corrections and adjustments will be made to waterborne transportation charges included in the 423 Forms prior to May 2004 in the 423 Forms for September 2004.

PROGRESS ENERGY FLORIDA

DOCKET NO. 040001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Responses of Progress Energy Florida to Staff's Seventh Set of Interrogatories (Nos. 50 – 54) have been furnished to Adrienne Vining, Esquire, Office of the General Counsel, Economic Regulation Section, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, and to the following individuals by electronic mail and by regular U.S. Mail the 2nd day of November, 2004.

Patricia A. Christensen, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400

John W. McWhirter, Jr., Esquire
McWhirter Reeves McGlothlin Davidson
Kaufman & Arnold, P.A.
400 North Tampa Street
Suite 2450
Tampa, FL 33601

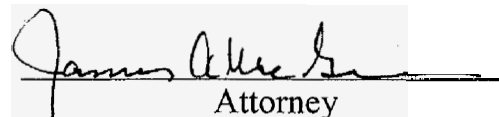
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Messer Caparello & Self
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Tallahassee, FL 32302


Attorney

CONFIDENTIAL

PROGRESS FUELS CORP
PEF Fuel Price Forecasts
2004 - 2025
Water Transportation

25-Oct-04
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Response to Staff 7th Interim #53

| <u>Forecast</u> | <u>Actual</u> | | | <u>Dispatch</u> | <u>Dispatch</u> | <u>Forecast</u> | | | | | | <u>AVG</u> | |
|---|---------------|------------|------------|-----------------|-----------------|-----------------|------------|------------|------------|------------|------------|------------|-------------|
| | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> | <u>2004</u> |
| <u>SUMMARY CR 1 & 2 WATER:</u> | | | | | | | | | | | | | |
| - Tons | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Btu's | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Coal Cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - Frt Cost: | | | | | | | | | | | | | |
| Rail/Trk to River | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rvr Frt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gulf Freight | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Misc Gulf | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Total Frt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Total Cost: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - \$/MBtu | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <u>SUMMARY CR 4 & 5 WATER:</u> | | | | | | | | | | | | | |
| - Tons | 69.2 | 183.4 | 120.0 | 212.8 | 247.9 | 231.0 | 192.0 | 208.0 | 192.0 | 192.0 | 192.0 | 214.9 | 2,255.1 |
| - Btu's | 12,341 | 12,413 | 12,227 | 12,513 | 12,411 | 12,501 | 12,511 | 12,449 | 12,511 | 12,419 | 12,511 | 12,449 | 12,451 |
| - Coal Cost | \$ 32.32 | \$ 35.87 | \$ 35.10 | \$ 38.61 | \$ 37.62 | \$ 37.14 | \$ 37.60 | \$ 37.68 | \$ 37.60 | \$ 37.49 | \$ 37.60 | \$ 37.61 | \$ 37.21 |
| - Frt Cost: | | | | | | | | | | | | | |
| Rail/Trk to River | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rvr Frt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gulf Freight | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Misc Gulf | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Total Frt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Total Cost: | \$ 51.65 | \$ 53.39 | \$ 54.76 | \$ 54.14 | \$ 53.23 | \$ 53.07 | \$ 54.40 | \$ 54.01 | \$ 54.40 | \$ 54.29 | \$ 54.40 | \$ 54.40 | \$ 53.92 |
| - \$/MBtu | 2.0926 | 2.1506 | 2.2392 | 2.1633 | 2.1444 | 2.1226 | 2.1741 | 2.1693 | 2.1741 | 2.1857 | 2.1741 | 2.1849 | 2.1652 |
| | 2.0916 | 2.1525 | 2.2386 | 2.1682 | 2.1474 | 2.1245 | 2.1789 | 2.1732 | 2.1789 | 2.1894 | 2.1789 | 2.1893 | 2.1685 |
| <u>SUMMARY CR WATER:</u> | | | | | | | | | | | | | |
| - Tons | 69.2 | 183.4 | 120.0 | 212.8 | 247.9 | 231.0 | 192.0 | 208.0 | 192.0 | 192.0 | 192.0 | 214.9 | 2,255.1 |
| - Btu's | 12,341 | 12,413 | 12,227 | 12,513 | 12,411 | 12,501 | 12,511 | 12,449 | 12,511 | 12,419 | 12,511 | 12,449 | 12,451 |
| - Coal Cost | \$ 32.32 | \$ 35.87 | \$ 35.10 | \$ 38.61 | \$ 37.62 | \$ 37.14 | \$ 37.60 | \$ 37.68 | \$ 37.60 | \$ 37.49 | \$ 37.60 | \$ 37.61 | \$ 37.21 |
| - Frt Cost: | | | | | | | | | | | | | |
| Rail/Trk to River | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rvr Frt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gulf Freight | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Misc Gulf | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Total Frt | 19.33 | 17.52 | 19.66 | 15.53 | 15.61 | 15.93 | 16.80 | 16.33 | 16.80 | 16.80 | 16.80 | 16.79 | 16.71 |
| - Total Cost: | \$ 51.65 | \$ 53.39 | \$ 54.76 | \$ 54.14 | \$ 53.23 | \$ 53.07 | \$ 54.40 | \$ 54.01 | \$ 54.40 | \$ 54.29 | \$ 54.40 | \$ 54.40 | \$ 53.92 |
| - \$/MBtu | 2.09 | 2.15 | 2.24 | 2.17 | 2.15 | 2.12 | 2.18 | 2.17 | 2.18 | 2.19 | 2.18 | 2.19 | 2.17 |

37,682

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PROGRESS FUELS CORP
PEF Fuel Price Forecasts
2004 - 2025
Water Transportation

25-Oct-04
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| | Forecast | | | | | | | | | | | | AVG 2005 |
|--------------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| SUMMARY CR WATER: | | | | | | | | | | | | | |
| - Tons | 192.0 | 192.0 | 176.0 | 208.0 | 176.0 | 208.0 | 176.0 | 208.0 | 192.0 | 208.0 | 176.0 | 188.0 | 2,300.0 |
| - Btu's | 12,250 | 12,250 | 12,245 | 12,292 | 12,245 | 12,292 | 12,245 | 12,254 | 12,200 | 12,254 | 12,209 | 12,255 | 12,250 |
| - Coal Cost | \$48.27 | \$48.27 | \$48.07 | \$47.65 | \$48.07 | \$47.65 | \$48.07 | \$49.04 | \$48.50 | \$49.04 | \$48.20 | \$48.49 | \$ 48.28 |
| - Frt Cost: | [REDACTED] | | | | | | | | | | | | |
| - Total Cost: | \$59.00 | \$59.00 | \$58.74 | \$58.28 | \$58.74 | \$58.28 | \$58.74 | \$59.83 | \$59.23 | \$59.83 | \$58.87 | \$59.21 | \$ 58.98 |
| - \$/MBtu | 2.41 | 2.41 | 2.40 | 2.37 | 2.40 | 2.37 | 2.40 | 2.44 | 2.43 | 2.44 | 2.41 | 2.42 | 2.41 |
| SUMMARY CR RAIL: | | | | | | | | | | | | | |
| - Tons | 356.4 | 356.4 | 356.4 | 346.5 | 356.4 | 346.5 | 366.3 | 356.4 | 366.3 | 356.4 | 376.2 | 379.9 | 4,320.1 |
| - Btu's | 12,439 | 12,439 | 12,439 | 12,437 | 12,439 | 12,437 | 12,441 | 12,447 | 12,441 | 12,447 | 12,442 | 12,436 | 12,440 |
| - Coal Cost | \$45.62 | \$45.62 | \$45.62 | \$45.23 | \$45.62 | \$45.23 | \$45.30 | \$44.94 | \$45.30 | \$44.94 | \$45.55 | \$45.01 | \$ 45.33 |
| - Frt Cost: | 16.95 | 16.95 | 16.95 | 17.04 | 17.03 | 17.04 | 17.11 | 17.12 | 17.11 | 17.20 | 17.19 | 17.20 | 17.08 |
| - Ownership Costs | 1.43 | 1.41 | 1.43 | 1.46 | 1.42 | 1.46 | 1.37 | 1.42 | 1.37 | 1.41 | 1.33 | 1.32 | 1.40 |
| - Total Cost: | \$64.00 | \$63.98 | \$64.00 | \$63.73 | \$64.07 | \$63.73 | \$63.78 | \$63.48 | \$63.78 | \$63.55 | \$64.07 | \$63.53 | \$ 63.81 |
| - \$/MBtu | 2.57 | 2.57 | 2.57 | 2.56 | 2.58 | 2.56 | 2.56 | 2.55 | 2.56 | 2.55 | 2.57 | 2.55 | 2.56 |
| SUMMARY CR: | | | | | | | | | | | | | |
| - Tons | 548.4 | 548.4 | 532.4 | 554.5 | 532.4 | 554.5 | 542.3 | 564.4 | 558.3 | 564.4 | 552.2 | 567.9 | 6,620.1 |
| - Btu's | 12,373 | 12,373 | 12,375 | 12,383 | 12,375 | 12,383 | 12,377 | 12,376 | 12,358 | 12,376 | 12,368 | 12,376 | 12,374 |
| - Coal Cost | \$46.55 | \$46.55 | \$46.43 | \$46.14 | \$46.43 | \$46.14 | \$46.20 | \$46.45 | \$46.40 | \$46.45 | \$46.39 | \$46.16 | \$ 46.35 |
| - Frt Cost: | 15.70 | 15.69 | 15.83 | 15.55 | 15.88 | 15.55 | 15.94 | 15.68 | 15.82 | 15.73 | 16.02 | 15.94 | 15.78 |
| - Total Cost: | \$62.25 | \$62.24 | \$62.26 | \$61.69 | \$62.31 | \$61.69 | \$62.14 | \$62.13 | \$62.22 | \$62.18 | \$62.41 | \$62.10 | \$ 62.13 |
| - \$/MBtu | 2.52 | 2.51 | 2.52 | 2.49 | 2.52 | 2.49 | 2.51 | 2.51 | 2.52 | 2.51 | 2.52 | 2.51 | 2.51 |

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Response to Staff 7th Intvw #53