BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition on behalf of Citizens of the State of Florida to require Progress Energy Florida, Inc. to refund to customers \$143 million DOCKET NO. 060658 Submitted for filing: January 16, 2007

REDACTED DIRECT TESTIMONY OF ALBERT W. PITCHER ON BEHALF OF PROGRESS ENERGY FLORIDA

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FPSC-COMMISSION CLERK

IN RE: PETITION ON BEHALF OF CITIZENS OF THE STATE OF FLORIDA TO REQUIRE PROGRESS ENERGY FLORIDA, INC. TO REFUND CUSTOMERS \$143 MILLION

FPSC DOCKET NO. 060658

DIRECT TESTIMONY OF

ALBERT W. PITCHER

I. INTRODUCTION AND QUALIFICATIONS

| 1 | Q. | Please state your name and business address. |
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| 2 | А. | My name is Albert W. Pitcher. My business address is: 1715 Georgia Avenue, NE, |
| 3 | | St. Petersburg, Florida 33703-4320. |
| 4 5 | Q. | By whom are you employed and in what capacity? |
| 6 | А. | I recently retired as Vice President of Coal Procurement for Progress Fuels |
| 7 | | Corporation (PFC). I am currently self-employed as a consultant. |
| 8 | | |
| 9 | Q. | Please describe your educational background and professional experience. |
| 10 | А. | I received a Bachelor of Business Administration Degree in Accounting from the |
| 11 | | University of Cincinnati in 1971. I began my professional career with Arthur |
| 12 | | Anderson and Company as a staff auditor. I was employed by Cincinnati Gas & |
| 13 | | Electric Company in various auditing and accounting functions from 1972 until 1976. |
| 14 | | I began my career with Florida Power Corporation (FPC), now known as Progress |
| 15 | | Energy Florida ("PEF" or the "Company"), as a staff auditor in the Audit Services |
| 16 | | Department in August of 1976. In 1977, I joined Electric Fuels Corporation (EFC), |

| 1 | | then a wholly owned subsidiary of FPC, as Manager of Accounting. I served in this |
|--|----------|---|
| 2 | | capacity and that of EFC's Controller until 1984. At that time, I became Vice |
| 3 | | President of Sales, charged with the responsibility for selling coal to utilities and |
| 4 | | industrial customers in the Eastern United States, from both EFC's affiliated mining |
| 5 | | operations and third-party resources. In September of 2002, following the change of |
| 6 | | EFC's name to PFC, I assumed the position of Vice President of Coal Procurement. |
| 7 | | In this capacity, I was responsible for the procurement and transportation of coal |
| 8 | | delivered annually to PEF's Crystal River plant site. I retired from PFC December 1, |
| 9 | | 2005. |
| 10 | | For ease of reference only, I will refer to both FPC and PEF as "PEF" and both |
| 11 | | EFC and PFC as "PFC," although they were clearly different legal entities. |
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| 12 13 | | II. PURPOSE AND SUMMARY OF TESTIMONY |
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| 12 13 14 15 | Q. | II. PURPOSE AND SUMMARY OF TESTIMONY What is the purpose of your testimony? |
| 12 13 14 15 16 | Q. A. | II. PURPOSE AND SUMMARY OF TESTIMONY What is the purpose of your testimony? The purpose of my testimony is three-fold. First, I will explain the coal procurement |
| 12 13 14 15 16 17 | Q. A. | II. PURPOSE AND SUMMARY OF TESTIMONY What is the purpose of your testimony? The purpose of my testimony is three-fold. First, I will explain the coal procurement process and resulting decisions during my tenure as PFC's Vice President of Coal |
| 12 13 14 15 16 17 18 | Q. A. | II. PURPOSE AND SUMMARY OF TESTIMONY What is the purpose of your testimony? The purpose of my testimony is three-fold. First, I will explain the coal procurement process and resulting decisions during my tenure as PFC's Vice President of Coal Procurement and demonstrate that PFC and the Company acted reasonably and |
| 12 13 14 15 16 17 18 19 | Q. A. | II. PURPOSE AND SUMMARY OF TESTIMONY What is the purpose of your testimony? The purpose of my testimony is three-fold. First, I will explain the coal procurement process and resulting decisions during my tenure as PFC's Vice President of Coal Procurement and demonstrate that PFC and the Company acted reasonably and pudently under the circumstances that existed at the time. In doing so, I will also |
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| 12 13 14 15 16 17 18 19 20 21 | Q. A. | II. PURPOSE AND SUMMARY OF TESTIMONY What is the purpose of your testimony? The purpose of my testimony is three-fold. First, I will explain the coal procurement process and resulting decisions during my tenure as PFC's Vice President of Coal Procurement and demonstrate that PFC and the Company acted reasonably and prudently under the circumstances that existed at the time. In doing so, I will also address the inaccurate statements of fact made about the coal procurement process and decisions under my watch by Mr. Robert Sansom in his testimony on behalf of the |
| 12 13 14 15 16 17 18 19 20 21 22 | Q. A. | II. PURPOSE AND SUMMARY OF TESTIMONY What is the purpose of your testimony? The purpose of my testimony is three-fold. First, I will explain the coal procurement process and resulting decisions during my tenure as PFC's Vice President of Coal Procurement and demonstrate that PFC and the Company acted reasonably and prudently under the circumstances that existed at the time. In doing so, I will also address the inaccurate statements of fact made about the coal procurement process and decisions under my watch by Mr. Robert Sansom in his testimony on behalf of the Office of Public Counsel and correct them. I will also further address the statements |

docket and now in his testimony here regarding certain contracts that resulted from the solicitations conducted by PFC on PEF's behalf in August-September 2004, again demonstrating that PFC and the Company acted reasonably and prudently under the circumstances.

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5 Second, I will address Mr. Sansom's testimony regarding the synfuel purchases by the Company and the misimpression created by Mr. Sansom's testimony 6 7 that the tax credits available to Progress Energy Inc. (Progress Energy) somehow 8 drove PEF's decisions to purchase synfuel for Crystal River Units 4 and 5 (CR4 and 9 CR5). PFC was the primary player in the synfuel industry and therefore was sought 10 out by others who wanted to enter the synfuel market for its expertise in all aspects of 11 the industry, from production through sales. It is hardly unusual, then, that when PEF 12 began to look at synfuel purchases, PFC or an affiliate of PFC may be involved in 13 some way in some of the synfuel transactions with PEF. As the Vice President of Sales for PFC during most of the years that synfuel was purchased by PEF, however, I 14 15 know that synfuel was sold at a price below bituminous coal prices and was purchased 16 by utilities and industrial customers only on a contract or spot basis when the synfuel was more economical than other bituminous coal products. Also, PEF was not the 17 18 largest or even close to the largest purchaser of synfuel during this period of time. As 19 a result, only a very small percentage of the tax credits available to Progress Energy could have been generated by synfuel sales to PEF. 20

Finally, I will address a number of other statements made by Mr. Sansom that
are simply inaccurate or give a misleading impression of the coal procurement
practices and decisions by PFC and PEF when I served as PFC's Vice President of

Coal Procurement. In sum, PFC and PEF always employed reasonable and prudent practices under the existing circumstances consistent with its policies and Commission orders.

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Q. Are you sponsoring any exhibits with your testimony?

A. Yes, I am sponsoring the following exhibits that were prepared by me or prepared
 under my supervision and control, or they represent business records prepared at or
 near the time of the events recorded in the records, which records it was a regular
 practice for me or those who worked with me to keep to perform our responsibilities:

- Exhibit No. ____ (AWP-1), which is PFC's coal procurement policy in effect when I assumed responsibilities for coal procurement for Crystal River;
- Exhibit No. (AWP-2), which are PFC's evaluation sheets for the bids
 received in response to the July 3, 2003 Request for Proposals ("RFP") for
 coal for CR4 and CR5;
- Exhibit No. (AWP-3), which is my October 2, 2003 memorandum
 explaining the results of the July 3, 2003 RFP and PFC's evaluation of that
 RFP;
 - Exhibit No. ____ (AWP-4), which is the April 12, 2004 RFP for coal for CR4 and CR5;
 - Exhibit No. ____ (AWP-5), which is the RFP bidder list indicating the bidders who received the April 12, 2004 RFP and whether they responded;

| 1 | | • Exhibit No (AWP-6), which is my June 22, 2004 memorandum |
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| 2 | | explaining the April 12, 2004 RFP and PFC's evaluation of that RFP; and |
| 3 | | • Exhibit No (AWP-7), which is the May 13, 2004 test report on the |
| 4 | | Powder River Basin (PRB) sub bituminous and bituminous coals blend at |
| 5 | | CR4 in late April 2004. |
| 6 | | All of these exhibits are true and correct. |
| 7 | | |
| 8 | Q. | Please summarize your testimony. |
| 9 | А. | PFC consistently evaluated coals for CR4 and CR5 on a competitive basis during my |
| 10 | | tenure as the Vice President for Coal Procurement. All coal procurement decisions |
| 11 | | during this time period, from 2003 to 2005, were made based on competitive RFPs or |
| 12 | | spot markets for the lowest cost coal consistent with the quality specifications required |
| 13 | | for plant operations at CR4 and CR5. In each case, PFC acted reasonably and |
| 14 | | prudently in its coal procurement decisions for CR4 and CR5. |
| 15 | | I evaluated PRB beginning in 2003 when it became evident that PRB coals |
| 16 | | might be economical for CR4 and CR5. In the July 2003 RFP solicitation, however, |
| 17 | | foreign bituminous coals of the same or similar high quality coals historically burned |
| 18 | | at CR4 and CR5 proved to be more economical. Because these import coals did not |
| 19 | | present the same quality issues that would impact plant handling and performance as |
| 20 | | the PRB coals, they further were the clear choice at the time for CR4 and CR5. I, |
| 21 | | nevertheless, continued to follow PRB coal prices, and when they moved up at a |
| 22 | | slower rate than domestic and foreign coals later in 2003, I sought to purchase some |
| 23 | | PRB coal for a test burn at CR4 or CR5. This is standard industry practice when it |

comes to evaluating different coals than those historically purchased and burned at a coal plant, especially as was the case for CR4 and CR5, when the quality of the coal is important to the historical base load energy production from the plant.

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That test burn was conducted the same month as a subsequent RFP for future 4 5 coal needs at CR4 and CR5 in April 2004. Both the test burn report on the limited, 6 single ocean-barge test of a small blend of PRB and bituminous coal in April 2004, 7 and the results of the April 2004 RFP, where PRB coals were the most economical coals on a delivered and evaluated or busbar cost basis, indicated that the further 8 evaluation of PRB coals was warranted to decide if the Company should shift from 9 bituminous compliance coals to PRB coals or a blend of bituminous compliance coals 10 11 and PRB coals. I understand that evaluation has been undertaken by the Company following the 2004 test burn and 2004 RFP. In the meantime, while the Company's 12 13 evaluation of this type of significant coal switch was on-going, PFC continued to purchase the lowest priced, high quality bituminous coal for CR4 and CR5 available 14 under existing market conditions. 15

PFC further purchased synfuel bituminous-based coals when they were the 16 lowest priced coals consistent with the quality specifications for CR4 and CR5. 17 Synfuels were always offered at or below bituminous compliance coal prices on the 18 market because available tax credits to the synfuel producers offset losses on the 19 20 production and sale of synfuel. As a result, the ratepayer benefited from such purchases. Simply put, then, I sold synfuel to PFC for CR4 and CR5 when I was told 21 it was the lowest cost source under the current market conditions. At the same time I 22 was selling a lot more synfuel to other utilities and industrial customers. When I did 23

| 1 | | not make a synfuel sale for CR4 and CR5, which did occur, I simply sold the synfuel |
|----|----|--|
| 2 | | to someone else. PEF was in no way the largest synfuel customer; it was not even |
| 3 | | close. |
| 4 | | |
| 5 | | III. COAL PROCUREMENT FOR CR4 AND CR5: 2003-2005 |
| 6 | | |
| 7 | Q. | When did you assume the role of coal procurement for CR4 and CR5? |
| 8 | А. | I became Vice President of Procurement for PFC around September 2002 but the |
| 9 | | decisions for the coal needed at the Crystal River coal units for 2002 and some of |
| 10 | | 2003 had already been made. I assumed the job with the responsibility for meeting the |
| 11 | | coal requirements for CR1, CR2, CR4, and CR5 for the rest of 2003 and beyond. |
| 12 | | |
| 13 | Q. | Can you explain the process that you applied when determining what to do to |
| 14 | | meet PEF's coal requirements for Crystal River? |
| 15 | А. | Yes. First, PEF provided me with the expected tons of coal that would be burned for |
| 16 | | the year for both sets of coal units, CR1 and CR2, and CR4 and CR5. CR1 and CR2 |
| 17 | | burned a different type of higher sulfur coal (i.e., greater than 1.5 lbs./mmBtu SO2 but |
| 18 | | less than 2.1 lbs./MMBtu) than CR4 and CR5 which burned a low sulfur coal |
| 19 | | sometimes referred to as compliance coal (i.e., 1.2 lbs/MMBtu SO2 or less). Within |
| 20 | | PFC and PEF we referred to the coal for CR1 and CR2 as "A" or Alpha coal and the |
| 21 | | coal for CR4 and CR5 as "D" or Delta coal. The information on the tons of coal |
| 22 | | required for CR1 and CR2 and CR4 and CR5 was typically provided in the fall of the |

prior year. Additionally, updates on the projected burns were provided throughout the year, generally quarterly.

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3 Once I had the expected requirements for both the A and D coals, the next step 4 was to determine the tons of A and D coal currently under contract and whether those contracts expired or had price reopeners the next year. If the contracts had price 5 6 reopeners, and depending on the terms of the contract, PFC might need to issue a 7 request for proposals (RFP) for the type of coal under the contract or initiate a review 8 of market prices for similar coal to negotiate the price for the next or remaining 9 contract term. Next we reviewed the projected inventory levels to determine if it was 10 necessary to either increase or decrease them depending upon various operational 11 considerations. The amount of coal under contract and any inventory increases or 12 decreases were netted against the expected coal requirements for the year, providing 13 the tons available for purchase.

14 The next step in the process was to determine whether an RFP or reliance on 15 the spot market was appropriate given the amount of coal tons needed and the current 16 and anticipated market conditions. As a general rule, a spot purchase was for a term of a year or less and generally involved lower amounts of tons purchased than contract 17 18 purchases. Contract purchases were for a year or more and generally were for larger 19 tonnage. PFC and the Company favored a mixture of contract and spot purchases to 20 maintain some flexibility to respond to changes in coal market conditions. This policy 21 has been consistently followed by the Company since CR4 and CR5 came on line in 22 1982 and 1984, respectively, as evidenced by EFC's coal procurement policy attached as Exhibit No. ____ (AWP-1). 23

| 1 | | A final consideration was whether the tons of coal already under contract were |
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| 2 | | being provided to Crystal River by rail or by water and by what means, rail or water, |
| 3 | | the tons available for purchase could be provided. When I assumed the |
| 4 | | responsibilities for coal procurement for Crystal River, transportation by rail was |
| 5 | | generally cheaper than water so my practice was to maximize rail shipments. This |
| 6 | | remained the case until the CSX contract expired and had to be renegotiated in 2004, |
| 7 | | after which time under the new CSX contract, rail was actually more expensive than |
| 8 | | water transportation so we began to maximize water transportation of coal to Crystal |
| 9 | | River. |
| 10 | | The practice of maximizing rail deliveries when it was the most economical |
| 11 | | means of coal delivery was consistent with a prior Commission order requiring the |
| 12 | | Company to maximize rail transportation. The ability to maximize rail shipments also |
| 13 | | depended on what type of coal was needed, where the mine was located, and the |
| 14 | | capabilities of providing coal by rail or water from that location. |
| 15 | | |
| 16 | | A. THE JULY 2003 SOLICITATION. |
| 17 | | |
| 18 | Q. | When did you first issue an RFP for coal for Crystal River? |
| 19 | А. | On July 3, 2003, I issued on PEF's behalf an RFP for A and D coal for Crystal River |
| 20 | | for one, two, and three year proposals. |
| 21 | | |
| 22 | Q. | Why did PFC issue an RFP for coal for Crystal River on July 3, 2003? |

1 A. At the time, PFC had eight contracts with price reopeners and we were beginning to 2 review the coal needs for 2004 and beyond. Under the terms of the contracts, we 3 needed to determine the market prices for coal to re-negotiate the price and to determine if we were going to extend the contracts. Five of these contracts were for D 4 5 coal and three were for A coal. Also, PFC wanted to determine if the market prices 6 justified contracts of one, two, or three years for coals for Crystal River. 7 8 What were the market conditions in 2003? Q. 9 The coal price market was very volatile. After the price spikes and tight supply with A. 10 virtually all types of coal in 2001, as well as most other fuels, coal prices had fallen in

2002 and production and coal supplies were improving. In 2003, then, it was unclear

surrounding future production efficiencies and supply, demand, and world economic

whether coal prices were going to fall to price levels that existed prior to 2001.

stabilize around 2002 price levels, or again start to rise given the uncertainties

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issues.

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Q. What were your objectives in the July 3, 2003 RFP?

A. The anticipated coal burn at Crystal River in 2004 was 2.2 million tons for CR1 and
CR2 and 3.9 million tons at CR4 and CR5 for a total of 6.1 million tons of coal. As I
have indicated, we had eight contracts with price re-openers in 2003, five D coal and
three A coal contracts, that we were contractually obligated to renegotiate. Together
with those renegotiations our purchase strategy was to eventually achieve a coal
supply of a 70-75% contract and 25-30% spot, if possible. Again, another objective

| 1 | | was to maximize our rail deliveries, which were 3.6 to 4.1 million tons a year under |
|----|----|---|
| 2 | | PFC's contract with CSX. |
| 3 | | |
| 4 | Q. | What was the response to the July 3, 2003 RFP? |
| 5 | А. | We received a total of 42 bids from 21 domestic and foreign coal suppliers. With the |
| 6 | | options under some of the bids the total count of different types of bids in response to |
| 7 | , | the RFP was 75 bids. |
| 8 | | |
| 9 | Q. | How did you evaluate the bids? |
| 10 | А. | We grouped the bids by (1) all bids together, (2) CR1 and CR2 bids, (3) CR4 and CR5 |
| 11 | | bids, (4) CR4 and CR5 bids segregated by rail and water, and (5) CR4 and CR5 bids |
| 12 | | segregated by domestic and foreign coals. These groupings allowed us to review the |
| 13 | | relative pricing between rail, water, domestic, foreign, CR4 and CR5, and CR1 and |
| 14 | | CR2. Within each group of bids we also divided up the bids between single or multi- |
| 15 | | year offers. We also reviewed various trade publications, regarding coal market |
| 16 | | pricing, such as United Coal, Evolution, and Henwood Energy Services, which |
| 17 | | provides prices for various qualities of coal for any given period of time, both |
| 18 | | currently and prospectively. We will do this to see if the coal prices we are offered in |
| 19 | | the bids are within a range of prices estimated for the market by the trade publications. |
| 20 | | In each grouping we looked at the top several bids, thus creating a "short list" |
| 21 | | evaluation. There was no set limit on the number of bids that would be placed on a |
| 22 | | "short list," rather it depended on the total amount of coal which was required for |

purchase based upon the projected burns, required changes in inventory levels, and contract expirations.

3 With respect to each bid, PFC evaluated it upon a delivered cost and evaluated cost basis. The delivered cost included the commodity cost (\$/ton) offered by the 4 5 bidder and PFC's cost of transporting the coal to the Crystal River Plant. The 6 evaluated cost, also called the busbar analysis cost or total cost, compares the characteristics of the coal offered in each bid against the coal specification standard 7 for either the CR4 and CR5 units or the CR1 and CR2 units. The standard coal 8 9 specification for the respective units is based on coal characteristics that provide optimal efficient plant performance. The evaluated ("busbar" or "total") cost is used 10 because it provides a more complete picture of the bids submitted by incorporating 11 12 into the bid evaluation consideration of the quality of the coal offered. Because coals 13 have different heat input values, the delivered cost and evaluated cost are converted to dollars per mmBtu so the bids can be evaluated on an equal basis with respect to the 14 15 Btu content of the coal.

PFC has typically ranked and purchased coal based on the lowest delivered cost but that is because historically the quality of the coal at the lowest delivered cost did not differ significantly from the quality expected under the standard specification for coal for the respective units. More recently, however, PFC is seeing more economical coal than before with quality characteristics that vary more from the standard coal specifications, particularly for CR4 and CR5, thus, providing more opportunity for the evaluated cost to have an impact on the evaluation of the bids.

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Q. What is the evaluated or busbar cost analysis?

2 A. The evaluated or busbar cost analysis is based on an Electric Power Research Institute ("EPRI") Coal Quality Impact computer Model ("CQIM") that assesses the 3 4 performance of the coal in the boilers of CR1, CR2, CR4, and CR5. The EPRI CQIM 5 model was developed by Black & Veatch and is recognized as an industry standard for 6 coal procurement evaluations. The characteristics of the coal offered in the bid are inputs into the model and the outputs are the model's assessment of the cost impacts to 7 8 the Company if coal with the quality characteristics of that coal is burned in the 9 respective units' boilers.

10 The model assessment of the cost impacts of variations in the quality of the 11 coal in the bid from the standard specification is a "black box" to PFC. The cost 12 impacts were developed by Black & Veatch based on industry standard cost impacts. 13 The coal quality characteristics considered in the model for bid evaluation purposes 14 are the ash, BTU, sulfur, moisture, and volatile content characteristics of the coal. The 15 evaluated cost output includes the delivered cost plus an assessment for variations from the standard specification for ash . BTU 16 , sulfur (based upon current SO2 allowance prices) below the 17 1.2lbs. SO2 maximum allowed for CR4 and CR5 and lower SO2 than the allowed 18 1.5lbs. SO2 to 2.1lbs. SO2 for CR1 and CR2, moisture 19 , and 20 volatile content . Another way to look at the evaluated or busbar 21 cost analysis is that it is a "paper" test burn of the coal in the units' boilers.

| 1 | Q. | Have you ever rejected a bid based on a deviation from any of the specifications |
|----|----|---|
| 2 | | set forth in the standard coal specification for CR4 and CR5? |
| 3 | А. | Yes. In response to the July 3, 2003 RFP we received two bids from Alpha for |
| 4 | | compliance coal by rail to CR4 and CR5 with a 28% volatility characteristic, which |
| 5 | | was significantly below the 31% volatility specification for CR4 and CR5 coal. |
| 6 | | Volatility is an important coal characteristic because it can affect the flame stability of |
| 7 | | the units. As a result of this significant deviation from the standard volatility |
| 8 | i. | specification for CR4 and CR5 we eliminated the Alpha bids from further |
| 9 | | consideration. This is reflected in the evaluations sheets for the July 3, 2003 RFP in |
| 10 | | Exhibit No (AWP-2) at the page bearing bates number PEF-FUEL-004772. |
| 11 | | |
| 12 | Q. | Are there any other considerations in the bid evaluation besides the delivered |
| 13 | | cost and evaluated cost? |
| 14 | A. | Yes, there are. Other important considerations include prior experience with the |
| 15 | | bidder, whether the bidder is a broker or a coal producer, and prior experience with the |
| 16 | | type of coal offered in the bid. |
| 17 | | Prior experience with a bidder and whether the bidder is a broker or the actual |
| 18 | | coal supplier is important in determining whether the bidder will reliably deliver the |
| 19 | | coal offered in a timely manner and consistent with the quality of the coal offered. |
| 20 | | Such experience is also important when there are contract negotiations and |
| 21 | | renegotiations to form the basis to reliably deal with the bidder. If the prospective |
| 22 | | supplier is a broker PFC will more carefully review the offer and evaluate the broker |
| 23 | | but the bid will not be eliminated from consideration just because the offeror is a |

[.] 14 broker; PFC has had very good experience with coal provided through carefully selected brokers.

Finally, prior experience with the type of coal offered in the bid is important to the plant operations. If there is a new supplier or a new type of coal or a coal from a new mine, the plant operators are always wary of using that coal without first conducting a test burn because of the uncertainties surrounding the effect of the coal on the efficient operation of the plant and production of electric energy. These considerations are not new to the July 2003 RFP evaluation, however, they have been a factor in the coal evaluations for decades, see Exhibit ____ (AWP-1).

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Q. What were the results of your evaluation of the bids for coal for CR4 and CR5 in the July 3, 2003 RFP?

With respect to compliance coal available by rail, we reviewed 6 single year and 4 13 A. multi-year bids. The lowest single year bid was a price reopener on an existing 14 contract with AEP so the next lowest bidder on both the single and multi-year offers 15 was Koch Carbon at \$34.25/ton to \$34.50/ton on the single year and \$35.05/ton on the 16 17 multi-year offers. When I subsequently went to negotiate with Koch Carbon 18 requesting an offer of \$33.75/ton for 2004, however, Koch Carbon raised any number of excuses, including a problem with PFC's credit, as to why Koch Carbon could not 19 offer that price or the coal at the prices in their bids. Koch wanted a parent guarantee 20 which the Company does not provide to any coal supplier. The real issue here was the 21 market was volatile and prices were moving up and they were looking for any excuse 22 not to honor their bid. After several fruitless discussions, I determined that Koch was 23

not going to meet its bid offers and decided to remove them from our active bidders
 list because of their failure to stand behind their bids. Koch is a broker of coal. This
 is an example where the lack of experience with a bidder proved problematic and
 resulted in the elimination of the bidder because there was no assurance the bidder was
 reliable.

6 As a result, I turned to the next lowest bidder, Dominion (because the Alpha 7 coal bids had been eliminated because of the volatility of the coal offered), and entered 8 into a one year contract for 120,000 tons of D coal by rail. Dominion is a major utility 9 in Virginia and has a non-regulated coal brokerage group. The coal was shipped from 10 an existing supplier's mine and was therefore known to be an excellent quality coal 11 from a known, reliable supplier.

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13 Q. Why did you call Koch Carbon and ask them for a better price?

A. It is our typical practice to contact bidders on the "short list" and negotiate for a lower
price to get the best deal we could get for the Company and the customer. This is also
a standard practice in the industry so from a buyer's perspective you do not
necessarily expect that the bid price offered in response to an RFP is the best that the
supplier can or will do if the bidder makes the short list.

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20Q.What about the remaining bids for compliance coal by water, what were the21results of your evaluation of those bids?

A. The foreign or import compliance coals evaluated better than the domestic compliance
 coals. This was expected because the market indications at the time suggested that

1 import compliance coal was very competitive. Guasare, a supplier of Venezuelan 2 compliance coal, tied for the second lowest bid on a delivered cost and a nearly 3 identical evaluated cost with Glencore, a Columbian compliance coal supplier on the 4 single year bid and Guasare was the second lowest bidder on the multi-year bid. 5 Because Guasare was both a current and previous supplier, had delivered excellent 6 quality coal in the past, and was the actual producer, where Glencore was a broker of foreign coals with no previous history, we entered into discussions for a contract with 7 8 Guasare. This is an example where prior experience with a supplier was a factor in the 9 bid evaluation. We extended the single-year bid, which was lower in price to the 10 multi-year offer, into a two-year contract with Guasare for 250,000 and 150,000 tons, 11 respectively. We also entered into a contract based on the Guasare multi-year bid for 650,000 tons for 2004 and 2005 with a price reopener for 2006. As a result, import 12 13 compliance coal accounted for 43% of the water delivered coal in 2004 and 38% of 14 the water delivered coal in 2005 to Crystal River. Our bid evaluation sheets are 15 included in Exhibit No. (AWP-2) and my October 2, 2003 memorandum, with 16 exhibits, explaining the results of the July 3, 2003 RFP and our evaluation of the bids in response to that RFP is included in Exhibit No. ____ (AWP-3) to my testimony. 17

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19 Q. Does Mr. Sansom agree that the import coal purchases as a result of the July 3, 20 2003 RFP were economical?

A. Yes, he does. At page 34, lines 19 to 21 of his testimony Mr. Sansom admits that we
 made economical purchases of imported coal for 2003 and later years "under earlier
 contracts, increasing our reliance on imported coal from 30% in 2003 to 48% in 2004

and 2005." This is a reference to the Guasare contracts that were the result of the July 3, 2003 RFP.

3 Ironically, Mr. Sansom's argument that PFC should have been purchasing PRB coal conflicts with his statement that these import coal purchases were economical 4 purchases. Both import coals and PRB coals are only economical for CR4 and CR5 5 6 when delivered by water, and since Mr. Sansom would have PFC purchase these import coals and PRB coals in the same time period, PFC could not deliver both by 7 water with the existing constraints on waterborne transportation to Crystal River. PFC 8 would, under Mr. Sansom's argument, either have to purchase less PRB coals to 9 10 maintain the waterborne import coal shipments or displace the economical import coals with higher priced CAPP coal by rail. Mr. Sansom does not account for either 11 12 possible impact in his testimony that I can see.

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Q. You mentioned that the import coal purchased was not the lowest import bid in
response to the July 3, 2003 RFP. Why didn't you buy coal from the lowest
import bidder?

A. The lowest import bidder on a delivered cost and an evaluated cost basis was the
Drummond Columbian coal for both the single and multi-year options. However, the
Drummond Columbian coal was a low Btu (11,700 Btu) and high moisture (14%) coal
and the plant operators at CR4 and CR5 were concerned with a potential de-rate of the
CR4 and CR5 units if they burned the Drummond coal. The plant operators wanted to
test the Drummond coal before any decision was made to purchase significant tons of
the Drummond coal.

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Q. What do you mean by a "de-rate" of the plant?

3 Α. A de-rate is a loss of load or the electric energy produced by the CR4 and CR5 units. 4 While I am not an engineer, I do know that the lower the Btu content per ton of coal the less electric energy you obtain from burning that ton. Also, the higher the 5 moisture content, the more effort and heat that must be used to dry the coal to burn it 6 7 and if heat is being used to dry the coal it cannot be used to produce electric energy. There are, of course, other characteristics about the quality of a particular coal besides 8 9 Btu and moisture content that can have an impact on the electrical energy output of a 10 coal unit.

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12 Q. Do you know why the plant operators at CR4 and CR5 were concerned about 13 "de-rates?"

Yes. CR4 and CR5 are base load units on the Company's system that together 14 A. account for nearly half the base load energy production on PEF's generation system. 15 16 They routinely produce between 750 and 770 gross megawatts (MW) a piece even though they are rated only for 665MW for each unit because the operators run them 17 18 very efficiently, generally in over-pressure operation, day in and day out and only 19 come off-line for maintenance. Because CR4 and CR5 are very efficient, base load generators the quality of the coal burned there and the operational characteristics of 20 21 handling the coal for CR4 and CR5 are very important. The goal of the CR4 and CR5 units is to maintain the highly efficient operation of the units to generate between 22 750MW and 770MW gross on a regular basis. As a result, I had to take this 23

operational goal into account in making coal procurement decisions for CR4 and CR5. Therefore, I did not purchase the Drummond import coal without testing it first. The Drummond coal was subsequently tested successfully at the plant and we later entered into contracts with Drummond for compliance coal.

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Q. Why did you need a test burn if the Drummond coal had evaluated the lowest on both the delivered cost and evaluated cost basis?

The evaluated cost or busbar cost analysis only provides an indication of how the coal 8 A. will burn in the boilers, based on the EPRI CQIM computer model. It is a useful tool 9 10 to eliminate coals from consideration if, even on an evaluated basis under the CQIM cost assessment, their costs are significantly higher than the delivered cost and 11 evaluated costs of other coals being evaluated, but the model was not intended to and 12 cannot determine the actual cost impact of burning the coal at the plant. To make that 13 14 determination, a test burn or series of test burns will be required, depending on how different the coal is from the type of coal typically burned at the plant and represented 15 in the standard specification. The process of conducting coal test burns is not an 16 unusual or atypical process when changes in the types of coal are being considered; 17 rather, this process is standard practice in the industry. 18

19

Q. Is that why you indicated you were evaluating western coals separately for test burn purposes only in your July 2003 RFP?

A. Yes. The reference to western coals referred to sub bituminous coal from the Powder
River Basin (also called PRB coals). I knew that the CR4 and CR5 boilers were

designed for both bituminous and sub bituminous coal and that PFC had long included
 sub bituminous coal specifications in its RFPs and PRB suppliers on its RFP bidder
 lists so that the PRB suppliers received RFPs for coal for Crystal River. I also knew,
 however, that the PRB coals had not previously been burned at CR4 and CR5 and that,
 because of the characteristics of PRB coal, there would be a number of operational
 concerns with handling and burning PRB coal.

7 These PRB coal characteristics include its lower Btu content and its higher 8 moisture content, as well as the fact that PRB is dustier than bituminous coal and 9 susceptible to spontaneous combustion. As a result, a buyer for a plant that 10 historically burned bituminous coal must buy more PRB tons to get the same Btu 11 output it currently obtains from bituminous coal both because of the lower Btu content 12 and higher moisture content of the PRB coal. The buyer must also invest in additional 13 capital and operational and maintenance improvements just to handle the PRB coal, 14 and must invest in maintenance improvements in the boiler as well for the PRB coal 15 because of higher slagging and other factors. These impacts are best determined by 16 test burns to see how the plant performs with the PRB coals.

Based on information available about the bituminous and sub bituminous coal markets before and at the time I prepared the July 2003 RFP, I thought that the timing might be right to consider western coals for a test burn at CR4 and CR5, if they proved to be economical in response to the 2003 solicitation.

- 21
- Q. Did you purchase any PRB coal in response to the July 2003 RFP for test burn
 purposes?

| 1 | А. | No, I did not. While the PRB coal evaluated well on a delivered cost basis, the PRB |
|----------|----|---|
| 2 | | coal did not evaluate well on an evaluated cost basis against the import bituminous |
| 3 | | compliance coals. The clear message from the bid responses to the July 2003 RFP |
| 4 | | was that import coals were the most economical sources of coal for CR4 and CR5. |
| 5 | | With the import coals, PFC was receiving the same type of high quality, high Btu |
| 6 | | content, bituminous coal that had successfully been burned on a highly efficient and |
| 7 | | productive basis historically at CR4 and CR5, thus allowing the units to continue to |
| 8 | | produce MWs substantially above their rated capacity. If the import prices remained |
| 9 | | this competitive after the July 2003 RFP there was no reason to look to a distinctly |
| 10 | | different type of coal like the PRB coals for the CR4 and CR5 units. |
| 11 | | |
| 12 | Q. | Are you aware that Mr. Sansom claims the PRB coals were the lowest price coals |
| 13 | | in response to the 2003 RFP and that PFC ignored them? |
| 14 | А. | Yes, but Mr. Sansom is looking only at the delivered cost numbers and ignoring the |
| 15 | | evaluated cost numbers for the PRB coals. As I have indicated, the evaluated cost |
| 16 | | numbers were important in the evaluation of the PRB coal because PRB was a new |
| 17 | | type of coal and something that the plant had no prior experience with. The operators |
| 18 | | at CR4 and CR5 had required a test burn for the Drummond coal even though it was a |
| 19 | | bituminous coal and there generally are not significant differences in the |
| 20 | | characteristics of bituminous coal. The operators, nevertheless, had no prior |
| | | |
| 21 | | experience with Drummond or its coal and were concerned about the impacts on the |
| 21 22 | | plant of the lower Btu content and higher moisture content of the Drummond coal than |

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greater concerns when considering a switch from bituminous compliance coal to the sub bituminous compliance coals like PRB.

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Q. What about the western bituminous coal suppliers who responded to the July 2003 RFP, why did PFC not enter into a contract with those two potential suppliers?

7 PFC did not select the western bituminous coal suppliers who responded to the July Α. 2003 RFP primarily because of concerns regarding reported rail delivery problems 8 9 with coal deliveries in the west. Coal market publications had included numerous reports about delays in and the failure to deliver contracted for coal due to a lack of 10 rail capacity (cars and engineers) and rail congestion. These were significant concerns 11 at the time, as several buyers received late, reduced, or no shipments at all of coal as a 12 13 result of these problems. These problems continued to plague the western coal markets from 2003 to 2005. As a result of the non-performance by the western 14 railroads, it was reported in the coal publications that buyers were re-entering the 15 volatile coal market at the time to ensure they maintained sufficient inventory levels. I 16 did not want PFC to be in the same position. 17

18

19 Q. Now, turning to the domestic water bidders, did you end up making any
 20 compliance coal purchases from domestic suppliers as a result of the July 3, 2003
 21 RFP?

A. No, I did not. As I have stated, the foreign compliance coals evaluated ahead of the
 domestic compliance coals, so we entered into negotiations and ultimately contracts
 with an import supplier.

We did, of course, evaluate the domestic compliance coals that were offered. In that evaluation, even though we received single-year compliance coal bids from domestic supplier by water, we concluded that none were competitive enough to place on a short list for further consideration. However, we did place three multi-year bidders, two bids from Infinity and one from Black Hawk for synfuel, on a short list for follow up.

We contacted both suppliers to determine if they could improve their bid prices. Infinity had offered their coal subject to prior sale and, when contacted, Infinity had already sold the coal. I also called Black Hawk and tried to get them to give me a better price. They rejected my attempt and noted that at the time they had not secured a coal source but, even if they had, they indicated they had better alternatives than selling the coal or synfuel to PFC at a price lower than what they had originally bid.

After that response I called Central Coal, which originally was not on the short list for domestic compliance coal by water because of its price, to see if Central Coal might improve its bid. Central Coal could not improve its bid price. As a result, I made no purchases of domestic coal or synfuel as a result of the July 3, 2003 RFP. I have attached the bid evaluation sheets, including the short lists, to my testimony as Exhibit No. (AWP-2) and my memorandum summarizing the results of the bid evaluation and the coal purchases made as Exhibit No. (AWP-3). These exhibits

and my notes contained in them explain the evaluation process and decisions that were made.

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| 4 | Q. | Have you read what Mr. Sansom had to say about your evaluation of the |
|----|----|---|
| 5 | | domestic compliance coal bids in response to the July 3, 2003 RFP? |
| 6 | А. | Yes. Mr. Sansom, at pages 32 and 33 of his testimony, claims that the evaluation is an |
| 7 | | "example of favoritism," a "conflict of interest," and was "imprudent." As his sole |
| 8 | | support he (1) asserts PFC did not act "promptly" enough to purchase the coal offered |
| 9 | | by the lowest domestic supplier, (2) refers to the call made to Blackhawk to obtain a |
| 10 | | lower bid price and the fact that Blackhawk had no coal under contract to supply at the |
| 11 | | time, (3) claims that some unknown "July-September transaction" was not |
| 12 | | consummated leading to purchases in 2004 at higher coal prices, and (4) speculates |
| 13 | | that the prior purchaser of the lowest domestic bidder (Infinity) was a "non-regulated |
| 14 | | PEF affiliate synfuel plant." |
| 15 | | |
| 16 | Q. | Are Mr. Sansom's assertions about the July 3, 2003 RFP evaluation accurate? |
| 17 | А. | No, they are not. First, Mr. Sansom claims that I did not act "promptly" to purchase |
| 18 | | the coal offered by Infinity. Contrary to Mr. Sansom's implication that I did not |
| 19 | | contact Infinity by his assertion that I "instead" offered to purchase synfuel from |

- Blackhawk, I did follow up with Infinity by phone at the same time I followed up with
 all of the short list compliance coal suppliers by water, both foreign and domestic.
- 22 These contacts took place within a couple of weeks of receiving the bids, evaluating

them, and creating the short lists. I did contact Infinity, I did so promptly, and I was told Infinity no longer had the coal for sale.

Second, Mr. Sansom claims that my contact with Blackhawk was an "example 3 4 of favoritism" and a "conflict of interest." He fails to note my contacts with other 5 bidders to get them to improve their bid prices, including Infinity, Central Coal, and Guasare (the import supplier), none of whom are affiliated in any way with PFC. In 6 other words, I treated Blackhawk just like I treated all other bidders on the short list. 7 Moreover, Mr. Sansom fails to explain to the Commission that PFC did not make any 8 9 purchase from Blackhawk as a result of the July 3, 2003 RFP. All he suggests is that 10 it was somehow improper for Blackhawk to offer coal that Blackhawk had not yet procured. Coal brokers occasionally do this and there is no practical difference 11 12 between this and offers made subject to prior sale to other buyers, which Mr. Sansom concedes (at page 33, lines 1-2) is an "acceptable practice." Either way, the supplier 13 14 does not have the coal to sell to the buyer. In fact, in my experience both on the sales and purchasing sides of our business, buyers will accept a bid even though the broker 15 is "still lining up the coal." This is even more acceptable in a market where coal is in 16 17 short supply and prices are very volatile. There is, then, no "favoritism" or "conflict of interest" in treating Blackhawk the same way other short list suppliers are treated, 18 19 especially when no coal was purchased from Blackhawk in response to the July 2003 RFP. 20

Third, Mr. Sansom refers to some unknown, unconsummated "JulySeptember" transaction for compliance coal by water as a result of the July 2003 RFP
that he claims led to purchases in 2004 at higher prices. First, this statement ignores

1 the fact that PFC made significant compliance coal purchases by water from a foreign 2 supplier as a result of the July 3, 2003 RFP. These import purchases are the very same 3 purchases that Mr. Sansom admits at page 34, lines 19 to 21 of his testimony were economical purchases for 2004 and 2005. Further, Mr. Sansom is relying on nothing 4 5 more than hindsight to suggest in his testimony now that further purchases as a result of the July 2003 RFP would have avoided higher prices later in 2004. At the time of 6 7 the July 2003 RFP and RFP evaluation, the coal market was volatile and, unlike Mr. Sansom, we did not have the benefit of knowing what the 2004 coal prices would be. 8

9 Finally, Mr. Sansom asserts that "it is even possible" that the Infinity coal was bought by a "PEF affiliate synfuel plant" before PFC could purchase the coal in 10 11 response to Infinity's bid in response to the July 2003 RFP. This is rank speculation on his part, I do not know who Infinity sold the coal to nor was Infinity obligated to 12 tell me. Infinity had offered the coal subject to prior sale which meant that Infinity 13 14 was free to sell the coal to anyone in the market who offered Infinity the best price for it and purchased it before we called. That includes any synfuel plant, which by the 15 way, would have led to a lower market price for the coal because synfuel was typically 16 sold below the market price for bituminous compliance coal. However, Mr. Sansom 17 again misses the point that the water-borne import compliance coal bids were lower 18 19 than the domestic compliance coal bids, like Infinity's, in any event, and the import 20 coal is what PFC purchased.

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| 1 | Q. | Was Mr. Sansom present for your phone call with Blackhawk, Infinity, or any |
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| 2 | | other supplier that you called in response to the bids submitted for the July 2003 |
| 3 | | RFP? |
| 4 | А. | No, he was not present. |
| 5 | | |
| 6 | Q. | Did Mr. Sansom provide the Commission with the July 3, 2003 bid evaluation |
| 7 | | sheets and your October 2, 2003 memorandum and exhibits summarizing and |
| 8 | | explaining the bid evaluation and reasons for the purchase decisions that were |
| 9 | | made? |
| 10 | А. | No, he did not, but I have done so. They are Exhibit No (AWP-2) and Exhibit |
| 11 | | No. (AWP-3) to my testimony. |
| 12 | | |
| 13 | Q. | Is Mr. Sansom also suggesting that PFC should not have evaluated the |
| 14 | | compliance coal bids based on the means, rail or water, by which the coal would |
| 15 | | be delivered to Crystal River? |
| 16 | А. | He may be, because he makes a point of saying that the bids were segregated between |
| 17 | | rail and water, and domestic water (which he calls affiliates or ex-affiliates) and |
| 18 | | import water deliveries, in the same paragraph on page 32 in which he accuses PFC of |
| 19 | | engaging in "favoritism." However, there is nothing improper in this manner of |
| 20 | | evaluating the bids for the following three reasons. |
| 21 | | First, this type of evaluation of the bids must be undertaken because PFC does |
| 22 | | have two means of coal delivery, rail and water, to Crystal River and, therefore, for |

PFC to fully evaluate all potential bid responses PFC must consider the alternative means of delivering coal to Crystal River.

Second, the Commission long ago recognized the propriety of the dual delivery mechanism for Crystal River, stating in Order No. 15895 that "we acknowledge the desirability of maintaining alternative transportation routes for the purpose of increasing reliability and enhancing price competition." Any suggestion that it is improper to evaluate the bids in part based on the delivery mechanism is inconsistent with the Commission's prior order.

9 Third, the cost of transporting coal by water to Crystal River, domestic or 10 import, for all but one year of the period at issue in Mr. Sansom's testimony has been 11 set at a market proxy price approved by the Commission and all parties to the 12 proceeding, including OPC. Regardless of whether the "affiliated" transportation 13 costs exceeded or fell below the market to the extent one existed at all, PFC was only 14 allowed to pass on to PEF's customers the market proxy amount.

Finally, it is ironic that Mr. Sansom appears to take issue with the segregation 15 of the bids by rail and water and the evaluation of them based on their cost of delivery 16 17 according to the delivery mechanism because if there was no water delivery available to Crystal River there would be no way for Mr. Sansom to urge the consideration of 18 PRB coals at Crystal River. The cost of delivering PRB coals to Crystal River by rail 19 is uneconomical on a delivered cost basis. Mr. Sansom agrees because he purports to 20 have all of the PRB coals he says PFC should have bought delivered by water barge to 21 22 Crystal River.

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| 1 | Q. | With respect to the July 3, 2003 RFP, did you follow the same evaluation process |
|----|----|--|
| 2 | | and analysis for the A coal bids that you did for the D coal bids? |
| 3 | А. | Yes. |
| 4 | | |
| 5 | Q. | Does Mr. Sansom dispute in his testimony PFC's evaluation process and analysis |
| 6 | | with respect to the A coal bids in response to the July 3, 2003 RFP? |
| 7 | A. | No, he does not. |
| 8 | | |
| 9 | | B. THE APRIL 2004 SOLICITATION. |
| 10 | | |
| 11 | Q. | When was the next solicitation you issued for coal for Crystal River? |
| 12 | А. | In April 2004, PFC initiated on PEF's behalf an RFP for A and D coal for Crystal |
| 13 | | River for one, two, and three years with delivery by rail or water. As before, the RFP |
| 14 | | included specifications for both bituminous and sub bituminous coal and was sent to |
| 15 | | all potential bidders on PFC's bidder list, including a number of PRB suppliers. PFC |
| 16 | | received fourteen bids for CR1 and CR2 (A coal) and twenty-three bids for CR4 and |
| 17 | | CR5 (D coal). A copy of the April 12, 2004 RFP solicitation for CR4 and CR5 is |
| 18 | | Exhibit No (AWP-4) to my testimony. A copy of the bidder list indicating the |
| 19 | | bidders that received the April 12, 2004 RFP and whether they responded to the RFP |
| 20 | | is Exhibit No. (AWP-5) to my testimony. |
| 21 | | |
| 22 | Q. | Did you follow the same bid evaluation process for the April 2004 RFP that you |
| 23 | | did for the July 2003 RFP? |
| | | |

- A. Yes, I did, and Mr. Sansom has conceded that PFC conducted a thorough solicitation
 in 2004.
- 3

4 Q. What were the results of the evaluations of the bids in response to the April 2004
5 RFP?

A. PFC purchased 4.3 million tons of coal for both CR1 and CR2, and CR4 and CR5, as a
result of the solicitation. The resulting contracts were for two years (2005 and 2006)
and included three contracts each for suppliers of coal for CR1 and CR2 and CR4 and
CR5. The coals purchased were those the plants had burned in the past and had
historical experience with from both a handling and operational perspective. A copy
of my memorandum with exhibits explaining the April 12, 2004 RFP and PFC's
evaluation of that RFP is Exhibit No. (AWP-6) to my testimony.

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14 Q. Did you receive bids from PRB suppliers in response to the April 2004 RFP?

15 A. Yes, we did, however PFC did not purchase any PRB coal, even though the prices 16 offered by the PRB suppliers was lower than the prices offered by the bituminous 17 compliance coal suppliers on both a delivered cost and evaluated cost basis at this 18 time. The reason was that PEF was conducting a test burn of a small shipment of PRB 19 coal in a 15% blend with bituminous CAPP coal in April, roughly at the same time the 20 RFP was issued. The Company had just received the report of the results of that test 21 burn at the time of the evaluation of the bids in response to the April 2004 solicitation. 22 At the time, the Company had not completed its review of the test burn and the 23 Company was not permitted to burn sub bituminous coal under the environmental

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permit in effect at that time. The results of the April 2004 solicitation confirmed, however, that the PFC and PEF should continue to investigate the use of PRB coals at CR4 and CR5.

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Q. Why did you purchase PRB coals for a test burn in April 2004?

6 After the results of the July 2003 solicitation, I continued to follow the market prices A. 7 reported in the coal publications or on the spot market for bituminous compliance 8 coal, both domestic and import, and PRB coals. I noticed that bituminous coal prices 9 were rising faster than PRB coal prices. As a result, I believed the use of PRB coal in 10 a blend at Crystal River might prove to be economical in the future. For several 11 months preceding the purchase of the PRB coal, I had been speaking with various 12 suppliers of PRB coals. In most cases, because of delivery problems that I have 13 mentioned earlier in my testimony and the suppliers resulting inability to satisfy their 14 existing contractual commitments for PRB coals, the PRB suppliers were not able to 15 provide PFC with a test shipment for a test burn at CR4 and CR5. However, 16 ultimately, after numerous discussions over several months, one PRB coal supplier 17 was willing to "make room" for one unit train for a test shipment. We purchased 18 approximately 30,000 tons of PRB coal from Peabody for shipment by rail to the river. 19 The coal was then transported by river barge to International Marine Terminal (IMT) 20 and ocean barge to Crystal River. There were numerous delays in the shipment of the 21 PRB coal by rail, due to congestion and supply requirements for other coal purchasers 22 on the western rail lines, but I eventually received the shipment of PRB coal for an 23 April 2004 test burn.

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Q. Was the PRB test burn at CR4 and CR5 conducted in April 2004?

Yes, it was. Test burns at CR4 and CR5 must be conducted during the "shoulder" 3 Α. months, when the demand for energy placed on the system is generally lower due to 4 5 the weather. The "shoulder" months generally occur in the spring and fall when the weather in Florida is more temperate. During "peak" months in the winter and 6 summer in Florida the CR4 and CR5 units are needed at full output to meet the 7 demands for energy. Accordingly, if we were unable to have the PRB blend test done 8 9 in April in all likelihood that test would have been pushed back to the fall, in late 10 October or November, or the next spring.

11

12 Q. What were the results of the April 2004 test burn?

13 The test results were promising although there were issues raised as a result of the test A. burn. After discussions with the plant operating personnel, it was determined that a 14 target blend of 15% PRB with the remaining 85% a blend of bituminous coals, would 15 be used. The blending occurred at IMT in New Orleans. When the test blend was 16 shipped and used at the plant (CR4), the plant performed well at the 15% PRB blend 17 18 but suffered a de-rate when it was determined a higher blend (22%) than what was planned occurred in a portion of the shipment. A copy of the test report is included 19 with my testimony at Exhibit No. (AWP-7). 20

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22 Q. Have you read Mr. Sansom's testimony regarding the 2004 test burn?

23 A. Yes, I have.

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Q. Do you agree with it?

A. No, I do not. The test was not "botched" as Mr. Sansom asserts. The test was undertaken to see how the existing units, in this case CR4, handled a small blend of PRB and bituminous coal without any changes to the unit. In other words, the Company wanted to see not only how the unit operated with a PRB blend but also what, if any, changes were needed in the operation of the unit to accommodate PRB.

It is further not true that PFC or the operators of the plant did not know that the 8 9 CR4 and CR5 boilers were designed to handle a blend of bituminous and sub 10 bituminous coals. We were very much aware that the design of the boilers accommodated a blend of bituminous and sub bituminous coals and that is why we 11 12 proceeded with the April 2004 test burn without first checking with environmental on the environmental permit. When we learned that the permit did not include sub 13 14 bituminous coal, the Company stopped the test, and reported this to DEP. I understand the Company obtained a permit to conduct a subsequent test of a blend of 15 16 PRB and bituminous coal.

Also, it should be remembered that the April 2004 test was a preliminary look
at PRB, the test occurred only over two days, to see if the Company should pursue
PRB as an option at CR4 and CR5. As a result of this test, which I reported to
management at PEF, I understand that the Company continued to investigate the use
of PRB at CR4 and CR5 in 2005 and 2006.

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23 Q. By the way, did PFC also participate in the spot market from 2002 to 2005?

| 1 | А. | Yes. PFC had a practice of regularly participating in spot purchases when market |
|----|----|--|
| 2 | | conditions warranted such participation and PFC frequently maintained open positions |
| 3 | | when market conditions appeared favorable to do so for spot purchases. |
| 4 | | |
| 5 | Q. | Was PFC's participation in the spot market well known? |
| 6 | А. | Yes. I frequently told bidders and potential bidders about our interest in spot |
| 7 | | purchases when I was in charge of coal procurement for the Crystal River Plant and I |
| 8 | | was certainly aware that PFC was a participant in the spot market when I was on the |
| 9 | | sales side. Also, the purchases in the spot market are widely reported in various |
| 10 | | widely read and recognized coal publications. |
| 11 | | |
| 12 | Q. | Did any PRB supplier ever participate in the spot market during your tenure |
| 13 | | from 2002 to 2005? |
| 14 | А. | No. I never received any spot offers for PRB coal from any PRB supplier. |
| 15 | | |
| 16 | | C. SUBSEQUENT MARKET PURCHASES IN 2004 |
| 17 | | |
| 18 | Q. | Did you re-enter the coal market in August and September 2004 for additional |
| 19 | | coal purchases for 2005 and 2006? |
| 20 | А. | Yes, I did. |
| 21 | | |
| 22 | Q. | Why did you re-enter the market so soon after the April 2004 solicitation was |
| 23 | | completed? |
1 A. At the time of the completion of the April 2004 solicitation we had an open position 2 partly due to the availability of compliance bituminous coals as a result of that 3 solicitation and partly due to a desire to maintain some limited flexibility to respond to 4 market conditions should they grow more favorable to purchasers. From April to September 2004, however, coal market pricing remained extremely strong, with coal 5 6 commodity prices increasing from \$45 to \$50 per ton to approximately \$60 to \$70 per 7 ton. This was indicative of a tight supply market brought about by, among other 8 factors, continued trucking issues in both Kentucky and West Virginia and continued 9 discussions regarding the difficulty of obtaining mining permits. Additionally, four 10 major utilities (Tennessee Valley Authority [TVA], South Carolina Electric & Gas, South Carolina Public Service, and Constellation) had issued solicitations for coal. 11 12 PFC's open position had also expanded for water deliveries of coal to CR4 and CR5. 13 The most economical move under the existing Massey contract was to shift all of that 14 coal from water to rail, rather than maintaining an even split as originally envisioned, 15 because of changing economics on the delivery costs and because projected inventories at IMT in 2005 for water delivery was growing because of delayed 16 17 deliveries of coal due to the 2004 hurricane season. In sum, PFC determined that 18 additional coal was needed by water for CR4 and CR5 and PFC was now competing with a number of major utilities for a limited supply of coal in the same time frame. 19 20

Q. Did PFC issue a formal RFP when it re-entered the market in August and
September 2004?

1 A. No, it did not. PFC conducted an informal solicitation by contacting those suppliers 2 who were known to have bituminous compliance coal supplies as a result of PFC 3 having conducted the April 2004 formal RFP and continuing contacts in the industry. 4 PFC contacted five potential suppliers off its April 2004 RFP bidder list (PFC's 5 Marketing and Trading Division (PFC/M&T), Coal Marketing Company (CMC), 6 Guasare, Drummond, and Glencore) to determine their ability to supply water-7 delivered coal and at what price. Only three other suppliers of waterborne coal for 8 CR4 and CR5 (Central Coal, Infinity, and Massey) had responded to PFC's April 9 2004 RFP and I knew from various discussions with these potential suppliers that 10 none of them had coal available.

In received six bids from three reliable suppliers. After the bids were evaluated, PFC awarded contracts to the two lowest cost suppliers. PFC/M&T provided the lowest bid and was awarded a two-year contract for 480,000 tons a year. The next lowest bidder, CMC, was awarded a contract for 450,000 tons (150,000 tons in year one and 300,000 tons in year two). CMC was a supplier of Columbian compliance bituminous coal.

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18 Q. Why didn't PFC issue a formal RFP solicitation in August-September 2004?

A. Under the prevailing market conditions at the time issuance of a formal RFP was not
 practicable to ensure that PFC received the necessary quantities of coal it needed for
 CR4 and CR5 and that it received the necessary quantities at an economical price. As
 I have explained, coal prices were increasing, partly due to diminishing supplies
 produced in that time frame, and four major utilities had entered the market with

formal solicitations competing for the same limited supply of compliance bituminous coal.

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Under these circumstances, PFC concluded the best way to secure the most 3 4 inexpensive coal in the quantities needed was to quickly secure it before commitments 5 were made to the other utilities with outstanding solicitations. While the other four 6 utilities had entered the marketplace with their RFP's, the responses to those RFP's 7 were not due at the time PFC initiated its informal solicitation and evaluation. PFC 8 was able to move ahead of these formal RFP's with an informal solicitation because at 9 the time, due to the volatility of the coal market, almost all responses to RFP's were offered "subject to prior sale," meaning as I have said previously, that the potential 10 suppliers were able to sell their coal to other potential buyers in the market. We 11 12 intended to enter the market and act quickly before the other four utilities had a chance 13 to respond. Once PFC informed a supplier of its desire to purchase, the supplier 14 would remove their bid from contention in the formal RFP's as a result of the "subject to prior sales" clause in their offer. As a result, in this marketplace it was truly "first 15 come, first served." 16

17 If PFC had issued a formal RFP instead of conducting the informal solicitation 18 when it did, PFC would have stood in line behind these other four utilities and all of 19 them obviously would have completed their RFP solicitation and evaluation before 20 PFC was able to complete another formal solicitation and evaluation. PFC, then, 21 would have faced an even tighter supply of coal, necessarily resulting in even higher 22 prices than it ended up paying, or no coal at all to meet its needs for CR4 and CR5. 23 Conducting the informal solicitation for CR4 and CR5 when it did in August-

September 2004 was reasonable and prudent in light of the prevailing market conditions.

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4 Q. How did PFC evaluate the bids received in response to the August-September 2004 informal solicitation?

A. PFC used the same methodology that it used for all coal purchases. PFC evaluated the
bids based on both the delivered cost and evaluated cost to the Crystal River Plant.
PFC also followed its typical practice of comparing the commodity prices of coals
offered in the bids to the current market commodity prices reported in coal reports
widely recognized in the industry as reliable market price indicators to ensure that the
bid prices were consistent with prevailing market conditions when comparing the bids
to the other bids received.

13 PFC determined that the bid prices, including the PFC bid, were within a reasonable range of market prices based on the published reports and other bids. This 14 15 comparison was done because of the lack of availability of coal in the market place. The commodity price for the PFC/M&T bid (\$62/ton), was within a reasonable range 16 17 of market prices reported by United Power Inc. and Henwood Energy Services, Inc., 18 which ranged from \$60.43/ton to \$62.96/ton. The delivered costs of the PFC bid was 19 \$3.15/MMBtu and was within a reasonable range of market prices based upon the 20 United Power and Henwood Energy commodity prices plus the estimated delivered cost at \$3.09/MMBtu to \$3.19/MMBtu. 21

22 The CMC bid was compared to the other import coal offer which was provided 23 by Guasare. The CMC commodity price delivered into IMT was \$63.93/ton compared

to the Guasare commodity price of \$74.75/ton; the delivered CMC price was \$3.18/MMBtu compared to the delivered Guasare price of \$3.32/MMBtu. Based on the types of coals at issue in the informal solicitation, PFC further followed its usual practice of purchasing known coals based upon the lowest delivered cost of the coals offered. This demonstrated that the August-September 2004 solicitation resulted in valid market prices.

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Q. Are you aware of Mr. Sansom's criticisms of the August-September 2004 informal solicitation?

10 А. Yes, I am. Mr. Sansom criticizes PFC because (1) PFC did not conduct a formal RFP 11 solicitation; (2) PFC apparently did not contact every compliance coal supplier on its admittedly "lengthy" bidder list; (3) PFC allegedly "sole-sourced" 480,000 tons for a 12 13 two-year contract to an affiliate that provided coal by water to Crystal River; (4) PFC 14 used published trade press prices to compare the bid prices received; and (5) PFC also 15 purchased 210,000 tons of coal for CR1 and CR2 by rail from its affiliate. Mr. 16 Sansom also claims PFC should have purchased PRB coal and not the coal purchased from PFC/M&T. 17

18

19 Q. Do you agree with them?

A. No, I do not. Apparently, Mr. Sansom believes that the only means of purchasing coal
 is through a formal RFP solicitation no matter what the market conditions are. This
 rigid standard is unrealistic and impractical because it denies PFC (or any procuring
 utility for that matter), the flexibility necessary to respond to changing market

conditions. By late summer and fall 2004 the coal market was highly volatile, there
were several utilities seeking significant tons from an ever tightening supply,
necessitating quick action by PFC to secure the necessary tons for CR4 and CR5. PFC
acted reasonably and prudently under those market conditions in ensuring that it was
among the "first to be served" in that market. Further, if Mr. Sansom's rigid standard
of formal solicitations prevailed today there would be no "Over the Counter Market"
(OTC) for coal which is clearly not the case in our industry today.

8 Mr. Sansom focuses on the purchase contract with PFC/M&T in August-9 September but ignores the 450,000 tons purchased over the same two years from CMC 10 for high quality, import compliance bituminous coal. They were both made at the 11 same time, both provided coal by barge delivery into Crystal River, and both bid 12 prices compared favorably to market prices based on the recognized industry indices. 13 Notably, Mr. Sansom does not say that it is unreasonable or imprudent to compare bid 14 prices to such indices, rather, he argues simply that they are no substitute for formal 15 solicitations. Again, in a perfect world with perfect market conditions one could 16 always rely on formal RFP's but the world is not always perfect and market conditions sometimes require a more flexible, rapid response to market circumstances than a 17 formal RFP provides. Those are the circumstances that PFC faced in August-18 19 September 2004.

Mr. Sansom nowhere explains how the purchase of coal by rail for CR1 and CR2, which is an entirely different type of coal from that purchased for CR4 and CR5, renders the award of one of the contracts in response to the August-September 2004 informal solicitation imprudent. He simply asserts it with no basis whatsoever.

Finally, Mr. Sansom takes issue with statements I have made about the 1 2 anticipated impact if PFC issued a formal solicitation rather than conducting the informal solicitation that it undertook in August-September 2004. He claims that the 3 trade press reports show that PEF was already in the market in August and September 4 2004 and, therefore, implies that the participants in the market were well aware of 5 6 PFC's intentions. This is misleading. The trade press reports included by Mr. Sansom as an exhibit are both incomplete and, hence, not dated. One can tell, however, from 7 8 comparing the "Bids Due" entries on page 1 of 2 of Exhibit No. (RS-25) that the entry for Progress Energy for "Crystal River" has a "Bid Due" date of "5/12/04", 9 which was the earlier April 2004 solicitation. The second entry on that same page 10 refers to a "Progress Energy," "system-wide" solicitation, with a "Bids Due" date of 11 "6/30/04." This second entry is a solicitation for Progress Energy Carolinas, not for 12 PEF at Crystal River. It is this second entry that is repeated on page 2 of 2 of Exhibit 13 No. ____ (RS-25). Therefore, what Mr. Sansom has done in this exhibit is include an 14 15 earlier April 2004 RFP by PFC for PEF at Crystal River and a Progress Energy Carolinas solicitation and claimed that they demonstrate that PFC would re-enter the 16 market months later, in August-September 2004, for more coal for Crystal River. The 17 exhibit clearly has nothing to do with the informal solicitation that PFC undertook in 18 August-September 2004. 19

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IV. SYNFUEL PRODUCTION AND SALES: 1999-2002

Q. Prior to assuming the position of Vice President for Coal Procurement for PFC,
were you employed on the sales side of PFC?

| 1 | А. | Yes, I was, from 1984 until 2002. My job was to sell coal and later coal and synfuel |
|----|----|---|
| 2 | | to utilities and industrial customers. As a result, PEF was but one potential customer |
| 3 | | among many potential customers. |
| 4 | | |
| 5 | Q. | Did you respond to RFP's for coal for the Crystal River units? |
| 6 | А. | Yes, I did. I frequently participated by providing bids in response to PEF RFP's with |
| 7 | | both coal and synfuel at various times over the years. In each case in which I |
| 8 | | participated in an RFP on behalf of PFC/M&T, I was always treated just like any other |
| 9 | | bidder. I also participated in the spot market with PEF by providing PFC on PEF's |
| 10 | | behalf offers for spot purchases. Similarly, when I assumed the position of making |
| 11 | | coal procurement decisions for PFC on PEF's behalf I treated PFC/M&T, when they |
| 12 | | participated in the RFPs or spot market, just like any other bidder. |
| 13 | | PFC/M&T sold synfuel from facilities in which PFC had a small equity |
| 14 | | interest to PFC on behalf of PEF from 2000 to 2002. PEF, however, did not always |
| 15 | | purchase coal or synfuel from PFC/M&T when it was offered, either in response to an |
| 16 | | RFP or on the spot market. |
| 17 | | |
| 18 | Q. | Was it unusual for EFC/PFC affiliates to have handled synfuel sales for synfuel |
| 19 | | producers in which an EFC/PFC affiliate held a minority equity participation? |
| 20 | А. | No, that should have been expected because EFC (PFC) was one of the first if not the |
| 21 | | first entity to develop a successful synfuel production process and to set up efficient |
| 22 | | production and marketing facilities. As a result, other participants in the industry |
| 23 | | sought out EFC's (PFC's) expertise in the production and marketing of synfuel. |
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| 1 | | EFC/PFC was the primary, dominant market participant in the production and sale of |
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| 2 | | synfuel. |
| 3 | | |
| 4 | Q. | What made synfuel competitive to comparable bituminous compliance coal? |
| 5 | А. | Synfuel had a bituminous coal base so it was offered as an alternative coal product at a |
| 6 | | price that was one to two dollars cheaper than the bituminous coal product on the |
| 7 | | market. In fact, the sales pitch for synfuel was that "it burns like coal, handles like |
| 8 | | coal, but is cheaper than coal so it will save you money." |
| 9 | | |
| 10 | Q. | Did the sale of synfuel to PFC for PEF benefit PEF's customers? |
| 11 | А. | Yes, it obviously did, because the synfuel product was sold at a discount to the market |
| 12 | | price for bituminous compliance coal. So, as a result, the utility customer received a |
| 13 | | similar bituminous coal-based product at a below market price. Synfuel producers |
| 14 | | were able to sell synfuel at or below market prices because they obtained tax credits |
| 15 | | that offset losses on the production and sale of synfuel. |
| 16 | | |
| 17 | Q. | Mr. Sansom creates the impression in his testimony and his exhibits that sales of |
| 18 | | synfuel to PFC for PEF's Crystal River units were the primary source of synfuel |
| 19 | | tax credits for Progress Energy. Is that accurate? |
| 20 | А. | No, it is not. Since I was involved in the sale of coal and synfuel from 2000 to 2002 |
| 21 | | (and coal before then) I know that PEF was one of PFC/M&T's smallest customers of |
| 22 | | synfuel. There were a number of other major utilities, such as American Electric |
| 23 | | Power (AEP), TVA, and Louisville Gas & Electric, that purchased substantially more |

| 1 | | tons of synfuel on an annual basis than PEF ever did. These larger synfuel customers |
|----|----|---|
| 2 | | had to account for the overwhelming majority of the tax credits generated from |
| 3 | | synfuel sales because it is my understanding that the tax credits followed the sales. |
| 4 | | |
| 5 | | V. ADDITIONAL REBUTTAL POINTS |
| 6 | | |
| 7 | Q. | Having read Mr. Sansom's testimony, are there any additional errors that you |
| 8 | | see in his testimony? |
| 9 | А. | Yes, there are. First, Mr. Sansom argues at page 39, lines 10-16, of his testimony that |
| 10 | | the shipment of PRB coals by rail to the McDuffie terminal in Mobile, Alabama and |
| 11 | | then by Gulf barge to Crystal River was the most economic route for the shipment of |
| 12 | | PRB coals to Crystal River. Second, at pages 46 and 47 of his testimony, Mr. Sansom |
| 13 | | attempts to equate the transportation risks of moving PRB coals to the transportation |
| 14 | | risks for Eastern bituminous coals. Both of these arguments are in error, based on |
| 15 | | what little information Mr. Sansom has provided in his testimony to support them. |
| 16 | | |
| 17 | Q. | What is erroneous about his argument that the shipment of PRB coals by rail to |
| 18 | | McDuffie and then by Gulf barge to Crystal River was the most economic means |
| 19 | | to deliver PRB coals to Crystal River? |
| 20 | A. | In support of this argument he relies on two letter proposals from rail carriers, one |
| 21 | | dated August 23, 2002 and the other dated May 8, 2003, for the delivery by rail of test |
| 22 | | shipments to the McDuffie terminal, and his unsupported conclusion that the "post-test |
| 23 | | burn" contract rail rates "usually" are not higher than the railroad's test burn rates |

simply "because volumes are higher and the term is longer." The latter letter was 1 2 addressed to me and followed conversations that I had with the carrier. I know based 3 on those conversations that the rail price quoted in that letter was limited to a "test" shipment as a means of encouraging PFC to look at PRB coals for the Crystal River 4 5 plants in the near future. I also know from those same conversations that the actual, long-term contract price to haul PRB coal from the mine to the McDuffie terminal 6 7 would have been higher. This offer was a "Blue Light Special" offered by the rail 8 carrier. I was there, I had the conversations with the rail supplier, and I know this 9 offer was for test shipments only and would not translate into a later, favorable contract rail price. Therefore, Mr. Sansom's conclusion is incorrect in this instance 10 11 and he offers nothing else to support his assertion that long-term contract rail rates 12 between these two locations are "usually" lower than test burn rates. In fact, Mr. 13 Sansom later concludes (at page 40) that it was the lack of "good data" that led him not to rely on this method of transporting PRB coals to Crystal River in his damages 14 15 analysis.

- 16
- Q. What is erroneous about Mr. Sansom's attempts to equate the transportation
 risks of PRB coals and Eastern bituminous coals?

A. In my experience in the coal markets, primarily in the east, the reasons for delay on
the transportation of coals is highly dependent on the particular circumstances
involved in each occurrence. The delays that have occurred in my experience usually
could be explained by the situation of the particular supplier, the particular mine, the
particular locale, or other unique circumstances. I have found it difficult to generalize

| 1 | | about such risks in the eastern coal markets much less between eastern and western |
|----|----|--|
| 2 | | coal markets. Mr. Sansom must face similar difficulties since his testimony on this |
| 3 | | point is unsupported by any analytical, scientific study that he or someone else has |
| 4 | | done to compare the transportation risks associated with PRB coals to the |
| 5 | | transportation risks associated with eastern bituminous coals. |
| 6 | | |
| 7 | | VI. CONCLUSION |
| 8 | | |
| 9 | Q. | Do you believe that PFC acted reasonably and prudently in the coal procurement |
| 10 | | decisions that were made during your tenure as the Vice President of Coal |
| 11 | | Procurement for PFC? |
| 12 | А. | Yes, I do. As I have explained in my testimony, PFC has always sought to obtain the |
| 13 | | most economical coal for the Crystal River coal units given the market conditions that |
| 14 | | PFC faced at the times these decisions had to be made between 2002 and 2005. In my |
| 15 | | view, under the circumstances present at the time these decisions were made, PFC did |
| 16 | | act reasonably and prudently. |
| 17 | | |
| 18 | Q. | Does this conclude your testimony? |
| 19 | А. | Yes. |
| 20 | | |

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-1) Page 1 of 13

ELECTRIC FUELS CORPORATION

COAL PROCUREMENT PROCEDURES

APPROVED:

Vice President of Operations

03/04/87

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 2 of 13

PROCUREMENT POLICIES

When purchasing coal and transportation services, it is the intent of Electric Fuels Corporation (EFC) to utilize procedures that comply with good business practice and Public Service Commission guidelines.

It is EFC's policy to procure both coal and transportation services in the most cost-efficient manner possible. We attempt to maintain a reasonable balance between spot purchases and long-term purchases, as well as waterborne deliveries and rail deliveries of fuel, in order to ensure that fuel and transportation services will be available at reasonable and stable costs to Florida Power Corporation.

Transactions with affiliated companies for fuel or services will be consistent with or lower than current market conditions and terms that EFC might receive from an independent supplier. Further, it is our policy that contracts with affiliates be administered in the same manner as with independent organizations.

Any personnel having a conflict of interest in a particular firm seeking a long-term fuel or service contract would be removed from the selection process and administration of the contract.

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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 3 of 13

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COAL PROCUREMENT PROCEDURES

This manual will outline the general procedures followed when purchasing contract and spot coal for use by Florida Power Corporation.

Once Florida Power Corporation has supplied parameters for quality and quantity, the first step required is to make a decision as to whether the coal purchase should be a term purchase or a spot purchase. In the event it is determined that this should be a term contract purchase, then EFC has two options regarding a given term purchase.

Option Number One

The first option would be to do a review of current market conditions and pricing as related to the type and volume of coal we intend to purchase. Market information is gathered through our current spot purchases and from recent contract purchases, as well as a review of trade publications such as Southern Coal, Coal Week, and Coal Outlook. Generally speaking, a review of the market situation, the motivation for the purchase, the area from where the purchase should come (a foreign source for purchasing strategy reasons), or whether or not there are other extenuating business circumstances that would affect the purchase are taken into consideration.

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-1) Page 4 of 13

Once a producer(s) who is a known and dependable producer(s) is selected for consideration, price quotes would be solicited and subject to analysis. The economic analysis will be developed on a delivered cost basis. This analysis will include FOB mine price and all transportation elements. Since the transportation elements are such a large portion of our delivered cost, maximum effort is expended to determine the best transportation estimates available. Once delivered prices are estimated, a cents per million Btu cost is calculated by the following formula:

Delivered Cost Per Ton + (Guaranteed Btu/lb. x .002).

Once a potential producer(s) is selected, EFC shall begin the process of securing additional information on the producer(s) and his coals. Supplemental information should include, but not be limited to, the following:

 Detailed quality data including proximate, ultimate, and ash mineral analyses, ash fusion temperatures for all four measures, sulfur forms, and any other items of particular concern. This data should be by seam if more than one seam is involved, as well as for the blend expected to be shipped. This data is then submitted to Florida Power Corporation for evaluation and approval.

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 5 of 13

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- Reserve and permit data, together with a mining plan, on those reserves expected to be dedicated to an EFC contract.
- Mine ownership data, including principals and parent companies, if any.
- 4. Mine equipment lists.
- 5. Business and customer references.
- 6. Complete description of preparation plant and loadout facilities including proposals for sampling and weighing.
- 7. Thoughts on contract provisions such as escalation/ de-escalation, premium/penalties, force majeure, etc.

Upon receipt, this information will be evaluated by EFC for operating strengths of the mine or mines, quality, and the lowest bidder applicable. EFC will complete a field inspection of the operations under consideration. This will confirm the existence and condition of the mine, facilities, and equipment, as well as allowing face-to-face discussions with key mining personnel. Once the inspection process is completed, the only remaining step is to negotiate a contract.

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 6 of 13

In negotiating a contract, efforts should proceed toward achieving the best all-around draft contract document. Documentation is kept on all the procurement process and reasoning behind the final decision.

Option Number Two

The second option would be to prepare a formal solicitation for coal bids. The procedure for this is as follows. A bidder's list would be prepared from research and industry manuals and EFC files, and notices would be placed in trade publications. The number of responses to the solicitation will vary depending upon the current market situation. For example, in a strong market the number of responses from even a published notice could be quite small. Complete documentation will be kept on how the bid list was developed and who was solicited.

The solicitation will include a bid closing date. This date will ideally allow four to five weeks for responses; however, shorter times may be allowed depending on the urgency of the need for coal. As proposals are received prior to this closing date, the Operations Department secretary will be responsible for receiving, logging, and securing these proposals unopened until closing date has occurred. Upon receipt of the proposal, the secretary will generate a form letter acknowledging receipt which shall be sent to the respondee. After the closing date, all bids will be opened and reviewed for completeness and to insure that the basic quality parameters are in line with the solicitation. Late bids will not

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 7 of 13

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be considered for the current solicitation, but shall be retained for possible use on other coal purchases. For all qualifying bids an economic analysis will be developed on a "delivered cost" basis. This analysis will include FOB mine price and all transportation elements. Since the transportation element is such a large portion of our delivered costs, maximum effort is expended to determine the best transportation estimates available. Once delivered prices are estimated, a cents per million Btu cost is calculated by the following formula:

Delivered Cost Per Ton : (Guaranteed Btu/lb. X .002).

Once a delivered cents per million Btu cost has been determined for each coal submitted, a ranking by delivered cost can be made. Starting with the candidate having the lowest delivered cents per million Btu cost, EFC will begin the process of securing additional information on the producer and his coals. This supplemental information should include, but not be limited to, the following:

Detailed quality data including proximate, ultimate, and ash mineral analyses, ash fusion temperatures for all four measures, sulfur forms, and any other items of particular concern. This data should be by seam if more than one seam is involved, as well as for the blend expected to be shipped. This data is then submitted to Florida Power Corporation for evaluation and approval.

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 8 of 13

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- Reserve and permit data, together with a mining plan, on those reserves expected to be dedicated to an EFC contract.
- Mine ownership data, including principals and parent companies, if any.
- 4. Mine equipment lists.
- 5. Business and customer references.
- 6. Complete description of preparation plant and loadout facilities including proposals for sampling and weighing.
- Thoughts on contract provisions such as escalation/ de-escalation, premium/penalties, force majeure, right to audit, etc.

Upon receipt, this information will be evaluated by EFC for operating strengths of the mine or mines, quality, and the lowest cost bidders. The objective at this point is to determine a list of semifinalists based on low quoted price and capability of handling a term contract. In arriving at a list of semifinalists, eliminations are carefully documented with specific reasons cited, particularly those not easily quantifiable.

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-1) Page 9 of 13

Once the semifinalists have been determined, EFC field inspections of each operation will be conducted. This will confirm the existence and condition of the mine, facilities, and equipment, as well as allowing face-to-face discussions with key mining personnel. Again, for those bidders eliminated by the inspection process, documentation is produced on the particular reasons for elimination. Those bidders passing the inspection process are finalists and the only remaining step is to negotiate a contract.

In negotiating with the finalists, efforts should proceed toward achieving the best all-around draft contract document with each and then selecting the best overall contractor to sign. Again, documentation is kept on the procurement process and reasoning behind the final decision.

Whether it be a term or spot purchase utilizing the market study technique or a purchase utilizing the solicitation, all the quality data, the capability data, mine visit data, etc. is taken into consideration on same type purchases. There are many factors that go into a purchase of coal other than price. Some of the other factors to consider on contract term agreements or on spot purchases are as follows:

 <u>Is producer unionized</u>? If a substantial portion of other term agreements are with unionized operations, it may be desirable to seek diversity by placing additional emphasis on non-union operations.

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-1) Page 10 of 13

- 2. Does the producer have reasonable access to both rail and water transportation? Those producers who offer the additional flexibility of being able to ship on both the water and rail systems may warrant additional considerations.
- 3. Ability to ship both 1 percent and compliance sulfur coal will warrant consideration.
- 4. Does producer have additional capacity to ship? In times of emergencies (strike, hurricane, etc.), it may be desirable to have existing contract suppliers increase tonnages to cover falls from others. Those producers with this capability may deserve additional consideration.
- 5. What is past experience with this producer? It may be necessary and desirable to eliminate a producer from consideration because of bad past experience, regardless of price.

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 11 of 13

SPOT COAL PURCHASE PROCEDURES

Spot coal purchases are typically those purchases for a term of less than one year. These coal purchase requirements may be of a predictable (term contracts at a level less than 100 percent of requirements) or unpredictable (strikes, disasters, etc.) nature. Depending upon the particular circumstances, and to some extent the market situation, different approaches to purchasing spot coal may be required. The following will outline procedures for each.

Predictable Spot Requirements

If term contract commitments are less than projected coal requirements for a given period, a more orderly and thorough approach to spot coal procurement can be utilized. For these requirements, the primary considerations will be (a) delivered price, and (b) utilization of spare transportation capacity.

Other factors to consider when placing these spot orders include:

1. <u>Is producer union or non-union</u>? If a substantial portion of existing term requirements are from unionized producers and a new union contract is due to be negotiated during the period under consideration, it may be appropriate to place additional emphasis on non-union operators for the spot business.

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-1) Page 12 of 13

2. Does the producer have the capacity to increase shipments? If a strike situation as described in 1 develops, it may be most desirable to have the spot requirements with a producer or producers who can increase shipments to cover coal lost due to the strike.

3. Ability to ship 1 percent and compliance sulfur coal.

- 4. Are any term agreements coming to an end? If an existing term agreement is coming to an end, it may be desirable to place all or a portion of the spot requirements with a producer under consideration for a new term agreement to test his coals and ability to perform.
- 5. What is our past experience with the successful candidate? A producer with a history of poor performance will warrant very careful review, if not exclusion, despite favorable pricing.

Procedures and responsibilities for receipt, logging, control, evaluation, and negotiation are the same for a term purchase solicitation.

Unpredictable Spot Requirements and Purchase of Distress or Bargain Coal

Unpredictable spot requirements are those requirements resulting from events over which no control can be exerted. Examples of such

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-1) Page 13 of 13

events are strikes, (UMWA, rail, water, truck, dock), natural disasters (hurricanes, cave-ins), major derailments, and the like.

For these requirements, the primary consideration will be the ability to locate and deliver usable coals. There will likely be little time to develop an organized solicitation. Therefore, EFC would place notices in the industry papers and contacting virtually everyone that can be identified from our files and from the Keystone Coal Industry Manual. Existing contract suppliers that are still operating will most likely be approached on the possibility of increased shipments inasmuch as we have some upside capabilities built into our contracts. As with other spot purchases, it is believed that a simple purchase order form will be sufficient. Thorough documentation will be kept on the nature and extent of the emergency and the details on what efforts were required to locate these coals.

In addition, EFC always attempts not to commit all of our anticipated spot volume requirements in order to take advantage of what we term "distressed coal sales". This allows us to take advantage of bargain deals and further lower our cost to Florida Power Corporation.

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-2) Page 1 of 52

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Docket No. 060658 Progress Energy Florida Exhibit No.____(AWP-2) Page 2 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domestic Water Coals Short List

Mutti Ye 3,000 \$36.75 2,700 \$35.89 3,000 \$35.95 Infinity 1/01/04 - 12/31/0 Panthe 750 \$36.75 730 538.75 FOB barge 750 \$36,75 \$24.50 8.00% 0.77% 12,80 8.00% 45 1.20 -\$1,19 31.007 \$61.25 2,393 \$50.06 \$2.35 OB Dock Quincy-FOB Baros PFC 1/04 -12/06 Coal/Synfu 900 \$34.75 900 \$35.88 800 \$37,03 Kan River \$24,50 12.00% 0.75% 12,500 8.00% 31.00% 44 1.20 \$0.27 \$60.39 2.418 \$60.66 \$2.43 fin 50% syntuel - 0 68% s Infinit /01/04 - 12/31/0 Ралби 750 \$35.95 750 \$35.95 750 \$35.93 FOB barge \$24.50 10.00% 0.75% 12,500 B.00% 45 1.20 31.00% -\$0,34 \$60,45 2.418 \$60.11 \$2.40 CR 45 Economics Base Specification 5,904,000 tone offen Ash Sultur Bh Molstone Vol HG ov 740 k loos tor (M 0.00% 0.70% 12,000 0.00% 31.00% 7/16/2003 10:33 Colled Try the offer: Nel Try the offer: Nel Tenchase 2004 PFC with price response Gynese 525,000 tons Struct And 2005. Symphil Coal Max Briedapart 2004 33.25 35.50 34.38 PL- 04/ \$ 2.25 Officier for 2005. Sumful Gal Max Privilagent 2004 33.25 35.50 34.38 2005 MAH Que Rogsein. Stepolatid # 2.25 discount from Coal Engement. 7/50 Rejected by PFC. Per Joe they have better alternative and the .687 Sulfer restricting for Supplied makes the economics com difficult if Not imposeble. 8/4 Offer record. They s flored 34.25 for 1007 Gal. 300K- 2004 only Office ponday this purchasing the source 12.00 Acht 12.00 Acht. 12.00 Ach

Docket No. 060658 Progress Energy Florida Exhibit No. _____ (AWP-2) Page 3 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domess Variet Coals All Bids

| | | | E (000) | Weight | | | | | | | | | Ship or | | | A 22 | 185.1 | | цă, | | | Unit 45 | 2. Ang | 1 | Evaluated | Evaluated | | |
|-----------------|--------------------|-------------------|---------------|-----------------|--------------|----------------|----------------|---------|--------|---------|------------|------------------|------------------|--------|--------|------------------|----------|--------|-----|------|------------|-----------------|----------|----------|-----------|-----------|-------------|--|
| Suppler | a starmer a | States and States | re Tolei (*** | | 2004 Tone | 2004 Arrice | 2005 Ji ons | | C 2006 | Price. | Mode 4 | Costa | Railcar Costs | An | Sultar | hase Sp Bha S | Moisture | Vor | HOL | SOZ | Ullbation. | Derate Codes | Cast Sat | Cash S | Cost Mat | Cost SIMS | ACTIONTAKEN | |
| infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | 516.75 | 750 | \$36.75 | 750 | \$38.75 | 750 | \$36,75 | FOB barge | \$24,50 | | 8.00% | 0.77%, | 12,800 | 8.00% | 31.00% | 45 | 1,20 | -\$1.19 | | \$61.25 | 2,393 | \$60.06 | \$2.35 | 1 | FOB Dock Quincy-FOB Barge Shrewsbury |
| PFC | 1/04 -12/06 | coal/Synfuel | 2,700 | \$35.89 | 900 | \$34,75 | 900 | \$15.pt | 900 | \$37.03 | Kan River | \$24.50 | | 12,00% | 0.75% | 12,500 | 8.00% | 31.00% | 44 | 1.20 | \$0.27 | | \$50.3\$ | 2.416 | \$60,66 | \$2,43 | | Min 50% syntue) - 0.68% \$ to apply- Reopen 07 |
| infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | | 750 | \$35.95 | 750 | \$15.95 | 750 | \$15.95 | FOB barge | \$24.50 | | 10.00% | 0.75% | 12,500 | 8.00% | 31.00% | 45 | 1.20 | -\$0.34 | | \$60.45 | 2.418 | 560.11 | \$2,40 | | FOB Dock Quincy-FOB Barge Strewsbury |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Engle | 480 | \$37,001 | 480 | \$17.00 | | | | | Kan barge | 524.50 | | 12.00% | 0.74% | 12,300 | 8.00% | 21,00% | 42 | 1.20 | \$0,42 | | \$61.50 | 2,500 | \$51.92 | \$2.52 | | |
| Mansey 1b | 1/04 - 6/04 | Bandmill-Cerèdo | 360 | \$38.20 | 360 | \$36,20 | | | | | FOB Ceredo | \$23.50 | | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 | 1.20 | \$1.89 | AV | \$81,70 | 2,550 | \$53.59 | \$2.63 | | |
| Massey 2b | 1/04 - 12/04 | Bandmill-Ceredo | 720 | \$38.20 | 720 | \$38,20 | | | | | FOB Ceredo | \$23.50 | | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 | 1.20 | \$1.89 | AV | \$81,70 | 2.550 | \$61.59 | \$2,63 | | |
| Peabody 3 | 1/04 -12/04 | 85 River | 144 | \$38.35 | 144 | \$34.35 | | | | | BS River | \$ 24.5 0 | | 13.50% | 0,74% | 12,300 | 8.00% | 31,80% | 42 | 1.20 | \$0.87 | `A | \$62.85 | 2.555 | \$63.72 | \$2.59 | | |
| Massey 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,160 | 538.505 7557 | 720 | \$38.00 | 720 | \$34,50 | 720 | \$39.00 | FOB Ceredo | \$23.50 | | 13,00% | 0.73% | 12,100 | 8.00% | 30,00% | 42 | 1.20 | \$1,89 | AV | \$62.00 | 2.562 | \$63.89 | \$2.64 | | |
| | | | Þ | 100 | · | | | | | | | | | | | | | | | | | | | | | | | |

Secolar Minishlari Asro Price of Mullismer prices

GR 45 Economics Rano Specifications Auk Sultur Bta Moisture Vol HGI 18.00% 0.70% 12.000 8.00% 31.00% 40

Need appx 740 k tons for 04

PEF-FUEL-004748

302 Price \$16.0

8,904,000 tons offered

ad: 7/21/2003 13:44

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-2) Page 4 of 52

PFC . 2004 RFP Hawk/ Bis 9/2/03 Discussed and solon a Donne 1 pue some akum 200 noll Se 2004 RFP 2/03 pa C am Then contin 200 a an mon a suces d aparon 130,000 An 0 enod Carren 0 m 38. "short Ine au ō 25 01 12500 B7 30 0 ano neusero/ we discuss a was 1.2 127 A M 50 هم 75 Jua 1 his neo t 0 aller a an 0 Auce m inte 2,51-4 nota 2,37 đ DETU 1131 . Block Have The Gil ment lt. a H 0 400 Kanaw origenal đ Р 2.50 di Gol MMBT a Cer (Gonale Reaus (a rang Gase the now, Gerause Hawk of what \mathcal{D} 1/3 PEF-FUEL-004749 . .

4 4

Docket No. 060658 Progress Energy Florida Exhibit No. ____(AWP-2) Page 5 of 52 PFC 2004 RFP Black Hank/ Calls Bid 9/2/03 coal anthe Cost #01 Centra MMBTU Ω Onk aleman) and 9/3/03 lomited Regarted what Jeans L 2004 avarlable a H ano 25,000 time/ma 12300 BTV . 12.03 A.L 1,2#02 Ġ 37.50 FOB Barge Komawha †‡9 The pro Colban (55% in opt 87. BI É ño, 105 JDz 45% Kond 37. 50 78 cola 24.50 Incm20 62,00 2.52 TO/MMETU 3/3 PEF-FUEL-004750

Docket No. 060658 Progress Energy Florida Exhibit No. ____(AWP-2) Page 6 of 52 PFC 2004 RFP parable to BL Yaw m 0 م م α amente en marsen desausing Ch price w 2000 Fi RFP the σ .0 ampetitive de nco ah 6 prico lew Ge 00 6 (a) \checkmark aur an D 0 Z Hrun Ung 2 ne once neo pene 9 decisin 63 ZO. ati . , . 3/2 PEF-FUEL-004751 £ . .

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 7 of 52

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PROGRESS FUELS CORPORATION

FOR TEST PURPOSES ONLY - Review Later

CR 4 and 5 July 03 Solicitation Western Coals first run

| Ĩ | No. And And | | ALL THE PARTY OF | AP (000) | Weight | 15.10 | 12 3 3 4 12 | 7-37-1 | T. State | 19.65 | 27 S 14 | de me 2 a su | deres | T. COL | 14 9 11 1 31 | S-380-1 | 1000 | 1.1.1.1 | 54. EX | Sec. 1 | 1.162 | | Non last Aller | Tri-20.25 | Los Indiana | 1002021-0100-021 | | | - |
|------|-------------|--------------------|------------------|----------|----------|----------|-------------|--------|----------|-------|---------|----------------|---------|-----------|--------------|---------|----------|--------------|--------|---------|-------|-------------|----------------|-----------|-------------|------------------|-----------|----------|-----|
| ŀ | STATE OF | | | 5.55 | | 2004 | 1 2004 | 2005 | - Anna I | 2005 | 2006 | and the second | ESK. | Ship or | 104 | | 日本の | cher Prif | | Aur | | | Unit 45 | | 12000 | Evaluated | Evaluated | | 譜 |
| - Fi | Supplier ST | Termine | Nongin - | Ser and | | 1.101/0A | Price | Tons | Signal | Tons | Print | and a | | 1 1.01 70 | | | mane sp | ecific attor | | | | hittation | Derate | 1 Cash | (Cash | 3 Utilized | Munted | 建酒店 | 氢 |
| Γ | | 104 0004 | | | Es St | | | | 1 | 1 | | T | 1 | 1 | 17-70-0-7 | 1 | Alkon de | C MOIS LIFE | 124010 | 1961-15 | OZ 🖙 | Costist | Codes | Cost Sto | Cost S/M | Cost Sist: | Cost S/M | ACTION T | AKE |
| l | RAG Z | 1/04 -12/04 | 20 Mile - COL | 500 | \$15.90 | 500 | \$15.50 | | 1 | | 1. | UP . | \$29.00 | | 10.00% | 0.51% | 11,300 | 10,00% | 39.00% | 40 0. | .90 | \$0,32 | В | \$44,50 | 1.369 | \$44.82 | \$1.98 | | |
| ł | Kannecott | 7/01/03 - 12/31/04 | Spring Creak | 100 | 194.755 | | | | | : | | BN . | 514.44 | \$15,95 | 4.00% | 0.34% | 9,350 | 24.90% | 32.43% | 55 Q. | .73 | \$1,40 | BM | \$37.14 | -1.905 | \$38,54 | \$2.06 | | |
| L | AEP No 3 | 1/1/04 - 12/31/06 | PRB surgestind | 1,500 | \$15.10 | 500 | \$19.10 | 500 | \$75.10 | 500 | \$13.10 | FOB Barge | \$15.50 | \$0.00 | 5.50% | 0.35% | 8,800 | 27.00% | 35.00% | 50 0. | .80 | \$2.66 | ВМ | \$35,60 | 2.023 | \$18.28 | \$7.17 | | |
| ł | Peabody Z | 1/04 = 12/04 | PRB-Ant/Rock | 500 | \$20.77 | | | | | | | FOB by Con | \$15.00 | | 4.40% | 0.22% | 8,800 | 28.70% | 31.50% | 59 0 | .50 | \$1.87 | BM | *15 77 | | | | · · | |
| I | Oxbow . | 1/04 -12/06 | Elk Creek CO | 1,500 | STE OL | 500 | \$17.50 | 500 | \$18.03 | 500 | \$18,57 | UP . | \$29,00 | | 12.00% | 0.58% | 11.500 | 18.00% | 12 00% | 45 4 | | - | | | 2,032 | \$37,64 | \$214 | | |
| 1 | AEP No 4 | 1/1/04 - 12/31/06 | PRE impediat | 1,508 | 118.10 | 500 | 518.10 | 500 | 518.10 | 500 | 518 10 | EOR Brook | | | | | | | | | | 30.31 | . 8 | \$47,03 | 2.045 | \$47.94 | \$2.08 | 1 | |
| | Kanacott | 78183 - 1771184 | hanks | - | | | | ~~ | | | 1 10.10 | | 310.50 | \$0.00 | 5.507. | 0.34% | 8,400 | 27,00% | 35.00% | 50 0. | .80 | \$3.01 | ВМ | \$34.60 | 2.056 | \$37.51 | \$2.24 | 1 | |
| ł | Actimicate | | acous | | | | | | | ļ. | | UP,3N | 514.44 | \$15.95 | 5.82% | 0.48% | \$,700 | 27.72% | 32.19% | 54 1. | .10 | 8773 | ВМ | \$35,89 | 2.063 | \$39,22 | \$2,25 | 1 | |
| 1 | DTE 1 | 1/1/04 - 6/30/04 | PRB | 164 | 19-3-6-3 | | | | | | | FOBCar | 514,44 | \$15.95 | \$,00% | 0.35% | 8,809 | 27,00¥. | 35.00% | 50 Q. | 80 | \$2.11 | BM | \$36.54 | 2.078 | \$39,35 | \$2.24 | È | |
| | Arch | 1/01/04 - 6/30/04 | PRB | 380 | 7 54 30 | 300 | \$6.30 | | | | | Multi | 514.44 | \$15.95 | 6.00% | 0.35% | 8,800 | 28.00% | 35.00% | 50 0. | 80 | \$2.91 | ВМ | \$36,69 | 2.085 | \$15.60 | \$7.75 | | |
| | DTEZ | 1/1/04 - 12/31/04 | PRB | 336 | 56 35 a | | | | | | | FORCar | \$14.44 | \$15,95 | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 0. | 20 | \$7.81 | RU | CTE 7.4 | | | | 1. | |
| ŀ | 1 noticit | 1/04 -12/04 | PRB N Rochelle | 500 | \$8.00 | 500 | \$8.00 | | | | | BNIP | \$79.00 | | 4 70% | 1 75% | | 77 8.00 | 11 00% | - | | | | +34.14 | 2000 | ****** | \$2.65 | (| |
| Ì. | RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | 56.75 | 500 | 58.75 | | | | | | | | | | •,•••• | 21.50 % | | 35 0. | " | \$2.50 | . RW | \$37,00 | 2.102 | \$19,50 | \$2.24 | ř | |
| | Triton 7 | 1/04 -17/04 | PDR Ruchalin | - | 的分 | | | | | | | 017,514 | | \$15,95 | 4.50% | 0.27% | 1,550 | 29,90% | 31.00% | 58 0. | 43 | \$2.53 | BM | \$38.64 | 2.143 | \$39,27 | \$2.30 | ŀ | |
| | | | The Decision | | (1)202 | 500 | 20.00 | | | | | BN | 514,44 | \$15.95 | 5.90% | 0_30% | 8,400 | 29.90% | 31.00% | 55 D, | 71 | \$1.30 | RM | \$36.35 | 2.158 | \$39.69 | \$2.36 | h . | |
| | | | i 1 | | | | 1 | | | | | | | | | | | | | | | | 1 | | | | 1 | | |
| L. | | | | | 12416 | | | | | | | | | | | | | 1 | · · | | · . | | . 1 | | | | | | |
| | | | | | | | | | | | | | | | | 1 15 1 | | | | | | | | · | المتشمعه | | | | |
| | | | | | | | | | | | | | | ! | <u>`</u> | | | se speciec | 004 | | | r | | | | | | | |

10,00% 8,70% 12,000 8,00% 31.00%

PEF-FUEL-004752

SOI Price

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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 8 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 Master Listing-All Categories (Frank Run)

the Colorest Ship of the Ship

Recomputation Guasare One year and three year

| | | | Total | and a | 2004 | 23:2004C | 2005 | 20050 | 2006 | 2006 | Transp | : Jransp | Rallea | mater and | S.Pur | hase Sp | ecificatio | 15-11-20 | 225 | Utilization | Derate | Cash | Cash | | Dillord | 10009-1 | | |
|-----------------|--------------------|-----------------------|-------|------------|------|------------------|------|---------|------|---------|-----------|---------------|--------|-----------|--------|---------|------------|----------|----------------|-------------|--------|---------------|----------|-----------|-----------|-------------|-----|---|
| San Supplier | Term 2.1 | Origin | Tone | Price | Tons | Price | Tons | Price | Tons | Price | Node - | Cost | Cost | Ash | Sulfur | SBW 3 | Moistur | Vol- | HGI SOZ | Cost/st. | Codes | Cost S/st | Cost I/M | Cost S/st | +Cost S/M | SACTION TAK | | otes The MARDON MARCH |
| AEP No 1 | 1/04 -12/08 | ColVen/US | 2,790 | \$ \$36.00 | 906 | \$35.50 | 800 | \$38,00 | 900 | \$36.50 | FOB NOLA | \$14.44 | \$8.00 | NA | 0.60% | 11300 | NA | NA | NA 1.06 | \$0.38 | ABM | \$58.44 | 2.497 | \$56.8Z | \$2.51 | , . , | r | ionspecific Loadpoint, Quality, Freight |
| AEP No Z | 1/1/04 - 6/30/05 | Damron Fork | 900 | \$35.00 | 300 | \$35.00 | 300 | \$35.00 | 300 | \$35.00 | CSX BS | \$17,00 | \$1.75 | 19.00% | 0.77% | 12,800 | 8.00% | 32.50% | 44 1.20 | -\$0.59 | | \$53,75 | 2,100 | \$53.16 | \$2.08 | , | | in malti po |
| AEP No 3 | 1/1/04 + 12/31/06 | PRB | 1,500 | \$19,10 | 508 | \$18.10 | 500 | \$18,10 | 500 | \$19.10 | Bage | \$29,00 | \$0.00 | 5.50% | 0.35% | 8,800 | 27.00% | 35.00% | 50 0,80 | \$2.66 | BM | \$48,10 | 2.733 | \$50,78 | \$2.48 | | 1 | iarge - Blend - Many Add'i Plant Costal |
| AEP No 4 | 1/1/04 - 12/31/08 | PRB | 1,500 | \$18.10 | 500 | \$1 8.1 0 | 500 | \$18.10 | 500 | \$18,10 | Barge | \$29.00 | \$0.00 | 5.50% | 0.34% | 8,400 | 27,00% | 35.00% | 50 0.80 | \$3.01 | ВМ | \$47.10 | 2,804 | \$50.11 | \$2.98 | | E | arge - Blend - Many Add'i Plant Costsi |
| AEP No 5a | 1/1/04 - 12/31/04 | CSX BS | 300 | \$32,00 | 300 | \$32.00 | | | | | | \$17.00 | \$1.75 | 12,00% | 0,75% | 12,500 | 4,00% | 30.00% | 42 1.20 | \$1.27 | v | \$50.75 | 2.030 | \$52.02 | \$2.08 | | | change > "" |
| AEP No 55 | 1/1/04 - 12/31/04 | CSX Kan | 200 | \$32.00 | 200 | \$32.00 | | | | | | \$18,39 | \$1.75 | 12.00% | 0.75% | 12,500 | 1.00% | 30.00% | 42 1.20 | \$1,27 | v | \$52,14 | 2.084 | \$53,41 | \$2.14 | | | |
| Alliance No 1 | 1/1/04 - 12/31/04 | MC Mining | 300 | \$34.00 | 300 | \$34.00 | | ۰. | | | CSX BS | \$17.08 | \$1.75 | 9.00% | 0.75% | 12,500 | 8.00% | 32.00% | 42 1,20 | -\$0.63 | | \$52,75 | 2,110 | \$52,12 | \$2.08 | | | yenr |
| Allance No 2 | 1/1/04 - 12/31/06 | MC Mining | 900 | \$34.00 | 300 | \$34,00 | 300 | Reopen | 300 | Reoper | C2XB2 | \$17.00 | \$1.75 | 9,00% | 0,75% | 12,500 | 8.00% | 32.00% | 42 1.20 | -\$0.63 | | \$52,75 | 2,110 | \$52.12 | \$2.08 | | , F | teopener 05 and DE Co HHOCh |
| Alpha | 1/1/04 -12/31/04 | McClure | 368 | \$34.50 | 360 | \$34.50 | | | | | CSXCL | \$18.60 | \$1,75 | 10.60% | 0.77% | 12,800 | 7,50% | 28.00% | 65 1_20 | \$0.34 | v | \$52,85 | 2.054 | \$53,19 | \$2.08 | | 3 | fust be Blended |
| Alpha | 1/1/04 -6/30/04 | McClure | 180 | \$34.50 | 180 | \$34.50 | | · | | | CSXCL | \$18.60 | \$1.75 | 10,00% | 0.77% | 12,800 | 7,50% | 28.00% | 65 1.20 | \$0.34 | v | \$52,#5 | 2.064 | \$53.18 | \$2.08 | , | h | lust be Blendeci |
| Arcts | 1/01/04 - 6/30/04 | PRB | 300 | \$4,30 | 306 | \$6.30 | | | | | Muiti | \$29.00 | | 6.00% | 0.35% | 8,800 | 28.00% | 35.00% | 50 e.80 | \$2.91 | 8M | \$35,30 | 2,005 | \$38.21 | \$2.17 | | 1 | owest price - see bid for add'I options |
| Arch | 1/1/04 - 6/30/04 | Logan | 300 | \$34.25 | 300 | \$34.25 | | | | | CSX Kan | \$18.39 | \$1.75 | 13,00% | 0.72% | 12,000 | 8.00% | 32.00% | 45 1.20 | \$0,97 | | \$54,39 | 2.256 | \$55,36 | \$2.31 | | ι | owest price - see bid for add'i options |
| B&W Repources | 1/1/04 - 12/31/04 | B&W Hazard | 120 | \$40.00 | 120 | \$40.08 | | | | | CSX Jel | \$16,87 | \$1.75 | 18.00% | 0.75% | 12,500 | 1.00% | 32.00% | 42 1.20 | -\$9.33 | | \$58.62 | 2.345 | \$58,29 | \$2.13 | | | |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Eagle | 480 | \$35.75 | 480 | \$35.75 | | | | | CSX Kaa | \$18.39 | \$1.75 | 12.00% | 0.74% | 12,300 | 1.00% | 31.00% | 42 1.20 | \$0.4Z | | \$55.89 | 2.272 | \$56.31 | \$2.29 | | , | 5 car capacity only |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Eagle | 480 | \$37,00 | 480 | \$37.00 | | | | | Kan barge | \$24.50 | \$1.75 | 12.00% | 0.74% | 12,300 | 1.00% | 31.00% | 42 1.20 | \$0.4Z | | \$63.25 | 2.571 | \$53,67 | \$2.58 | 1 | | . ' |
| CMC | 1/1/04 - 12/31/04 | Carrejon | 409 | \$35,95 | 400 | \$35.95 | | | | | CIF ECT | \$14.44 | | 8,00% | 0.71% | 11,800 | 11.00% | 33.50% | 49 1.20 | -\$0.07 | м | \$50,39 | 2,135 | \$50.3z | \$2.13 | · | ť | ise IMT |
| Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 | \$33.00 | 360 | \$33.00 | | | | | CSXBS | \$17.00 | \$1.75 | 10,00% | 0.75% | 12,500 | 1.00% | 31.00% | 42 1.20 | -\$0.33 | | \$51,75 | 2,070 | \$51.42 | \$2.05 | | | |
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffle | 750 | \$34.88 | 750 | \$34,88 | | | | | Dide | \$14.44 | | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 1.20 | -\$0.59 | вм | \$49,32 | 2,108 | \$48,73 | \$2,08 | | | |
| Drummond Z | 1/1/04 - 12/31/06 | McDuffle | 2,250 | \$36,29 | 750 | \$34.88 | 758 | \$38.29 | 750 | \$39,06 | Dinie | \$14.44 | | 5.00% | 0.70% | 11,706 | 14.00% | 31.00% | 44 1.20 | -\$8,59 | вм | \$50,73 | 2,168 | \$50.14 | \$2,14 | | | |
| DTE 1 | 1/1/04 - 6/30/04 | PRB | 168 | \$6.15 | 168 | \$8,15 | | | | | FOB Car | \$29.00 | | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 0.80 | \$2.81 | вм | \$35,15 | 1.997 | \$37.96 | \$2.18 | | F | OB Railcar - Note SO2 premium |
| DTE 2 | 1/1/04 - 12/31/04 | PRB | 236 | \$6,35 | 338 | \$4.35 | | | | | FOB Car | \$29.00 | | 5.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 0.80 | \$2.81 | вм | \$35.35 | 2.009 | \$38,16 | \$2.17 | | F | OB Railcar - Note SO2 premium |
| Emeraid 1 | 1/1/04 - 12/31/04 | Mobile | 500 | \$41,75 | 500 | \$41,75 | | | | | FOB Dixie | \$14.44 | | 7.00% | 0.74% | 12,400 | 1.00% | 35.00% | 45 1.20 | -\$1,16 | | \$56,19 | 2,265 | \$55.03 | \$7.22 | ~ | | |
| Emeraid 2 | 1/1/04 ~ 12/31/04 | INT | 500 | \$42.35 | 500 | \$42.35 | | | | | FOB Dixle | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.20 | -\$1,16 | | \$56.79 | 2,290 | \$55.63 | \$2.24 | 75. | | |
| Glencore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 | \$38.50 | 200 | \$38.50 | | | | | FOB IMT | \$14.44 | | 7.00% | 0.74% | 12,400 | 1.00% | 35,00% | 45 1.20 | -\$1.16 | | \$52,94 | 2.135 | \$51.78 | \$2.09 | 6 | | |
| Glencore | 1/1/04 - 12/31/04 | IMT-Geared | 300 | \$40.80 | 300 | \$40.88 | | | | | FOBINT | \$16.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.20 | -\$1.16 | | \$55.24 | 2.227 | \$54.08 | \$2,18 | ő | | |
| Ginacore | 1/1/04 - 12/31/04 | IMT-Belted | 300 | \$40.30 | 300 | \$40.30 | • | | | | FOR MT | \$14.44 | | 7,00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.20 | -\$1.16 | | \$54,74 | 2.207 | \$53,58 | \$2.16 | EL | | |
| Glencore | 1/1/04 - 12/31/04 | TPA-Gearless | 300 | \$38.10 | 300 | \$39.10 | | | | | FOB TPA | \$14.44 | | 7.00% | 0,74% | 12,400 | 1.00% | 35,00% | 45 1.20 | -\$1.16 | | \$53,54 | 2,159 | \$52.38 | \$2.11 | 5 C | | |
| Glencom | 1/1/04 - 12/31/04 | TPA-Geared | 300 | \$40.68 | 300 | \$40.60 | | | | | FOB TPA | \$14.44 | | 7.00% | 0,74% | 12,400 | 8.00% | 35.00% | 45 1.20 | -\$1.18 | | \$55.04 | 2.219 | \$53.88 | \$2.17 | -1- 1- | | |
| Giencore | 1/1/84 - 12/31/04 | TPA-Belled | 300 | \$40.15 | 308 | \$40.15 | | | | | FOB TPA | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.20 | -\$1.16 | | \$54.59 | 2.201 | \$53.43 | \$2.15 | PE | | - |
| Guasare | 1/1/04 - 12/31/04 | MT - Beited | 200 | \$41.08 | 200 | \$41.84 | | | | | FOB MT | 514.44 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 1.20 | -\$1.18 | | \$55,52 | 2,169 | \$54.33 | 52.12 | | | |
| Infinity | 1/01/04 - 12/31/07 | Pasther | 3,000 | \$36,75 | 750 | \$36,75 | 758 | \$36,75 | 750 | \$36,75 | FOB targe | 524.50 | | 8.00% (| 1.77% | 12,800 | 1.00% | 30,00% | 45 1.20 | -\$8.19 | v | \$61.25 | 2.393 | \$\$1.05 | \$2.39 | | F | OB Dock Quincy-FOB Barge Shrewsbury |
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,006 | \$35.#5 | 750 | \$35.85 | 750 | \$35.95 | 750 | \$35.95 | FOB harge | \$24.50 | | 10.00% (| 0.75% | 12,500 | 8.00% | 30.00% | 45 1.20 | \$0.66 | ۷ | 560.45 | 2.418 | \$61.11 | \$2.44 | | F | OB Dock Quincy-FOB Barge Shrewsbury |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | \$5.50 | 108 | \$5.50 | | | | | UP BN | \$29.00 | | 5.82% (| 48% | 8,700 | 27.72% | 32,19% | 54 1.10 | \$3.33 | BM | \$34,58 | 1.983 | \$37.83 | \$2.17 | | 0 | s tons are 0.65 less |
| Kennecott | 7/01/03 - 12/31/04 | Spring Creek | 100 | \$6.75 | 100 | \$6,75 | | | | | BN | \$29,00 | | 4.00% (| ×**C | 8,350 | 24.90% | 32,43% | 55 0,73 | \$1.40 | BM | \$35.75 | 1.912 | \$37.15 | \$1,38 | | B | S tons are 0,25 less |
| Koch Carbon 1 | 1/04 - 7/04 | Non-specific | 140 | \$34.25 | 140 | \$34,25 | | | | | CSX BS | \$17.00 | \$1.75 | 10.00% (| .78% | 13,000 | 8.00% | 32.50% | 43 1.20 | -\$0.74 | | \$53.00 | 2.038 | \$57.26 | \$2.01 | | | |
| Kock Carbos Z | 1/04 - 12/04 | Non-specific | 246 | \$34.50 | 240 | \$34,50 | | | | | CSX 8S | \$17.00 | \$1.75 | 10.00% 0 | .78% | 13,000 | 8.00% | 32.50% | 43 1.20 | -\$0.74 | | \$53.25 | 2.048 | \$52.51 | \$2.02 | | | |

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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 9 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 Master Listing-All Categories (First Run)

| | | | (000) | | | | | stat 5 | は思え | | | | Ship of | An an of | | | | - | 15 | | Unic 4 | | | Evaluated | Evaluated | | | | | |
|---------------|--------------|-----------------|----------------------|---------|----------------|---------------|-------|-----------------|--------------|----------------|-----------------|------------------|---------|----------|--------|----------|----------|--------|---------|----------|----------------|------------|------------|-------------|-----------|-----|-------|------------------------------|-----------------|-----------|
| Suppler | | Origin | Total Articlation | Anysis | - 2604 Tons | 2004 Price | 2005/ | 2005 Price 4 | 2006 Tons | 2008. Price | Transp | Transpi | Railcar | A shirt | Purc | hase Spe | Moletine | IS | HCI SO | Utilizat | ion Derah | Cash | Caste o | Utilized | Utilized | | a ka | | | |
| Koch Carbon 3 | 1/04 - 12/05 | Non-specific | 240 | \$35.05 | 740 | \$75.05 | 748 | \$35.05 | | | CSYBS | 517.00 | \$1.75 | 10 20% | 0.784 | 13 000 | 1.00% | 17 504 | 47 4 7 | , | 4 | SICOLL WSG | CONC. MM J | (COST 2/SL) | GUOST WM. | 1 | AKENS | NOIS - A CONTRACTOR | | 26 States |
| Marray 17 | 104.504 | Bandmill | 885 | 537.00 | 360 | 6773 MA | *** | | | | CEXXon | P44 36 | P1.75 | 17 000 | | 13,000 | 1.0074 | 32,30% | 43 1.24 | -30.7 | • | 222.00 | 2.069 | \$53.06 | 52.04 | • . | | | | |
| Massay 14 | 104 604 | Baadmill-Carado | 360 | 131.35 | 200 | | | | | | COR Counts | **** | \$1.73 | 13.00% | 0.73%. | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.8 | | \$53.14 | 2.195 | \$55.03 | \$2.27 | r | | | | |
| Massey ID | | | 500 | | 300 | \$36.20 | | | | | PUB Leredo | \$23.90 | | 13.00% | 0.73% | 12,100 | £,00% | 30.00% | 42 1.20 | \$1.89 | | \$81,70 | 2.550 | \$63,59 | \$2.63 | | | | | |
| Massey Za | 1/04 - 12/04 | 0-3v/dum | 720 | 222.00 | 720 | \$33.00 | | | | | CSXKan | \$18,39 | \$1.75 | 13.00% | 0.73% | 12,100 | 1.00% | 30.00% | 42 1.70 | \$1,81 | AV | \$53,14 | 2,198 | \$55.03 | \$2.27 | | | | | |
| Massey 25 | 1/04 - 12/04 | Bandmill-Ceredo | 720 | \$38.20 | 720 | \$38.29 | | | | | FOB Ceredo | \$23.50 | | 13.00% | .73% | 12,100 | 1.00% | 30.00% | 42 1.20 | \$1.81 | , , , , | \$91.70 | 2,550 | \$63.59 | \$2.63 | | | | | |
| Massey Ja | 1/04 - 12/04 | Bandmill | 2,160 | \$33.00 | 720 | \$32.50 | 729 | \$33.00 | 729 | \$33,50 | CSX Kan | \$18.39 | \$1,75 | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | N AV | \$53.14 | 2.136 | \$55,03 | \$2.27 | | | | | |
| Massey 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,160 | \$38.50 | 720 | 238.00 | 720 | \$38.50 | 720 | \$39.00 | FOB Ceredo | \$23.50 | | 13.00% | .73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.85 | • AV | \$82.00 | 2.562 | \$63,89 | \$2.64 | | | | | |
| Oxbow | 1/64 -12/06 | Elk Creek CO | 1,500 | \$18.03 | 500 | \$17,58 | 500 | \$18.03 | 500 | \$18.57 | up | \$29.00 | | 12,00% (| .58% | 11,500 | 10,00% | 32.00% | 45 1.00 | \$0.91 | 1 8 | \$47.03 | 2.045 | \$47.94 | \$2.06 | | | Note SO2 premipenalty | | |
| Peabody 1 | 1/04 -12/04 | Synergy Mine | 540 | \$34,25 | 540 | \$34,25 | · | | | | CSXKan | \$18.39 | \$1.75 | 12,00% | 75% | 12,500 | 7.00% | 31.00% | 44 1.20 | \$0.17 | r . | \$54.39 | 2.176 | \$54.56 | \$2.18 | | | | • | |
| Peabody 2 | 1/04 - 12/04 | PRB-Ant/Rock | 500 | \$29,77 | 500 | \$20,77 | | | | | FOB by Cora | \$15.00 | | 4.40% | .22% | 8,800 | 26.70% | 31.50% | 59 0.50 | \$1.87 | ви | \$35.77 | 2.032 | \$37.64 | \$2.14 | | | offered 30k for .60 less for | 83 | |
| Peabody 3 | 1/04 -12/04 | 8.5 River | 144 | \$38,35 | 144 | \$38.35 | | | | | BS River | \$ 24.5 0 | | 13,50% (| .74% | 12,300 | 8.00% | 31.90% | 42 1.20 | \$0.87 | г ж | \$62.85 | 2.535 | \$63,72 | \$2.59 | | | | | |
| PFC | 1/04 -12/05 | coal/Synfuel | z,708 | \$35,89 | 900 | \$34,75 | 900 | \$35,88 | 900 | \$37.03 | Kan River | \$24.50 | | 12.00% (| .75% | 12,500 | 8.00% | 31.00% | 44 1,20 | \$0.27 | , | \$60.39 | 2.416 | \$60,65 | \$2,43 | | | Min 50% synfuel - 0.68% S | to apply-Reoper | n 07 |
| RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | 54,25 | 500 | \$6.25 | | | | | UP,BN | \$29.00 | | 4.50% (| 27% | 8,550 | 29.80% | 31.00% | 58 0,63 | \$2.63 | ВМ | \$35.25 | 2.061 | \$37,88 | \$7.22 | | | • | | · |
| RAG 2 | 1/04 -12/04 | 20 Mile - COL | 500 | \$15,50 | 500 | \$15.50 | | | | | UP | \$29,00 | | 10.00% 0 | .51% | 11,300 | 10.00% | 39.00% | 40 0.90 | \$0.32 | : в | \$44.50 | 1.969 | \$44.82 | \$1.98 | | | Vol too high | | |
| .Transocuan | 7/03 - 12/03 | China | 200 · | \$38,87 | 200 | \$38.87 | | | | | CIF NOLA | \$14.44 | | 10.00% (| .58% | 11,500 | 10.00% | 31.00% | 52 1.00 | \$0.30 |) в | \$53.31 | Z.318 | \$53,61 | \$7.33 | ; | | | | |
| Triton 1 | 1/04 -12/04 | PRB N Rochelle | 500 | \$8.00 | 500 | \$8,00 | | | | | BNUP | 529,60 | | 4.70% 0 | .35% | 8,800 | 27.90% | 31.00% | 55 0.80 | \$2,50 | BM | \$37.00 | 2.102 | \$39.50 | \$2,24 | | | | | |
| Triton Z | 1/04 -12/04 | PRB Buckskin | 500 | 56.00 | 500 | \$4,D6 | | | | | BN | \$29.00 | | 5,90% 0 | .30% | 8,400 | 29.90% | 31.00% | 55 0.71 | \$2,30 | BN | \$35,00 | 2.083 | \$38.30 | \$2.28 | | | | | |



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Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 10 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 Master Listing-All Categories (Fast Run)

| | E Contraction | | (000) | La Se | | CALLS THE | 5 | 1.00-27 | | | 410 100 | | Ship of | ビデジ | 1 <u>.</u> | 120 | | | | See al | Unit 45 | 記録 | 6 H. | Evaluated | Evaluated | C. S. Marthand | and the second | 200 |
|-----------------|--------------------|-----------------------|---------------|-------------|---------|----------------|----------|---------------|------------|------------|----------------|---------|---------|----------|------------|----------|-----------|-----------|---------|-------------|---------|----------|--------------------|-----------|-----------|----------------------|--|-------|
| | 100 B 10 | | | | 2004 | 2004 | 2005 | 2005 | 2005 | 2006 | a Tranquer | Transp | Raffcar | 14 Jan | Purch | tase Spe | clication | 1.624 | | Utilization | Derate | ACash | Contraction of the | Utilized | Utilized | | | |
| Supplier 7- | Terms 22 | ARC SCION MARK | Here: Tamping | AS PROPERTY | - I ORE | u. Price, | HALDINE. | in the second | and Jointe | 29-Jaucies | Modern | HT COSC | Coste | Ash 12 | Sulfucia | Blue | Moletare | Volution | GI: SOZ | Costat | Coos | Cost She | Cost S/M | Contaist | Cost S/N | ACTION TAKEN | Notesting | 99-95 |
| AEP No 1 | 1/04 -12/06 | Col/Ven/US | 2,700 | \$36.00 | 900 | \$35.50 | 900 | \$38,00 | 900 | \$36.50 | FOB NOLA | \$14,44 | \$6.00 | NA | 0.60% | 11300 | NA | NA N | A 1,06 | \$1.38 | ABM | \$56.44 | Z497 | \$57,82 | \$2.56 | | Nonspecific Loadpoint, Quality, Freight | |
| AEP No 2 | 1/1/04 - 6/32/06 | Damron Fork | 306 | \$35.00 | 300 | \$35.00 | 300 | \$35.00 | 300 | \$35,00 | CSX 85 | \$17.00 | \$1.75 | 10.00% | 0.77% | 12,800 | 8.00% | 32.50% 4 | 4 1.20 | -\$0.59 | | \$53.75 | 200 | \$53,16 | \$2,08 | | | |
| AEP No 3 , | 1/1/04 - 12/31/08 | PRS cospected | 1,500 | \$19.10 | 500 | \$18,10 | 500 | \$19.10 | 500 | \$19,10 | FOB Barge | \$16.50 | \$0.00 | 5.50% | 0,35% | 3,800 | 27.00% | 35.00% 5 | 0 0,20 | \$2.66 | BM | \$35.60 | 2023 | \$38.28 | \$2,17 | | Cook Coal Terminal - Rall/dock est Øt 16.50 | , |
| AEP No 4 | 1/1/04 - 12/31/08 | PRB unperfect | 1,500 | \$18.10 | 500 | \$18,10 | 500 | \$18,10 | 600 | \$18,10 | FOB Barge | \$16,50 | \$0.00 | 5.50% | 0.34% | 1,400 | 27.00% | 35,00% \$ | 0.84 | \$3.01 | BM | \$34.60 | 2.060,0 | \$37.61 | \$2.24 | | Cook Coal Terminal - Rail/dock est 🕅 16.50 | |
| AEP No 5 | 1/1/04 - 12/31/04 | CSX Kan | 300 | \$32.00 | 300 | \$32,00 | | | | | CSX Kan | \$18,39 | \$1.75 | 12.00% | 0.75% | 1z,500 | 8.00% | 30.00% 4 | 2 1.20 | \$1.27 | v | \$52.14 | 2086 | \$53.41 | \$2,14 | | BS/Kan at sellers optionThis is likely cas | |
| Alliance No 1 | 1/1/04 - 12/31/04 | MC Mining | 200 | \$34.00 | 300 | \$34.00 | | | | | CSX BS | \$17.00 | \$1.75 | \$.00% | 0.75% | 12,500 | 8,00% | 32.00% 4 | Z 1.20 | -\$0,63 | | \$52,75 | 21 | \$52,12 | \$2.08 | | | |
| Alliance No 2 | 1/1/04 - 12/31/08 | MC Mining | 900 | \$34.00 | 300 | \$34.00 | 300 | Reopen | 300 | Reoper | CSX 85 | \$17.00 | \$1.75 | 8.00% | 0,75% | 12,500 | 8,00% | 32,00% 4 | Z 1.20 | -\$0.63 | | \$52,75 | 12172 | \$52.12 | \$2.08 | | Reopener 05 and 05 | |
| Alpha | 1/1/04 -12/31/04 | McClure | 360 | \$34.50 | 360 | \$34,50 | | | | | CSX CL | \$16.60 | \$1.75 | 10.00% | .77% | 12,800 | 7,50% | 28.00% 6 | S 1.20 | \$0.34 | ۷ | \$52.85 | 3 2064 | \$53,19 | \$2.08 | | Must be Blended | |
| Alpha | 1/1/04 -8/30/04 | McClure | 180 | \$34,50 | 189 | \$34.50 | | | | | CSX CL | \$16.60 | \$1.75 | 10.00% | 1,77% | 12,800 | 7,50% | 28.00% 6 | 5 1.20 | \$0.34 | v | \$52,85 | Z064 | \$53,19 | \$2,08 | | Must be Blanded | |
| Arch | 1/1/04 - 6/30/04 | Logan | 300 | \$34,25 | 308 | \$34,25 | | | | | CSX Kan | \$18.39 | \$1.75 | 11.00% | 0.72% | 12,000 | 8.00% | 32.00% 4 | 5 1.20 | SQ.97 | | \$54,39 | 5.2268 提 | \$55.36 | \$7.31 | | Low price - see bid for add'i | |
| Anch | 1/01/04 - 6/30/04 | PRB - Main Territor | 300 | \$6.30 | 300 | \$6.30 | | | | | Mult | \$14.44 | \$15.95 | 8,00% | .35% | 8,800 | 28.00% | 35.00% 5 | 0 0.80 | \$2.9H | BM | \$36.69 | 12,04515 | \$39.60 | \$2.25 | | Lowest price - see bid for add% options | |
| Arch | 1/1/04 - 12/31/06 | Logan | 500 | \$34,50 | 500 | \$34,50 | 500 | \$34.50 | 500 | \$34.50 | CSX Kan | \$16.39 | \$1.75 | 13.00% | .72% | 12,000 | 8.00% | 32.00% 4 | 5 1.20 | \$6,97 | | \$54,64 | 2217 | \$55.81 | \$2.32 | | Caps/Reopeners associated | 1 |
| B&W Resources | 1/1/04 - 12/31/04 | B&W Hacard | 120 | \$40,00 | 120 | \$40.00 | | | | | CSX Ja | \$15.87 | \$1.75 | 10.00% | .75% | 12,500 | 4.00% | 32.00% 4 | 2 1.20 | -\$0.33 | | \$58,62 | 2345 | \$55.29 | \$2,33 | | | |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Engle | 480 | \$37,00 | 480 | \$37,60 | | | | | Kan barye | \$24,50 | | 12.00% | .74% | 12,300 | 8.00% | 31.00% 4 | 7 1.20 | \$0,42 | | \$61,50 | 2.500 m | \$61.92 | \$7.52 | | | |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Esgle | 480 | \$35.75 | 480 | \$25,75 | | | | | CSX Kan | \$18,39 | \$1.75 | 12.00% | 1.74% | 12,300 | 8,00% | 31.00% 4 | 2 1.20 | \$0,42 | | \$55,89 | 2272 | \$58,31 | \$2.29 | | 75 car capacity only | |
| CMC | 1/1/04 - 12/31/04 | Certejon | 400 | \$35.95 | 400 | \$35,95 | | • | | | CIF ECT | \$14.44 | | 8.00% | 1.71% | 11,800 | 11.00% | 33,50% 41 | 1.20 | \$0.93 | 34 | \$50,39 | 2135 | \$51.32 | \$2,17 | | Usar INT | |
| Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 | \$33.00 | 360 | \$33.00 | | | | | CSX BS | \$17.00 | \$1.75 | 10.00% | .75% | 12,500 | 8.00% | 31.00% 4: | 2 1.20 | -\$0,33 | | \$51.75 | 2.070 | \$51.4Z | \$2,06 | | • | |
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffie | 750 | \$34,88 | 750 | 534,88 | | | | | Dixie | \$14,44 | -\$1.95 | 5.00% | 1.70% | 11,700 | 14.00% | 31.00% 4 | 1.20 | \$0,41 | Вм | \$47.37 | 2024 | \$47,78 | \$2.04 | 1 | Blending Issues | |
| Drummond 2 | 1/1/04 - 12/31/06 | McDuttle | 2,250 | \$36,2* | 750 | 534.M | 750 | \$36,29 | 750 | \$39.06 | Dicle | 514,44 | -\$1,95 | 5.00% 0 | .70% | 11,700 | 14.00% | 31.00% 4 | 1.20 | \$0,41 | BM | 548,78 | ~ 2.0as | \$49.15 | \$2,10 | | Blending bases | 155 |
| DTE 1 | 1/1/04 - 6/30/04 | PRB | 158 | \$5.15 | | | | | | | FOB Car | \$14,44 | \$15.95 | 6.00% 0 | .35% | 8,300 | 27.00% | 35.00% 50 | 0.80 | \$2,61 | BM | \$36,54 | 2076 | \$39.35 | \$2.24 | | FOB Railcar - Note SO2 premium | 4 |
| OTE 2 | 1/1/04 - 12/31/04 | P703 | 338 | \$6.35 | | | | | | | FOB Car | \$14.44 | \$15.93 | 6.00% 0 | .35% | 8,800 | 27.00% | 35.00% 50 | 0.80 | \$2.81 | BM | \$38,74 | 7.088 | \$39.55 | \$2,95 | | FOS Raitcar - Note SO2 premium | ĕ |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 500 | \$41.75 | 500 | \$41.75 | | | | | FOB Disie | Ş14,44 | -\$1.95 | 7.00% 0 | .74% | 12,400 | 1.00% | 35.00% 43 | \$ 1,20 | -\$1.18 | | \$54.24 | 2.157.2 | \$53,04 | \$2,14 | | - | 님 |
| Emerald 2 | 1/1/04 - 12/31/04 | IMT | 500 | \$42,35 | 500 | \$42,35 | | | | | FOB Dixle | \$14,44 | -\$1,95 | 7.00% 0 | .74% | 12,400 | 8.00% | 35.00% 45 | 1.20 | -\$1,16 | | \$54.84 | 2211 | \$53.68 | \$2,15 | | | 5 |
| Giencore | 1/1/04 - 12/31/04 | IMT-Beitod | 300 | \$40,30 | 300 | \$40.30 | | | | | FOB INT | \$14.44 | | 7.00% 0 | .74% | 12,400 | 8.00% | 35.00% 45 | 1.20 | -\$1.18 | | \$54,74 | 7 207 | \$53.58 | \$2,10 | | | LT. |
| Glencore | 1/1/04 - 12/31/04 | UNT-Geared | 300 | \$40.20 | 300 | \$40,80 | | | | | FOB INT | \$14.44 | | 7.00% 0 | 74% 1 | 12,400 | a.00% | 35.80% 45 | 1,20 | -\$1.18 | | \$55.24 | 2226 | \$54.08 | \$2,18 | | | 臣 |
| Glencore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 | \$38,50 | 300 | \$38.50 | | | | | FOB INT | \$14.44 | | 7.00% 0 | .74% | 12,400 | 8,00% | 35.00% 43 | 1.20 | -\$1,16 | | \$52,94 | 2 135 | \$51.78 | \$2,09 | | | р. |
| Glencore | 1/1/04 - 12/31/04 | TPA-Selled | 300 | \$40,15 | 300 | \$40.15 | | | | | FOB ТРА | \$14.44 | | 7.00% 0 | .74% 1 | (2,400 | 8,00% | 55.00% 45 | 1.20 | -\$1,18 | | \$54.59 | 2.201 | \$51,43 | \$2,15 | | Not feasible - too much trucking | 1 |
| Giencor# | 1/1/04 - 12/31/04 | TPA-Geared | 300 | \$40.60 | 300 | \$40,60 | | | | | FOB ТРА | \$14.44 | | 7.00% 0 | .74% 1 | 2,400 | 8,00% | 35.00% 43 | 1.20 | -\$1.18 | | \$55.04 | 于。18月1日 22月1日日 | \$53,84 | SZ_17 | | Not leasible - too much trucking | |
| Glencone | 1/1/04 - 12/31/04 | TPA-Gearless | 300 | \$39,10 | 300 | \$39.10 | | | | | FOB TPA | \$14.44 | | 7.00% 0 | .74% 1 | 2,400 | B.00% | 15.00% 45 | 1.20 | -\$1,18 | | \$53,54 | 215 | \$52,36 | \$2.11 | | Not feasible - too much trucking | |
| Ģuasare | 1/1/04 - 12/31/04 | (MT - Beltod | 200 | \$40.45 | 200 | \$40.45 | | | | | FOB INT | \$14.44 | | 2.00% a | .77% 1 | 2,800 | 8,00% | 51.00% 45 | 1,20 | -\$1,19 | | \$54.89 | 2,144 | \$53,70 | \$2,10 | | Make certain on btu guar on all 3 bids | |
| Guasare | 1/1/04 - 12/31/06 | MT - Beited | 1,150 | \$40.34 | 650 | \$40.25 | 500 | \$40.45 | | | FOB INT | \$14.44 | | 8.00% a | 77% 1 | 2,800 | 8,00% | 11.00% 45 | 1.23 | \$1.19 | | \$54,78 | 2,140 | \$53,59 | \$2.00 | | Lowest Price Alternative (one of many optic | (an |
| Guarane | 1/1/04 - 12/31/06 | JMT - Heited | 1,950 | \$44.55 | 650 | \$40.25 | 850 | \$40.45 | 650 | \$40.96 | FOB IMT | \$14.44 | | z.00% a | | 2,800 | 8,00% | 1.00% 45 | 1.20 | -\$1.19 | | \$54.99 | 12141 | \$53.00 | \$2.10 | | 3 optional pargoes 05 & 06 not incl | |
| Infinity | 1/01/04 • 12/31/07 | Pentier | 3,000 | \$36.75 | 750 | \$34.75 | 750 | \$36.75 | 750 | \$36.75 | FOB barge | \$24.50 | | 8.00% 0 | | 2,800 | 8.00% I | 1.00% 45 | 1,20 | \$1.19 | | \$81.25 | 2,393 | \$60,06 | \$7.35 | Sold - bid withdrawn | FOB Pock Quincy-FOB Barge Strewsbury | |
| Infinity | 1/01/04 + 12/31/07 | Panther | 3,000 | \$35,95 | 750 | \$35.85 | 750 | \$35.95 | 750 | \$35.85 | FOB barge | \$24,50 | | 10.00% 0 | .75% 1 | 2,500 | 8,00% | 51.00% 45 | 1.20 | -\$0,34 | | \$60.45 | 2418 | \$60,11 | \$2,40 | Sold - bid withdrawn | FOB Dock Outport-FOB Barge Shrewsbury | - 1 |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | \$5.50 | | | | | | | UP,BN | \$14.44 | \$15,95 | 5.82% 0. | 45% | 8,700 : | 27.72% | 2.19% 54 | 1.19 | \$3.33 | 84 | \$35.89 | 2,053 | \$39,72 | \$2.25 | | 03 tons are 0.65 leas | |
| Kennecott | 7/01/03 + 12/31/04 | Spring Creek | 100 | \$6.75 | | | | | | | BN | \$14.44 | \$15.95 | 4.00% B. | 34% | 9,350 | 24.90% | 2.43% 55 | 0.73 | \$1.40 | BM | \$37.14 | 1985.0 | \$38.54 | 52.06 | | 03 tons are 0.25 less | |
| (och Carbon 1 | 1/04 - 7/04 | Non-specific | 148 | \$34,25 | 140 | \$34,25 | | | | | · C\$X B\$ | \$17.00 | \$1.75 | 10.00% 0 | 78% 4 | 3 000 | 8.00% | 2.50% 43 | 1.70 | -\$0.74 | | \$53.00 | 2.038 | \$52.76 | \$2.01 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | ्रस्ट्राट्य ली | | ***** | | | 1 |

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 11 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 Master Listing-All Categories (First Run)

| é. | | | | 10001 | | | | | | | | | | Ship or | | 1. S. | | | | | Unit 45 | | | Evaluated. | Evaluated | | | 27 |
|----|---------------|--------------|-----------------|-------|---------|------|----------|------|---------|-------|---------|-------------|----------|---------|--------------|----------------|----------|--------|--------------------|------------------|-----------------------|---------|--------------|------------|-----------|--------------|--|---------|
| E | Suppler | Terminet | Origin | See. | Nie I | Tons | St Price | Tons | Priced | Tons | Price | Mode | Cost | Costa | Ann & Sulfu | Blu v | Moleture | vol 2 | HGI SO | Costh | n Depata 1s Cottes | Cost Sr | d Cost SM | Cost Sist | Cost S/M | ACTION TAKEN | an de la constant de Nortas | |
| | Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 | \$34.50 | 240 | \$34.50 | | | | | CSX 85 | \$17.00 | \$1.75 | 10.00% 0.787 | 13,000 | 8.00% | 32.50% | 43 1.20 | -\$0,74 | | \$51,25 | 2.048 | \$\$2.51 | \$2.02 | | | |
| | Koch Carbon 3 | 1/04 - 12/05 | Non-specific | 240 | \$35.05 | 240 | \$35.05 | 240 | \$35.05 | | | CSX BS | \$17.00 | \$1.75 | 10.00% 0.78% | 13,000 | 8.00% | 37.50% | 43 1.21 | \$0,74 | | \$53.80 | 2.069 | \$53.06 | \$2.04 | | | |
| | Massey 1a | 1/04 - 6/04 | Bandmill | 360 | \$33.00 | 360 | \$33,00 | | | | | CSX Kan | \$18.39 | \$1.75 | 13.00% 9.73% | 12,100 | E.00% | 30.00% | 42 1.20 | \$1.89 | AV | \$51,14 | 2.196 | \$55.03 | \$2.27 | | | |
| ł | Massay 16 | 1/04 - 6/04 | Bandmill-Caredo | 360 | \$38,20 | 360 | \$38.20 | | | | | FOB Carado | \$23.50 | | 13.00% 0.737 | 12,100 | a.00% | 30.00% | 42 1.20 | \$1,89 | AV | \$61.70 | 2 550 | \$61.59 | \$2,63 | | | |
| 1 | Massey 2a | 1/04 - 12/04 | Bandmill | 720 | \$33.00 | 720 | \$33.00 | | | | | CSX Kan | \$18.39 | \$1.75 | 13.00% 0.739 | 12,100 | 8,00% | 30.00% | 42 1.20 | \$1.89 | AV | \$51,14 | 2.196.7 | \$55.03 | \$2.27 | | | • |
| 1 | Massey 2b | 1/04 - 12/04 | Bandmill-Caredo | 728 | \$38.20 | 720 | \$38,20 | | | | | FOS Cendo | \$23.50 | | 13.00% 0.739 | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | AV | \$61,70 | 1255 | \$63.59 | \$2.63 | | · | |
| | Massey 3a | 1/04 - 12/04 | Bandmill | Z,160 | \$33,00 | 720 | \$32,50 | 720 | \$33.00 | 720 | \$33,50 | CSX Kun | \$18.39 | \$1.75 | 13.00% 0.73% | 12,100 | 8,00% | 30,00% | 42 1.20 | \$1.89 | AV | \$51.14 | 12196-3 | \$55.03 | \$2.27 | | | |
| 1 | Massey 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,160 | \$38.50 | 720 | \$38.00 | 720 | \$38,50 | 720 . | \$39.00 | FOB Cendo | \$2,1.50 | | 13.00% 0.739 | 12,100 | a,00% | 30,00% | 42 1.20 | \$1.89 | AV | \$62.00 | 2.562 | \$63.89 | \$2.64 | | | |
| 1 | Oxbow | 1/04 -12/08 | Elk Greek CO | 1,509 | \$18.03 | 500 | \$17.50 | 500 | \$18.03 | 500 | \$18.57 | UP | \$29.00 | | 12.00% 0.587 | 11,500 | 10.00% | 32,00% | 45 1.00 | \$0,91 | 8 | \$47.03 | 20.57 | \$47.94 | \$2.08 | | Note SO2 prem/penalty | |
| | Peabody 1 | 1/04 -12/04 | Synergy Mine | 540 | \$34.25 | 540 | \$34.25 | | | | | CSX Kaa | \$18.39 | \$1.75 | 12.00% 0,75% | 12,500 | 7.00% | 31.00% | 44 1,20 | \$0,17 | | \$54.39 | 2176 | \$54.56 | \$2.18 | • | | |
| l | Peabody 2 | 1/04 - 12/04 | PRB-Ant/Rock | 500 | \$20,77 | | | | | | | FOB by Cora | \$15.00 | | 4.45% 0.22% | 5,800 | 26.70% | 31.50% | 59 0.50 | \$1.87 | BM | \$35,77 | 1 2.0321 | \$37.64 | \$2.14 | • | 30k is.60 less for 03-rail/dock rate est@1f | 4.50 |
| | Peabody 3 | 1/04 -12/04 | BS River | 144 | \$34,35 | 144 | \$38.35 | | | | | BS River | \$24.50 | | 13.50% 0.74% | 12,300 | 8,00% | 31,00% | 42 1.20 | \$0,87 | | \$82,85 | 12,55512 | \$63.7Z | \$2.59 | | | |
| 1 | PFC | 1/04 -12/06 | coel/Synfuel | 2,706 | \$35,89 | 206 | \$34.75 | 800 | \$35,88 | 800 | \$37.03 | Kan River | \$24.50 | | 12.00% 0.75% | 12,500 | B.00% | 31,00% | 44 1.20 | \$0.27 | | \$60.39 | 24168 | 200.66 | \$2,43 | | Min 50% syntuel - 0,68% S to apply- Reop | nint 07 |
| | RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | \$6.25 | 500 | \$6.25 | | | | | UP,BN | \$14.44 | \$15,95 | 4.50% 0,27% | 8,550 | 29,90% | 31,00% | 58 0.63 | \$2,63 | BM | \$36.64 | 2143 | \$39.27 | \$2.30 | | | |
| 1 | RAG Z | 1/04 -12/04 | 20 Mile + COL | 506 | \$15.50 | 500 | \$15.50 | | | | | UP. | \$29.00 | | 10.00% 0.51% | 11,300 | 10.00% | 39,00% | 40 0.90 | \$0.32 | в | \$44.50 | 100 | \$44.82 | \$1.38 | | Voi too high | |
| ļ | Tribut f | 104 4784 | 498 M Rochalla | 200 | 434.07 | 200 | 338,67 | | | | | | \$14.44 | | 10.00% 0.58% | 11,500 | 16.00% | 31,00% | 52 1.00 | \$1,30 | . 8 | \$53,31 | 51.2.018 III | \$54.61 | \$2.37 | 1 | · | |
| 1 | Triton 2 | 1/04 -12/04 | PRB Buckskin | 500 | \$6.00 | 500 | 26.00 | | | | | BN | 514.44 | \$15.95 | 5 90% 0 10% | a,800 8,400 | 21,90% | 31,00% | 55 0.80 55 0.71 | , 32,50 57.10 | BM | \$37,00 | 2.102 | \$39.50 | \$2.24 | | | |
| - | | | | | | | | | | | | | | | | | | | | 40,30 | 0.00 | 440.13 | 100 - | 403.00 | 96.24 | | | |

Sulfur Biss Mojsture Vol 0,70% 12,000 8,00% 31,00% Ash 10.00% HG) \$02 Pdee Re-Amet 7/30/2003 7:57

PEF-FUEL-004756

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FRUGRESS FUELS CURPURATION CR 4 and 5 July 03 Solicitation RAIL COALS SHORT LIST

| | | | \$.V(000) ?? | | | | i an | | an di | 部論 | | | R | | | Evaluated | Evaluated |
|---------------|-------------------|--------------|--------------|------------|-------|---------------|--|-------------|----------|------------|----------|--------------|----------|-------------|------------|-------------|--------------|
| Supplier | Termole | | Totalica | 5 2004 % | 2005- | 2006- Tone | | Sume | chase:Sp | ecificatio | nsi kala | TOUS LICE | 1 SO2 | HCash | Cash | Utilized | Costs |
| Single Year | | | Saurona.a.c. | 10.000.000 | | | 1947 - 194 1 - 194 | - Count une | | indiarai | | inor. | 2002 | i anat anat | 1:0000-411 | 1.0001.0101 | page and the |
| AEP No 5a | 1/1/04 - 12/31/04 | CSX BS | 300 | 300 | | | 12.00% | 0.75% | 12,500 | 8.00% | 30.00% | 42 | 1.20 | \$50.75 | 2.030 | \$52.02 | \$2.08 |
| Koch Carbon 1 | 1/04 - 7/04 | Non-specific | 140 | 140 | | | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.00 | 2.038 | \$52.26 | \$2.01 |
| Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 | 240 | | | 10.00% | 0.78% | , 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.25 | 2.048 | \$52.51 | \$2.02 |
| Alpha | 1/1/04 -12/31/04 | McClure | 360 | 360 | | | 10.00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 - | 1.20 | \$52.85 | 2.064 | \$53.19 | \$2.08 |
| Alpha | 1/1/04 -6/30/04 | McCiure | 180 | 180 | | | 10.00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 | 1.20 | \$52.85 | 2.064 | \$53.19 | \$2.08 |
| Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 | 360 | | | 10.00% | 0.75% | 12,500 | 8.00% | 31.00% | 42 | 1.20 | \$51.75 | 2.070 | \$51.42 | \$2.06 |
| | | | | | | | | | | | | | | | | | |
| Multi-Year | | | | | | | | | | | | | | | | | |
| Koch Carbon 3 | 1/04 - 12/05 | Non-specific | 240 | 240 | 240 | | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.80 | 2.069 | \$53.06 | \$2.04 |
| AEP No 2 | 1/1/04 - 6/30/06 | Damron Fork | 900 | 300 | 300 | 300 | 10.00% | 0.77% | 12,800 | 8.00% | 32.50% | 44 | 1.20 | \$53.75 | 2.100 | \$53.16 | \$2.08 |
| Alliance No 2 | 1/1/04 - 12/31/06 | MC Mining | 900 | 300 | 300 | 300 | 9.00% | 0.75% | 12,500 | 8.00% | 32.00% | 42 | 1.20 | \$52.75 | 2.110 | \$52.12 | \$2.08 |
| Massey 3a | 1/04 - 12/04 | Bandmill | 2,160 | 720 | 720 | 720 | 13.00% | 0.73% | 12,100 | 8 00% | 30 00% | 42 | 1 20 | \$53.14 | 2 1 9 6 | \$55.03 | \$2 27 |

| | | auons | ase opecine | nonnes pi | 011 40 1.00 | |
|---|-----|--------|-------------|-----------|-------------|-------|
| s | HG) | Vol | Moisture | Btu | Sulfur | Ash |
| F | 40 | 31.00% | 8 00% | 12 000 | 0.70% | 0.00% |

\$160

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PEF-FUEL-004757

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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 12 of 52

PROGRESS FUELS CORPORATION

CR 4 and 5 July 03 Solicitation Western Coals

FOR TEST PURPOSES ONLY - Review Later

| | | | ¥ (000). | 20041 | 2005 | 2006 | | Pur | hase Sp | | | | | Cash | dina di | Evaluated | Evaluated Utilized |
|-----------|--------------------|---------------------|---------------|-------|------|------|--------|----------|------------|--------------|--------|-----|----------|------------|---|------------|-----------------------|
| Supplier | Term | a C A Origini's Pr | Ind Tons & Co | Tons | Tons | Tons | Ash | Sulfur | 经 Btill) | Moisture | #Volar | ĤĠĨ | SO2 | Cost \$/st | Cost \$/M | Cost \$/st | Cost \$/M |
| Kennecott | 7/01/03 - 12/31/04 | Spring Creek | 100 | • | | . 1 | 4.00% | 0.34% | 9,350 | 24.90% | 32,43% | 55 | 0.73 | \$37.14 | 1.986 | \$38.54 | \$2.06 |
| RAG 2 | 1/04 -12/04 | 20 Mile - COL | 500 | 500 | | | 10.00% | 0.51% | 11,300 | 10.00% | 39.00% | 40 | 0.90 | \$44.50 | 1.969 | \$44.82 | \$1.98 |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | | | | 5.82% | 0.48% | 8,700 | 27.72% | 32.19% | 54 | 1.10 | \$35.89 | 2.063 | \$39.22 | \$2.25 |
| DTE 1 | 1/1/04 - 6/30/04 | PRB | 168 | | | | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$36.54 | 2.076 | \$39.35 | \$2.24 |
| Arch | 1/01/04 - 6/30/04 | PRB - Black Thurder | 300 | 300 | | | 6.00% | 0.35% | 8,800 | 28.00% | 35.00% | 50 | 0.80 | \$36.69 | 2.085 | \$39,60 | \$2.25 |
| DTE 2 | 1/1/04 - 12/31/04 | PRB | 336 | | | | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$36.74 | 2.088 | \$39.55 | \$2.25 |
| AEP No 3 | 1/1/04 - 12/31/06 | PRB unspecified | 1,500 | .500 | 500 | 500 | 5.50% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$35.60 | 2.023 | \$38.26 | \$2.17 |
| Oxbow | 1/04 -12/06 | ' Elk Creek CO | 1,500 | 500 | 500 | 500 | 12.00% | 0.58% | 11,500 | 10.00% | 32.00% | 45 | 1.00 | \$47.03 | 2.045 | \$47.94 | \$2.08 |
| AEP No 4 | 1/1/04 - 12/31/06 | PRB unspecified | 1,500 | 500 | 500 | 500 | 5.50% | 0.34% | 8,400 | 27.00% | 35.00% | 50 | 0.80 | \$34.60 | 2.060 | \$37.61 | \$2.24 |
| RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | 500 | | | 4.50% | 0.27% | 8,550 | 29.90% | 31.00% | 58 | 0.63 | \$36.64 | 2.143 | \$39.27 | \$2.30 |
| Triton 2 | 1/04 -12/04 | PRB Buckskin | 500 | 500 | | | 5.90% | 0.30% | 8,400 | 29.90% | 31.00% | 55 | 0.71 | \$36.39 | 2.166 | \$39.69 | \$2.36 |
| Triton 1 | 1/04 -12/04 | PRB N Rochelle | 500 | 500 | | | 4.70% | 0.35% | 8,800 | 27.90% | 31.00% | 55 | 0.80 | \$37.00 | 2.102 | \$39.50 | \$2.24 |
| Peabody 2 | 1/04 - 12/04 | PRB-Ant/Roch | 500 | | | | 4.40% | 0.22% | 8,800 | 26.70% | 31.50% | 59 | 0.50 | \$45.27 | 2.572 | \$47.14 | \$2.68 |
| | | | | | | | | | | | | | | | | | |
| | l | | | | | | | | | | | | <u> </u> | | | | |
| | • | | | | | | | CR 45 Ec | onomics B: | ase Specific | ations | | | SO2 Price | | | |
| • | | | | | | | Ash | Sulfur | Btu | Moisture | Vol | HGL | | \$160 | | | |
| | | | | | | | 10.00% | 0.70% | 12,000 | 8.00% | 31.00% | 40 | 1 | | | | |

PEF-FUEL-004758

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 13 of 52

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R AUGRESS FUELS CURFURATION CR 4 and 5 July 03 Solicitation

Foreign Water Coals

SHORT LIST

Evaluated: Evaluated: Castra: Othized: 7UUized Cost \$/M Cost \$/st Cost \$/M Blue Moisture Single Year (04) Drummond 1 1/1/04 - 12/31/04 \$47.78 McDuffie 750 750 5.00% 0.70% 11,700 14.00% 31.00% 44 1.20 \$47.37 2.024 \$2.04 Glencore 1/1/04 - 12/31/04 IMT-Gearless 300 300 7.00% 0.74% 12,400 8.00% 35.00% 45 1.20 \$52.94 2.135 \$51.78 \$2.09 Guasare 1/1/04 - 12/31/04 IMT - Beited 200 200 8.00% 0.77% 13,000 8.00% 31.00% 45 1.18 \$55.52 2.135 \$54.13 \$2.08 Emerald 1 1/1/04 - 12/31/04 Mobile 500 500 12,400 8.00% 2.187 \$53.08 \$2.14 7.00% 0.74% 35.00% 45 1.20 \$54.24 Glencore 1/1/04 - 12/31/04 IMT-Beited 300 300 12,400 8.00% \$53.58 \$2.16 7.00% 0.74% 35.00% 45 1.20 \$54.74 2.207 1/1/04 - 12/31/04 Emerald 2 IMT 500 500 7.00% 0.74% 12,400 8.00% 35.00% 45 1.20 \$54.84 2.211 \$53.68 \$2.16 Glencore 1/1/04 - 12/31/04 IMT-Geared 300 300 7.00% 0.74% 12,400 8.00% 35.00% 45 1.20 \$55.24 2.227 \$54.08 \$2.18 .

| Multi-Year | • | | | | | | | | | | | | | | | | | |
|------------|-------------------|--------------|-------|-----|-----|-----|-------|-------|--------|--------|--------|----|------|---------|-------|---------|--------|--|
| Drummond 2 | 1/1/04 - 12/31/06 | McDuffle | 2,250 | 750 | 750 | 750 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 | 1.20 | \$48.78 | 2.085 | \$49.19 | \$2.10 | |
| Guasare | 1/1/04 - 12/31/06 | IMT - Belted | 1,150 | 650 | 500 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | \$55.41 | 2.164 | \$54.22 | \$2.12 | |
| Guasare | 1/1/04 - 12/31/06 | IMT - Beited | 1,950 | 650 | 650 | 650 | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | \$55.63 | 2.173 | \$54.44 | \$2.13 | |

| · · · | CR 45 Eco | nomics Ba | ase Specific | ations | | SO2 Price |
|--------|-----------|-----------|--------------|--------|-----|-------------|
| Ash | Sulfur | Btu | Moisture | · Vol | HGI | \$160 |
| 10.00% | 0.70% | 12,000 | 8.00% | 31.00% | 40 | · · · · · · |

PEF-FUEL-004759

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 14 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domestic Water Coals Short List

Evaluated. Evaluated Ash LeSulfun Blut Moisture Vol-Single Year (No single year bids were competitive)

| Multi Year | | | | | | | | | | | | | | | | | |
|------------|--------------------|--------------|-------|-----|-----|-----|--------|-------|--------|-------|--------|------------|------|---------|-------|---------|--------|
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | 750 | 750 | 750 | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | \$61.25 | 2.393 | \$60.06 | \$2.35 |
| PFC | 1/04 -12/06 | Coal/Synfuel | 2,700 | 900 | 900 | 900 | 12.00% | 0.75% | 12,500 | 8.00% | 31.00% | 4 4 | 1.20 | \$60.39 | 2.416 | \$60.66 | \$2.43 |
| infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | 750 | 750 | 750 | 10.00% | 0.75% | 12,500 | 8.00% | 31.00% | 45 | 1.20 | \$60.45 | 2.418 | \$60.11 | \$2.40 |
| | | | | | | | | | | | | | | | | | |

| c |
|--------|
| Ash |
| 10.00% |

PEF-FUEL-004760

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-2) Page 15 of 52

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 16 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation RAIL COALS SHORT LIST

PEF-FUEL-004761

So2 Price \$160

| | | | ÷(000) | | | | | | | | | | | | | Evaluated | Evaluated |
|---------------|-------------------|--------------|------------------|------|------|------|--------|--------|-----------------|-----------------------|------------|------|-------|-----------|-------------|-------------|--|
| Supplier | lem 🦾 | - Crigin | Total de Tons | Tons | Tons | 2006 | Ash | Sulfur | chase Sp Bfu | ecificatio Moistun | ns Volš | SHGI | 2502 | Cash. | Cash. | Utilized | Utilizede |
| Single Year | | | | | | | | | | | | | SHOP. | Foostala | 149050-0111 | 1460363/S64 | PROSEDUM- |
| AEP No 5a | 1/1/04 - 12/31/04 | CSX BS | 300 | 300 | 1 | | 12.00% | 0.75% | 12,500 | 8.00% | 30.00% | 42 | 1.20 | \$50.75 | 2.030 | \$52.02 | \$2.08 |
| Koch Carbon 1 | 1/04 - 7/04 | Non-specific | 140 | 140 | | | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.00 | 2.038 | \$52.26 | \$2.01 |
| Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 | 240 | | | 10,00% | 0.78% | 13,000 | 8,00% | 32.50% | 43 | 1.20 | \$53.25 | 2.048 | \$52.51 | \$2.02 |
| Alpha | 1/1/04 -12/31/04 | McClure | 360 | 360 | | | 10.00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 | 1.20 | \$52.85 | 2.064 | \$53.19 | \$2.08 |
| Alpha | 1/1/04 -6/30/04 | McCiure | 180 | 180 | | | 10.00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 | 1.20 | \$52.85 · | 2.064 | \$53.19 | \$2.08 |
| Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 | 360 | | | 10.00% | 0.75% | 12,500 | 8.00% | 31.00% | 42 | 1.20 | \$51.75 | 2.070 | \$51.42 | \$2.06 |
| | | | | | | | | | | | | | | | | • | ······································ |
| Multi-Year | | | | | | | | | _ | | | | | | • | | |
| Koch Carbon 3 | 1/04 - 12/05 | Non-specific | 240 | 240 | 240 | | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.80 | 2.069 | \$53.06 | \$2.04 |
| AEP No 2 | 1/1/04 - 6/30/06 | Damron Fork | 900 | 300 | 300 | 300 | 10.00% | 0.77% | 12,800 | 8.00% | 32.50% | 44 | 1.20 | \$53.75 | 2.100 | \$53.16 | \$2.08 |
| Alliance No 2 | 1/1/04 - 12/31/06 | MC Mining | 900 | 300 | 300 | 300 | 9.00% | 0.75% | 12,500 | 8.00% | 32.00% | 42 | 1.20 | \$52.75 | 2.110 | \$52.12 | \$2.08 |
| Massey 3a | 1/04 - 12/04 | Bandmill | 2,160 | 720 | 720 | 720 | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 | 1.20 | \$53.14 | 2.196 | \$55.03 | \$2.27 |
| | | | | | | | | | | | | | | | | | · · · · |

| | CR 45 Eco | nomics B | ase Specific | ations | |
|--------|-----------|----------|--------------|--------|-----|
| Ash | Sulfur | Btu | Moisture | Voi | HGI |
| 10.00% | 0.70% | 12,000 | 8,00% | 31.00% | 40 |

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 17 of 52

PROGRESS FUELS CORPORATION CR 4 and 5

July 03 Solicitation Foreign Water Coals SHORT LIST

PEF-FUEL-004762 (000) valuatedy s Total 2004 2005 Purchase Specifications 2006 Utilized Aste Sulfur Btu Moisture Vol. HGE-SO2 Cost \$/st Cost \$/M Cost \$/st Cost \$/M Supplier Tons Tons

| Single Year (04) | | | | | | | | | | | | | | • | | |
|------------------|-------------------|--------------|-----|------------------|--|-------|-------|--------|--------|--------|----|------|---------|-------|---------|--------|
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffie | 750 | 750 | | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 | 1.20 | \$47.37 | 2.024 | \$47.78 | \$2.04 |
| Glencore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 | 300 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$52.94 | 2.135 | \$51.78 | \$2.09 |
| Guasare | 1/1/04 - 12/31/04 | IMT - Belted | 200 | 200 | | 8.00% | 0.77% | 13,000 | 8.00% | 31.00% | 45 | 1.18 | \$55.52 | 2.135 | \$54.13 | \$2.08 |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 500 | . 500 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$54.24 | 2.187 | \$53.08 | \$2.14 |
| Glencore | 1/1/04 - 12/31/04 | IMT-Belted | 300 | [.] 300 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$54.74 | 2.207 | \$53.58 | \$2.16 |
| Emerald 2 | 1/1/04 - 12/31/04 | ІМТ | 500 | 500 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$54.84 | 2.211 | \$53.68 | \$2.16 |
| Glencore | 1/1/04 - 12/31/04 | IMT-Geared | 300 | 300 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$55.24 | 2.227 | \$54.08 | \$2.18 |
| | | | | | | | | | | | | | | | | |

| Multi-Year | • | | | | | | | | | | | | | | | | |
|------------|-------------------|--------------|-------|-----|-----|-----|-------|-------|--------|--------|--------|-----|------|---------|-------|---------|--------|
| Drummond 2 | 1/1/04 - 12/31/06 | McDuffie | 2,250 | 750 | 750 | 750 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 | 1.20 | \$48.78 | 2.085 | \$49.19 | \$2.10 |
| Guasare | 1/1/04 - 12/31/06 | IMT - Beited | 1,150 | 650 | 500 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | \$55.41 | 2.164 | \$54.22 | \$2.12 |
| Guasare | 1/1/04 - 12/31/06 | IMT - Belted | 1,950 | 650 | 650 | 650 | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | .45 | 1.20 | \$55.63 | 2.173 | \$54.44 | \$2.13 |

| | CR 45 Eco | nomics Ba | ase Specific | ations | | SO2 Price |
|--------|-----------|-----------|--------------|--------|-----|-----------|
| Ash | Sulfur | Btu | Moisture | Vol | HGI | \$150 |
| 10.00% | 0.70% | 12,000 | 8.00% | 31.00% | 40 | L |
| | | | | | | |

\$160

Evaluated

Utilized

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 18 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domestic Water Coals Short List

Single Year (No single year bids were competitive)

Term

Supplier

(000)

Tons

Origin

2005

Tons

2006

Tons Tons

| Multi Year | · | | | | | | | | | | | | | | | | |
|------------|--------------------|--------------|------------|-----|-----|-----|--------|--------|--------|--------|--------|----|------|---------|--------|---------|--------|
| Infinity | 1/01/04 - 12/31/07 | Panther | 3.000 | 750 | 750 | 750 | 8 00% | 0 779/ | 12 900 | 0.000/ | | | | | | · | |
| | | | -, | | , | /50 | 0.00% | 0.7770 | 12,800 | 8.00% | 31.00% | 45 | 1.20 | \$61.25 | 2.393 | \$60.06 | \$2.35 |
| PFC | 1/04 -12/06 | Coal/Synfuel | 2,700 | 900 | 900 | 900 | 12.00% | 0.75% | 12,500 | 8.00% | 31.00% | 44 | 1.20 | \$60.39 | 2.416 | \$60.66 | \$2.43 |
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | 750 | 750 | 750 | 10.00% | 0.75% | 12,500 | 8.00% | 31.00% | 45 | 1.20 | \$60.45 | 2 / 18 | ten 11 | ¢2.40 |
| | | | , 1 , 1 | | | | | | | | | | | 400.40 | 2.410 | \$00.11 | \$2.40 |

| | CR 45 Eco | nomics B | ase Specifi | cations | | SO2 Price |
|--------|-----------|----------|-------------|---------|-----|-----------|
| Ash | Sulfur | Btu | Moisture | Vol | HGI | \$160 |
| 10.00% | 0.70% | 12,000 | 8.00% | 31.00% | 40 | |

Purchase Specifications:

Ash Sulfur Btu Moisture Vol. HGI SO2

PEF-FUEL-004763

NAME OF

Casl

Cost

Evaluated.

Utilized

Cost \$/st

Cash

Evaluated

Utilized

Cost \$/M

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 19 of 52

PROGRESS FUELS CORPORATION

CR 4 and 5 July 03 Solicitation Western Coals

FOR TEST PURPOSES ONLY - Review Later

| | FOR TEST | PURPOSES | ONLY - Re | view La | ter | PROGI | RESS | FUEL CR 4 a Iy 03 So | S CO and 5 olicitatio | RPOR | ATION | ł | 1FI -004764 | | | | | · | |
|---|-----------|--------------------|---------------------|--------------------|---------|-------|-------|----------------------------|-----------------------------|---------------|-------------------|---------------|-------------|------|-----------|-------|------------|-----------------------|---|
| | Simpler | A T | Oracia | - (000) - Total | -2004 - | 2005 | -2006 | Western | Coals | chase Sp | ecification | це 15 | | | Cash- | Cash | Evaluated. | Evaluated Utilized | |
| | Kennecott | 7/01/03 - 12/31/04 | Spring Creek | 100 | | | | 4.00% | 0.34% | 9 350 | 24 90% | 32 42% | 55 | 0.73 | \$37.14 | 1 086 | \$39.54 | \$2.06 | |
| | RAG 2 | 1/04 -12/04 | 20 Mile - COL | 500 | 500 | · | | 10.00% | 0.51% | 11,300 | 10.00% | 39.00% | 40 | 0.90 | \$44.50 | 1.969 | \$44.82 | \$1.98 | |
| | Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | | | | 5.82% | 0.48% | 8,700 | 27.72% | 32.19% | 54 | 1.10 | \$35.89 | 2.063 | \$39.22 | \$2.25 | ŀ |
| | DTE 1 | 1/1/04 - 6/30/04 | PRB | 168 | | | | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$36.54 | 2.076 | \$39,35 | \$2.24 | |
| | Arch | 1/01/04 - 6/30/04 | PRB - Black Thundwr | 300 | 300 | | | 6.00% | 0.35% | 8,800 | 28.00% | 35.00% | 50 | 0.80 | \$36.69 | 2.085 | \$39.60 | \$2.25 | |
| | DTE 2 | 1/1/04 - 12/31/04 | PRB | 336 | | | , | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | .50 | 0.80 | \$36.74 | 2.088 | \$39.55 | \$2.25 | |
| | AEP No 3 | 1/1/04 - 12/31/06 | PRB unspecified | 1,500 | 500 | 500 | 500 | 5.50% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$35.60 | 2.023 | \$38.26 | \$2.17 | |
| | Oxbow | 1/04 -12/06 | Elk Creek CO | 1,500 | 500 | 500 | 500 | 12.00% | 0.58% | 11,500 | 10.00% | 32.00% | 45 | 1.00 | \$47.03 | 2.045 | \$47.94 | \$2.08 | |
| | AEP No 4 | 1/1/04 - 12/31/06 | PRB unspecified | 1,500 | 500 | 500 | 500 | 5.50% | 0.34% | 8,400 | 27.00% | 35.00% | 50 | 0.80 | \$34.60 | 2.060 | \$37.61 | \$2.24 | |
| | RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | 500 | | | 4.50% | 0.27% | 8,550 | 29.90% | 31.00% | 58 | 0.63 | \$36.64 | 2.143 | \$39.27 | \$2.30 | |
| | Triton 2 | 1/04 -12/04 | PRB Buckskin | 500 | 500 | | | 5.90% | 0.30% | 8,400 | 29.90% | 31.00% | 55 | 0.71 | \$36.39 | 2.166 | \$39.69 | \$2.36 | |
| | Triton 1 | 1/04 -12/04 | PRB N Rochelle | 500 | 500 | | | 4.70% | 0.35% | 8,800 | 27.90% | 31.00% | 55 | 0.80 | \$37.00 | 2.102 | \$39.50 | \$2.24 | |
| | Peabody 2 | 1/04 - 12/04 | PRB-Ant/Roch | 500 | | | | 4.40% | 0.22% | 8,800 | 26.70% | 31.50% | 59 | 0.50 | \$45.27 | 2.572 | \$47.14 | \$2.68 | |
| | | | | | | | | | | | | | | | | | | | |
| L | | l | | | | | | | | | | | | | , | | | · | İ |
| | | | | | | | | (| CR 45 Ecc | pnomics Ba | se Specific | ations | | | SO2 Price | | | | |
| | | | | | | | | Asn 10.00% | Sunur 0.70% | Btu 12,000 | Moisture 8.00% | Vol 31.00% | HGI 40 | | \$160 | | | | |
| | • | | | | | | | | | | | | | | | | | | |

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-2) Page 20 of 52

| f C | le l | • • | | |
|---|---|--|--|-------------------------------------|
| man prost | two sup | PLY ASSESSMI | ENT · | |
| man a | <u>"</u> | D" Rall Contrac | ts | |
| and | <u>2004</u> | 2005 | 2006 | 2007 |
| PROJECTED BURN Minus Water Delivered Coal Equals Net Rail "D" Delivered Coal | 3,838,000 2,100,000 1,738,000 | 4,098,000 2,100,000 1,998,000 | 3,921,000 2,100,000 1,821,000 | 3,931,000 2,100,000 1,831,000 |
| Massey + 3 ^{DP, DC4} Amvest AEP/Quaker | 212,000 212,000 | | _ Ceregn | 0 |
| Alliance + 3 ⁹⁰ Total Committed Contracts Total Open Position: | 300,000 1,512,000 226,000 | 300,000 400,000 1,598,000 | 300,000 300,000 1,521,000 | 300,000 300,000 1,531,000 |
| Potential Contract Suppliers: AEP/Quaker (3) Alliance (3) Amvest (3) Massey (3) Koch Carbon (4) Total | 0 0 0 <u>- 140,009</u> <u>140,000</u> | 200,000 200,000 212,000 400,000 0 1,012,000 | 200,000 200,000 212,000 400,000 0 1,012,000 | 0 0 0 0 0 0 |
| Potential Spot Purchases: | - 86,000- 22608- | 586,000 | 509,000 | 1,531,000 |
| Allocation: % Existing Contract to burn: % Potential contract to burn % Total contract to burn % Potential spot to burn | 87.0% 8.1% 95.1% 4.9% | 20.0% 50.7% 70.7% 29.3% | 16.5% 55.6% 72.1% 27.9% | 16.4% 55.3% 71.7% 28.3% |
| Notes: (1) BOLD denotes reopener or potential reopener. (2) The open positions, each year, will be filled with a % to main- tain approximately a 80/20 spot to contract on total burn. (3) Potential contract extensions from existing suppliers. (4) Based upon results of the 2004 solicitation. | | | | 7/ZB/2003 14:55 |

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-2) Page 21 of 52

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| | | | |
| | | | |

SUPPLY ASSESSMENT

| | | A" Rail Contra | <u>cts</u> | |
|------------------------------|-----------|----------------|------------|-------------|
| | 2004 | 2005 | 2006 | <u>2007</u> |
| PROJECTED BURN | 2.241.000 | 2 252 000 | 2 231 000 | 2 239 000 |
| Existing contracts: | | _,, | 2,201,000 | 2,233,000 |
| Consol | 1,000,000 | 1.000.000 | 1.000.000 | n |
| Massey | 600.000 | 150.000 | .,, | 0 |
| AEP/Quaker | 480,000 | 0 | õ | . 0 |
| Total Committed Contracts | 2,080,000 | 1,150,000 | 1.000.000 | 0 |
| Total Open Position: | 161,000 | 1,102,000 | 1,231,000 | 2,239,000 |
| Potential Contracts: (2) | 0 | 716,300 | 677,050 | 1,567,300 |
| Potential Suppliers: (3) | | | | |
| AEP/Quaker | ń | 100 000 | 200.000 | 000.000 |
| Consol | Ő | 100,000 | 200,000 | 200,000 |
| Massey | õ | 400.000 | 400 000 | 400.000 |
| Total | 0 | 600,000 | 600,000 | 600,000 |
| Remaining Open Position | 0 | 116,300 | 77,050 | 967,300 |
| Potential Spot: (2) | .161,000 | 551,000 | 492,400 | 895,600 |
| Allocation: | | | | |
| % Existing Contract to hum | 07 99/ | E4 40/ | 44.000 | |
| % Potential contract to burn | 92.076 | 31.170 | 44.8% | 0.0% |
| % Total contract to burn | 0.076 | 31.0% | 30.3% | 70.0% |
| % Potential spot to burn | 7 2% | 02.370 | / 0.1% | /0.0% |
| Notes: | 1.270 | 11,170 | 24.9% | 30.0% |

 BOLD denotes reopener or potential reopener.
 For 2004 the Open Position will be filled by spot purchases only.
 For the remaining years, a % will be used to maintain approximately a 70/30 spot to contract on total burn.
 Potential contract extensions from existing suppliers.

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7/28/2003 14:55

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-2) Page 22 of 52



| | "D" WA | TER | | |
|--|-----------|-------------|-----------|-----------------|
| Pequired Water Delivery | 2004 | <u>2005</u> | 2006 | <u>2007</u> |
| Existing contracts | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Massev | 633,000 | 210 000 | 0 | 0 |
| Panther | 0 | 0 | ő | 0 |
| Total Committed Contracts | 633,000 | 210,000 | 0 | |
| Total Open Position | 1,467,000 | 1,890,000 | 2,100,000 | 2,100,000 |
| Potential Contract Suppliers: | 9 B | | | |
| Guasare #1 (3) | 200,000 | 0 | Q | 0 |
| Guasare #2 (3) | 550,000 | 650,000 | 650,000 | Ō |
| Black Hawk/Calla Synfuel (3) | 525,000 | 525,000 | 0 | 0 |
| Total | 1,275,000 | 1,175,000 | 650,000 | 0 |
| Potential Spot or Additional | | | | • |
| Contract Purchases: | 192,000 | 715,000 | 1,450,000 | 2,100,000 |
| Allocation: | | | | |
| % Existing contract to requirement | 30.1% | 10.0% | 0.0% | 0.0% |
| % Potential contract to requirement | 60.7% | 65.5% | 31.0% | 31.0% |
| % Total contract to requirement | 90.8% | 75.5% | 31.0% | 31.0% |
| % Potential spot or additional contract | | | | |
| to requirement | 9.2% | 24.5% | 69.0% | 69.0% |
| Note: | | | | |
| BOLD denotes reopener or | | | | |
| potential reopener. | | | | |
| (2) The open positions, each year, | | | | |
| will be filled with a % to main- | | | | |
| tain approximately a 80/20 | | | | |
| spot to contract on total burn. | | | | |
| (3) based upon results of the | | | | |
| 2004 Solicitation. | | | | 7/28/03 2:55 PM |

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Docket No. 060658 Progress Energy Florida Exhibit No.____(AWP-2) Page 23 of 52

PROGRESS FUELS CORPORATION 12800 CR 4 and 5 July 03 Solicitatio Foreign Water Coals SHORT LIST PEF-FUEL-004768 1/1/04 - 12/31/04 McDuffie 750 \$34.88 Dixie \$14.44 -\$1.95 5.00% 8.70% 11,700 14.00% 31.00% 1.20 \$0,41 \$47.37 1/1/04 - 17/31/04 IMT-Gearles . \$38,50 вм 2.024 \$47,78 300 \$2,04 FOB INT \$14.44 7.00% 0.74% 12,400 8.00% 35.00% 1.20 -\$1.16 1/1/04 - 12/31/04 IMT -Belled цΟ. \$52.94 2.135 Note 200 \$41.08 \$51.78 \$2.09 FOB IMT 514.44 8.00% 0.77 13,000 31 00% 4Ś 1.18 -\$1.39 \$55.52 Emerald * 1/1/04 - 12/31/0-Mobile 500 2.135 \$54.13 \$41.75 \$2.08 FOS Dixle \$14.44 -\$1.95 7,00% 0.74% 12,400 45 1.20 -\$1.18 \$54.24 1/1/04 - 12/31/04 MT-Belter 2.187 300 \$40,30 \$53.08 \$2.14 FOB IMT 514.44 7.00% 0.74% 12,400 8,00% 35.00% 45 1.20 -\$1.16 \$54,74 Emerald 3 1184 - 12/1104 ыл 500 2.207 \$53.58 \$42.35 \$2,15 computation found after FOB Obie \$14.44 \$1.95 7.00% 0.74% 12,400 8,00% 35.00% 45 1.20 -\$1,18 \$56.14 /1/04 - 12/31/04 MT-Gears 300 2,211 \$53,68 \$40,60 \$2,16 FOB INT 514.4 7.00% 0.74% 12.40 8.00% 35.00% 45 -\$1.10 \$55,24 2.227 \$54.08 \$2,18 decision. No at Multi-Yea 2,250 334,29 1,150 544,973 1,350 544,19 1/1/04 - 12/31/06 McDuffle 750 \$34,88 750 536.29 750 \$39.06 Dixie VRA \$14.44 -\$1.95 5.00% 0.70% 11,700 14.00% 1/1/04 - 12/31/06 \$0,41 \$48,78 IMT - Belled 650 BM 2.085 \$40.88 \$49.19 500 \$41.0 \$2.10 FOB IMT \$14,44 8.00% 0.77% 12,800 8.00% 31.00 45 1.20 -\$1.19 \$55.44 2.164 **)**\$\$\$4.22 mpro \$2.12 2.173 \$54,44 goes 05 & 06 not Incl multi year brd / Now 2/48 Le permet Ho Permetere - 1 yr Guacare (Juin 3016) 200,000 T 44,00 Attended 3 yr Guarane (Paro Deable) - 10,000 1,000 See Attache ran 3 Jons 650,000 (650, *41,08 Mks \$/530 1650,00 Tom Mkt S. 63. 1 A A.

Docket No. 060658 Progress Energy Florida Exhibit No. _____ (AWP-2) Page 24 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Foreign Water Coals SHORT LIST

| ACCESSION | | | | | | | | | | | | | | | SHORT | t list | | | | | | | | | | | | | |
|------------------|--|-------------|--|--------|----------|----------------|---------|------|--------------|-------------------------------|------------|---------|-------|---|----------|---------------|---------|------|----------|------------|----------|---------------|------------|----------|------------|---|--|------------------------|------|
| State P | A Carden Stran | 44.54 | (000) Weigh | Care S | ALL PR | and the second | Sec. 1 | 1 | Sec. Sec. As | the state of the state of the | | - | | | - | | | | | | | | | | | | | | |
| | 1. 1. 1. 1. 1. | | Totalan - Aug | , 2004 | 200 | 700 | | 1 | 10.00 | And the second | 1 | Ship | X | 1. A. | al state | d to the same | 1 4 4 A | 2.5 | C-F | | 10.5 222 | 5 19 See 6 19 | | | | | | | |
| | the state of the s | Origin | Construct Price | Ton | Price | Ton | 10.9 | 200 | 2008 | Transport | (del ransp | Ralica | 1.2 | Pi Pi | rchase S | pecificati | | 250 | | 199.5 | Unii 45 | | 12.17 | Evaluate | d Evaluate | | Section of the sectio | | |
| Sincle Year (04) | | | | | | | | 1000 | | MOO | Cost | Costs | Ash | Sulfu | Btu | Molatu | NoV: | HCI | soz | Contine | Derate | Cash | Lash | Utilized | . Dulland | C Press la | | and the stand of | |
| | T | 1 | 134.00 | 1 | _ | | | | | | | | | | | | | - | | C.C.A.VAL. | >Looes | Cost S/s | t Cost \$7 | Cost S/c | Cost \$7 | ACTION TAKE | Noting Contraction | 1 Sand an and a second | |
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffie | 750 \$34.88 | 750 | 54.0 | | | T | 1 | | 7 | T | | | | | | | | | | 1 | 1 | 1 | 4 | | private states | A CONTRACTOR | 10.2 |
| Glencore | 1/1/04 - 12/31/04 | MT-Gearless | | | | 1. | | 1 | 1 | Dixie | \$14.44 | -\$1.95 | 5.00% | 9.70% | 11.700 | 14.00% | 21 000 | | | | | | | | - fi | | | | |
| 3 Binning / | 1004-00000 | | | 300 | \$38.50 | ۲ | 1 | | | FOB MT | \$14.44 | | 7 000 | | | | 131.00% | - | 1.20 | \$0.41 | ВМ | \$47.37 | 2.024 | \$47.78 | \$2.04 | | | | |
| - Guasare | 1/ 1/04 - 12/31/04 | MT-Selled | 200 \$40.45 | 200 | \$40,45 | 1 7 | | 1 | | EOB NOT | | | 1 | 0.74% | 12,400 | £.00% | 35.00% | 45 | 1.20 | -\$1,18 | | \$52.94 | 2,135 | 251 74 | | | Blending Issues | | |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 500 \$41.75 | 500 | 1 541 76 | | 1 | ! | 1 | TOBILI | \$14.44 | | 8.00% | 0.77% | 12,800 | 8,00% | 31.00% | 45 1 | 1.20 | \$1.18 | | | | +31.70 | \$2.09 | | | | |
| Glancore | 1/1/04 - 12/31/04 | INT-Belled | | | 1 | | - 1 | | | FOB Dicke | \$14.44 | -\$1.95 | 7.00% | 0.74% | 12,400 | 8.00% | 1 | | | | | \$54.89 | 2.144 | \$53,70 | \$2.10 | | | | |
| Emerald 2 | 10004 - 100000 | | | 300 | \$40.30 | | | 1 | | FOB INT | 514.44 | | 7.00% | 10.744 | - | | | * | | -\$1.18 | | \$54.24 | 2,187 | \$53.08 | 52.14 | 1 | | | |
| | 1 104+123104 | INCE | 500 54235 | 500 | \$42.35 | 1 | | 1 | | EOR Dista | | | | 4.747. | 12,400 | 8.00% | 35.00% | 45 1 | .20 | -\$1.16 | | \$54,74 | 2.207 | 151 64 | | 1 | | | |
| Glencore | 1/1/04 - 12/31/04 | IMT-Geared | 300 \$40.80 | 300 | \$40.80 | | | | | | 314.34 | -\$1,95 | 7.00% | 0.74% | 12,400 | 8,00% | 35.00% | 45 1 | 20 | \$1.18 | | | | ***** | +2.16 | | | | |
| | | | | | | | 1 | | 1 1 | FOB INT | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 15 000 | | _ | | | ***.** | 2,211 | \$53,68 | \$2,16 | | 1 | | |
| | | | 1- | | L | | L | L | | | | | 1 | 1 1 | | | | | -20 | -\$1.16 | - 1 | \$55.24 | 2.227 | \$54.08 | \$2.18 | 1 | | • | |
| | | | | | | | | | | | | | | 4 | | | | | | | | | - 1 | | | · . | | | |
| Mutt-Year | r | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drummond 2 | 1/1/04 - 12/31/08 | McDutte | 2,750 336 34 | | | | | | r | | | | | | _ | | | | | | | | | | | | | | |
| Guatane | 1/1/04 - 12/21/04 | | | (au | 224.18 | 750 | \$36,29 | 750 | \$39.06 | Dixie | 514,44 | -\$1.95 | 5.00% | 0.702 | | | | T | -T- | T | | | | | | | | | |
| | | Mil + Denad | 1,150 340.30 | 850 | \$40.25 | 500 | \$40,45 | 1 | | FOR MT | | | | 0.70% | 11,700 | 14.00% | 31.00% | H 1. | 20 | \$0.41 | BM | \$48.78 | 2.085 | \$49.19 | | | | | |
| - unazare | Juncares 4/1/04 + 12/251/06 INT - Betted 1,850 140,25 850 540,25 650,25 650,25 650,25 650 540,25 650,25 650,25 650,25 650,25 650,25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | ÷+; +: | | | | ···· | | 340.95 | FOBINT | 514.44 | | 8.00% | 0.77% | 12,800 | 1.00% | 11.00% | 5 12 | | | | | 2140 | \$53.59 | \$2,09 | | Lowest Price Altern | native | |
| | | | | | | | | | | | | | | | | | | - | <u>.</u> | \$1.19 | | \$54.99 | 2.148 | \$53.80 | \$2.10 | | 3 optional cause | | |
| | | | Dependence Martine | | | | | | | | | | | | | | | | | | | | | | | the second se | to opportat cartroes | 05 & 06 not incl | |

Cit 45 Economics Base Sovelfications Ach Sulter Btu Molature Vol HGL 18.05% 8.70% 12,000 4.09% 31.80% 40

SOZ Price

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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 25 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5

July 03 Solicitation Foreign Water Coals All Bids

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|----------------|-------------------|--------------|---------------------------|----------------------|-----------------|---------------|-------------------|---------|----------------|----------------|-----------------|--|------------------|--------|-------|-----------------|------------------------|--------|---------------|---------|----------------------|-------------------|----------|---------|----------------------|-----------------------|--|
| L, Supplier | A DTerm | Conger 1 | (000E Tatal na Tima | Welght | 2004r Tane 2 | 2004 Price | 1 2005 1 10118 | # 2015 | 2 2006 Tons | 2006 SPrice | Transp. Mode | off parson Col parson Stor Coalt | Ship o Railca | Ash | Pur | chase Sp Bhu | ecificatio Moisture | Vor | ST CONTRACTOR | 17 1 SO | Dillation Cost/st | Unit 45 Derate | Cont S/s | Cost SM | Evaluated Ottized | Evaluated Utilized | |
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffle | 750 | 534.88 | 750 | \$34.88 | | | | | Dixie | \$14.44 | -\$1.95 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 | 1.20 | \$0.41 | BM | \$47.37 | 2.024 | \$47,78 | 52.04 | HOUSE SHEET, THE SHEET OF SUM AND A STORE OF |
| Drummond 2 | 1/1/04 - 12/31/08 | McDuffle | 2,250 | \$18.79 | 750 | \$34.88 | 750 | \$36.29 | 750 | \$39,08 | Dixie | \$14.44 | -\$1.95 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 | 1.20 | \$0.41 | ВМ | \$48.78 | 2.085 | \$49.19 | \$2.10 | |
| Giencore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 | 518.50 | 300 | \$38.50 | | | | | FOB INT | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1,20 | -\$1.18 | | \$52.94 | 2.135 | \$51,78 | \$2.09 | |
| Guasare | 1/1/04 - 12/31/04 | IMT - Belted | 200 | S4LDB | 200 | \$41.08 | | | | | FOB INT | \$14.44 | | 8.00% | 0.77% | 13,000 | 8,00% | 31.00% | 45 | 1.18 | -\$1.39 | | \$55,5z | 2,135 | \$54.13 | \$2.08 | |
| CMC | 1/1/04 - 12/31/04 | Cerrejon | 400 | 53595 - Alexandre | 400 | \$35.95 | | | | | CIF ECT | \$14.44 | | 8.00% | 0,71% | 11,800 | 11.00% | 33,50% | 45 | 1.20 | \$0.93 | м | \$50.39 | 2.135 | \$51,32 | \$2.17 | Use WT |
| Giencore | 1/1/04 - 12/31/04 | IPA-Geaness | . 300 | 10. 10. 10. | 300 | \$39.10 | | | | | FOB TPA | \$14,44 | | 7.00% | 0.74% | 12,400 | 8,00% | 35.00% | 45 | 1.20 | -\$1,18 | | \$53,54 | 2.159 | \$52.38 | \$2.11 | Not feasible |
| Guarante | 1004 - 12/31/06 | INT - Refind | 1,150 | 1 1000 | 650 | \$40,88 | . 500 | \$41,08 | | | FOB IMT | \$14.44 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | -\$1.19 | | \$55.41 | 2184 | \$54.22 | \$2.12 | Lowest Price Alternative |
| Emerald 1 | 1/1/04 - 12/31/04 | Hobie | 500 | - 200 | 650 | \$40.88 | 650 | \$41.08 | 650 | \$41.60 | FOR IMT | \$14.44 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | -\$1.19 | | \$35.60 | 2.173. | \$\$51.4 | \$2.13 | 3 optional cargoes 05 & 06 not incl |
| Gleacore | 1/1/04 - 12/31/04 | TPA-Rellad | 700 | - 674 | | **1./3 | | | | | FOB Dixie | \$14.44 | -\$1,95 | 7_00% | 0,74% | 12,400 | 8.00% | 35.00% | 45 1 | 1.20 | -\$1,18 | | \$54,24 | 2.187 | \$53,08 | \$2.14 | |
| Glencore | 1/1/04 - 12/31/04 | WT-Belled | 300 | 140 10 | 300 | 540,15 | | | | | FOB TPA | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | -\$1,18 | | \$54.59 | 2.201 | \$51,43 | \$2.15 | |
| Emeraid 2 | 1/1/04 + 12/31/04 | INT | 500 | 547.35 | 500 | \$42.15 | | | | | FOR Dide | 5144 | | 7.00% | 0.74% | 12,400 | 8,00% | 35.00% | 45 1 | 1.20 | -\$1.16 | | \$54,74 | 2.207 | \$53,58 | \$2,16 | - |
| Glençore | 1/1/04 - 12/31/04 | TPA-Geared | 300 | \$40.00 | 300 | \$40,60 | | | | | FOR TPA | 514.44 | -91.85 | 7.00% | 0.747 | 12,400 | 8.00% | 35.00% | 45 1 | .20 | -\$1.16 | | \$54.84 | 2.211 | \$53,68 | \$2.16 | |
| Gloncore | 1/1/04 - 12/31/04 | IMT-Geared | 300 | \$40.80 | 300 | \$40,80 | | | | | FORINT | 514.44 | | 7.00% | 0.747 | 17,400 | 8.00% | 35,00% | | 20 | -\$1.16 | | \$55,04 | 2.219 | \$53,88 | \$2.17 | |
| Transocean | 7/03 - 12/03 | China | 200 | S38.87 | 200 | \$38.87 | | | | | CIF NOLA | 514.44 | | 10.00% | 0.58% | 11 500 | 10.00% | 71 00% | | .20 | 41.16 | _ | \$55.24 | 2,727 | \$54.08 | \$2,18 | |
| AEP No 1 | 1/04 -12/05 | Cal/Ven/US | 2,790 | \$36.00 | 900 | \$35.50 | 900 | \$38.00 | 900 | \$36,50 | FOB NOLA | \$14.44 | \$6,00 | NA | 0.60% | 11306 | NA | NA | NA | .06 | \$1.34 | ARM | 332.31 | 2.318 | \$54.61 | \$2.57 | |
| | | | | 過間 | | | | | | | | | | | | | | | | | | | | 2-10/ | +3/.62 | \$2,56 | Nonspecific Loadpoint, Quality, Freight |

Denotes Waxphied Average of multi-year price

CR 45 Economics Base Seedifications Ash Suller Blut Moletare Vol HG 18.09% 6.79% 12,000 6.85% 51.85% 48

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Note Revised computation re Guasare -Mina Norte and PasaDiablo Jae Attached Error informula.

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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 26 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5

July 03 Solicitation Foreign Water Coals All Bids

| to a state | and the second second | 12 16 2 2 3 | William F | 1 | منابع | 1.05 | Constanting | 12455 | 592.00 | 22.2.2 | 1997 - 1983 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - | 1.1 | Chie | 35.7 | 1.7.7.72 | 1.11 | distant life | 1.0 | 72 | 12 13 1 | 1000 | Let et z | Contraction of the second | - a - Course | 54400 | - | |
|-----------------------|-----------------------|--------------|------------|-----------|---------|---------|-------------|--|--|---|---|-------------|---------|--------|----------|--------|--------------|---------|--------|-------------|----------|----------|---------------------------|--------------|-----------|--------------|---|
| | | AT A STATE | | ter ast | - annel | | | C-MARK | Contraction of the local sectors of the local secto | | | | Baller | 3.4 | 21.57 | 3906-5 | 2 N. | | | | 100 | 20240 | 15005 | Kura Mala ak | Evaluated | | |
| して記念書が | 2011年1月1日 | | | C 193 | 5.7425 | | 10 10 1 | | 自动和 | dia | A Alasha | Seat A seat | C Aste | And S | Salar | Bhill | Hostore | Av. 15% | | | 17.0 | 1.3-2-1 | Sec. Pro- | STALL COM | | | |
| 125-V. Shibbing stars | A CONTRACT OF MICH. | | T | 1000 | | 1 | T T | 1. | 1 | T | | T | 1 | | | | 1 | T | | LIS- GUAUSE | - Canton | 10000 | SHEPTON | | SCOSL SAN | V CHUN TALEN | Notes (Contract, State Print of the Western State Print, State |
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffle | 750 | \$34.88 | 750 | \$34.88 | | | | 1 | Dixie | \$14,44 | -\$1.95 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 1.2 | 50.41 | BM | \$47.37 | 2.024 | \$47.78 | \$2.04 | | Blending brues |
| Drummond 2 | 1/1/04 - 12/31/06 | McDuffie | 2,250 | \$36,29 | 750 | \$34.84 | 750 | \$36.29 | 750 | \$39.06 | Dixie | \$14.44 | -\$1,95 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 1.2 | 50,41 | BM | \$48,78 | C.2.045 | \$49.19 | \$2,10 | | Blending Issues |
| Glenciore | 1/1/04 - 12/31/04 | IMT-Gearless | 30¢ | 511.50 | 300 | \$38.50 | | | | | FOB IMT | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.2 | -\$1.16 | 1 | \$52,94 | 2135 | -\$51,78 | \$2.09 | [| |
| CMC | 1/1/04 - 12/31/04 | Carrejon | 400 | \$3595 | 400 | \$35.95 | | 1 | ľ | | CIFECT | \$14.44 |] | 8.00% | 0.71% | 11,806 | 11.00% | 33.50% | 49 1.2 | 50.93 | M | \$50,39 | 2.135.1 | \$51.32 | \$2.17 | | Use IMT |
| Guasare | 1/1/04 - 12/31/06 | IMT + Belied | 1,150 | 540.34 | 650 | \$40.25 | 500 | \$40.45 | | | FOB IMT | 514.44 | ľ | 8.00% | 0.77% | 12,800 | 8.00% | 31,00% | 45 1.2 | -\$1.19 | 1 | \$54.78 | 3191 | \$53.59 | \$2.09 | | Lowest Price Alternative |
| Guasara | 1/1/04 + 12/31/04 | IMT - Belted | 200 | 540.45 | 200 | \$40,45 | | | |] . | FOB INT | \$14.44 | | 8.00% | 0.77% | 12,800 | 8,00% | 31.00% | 45 1.2 | -\$1,19 | 1 | \$54.89 | 2.144 | \$53.70 | \$2.10 | | |
| Guasare | 1/1/04 - 12/31/08 | IMT - Belted | 1,950 | \$40.55 | 650 | \$40.25 | 650 | \$40,45 | 650 | \$40,96 | FOB IMT | 514.44 | | 8.00% | 0.77% | 12,800 | 8,00% | 31,00% | 45 1.2 | \$1.19 | 1 | \$54.99 | 214 | \$53.80 | \$2.10 | | 3 optional cargoes 05 & 06 not incl |
| Giencore | 1/1/04 - 12/31/04 | TPA-Gearless | 300 | 532.10 | 300 | \$39,10 | | | | | FOB TPA | \$14.44 | | 7.00% | 0.74% | 12,400 | B.00% | 35,00% | 45 1.2 | 5 -\$1.16 | 1 | \$\$3.54 | Z159 | \$52.38 | \$2.11 | | Not lessible |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 500 | \$175. | 500 | \$41.75 | | | | | FOB Dixle | \$14.44 | -\$1.95 | 7.00% | 0.74% | 12,400 | 8.00% | 35,00% | 45 1.2 | -\$1.16 | | \$54,24 | 210 | \$53.08 | \$2.14 . | | |
| Glencore | 1/1/04 - 12/31/04 | TPA-Belted | 300 | -540-15 | 300 | \$40,15 | Į | 1 · | | | FOB TPA | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.2 | -\$1.16 | ļ | \$54.59 | 2 200 | \$53,43 | \$2,15 | l . | |
| Glencore | 1/1/04 - 12/31/04 | IMT-Belled | 300 | \$40.30 | 300 | \$40.30 | | | | | FOB IMT | \$14.44 | · | 7.00% | 0.74% | 12,400 | 8,00% | 35.00% | 45 1.2 | -\$1.16 | | \$54.74 | 2204 | \$53.58 | \$2.16 | | |
| Emeraid 2 | 1/1/04 - 12/31/04 | МТ | 500 | \$47.35 | 500 | \$42.35 | | | | | FOB Dide | \$14.44 | -\$1.95 | 7,00% | 0.74% | 12,400 | 8.00% | 35,00% | 45 1.2 | -\$1.16 | | \$54.84 | 12271 | \$53.68 | \$2.18 | | |
| Glencore | 1/1/04 - 12/31/04 | TPA-Geared | 300 | \$40,60 | 300 | \$40,50 | | | | | FOB TPA | 514.44 | | 7.00% | 0.74% | 12,400 | 8,00% | 35.00% | 45 1.2 | -\$1,16 | | \$55.04 | 2218 | \$53.88 | \$2.17 | | |
| Glencore | 1/1/04 - 12/31/04 | IMT-Geared | 300 | - \$40.80 | 300 | \$40,80 | | | | | FOB IMT | \$14.44 | | 7.00% | Q.74% | 12,400 | 8.00% | 35.00% | 45 1.2 | -\$1.18 | | \$55.24 | 2.227 | \$54.08 | \$2.18 | | |
| Transocean | 7/03 - 12/03 | China | 200 | \$38.87 | 200 | \$38,87 | | 1 | | | CIF NOLA | \$14.44 | | 10.00% | 0.58% | 11,500 | 10.00% | 31.00% | 52 1.0 | \$1.30 | B | \$53.31 | 2.318 | \$54.61 | \$2,37 | | |
| AEP No 1 | 1/04 -12/06 | Col/Ven/US | 2,700 | \$38.00 | 900 | \$35.50 | 900 | \$36.00 | 900 | \$36.50 | FOB NOLA | \$14.44 | \$6.00 | NA | 0.60% | 11300 | NA | NA | NA 1.0 | \$ \$1.38 | ABM | \$56.44 | 12407 | \$57.82 | \$2,56 | | Nonspecific Loadpoint, Quality, Freight |

CR 45 E nice Base Specifi Auth Sulfur Btu Moisture Vol 10.00% 6,70% 52,008 8.00% 31.00%

SOJ Prime \$160

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Docket No. 060658 Progress Energy Florida Exhibit No. _____ (AWP-2) Page 27 of 52

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| Page 27 c | Marker were | 2 60 | an CSX No | 12 sta | on Kom | | | 1 | PROGRES | S FUELS CR 4 and July 0: Solicitati RAIL COA SHORT L | CORPOR d 5 3 ion ALS JST | ATION | / | Gai | use bl | | | | | | Diff |
|---|--|---|--|---|---|--|------------------------------|--|--|--|--|--|---|--|---|--|--|--|--------------|--|---------------|
| Supplier Single Year | Term | onfa I | (000) Weight (ota Avg (ota Avg | 2004 2004 Forst Price | 2005 Tons | 2005-4 2005 Price Tone | v 2006 Price | Transp. Mode 1 | Ship Transp_Raile Cost Cost | r a se 2 r <u>- 1</u> Ann - Sul | Purchase Spa Rur | cifications: Molsture : Vol | HG SOZ | Utilization | Unit 45 Derate - Casi Godes - Cost 5 | Cash Cash | Evaluated Unitzed Cost 1/st | Valuated Utilized Cost \$/M | ACTION TAKEN | Notes | a de |
| AEP No 5a Koch Carbon Koch Carbon Alpha Alpha Dominion | 1/1/04 - 12/31/04 1/04 - 7/04 1/04 - 12/04 . 1/1/04 - 12/03 //04 1/1/04 - 5/30/04 1/1/04 - 12/31/04 | CSX BS Non-specific Non-specific McClure McClure McClure | 200 \$32,00 148 \$34,25 240 \$34,50 134,50 130 \$34,50 130 \$34,50 360 \$33,00 | 300 \$32.04 140 \$34.25 240 \$34.56 360 \$34.56 180 \$34.56 360 \$34.56 | | | | CSX BS CSX BS CSX BS CSX CL CSX CL CSX BS | \$17,00 \$1.75 \$17,00 \$1.75 \$17,00 \$1.75 \$16,60 \$1.75 \$16,60 \$1.75 \$17,08 \$1.75 | 12,00% 0.73 10,00% 0.74 10,00% 0.74 10,00% 0.77 10,00% 0.77 10,00% 0.75 | 5% 12,500 8% 13,000 8% 13,000 7% 12,800 7% 12,800 5% 12,500 | 8.00% 30.00 8.00% 32.50 8.00% 32.50 7.50% 28.00 7.50% 28.00 8.00% 31.00 | X 42 1.20 X 43 1.20 X 43 1.20 X 65 1.20 X 65 1.20 X 65 1.20 X 42 1.20 | \$1.27 -\$0.74 -\$0.74 -\$0.34 \$0.34 -\$0.33 | V \$50.7 \$53.0 \$53.2 V \$52.8 V \$52.8 \$53.2 | 5 2.030 0 2.038 5 2.048, 5 2.064 5 2.064 5 2.064 5 2.070 |) \$52,62 \$52,25 \$52,51 \$53,19 \$53,19 \$51,42 | \$2.08 \$2.01 \$2.02 \$2.08 \$2.08 \$2.08 \$2.06 | | Chacking to make BS spec Tons same for now Tons same for now Must be Blended Must be Blended | Have the part |
| MattheYear | Walt | ļ | F 17 204 24 | ······································ | / 2 | set is f | -1 25 | ~~ , | | | | | | | | | | | | r | |
| Koch Carbon 3 AEP No 2 Alliance No 2 Massey 3a | 1/04 - 12/05 1/1/04 - 6/30/06 1/1/04 - 12/31/06 1/04 - 12/04 | Non-specific Damron Fork MC Mining Bandmili | 240 \$35.05 900 \$35.00 900 \$34.00 2,160 \$33.00 | 240 \$35,05 300 \$35,00 300 \$34,00 720 \$32,50 | 240 \$ 300 \$ 300 Ri 720 \$ | 35.05 35.06 300 sopen 300 33.00 720 | \$35,00 Reopen \$33,50 | CSX BS CSX BS CSX BS CSX Kan | \$17.00 \$1.75 \$17.00 \$1.75 \$17.00 \$1.75 \$18.39 \$1.75 | 10.00% 0.78 10.00% 0.77 9.00% 0.75 13.00% 0.73 | 8% 13,000 7% 12,800 5% 12,500 1% 12,100 | 8.00% 32.50 8.00% 32.50 8.00% 32.00 8.00% 30.00 | 43 1.20 44 1.20 42 1.20 42 1.20 | -\$0.74 -\$0.59 -\$0.63 \$1.89 | \$53.84 \$53.75 \$52.75 AV \$53.14 | 2.069 5 2.100 5 2.110 6 2.196 | \$53.46 \$53.18 \$52.12 \$55.83 | \$2.04 \$2.08 \$2.08 \$2.08 | | Same tons as above for no Reopener 05 and 08 | ~~~ |
| But the of many | We por Por com the com the com more the more the more the more the | the cal | 2/4 I parte parte parte ca | They have Ruchase During During Dirk M Disaus Lisaus Lisaus Lisaus Lisaus Lisaus Lisaus Lisaus Lisaus | the two 5. 75. indet | o of for ich (so sold (so mere offer sold (sold | 20- all the stand | Jun 1 1 they wing they wing | -Der Der Doog an Gen Ma Jo 2 have 2 have 2 have 3 shop | - 140 2 - 1 | 25 50 0,00 pirk 1 Hay 0 Dec r public N re | e specificatione Molative Val 2007 351.007 Denth perth 2014 4 lenn Direct 4 Direct 4 | Har | N Po Do Do Do Do Do Do | te: Del unt unt come t come f f g g g g g g | a for a constant of the second | Contraction of the second seco | . (coof ^c | (ملىغ | PEF-FUEL-004772 | -l |

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 28 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation RAIL COALS ALL BIDS

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|----|-----------------|-------------------|--------------|----------|----------|-------|----------|--------|--------------------|---|-----------------------|-----------|-----------------|-----------|--------|--------------|---------------------------------------|------------|--------------|------------------------|---------------|---------|-----------|---|--------------------|-----------------------|--------------|-----------------------------------|
| 4 | No. | Serie String | | 5 (000), | Weight | | | A STAT | | | | | | Ship of | | A Pure | i ingu | cification | - | | Unitrat | Unit 4 | S Cash | Cash | Evaluated | Evaluated Utilized | | |
| | - Bupplier | a Term | Origin | Long | Are Hice | Stone | S Price: | Tons | Price | Tons | Price | Mode | Cost | Costs | Ash | Sulfur | авы т | Moisture | 2 Vol 3 | HGISSO | 2 Cost | t Code | Cost S | t Cost S/M | +Cost.5/st | Cost S/M | ACTION TAKEN | Notes |
| | AEP No Sa | 1/1/04 - 12/31/04 | CSX BS | 300 | \$32.00 | 300 | \$32.00 | | | | | CSX BS | \$17.00 | \$1.75 | 12.00% | 0.75% | 12,500 | 8.00% | 30.00% | 42 1.2 | a \$1.2 | · · | \$50.75 | 2.030 | \$52.02 | \$2.08 | | 85/Kan at sellers option? |
| | Kuch Carbon 1 | 1/04 - 7/04 | Non-specific | 140 | \$36.25 | 140 | 534.25 |] | | | | CSX BS | \$17.00 | \$1,75 | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 1.2 | 0 -\$0.7 | • | \$53,00 | 2.038 | \$52.28 | \$2.01 | | |
| | Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 | 134.50 | 240 | \$31.50 | | | | | CSX BS | \$17.00 | \$1.75 | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 1.2 | o -50.7 | • | \$53.25 | 2.048 | \$52.51 | \$2,02 | | |
| | Alpha | 1/1/04 -12/31/04 | McClure | 360 | \$34.50 | 360 | \$34.50 | { | | | | CSX CL | \$16.60 | \$1.75 | 10.00% | 0.77% | 12,800 | 7.50% | 28,00% | 65 1.2 | so.3 | | V \$52.85 | 2.064 | \$53.19 | \$2.08 | | Must be Blended |
| | Alpha | 1/1/04 -6/30/04 | McClure | 180 | 134.50 | 180 | \$34.50 | | | | | CSX CL | \$16,60 | \$1.75 | 10.00% | a.77% | 12,800 | 7.50% | 28.00% | 65 1.3 | a \$0.3 | • | V \$52.85 | 2.064 | \$53,19 | \$2.08 | | Must be Blended |
| | Koch Carbon 3 | 1/04 - 12/05 | Non-specific | 245 | \$35.05 | 240 | \$35.05 | 240 | \$35.05 | | | CSX BS | \$17.00 | \$1.75 | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 1.3 | o -\$0.7 | • | \$53,80 | 2,069 | \$53.06 | \$2,04 | (| · · · |
| | Dominioa | 1/1/04 - 12/31/04 | MC Mining | 360 | \$43.00 | 360 | \$33.00 | | | | | CSX BS | \$17.00 | \$1.75 | 16.00% | 0.75% | 12,500 | 8.00% | 31.00% | 42 1.7 | :0 -50.7 | 3 | \$51.75 | 2.070 | \$51.42 | \$2,06 | | |
| | AEP No 5b | 1/1/04 - 12/31/04 | CSX Kan | 300 | \$32.00 | 300 | \$32,00 | | | | | CSX Kan | \$18.39 | \$1.75 | 12.00% | 0.75% | 12,500 | 8.00% | 30.00% | 42 1.3 | 0 \$1.2 | r l | V \$52.14 | 2.086 | . \$53,41 | \$2.14 | | BS/Kan at sellers option? |
| | AEP No 2 | 1/1/04 - 6/30/08 | Damron Fork | 500 | \$35.00 | 300 | \$35.00 | 300 | \$35,00 | 300 | \$35.00 | CSX BS | \$17.00 | \$1.75 | 10.00% | 0.77% | 12,800 | \$.00% | 32.50% | 44 1.3 | .oz-so.s | • | \$53.75 | 2,100 | \$53.16 | \$2,08 | | |
| | Alliance No 1 | 1/1/04 - 12/31/04 | MC Mining | 300 | \$34.00 | 300 | \$34.00 | 1 | | | | CSX BS | \$17.00 | \$1.75 | 8.00% | 0.75% | 12,500 | 8,00% | 32_00% | 42 1.3 | 10 -\$0.6 | 3 | \$52.71 | 2.110 | \$52.12 | \$2_08 | \ . | |
| | Alilance No 2 | 1/1/04 - 12/31/06 | MC Mining | 900 | \$34.00 | 300 | \$34.00 | 300 | Reopen | 300 | Reopen | CSX BS | \$17.00 | \$1.75 | 8.00% | 0.75% | 12,500 | 8.00% | 32,00% | 42 1.3 | .0 -\$0,6 | 3 | \$52.75 | 2.110 | \$52 . 12 | \$2.08 | | Reopener 05 and 05 |
| | Peabody 1 | 1/04 -12/04 | Synergy Mine | 548 | \$4.25 | 540 | \$34,25 | | | | | CSX Kan | \$18.39 | \$1.75 | 12,00% | 0.75% | 12,500 | 7,00% | 31,00% | 44 13 | 50.1 | , | \$54.3 | 2.178 | \$54.56 | \$2,18 | und. | |
| | Massey 1a | 1/04 - 6/04 | Bandmill | 360 | \$31.00 | 360 | 00.662 |] | | | | CSX Kan | \$18.39 | \$1.75 | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1.3 | 51.8 | 9 A | V \$53.1 | 2,196 | \$55.03 | \$2.27 | | |
| | Massey 2a | 1/04 - 12/04 | Bandmilt | 720 | \$33.00 | 720 | \$33.00 | 1 | | l | | CSX Kan | \$18.39 | \$1.75 | 13.00% | 0.73% | 12,100 | B.00% | 30.00% | 42 1. | 20 \$1.5 | • • | V \$53.1 | 2.195 | \$55,03 | \$2.27 | | 1 |
| | Massey Ja | 1/04 - 12/04 | Bandmill | Z,160 | \$33.00 | 720 | \$32.50 | 720 | \$33.00 | 720 | \$33,50 | CSX Kan | \$18,39 | \$1.75 | 13.00% | 0.73% | 12,100 | 8,00% | 30.00% | 42 1.3 | 20 \$1.8 | • • | V \$53.14 | 2.156 | \$55.03 | \$2.27 | | [|
| | Arch | 1/1/04 - 6/30/04 | Logan | 300 | 54.25 | 300 | \$34.25 | [| | | | CSX Kan | \$18.39 | \$1.75 | 13_00% | 0.72% | 12,000 | 8.00% | 32.00% | 45 1. | 20 \$0.S | , | A \$54.3 | 2.265 | \$55,36 | \$2.31 | | Low price - see bid for add'i |
| | Central Coal Co | 1/1/04 - 12/31/04 | Kan Eagle | 480 | \$35.75 | 480 | \$35,75 | | | | | CSX Kan | \$18.39 | \$1.75 | 12.00% | 0.74% | 12,300 | 8.00% | 31,00% | 42 1. | 50.4 | 2 | \$55.81 | 2.272 | \$56.31 | \$2.29 | 1 | 75 car capacity only |
| | B&W Resources | 1/1/04 - 12/31/04 | B&W Hazard | 120 | \$40.00 | 120 | \$40.00 | | | | | CSX Jel | \$16.87 | \$1.75 | 10.00% | 0.75% | 12,500 | 8.00% | 32.00% | 42 1. | -50. | 3 | \$58.6 | 2.345 | \$58,29 | \$2.33 | | |



SC2 Price

\$160

Docket No. 060658 Progress Energy Florida Exhibit No. ____(AWP-2) Page 29 of 52

| | D" WA | TER | | |
|--|--------------------------|-------------------|--------------------------|--------------------------|
| Required Water Delivery | <u>2004</u> 2,100,000 | 2005 2,100,000 | <u>2006</u> 2,100,000 | <u>2007</u> 2,100,000 |
| Existing contracts: Massey | 633,000 0 | 210,000 | 0 | 0 |
| Total Committed Contracts | 633,000 | 210,000 | 0 | 0 |
| Total Open Position | 1,467,000 | 1,890,000 | 2,100,000 | 2,100,000 |
| Potential Contract Suppliers: | | | | |
| Guasare #1 (3) | 200,000 | 0 | 0 | . 0 |
| Guasare #2 (3) | 550,000 | 650,000 | 650,000 | U O |
| Black Hawk/Calla Syntuel (3) | 1 275 000 | 1 175 000 | 650,000 | 0 |
| lotai | 1,275,000 | 1,175,000 | 000,000 | <u> </u> |
| Potential Spot or Additional | | | | |
| Contract Purchases: | 192,000 | 715,000 | 1,450,000 | 2,100,000 |
| Allocation: | | | | |
| % Existing contract to requirement | 30.1% | 10.0% | 0.0% | 0.0% |
| % Potential contract to requirement | 60.7% | 65.5% | 31.0% | 31.0% |
| % Total contract to requirement | 90.8% | 75.5% | 31.0% | 31.0% |
| % Potential spot or additional contract to requirement | 9.2% | 24.5% | 69.0% | 69.0% |
| Note: (1) BOLD denotes reopener or potential reopener. (2) The open positions, each year, will be filled with a % to main- tain approximately a 80/20 spot to contract on total burn. (3) Based upon results of the 2004 solicitation. | | | | 7/28/03 2:55 PM |
| | | | | |

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-2) Page 30 of 52

SUPPLY ASSESSMENT

| <u>"D"</u> | Rail | Contracts | |
|------------|------|-----------|--|
|------------|------|-----------|--|

| | <u>2004</u> | 2005 | 2006 | <u>2007</u> |
|------------------------------------|-------------|-----------|-----------|-------------|
| PROJECTED BURN | 3,838,000 | 4,098,000 | 3,921,000 | 3,931,000 |
| Minus Water Delivered Coal | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Equals Net Rail "D" Delivered Coal | 1,738,000 | 1,998,000 | 1,821,000 | 1,831,000 - |
| Existing contracts: | | | | |
| Massey | 600,000 | 100,000 | 0 | . 0 |
| Amvest | 212,000 | 0 | 0 | 0 |
| AEP/Quaker | 400,000 | 0 | 0 | 0 |
| Alliance | 300,000 | 300,000 | 300,000 | 300,000 |
| Total Committed Contracts | 1,512,000 | 400,000 | 300,000 | 300,000 |
| Total Open Position: | 226,000 | 1,598,000 | 1,521,000 | 1,531,000 |
| Potential Contract Suppliers: | | | | |
| AEP/Quaker (3) | 0 | 200,000 | 200,000 | · 0 |
| Alliance (3) | 0 | 200,000 | 200,000 | 0 |
| Amvest (3) | 0 | 212,000 | 212,000 | 0 |
| Massey (3) | 0 | 400,000 | 400,000 | 0 |
| Koch Carbon (4) | 140,000 | 0 | 0 | 0 |
| Total | 140,000 | 1,012,000 | 1,012,000 | . 0 |
| Potential Spot Purchases: | 86,000 | 586,000 | 509,000 | 1,531,000 |
| Allocation: | | | | |
| % Existing Contract to burn: | 87.0% | 20.0% | 16.5% | 16.4% |
| % Potential contract to burn | 8.1% | 50,7% | 55.6% | 55.3% |
| % Total contract to burn | 95.1% | 70.7% | 72.1% | 71.7% |
| % Potential spot to burn | 4.9% | 29.3% | 27.9% | . 28.3% |
| Notes | | | • | |

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Notes: (1) BOLD denotes reopener or

(1) Database in the second s

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Docket No. 060658 Progress Energy Florida Exhibit No. ____(AWP-2) Page 31 of 52

SUPPLY ASSESSMENT

"A" Rail Contracts

| | 2004 | 2005 | <u>2006</u> | 2007 |
|------------------------------|-----------|-----------|-------------|-----------|
| PROJECTED BURN | 2,241,000 | 2,252,000 | 2,231,000 | 2,239,000 |
| Existing contracts: | | | | |
| Consol | 1,000,000 | 1,000,000 | 1,000,000 | 0 |
| Massey | 600,000 | 150,000 | 0 | 0 |
| AEP/Quaker | 480,000 | 0 | 0 | <u> </u> |
| Total Committed Contracts | 2,080,000 | 1,150,000 | 1,000,000 | 0 |
| Total Open Position: | 161,000 | 1,102,000 | 1,231,000 | 2,239,000 |
| Potential Contracts: (2) | . 0 | 716,300 | 677,050 | 1,567,300 |
| Potential Suppliers: (3) | | | | |
| AEP/Quaker | 0 | 100,000 | ·200,000 | 200,000 |
| Consol | 0 | 100,000 | | • |
| Massey | 0 | 400,000 | 400,000 | 400,000 |
| Total | 0 | 600,000 | 600,000 | 600,000 |
| Remaining Open Position | 0 | 116,300 | 77,050 | 967,300 |
| Potential Spot: (2) | 161,000 | 551,000 | 492,400 | 895,600 |
| Allocation: | | | | |
| % Existing Contract to burn: | 92.8% | 51.1% | 44.8% | 0.0% |
| % Potential contract to burn | 0.0% | 31.8% | 30.3% | 70.0% |
| % Total contract to burn | 92.8% | . 82.9% | 75.1% | 70.0% |
| % Potential spot to burn | 7.2% | 17.1% | 24.9% | 30.0% |

Notes: (1) BOLD denotes reopener or potential reopener. (2) For 2004 the Open Position will be filled by spot purchases only. For the remaining years, a % will be. used to maintain approximately a 70/30 spot to contract on total burn. (3) Potential contract extensions from existing suppliers.

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PEF-FUEL-004776

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۰.. Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-2) Page 32 of 52 .. : • 2004 RFR Evoluation: i) master Fist - All Bids Foreign Water - All 4) Horeign Water-HII 3) Domestic Water-AII 4) Eastern Rail-AII 5) Western Rail-AII-(Two Gpres) PEF-FUEL-004957

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 33 of 52

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PROGRESS FUELS CORPORATION CR 4 and 5 Master Listing-All Categories (First Run)

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| | | | (Ö | 00) | 1.153 | 202 | A-4-4 | | 1000 | | (Luce in sec. | | Million and | 1. No. 1249 | 2/14/70-11/2 | | | | | | | | | | | | | |
|---------------|------------------------------|------------------------|-------------|--------------|--------------|---------------|----------|--------|---------|------|---------------|-----------|----------------|----------------|---------------------------------------|----------------|----------|----------------|------------|-----------|------------|------------|----------|------------|--------------------|----------------|-----------------------|---|
| | | | | | | 20042 | 2004 | 2005 4 | 2005 | 2006 | 2006 | | | ST Shi | | | 125 | 1.00 | | 12 | | Unit | 4. | | | | Sector and the second | |
| AFR | and the second second second | Contrained Only in the | | is Side | nice and a | Tons | Price - | Tans | Price | Tons | Price | L. Mode | s Co | d Co | ter ThAsh | Sutter | hase Sp | eclificatio | of a state | | Outate | oni I Dera | ili) i c | sh-Ca | LONUT | Craha | lects starts that | |
| AEP N | - 1/04 -12/0 | 6 Coi/Ven/US | 52 | 700 \$3 | 6,00 | aoo 1 | \$35.50 | 800 | \$36.00 | 900 | \$36.50 | FOB NOL | A \$14. | 44 58. | 00 N.A | 0.849 | 44300 | MOREOR | Vola | E HGI 250 | DZ Cost/s | Cod | Con | Wel Cost | MGost | ST Cost S | MAL STACTION TO | GN ¹ Notes |
| AEP NO | 2 1/1/04 - 6/30 | /06 Damron For | rk | 900 53 | 5.00 | 300 \$ | \$35.00 | 300 | \$35.00 | 300 | \$35.00 | CSX 85 | \$ \$17. | 00 \$1. | 75 10 000 | | 11300 | NA | NA | NA 1.1 | 06 \$1_38 | AE | BM \$56 | 4 2.0 | \$57.5 | 2 \$2,54 | <u> </u> | Nonspecific astronation Outline Section |
| AEP No | 3 1/1/04 - 12/31 | 1/06 PRB | w 1, | 500 \$15 | 1 ,10 | 500 5 | 519.10 | 500 | \$19,10 | 500 | \$19,10 | FOB Barg | 34 \$16. | 50 Xa. | 10 5 50m | 0.1720 | 12,800 | 8.00% | 32.50% | 44 1.3 | 10 -\$0.50 | ŀ | \$53 | 75 2210 | SI.10 | \$2.08 | 5 | traight |
| AEP No | 4 1/1/04 - 12/31 | /05 PRE unspecific | - 1, | 500 \$13 | L10 ; ; | 500 \$ | 18,10 | 500 ; | \$18,10 | 500 | \$18,10 | FOB Bard | 19 316. | 50 Stn. | 10 5 50m | 0,3376 | 4,800 | 27.00% | 35.00% | 50 0.3 | 10 \$2.68 | в | NI \$35. | 50 12.02 | \$38.28 | 5 · \$2.17 | , 7 | Cook Coal Terminal - Palideate and a de se |
| AEP Ng | 5 1/1/04 - 12/31 | /04 CSX Kan | ; | 300 \$12 | 100 : | 300 \$ | 32.00 | | | | | CSX Kar | 518.: | 19 51 1 | 5 13 onw | 0.34% | 8,400 | 27.00% | 35.00% | 50 0.8 | 0 \$3.01 | в | M \$34. | 50 Z 080 | 10.7CF | \$7.24 | ı – | Cook Goal Terminal - Pallitente and G to so |
| Allance | lo 1 1/1/04 - 12/31 | /04 MC Mining | : | 300 \$34 | .00 ; | 300 \$ | 34.00 | | | | | CSX RS | \$17 / | | · · · · · · · · · · · · · · · · · · · | 0./3% | 12,500 | 8.00% | 30.00% | 42 1.2 | 0 \$1.27 | | V \$52, | 14 WZ056 | S \$53.41 | \$2.14 | I | BS/Kan of rolling online This is the |
| Altiance N | ia 2 1/1/04 - 12/31/ | 06 MC Mining | 5 | HOO \$34. | .00 3 | 100 \$3 | 34.00 | 300 R | eopen | 300 | Regnes | CSX 85 | \$17.0 | ·· • | 5 9.00% T | 0.75% | 12,500 | 8.00% | 32.00% | 42 1.2 | 0 -\$0.63 | | \$52. | 5 2110 | \$52.12 | \$2,08 | | association penetra optionita i his is likely case 12 |
| Alpha | 1/1/04 -12/31/ | 04 McClum | 3 | 180 534 | .50 J | 150 \$3 | 34.50 | | | | | CSY C | **** | a | 5 9.00% | 6.75% | 12,500 | 8.00% | 32,00% | 42 1_2 | -\$0.63 | | \$52, | 5 - 2110 | 弱 \$52.12 | \$2.08 | | Responses DE word on |
| Alpha | 1/1/04 -6/30/0 | 4 McClure | 1 | 80 \$34. | 50 f | 80 \$3 | 14.50 | | | | | CRY C | **** | u 91./ | 5 10.00% | 0.77% | 12,800 - | 7.50% | 28,00% | 65 1.20 | \$ \$0,34 | ÷ • | V \$52,8 | 5 2064 | 19 19 \$53.19 | \$2.08 | | Must be Breed of |
| Arch | 1/1/04 - 6/30/0 | 4 Logan | c | 00 \$34 | 25 3 | 00 5 3 | 14.25 | | | | | | 316.6 | Ø \$1.7 | 5 10,00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 1.20 | \$0.34 | · , | V \$52,8 | 5 2064 | \$51.19 | \$2.04 | | must be Biended |
| Arch | 1/01/04 - 6/30/0 | V4 PRB - Mark Thomas | - 31 | 00 \$6.3 | IU 31 | 00 SI | 5.30 | | | | | LOA MIR | \$18.3 | \$ \$1.7 | 13.00% | 0.72% | 12,000 | 8.00% | 32,00% | 45 1.20 | \$0.97 | , | A \$54.3 | 9 21255 | \$55.30 | 52.31 | | Must be Blended |
| Arch | 1/1/04 - 12/31/0 | 6 Logan | 50 | 10 \$34.5 | 50 50 | 00 534 | 4.50 5 | 00 51 | 14.50 | 500 | \$74 ER | Man | 514.4 | \$15.9 | 5 6.00% | 1.35% | 8,800 | 28.00% | 35.00% | 50 0.80 | \$2,91 | BM | 1 \$36,6 | | \$39,60 | 52.75 | | Low price - see bid for add1. |
| B&W Resour | Cas 1/1/04 - 12/31/0 | 4 B&W Hazard | 12 | 10 \$40.0 | 10 12 | 20 \$40 | 0.00 | | | | ****** | Cask Kan | \$18.35 | \$1.75 | 13,00% | 0,72% 1 | 12,000 | 8.00% | 32.00% | 45 1.25 | \$0.97 | , | \$54.6 | 1 5227A | \$55.61 | \$7 17 | ~ | cowest price - see bid for add'i oplions |
| Central Coal | Co 1/1/04 - 12/31/0 | 4 Kan Eagle | 48 | IG \$37.0 | 0 48 | 10 \$37 | 7.00 | | | | | Cax Jai | \$16,87 | \$1.75 | 10.00% | .75% 1 | 2,500 | 1.00% | 32,00% | 4Z .1.20 | -\$0,33 | | \$58,6 | 1912 F | \$58.29 | \$7.13 | 35 | Caps/Reopeners associated |
| Central Coal | Co 1/1/04 - 12/31/0 | 4 Kan Eagle | 48 | 0 \$35.7 | 5 48 | 0 535 | \$75 | | | | | Kan barge | \$24,50 | | 12.00% (| .74% 1 | 2,300 | 8.00% | 31.00% | 4Z 1.20 | \$0.42 | | 581,5 | 2500 | 56192 | |)49 | |
| СМС | 1/1/04 - 12/31/04 | Cerrejon | 40 | 0 \$35.9 | 5 40 | 0 \$35 | 195 | | | | | CSX Kin | \$18,39 | \$1.75 | 12,00% (| .74% 1 | 2,300 | 8.00% | 31.00% | 42 1,20 | \$0.42 | | \$55,89 | 清朝時 | 358.31 | 52.32 | ĕ | |
| Dominion | 1/1/04 - 12/31/04 | MC Mining | 36 | 533.0 | 35 | Q \$33 | 100 | | | | · | CIF ECT | \$14.44 | | 8.00% 0 | 71% 1 | 1,800 1 | 1.00% : | 33.50% 4 | 49 1.20 | \$0.93 | м | \$50.31 | 2135 | 391 37 | + | ਸ਼ <u>ੇ</u> . | 75 car capacity only |
| Drummond | 1 1/1/04 - 12/31/04 | McDuffle | 750 | \$34.82 | 750 | 0 \$34 | | | | | | CSX 85 | \$17.00 | \$1,75 | 10.00% 0 | .75% 13 | 2,500 1 | LQ0% 3 | 31.00% 4 | 42 1.20 | -\$0,33 | | \$51.75 | 2.070 | 351.47 | 40.17 53.04 | 5 | Use WT |
| Drummond : | 2 1/1/04 - 12/31/06 | McDuffle | 2,250 | \$36.29 | 750 | 0 534 | .88 75 | | | | | Dbcle | \$14.44 | -\$1.95 | 5.00% 0 | 70% 11 | 1,700 1 | 4.08% 3 | 1.00% 4 | 1.20 | \$0.41 | ВМ | \$47.37 | 14 D 44 | \$47.78 | 52.04 | Ę. | |
| DTE 1 | 1/1/04 - 6/30/04 | PRB | 168 | \$8,15 | | | | - 40 | | au 1 | 134.06 | Dixie | \$14.44 | -\$1.95 | 5.00% 0. | 70% 11 | ,700 1 | 4.00% 3 | 1.00% 4 | 4 1.20 | 50.41 | BM | \$48,78 | 2015 | 249.18 | 17.44 | 臣 | Blending lasues |
| DTE 2 | 1/1/04 - 12/31/04 | PRB | 336 | \$8.35 | | | | | | | | FOB Car | \$14.44 | \$15,95 | 6.00% D. | 35% 8 | 800 27 | 7.00% 3 | 5.00% 5 | 0 0.80 | \$2.81 | BM | \$36,54 | · | 519.14 | +2.10 | പ | Blending Issues |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 506 | \$41.75 | 500 | 5413 | 75 | | | | | FOB Car | 514.44 | \$15,95 | 6.00% 0. | 15% 8 | ,800 27 | 7.00% 3 | 5.00% 50 | 05.0 | \$2.81 | i BM | \$38,74 | 1200 | 519.65 | *2.4 | | FOB Ralicar - Note SOZ premium |
| Emeraid 2 | 1/1/04 - 12/31/04 | ilet" | . 500 | \$42.35 | 500 | \$47.5 | | | | | i | FOB Ditle | 514.44 | -\$1.95 | 7.00% 0 | 4% 12 | ,400 8. | .00% 3: | 5.00% 43 | \$ 1,20 | -\$1.16 | | \$54.24 | | | *4.25 | | FOB Railcar - Note SO2 premium |
| Giencore | 1/1/04 + 12/31/04 | IMT-Belted | 300 | \$40.30 | 300 | 540.0 | | | | | F | OB Disie | \$14.44 | -\$1.95 | 7.00% 0.7 | 4% 1Z | 400 8. | .00% 35 | 5.00% 45 | 5 1.20 | \$1.18 | | \$54.84 | | 433,08 | 32.14 | | |
| Glencore | 1/1/04 - 12/31/04 | IMT-Geared | 300 | \$40.30 | 300 | | | • | | | 1 | FOB INT | \$14.44 | | 7.00% 0.3 | 4% 12, | 400 B. | 00% 35 | 5.00% 45 | i 1.20 | \$1.18 | | \$54.74 | | | \$2.16 | | • |
| Glencore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 | \$17.50 | 300 | | ~ | | | | 1 | FOB IMT | 514.44 | | 7.00% 0.7 | 4% 12,· | 400 8. | 00% 35 | i.00% 45 | 1,20 | -51.16 | | \$53.24 | | \$33.38 \$64.05 | \$2.16 | | |
| Glencore | 1/1/04 - 12/31/04 | TPA-Belled | 300 | 540 15 | 100 | +30.5 | - | | | | , | -08 IMT | \$14.44 | | 7.00% 0.7 | 4% 12,4 | 400 8.0 | NO% 35 | i.00% 45 | 1.20 | -\$1,16 | | \$52.94 | | 939.08 | \$2.18 | · · | 1 |
| Giencore | 1/1/04 - 12/31/04 | TPA-Geared | 300 | \$40 m | | 340.1 | . | | | | F | OB TPA | \$14.44 | | 7.00% 0.7 | 6% 12,4 | 608 B.C | XX 35. | .00% 45 | 1.20 | -\$1.16 | | 554 50 | | +31./4 | \$2.09 | | |
| Giencore | 1/1/04 - 12/31/04 | TPA-Gearless | 300 | \$19.10 | 300 | 340.6 | | | | | , F | OB TPA | \$14.44 | | 7.00% 0.7 | 12,4 | 100 8.0 | 0% 35. | .00%, 45 | 1.20 | -\$1.16 | | \$55.04 | | 333,43 873 ee | \$2.15 | | Not feasible - too much trucking |
| Guasare | 1/1/04 - 12/31/04 | MT - Balted | 200 | 540.45 | 200 | 272.10 | - | | | | F | OB TPA | \$14.44 | | 7.00% 0.7 | 12,4 | 00 8.0 | 10% 35. | .00% 45 | 1.20 | -\$1.16 | | \$53.54 | | 403.86 | \$2,17 | | Not feasible - too much trucking |
| Guasare | 1/1/04 - 12/31/09 | INT - Belted | 1 150 | 640 74 | 200 | \$40.45 | 5 | | | | F | ob imt | \$14.44 | | 8.00% 0.7 | % 12,8 | 00 8.0 | 0% J1, | 00% 45 | 1.20 | -\$1.19 | | \$54.80 | | 352,38 | \$2_11 | | Not feasible - too much trucking |
| Gussare | 1/1/04 - 12/31/06 | IMT - Belted | 1955 | \$40.5K | 930 | \$40.25 | 5 500 | \$40.4 | 5 | | F | | 514.44 | | 8.00% 0.77 | % 12,8 | 00 8.0 | a% 31.1 | 00% 45 | 1.20 | -\$1.19 | | 554.78 | | 353,70 | \$2.10 | | Make certain on blu guar on all 3 bids |
| Infinity | 1/01/04 - 12/31/07 | Panther | 1,000 | 570.35 | 650 | \$40.25 | 650 | \$40.4 | 5 850 | \$40 | 1.96 FC | or imit s | 514.44 | | 8.00% 0.77 | % 12,8 | 0.8 00 | 0% J1.(| 00% 45 | 1.20 | \$1.19 | | 154 BA | | 453,59 | \$2.09 | | Lowest Price Alternative (one of many options) |
| Infinity | 1/01/04 - 12/31/07 | Panther | 1,000 | *36./3 | /30 | \$36.75 | 750 | \$36.7 | 5 750 | \$36 | L75 FO | 6 barge 5 | 24.50 | | 8.00% 0.77 | × 12,00 | 00 8,00 | 0% 31.0 | 0% 45 | 1.20 | \$1.19 | | | | 223.80 | \$2,10 | | 3 optional cargoes 05 & 06 not incl |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | ****** | 159 | \$35,95 | 750 | \$35,9 | 5 750 | \$35 | .95 FO | B barge Ş | 24,50 | 1 | 0.00% 0.75 | * 12,50 | X0 8.00 | 7% 31.0 | 10% 45 | 1.20 | \$0.34 | | 100.45 | | 300.06 | \$2.35 | Sold - bid withdrawn | FOB Dock Quincy FOB Barge Shrewsbury |
| Kennecolf | 7/01/03 - 12/31/04 | String Cousts | 100 | +5.50 | | | | | | | U | ip,BN \$ | 14.44 .\$ | 15.95 | .82% 0.48 | 6 8,70 | 10 27.7 | 2% 32.1 | 9% 54 | 1.10 | 53.13 | 84 - | 16.00 | 新福 | \$60.11 | \$2,40 \$ | Sold - bid withdrawn | FOB Dock Quincy-FOB Barge Shrewsbury |
| Koch Carbon 4 | 1/04 - 7/04 | Non-supella | 300 | 36.75 | | | | | | | | BN Ş | 14.44 \$ | 15.95 4 | .00% 0.34 | 6 9,35 | i0 24,91 | 0% 3Z.4 | 3% 55 | 0.73 | 51.40 | DI - | | | \$39.22 | \$2.25 | | 03 lons are 0.65 less |
| | 104 - 1104 | won-specific | 140 | \$34,25 | 140 | \$34.25 | | | | | Ç5 | SX BS \$ | 17.00 \$ | 1.75 1 | | 4 13,00 | 0 8,00 | % 32 5 | 0% 41 | 1 20 | to 74 | | 57.14 | 57.988 (S) | \$38,54 | \$2.06 | | 03 tons are 0.25 less |
| | | | | | | | | | | | | | | | | | | | -10 43 | 1.20 4 | au.74 | \$ | 33.00 | 2.038 | \$52.26 | \$2.01 | | · |

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 34 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 Master Listing-All Categories (Frat Run)

| | | | £ (000) | | L.A. | | 20T | | | tet ge | | | Shipo | 925 S | | | | | 120 | | 1 | fair 45 | 41-417e | 1 | Evaluated | Evaluated | | | 100 M 100 C | 19 C - S | (). | |
|---------------|--------------|------------------|----------------------------------|---------|------|---------|------|---------|------|---------|--------------|---------|---------|---------------|-----------|----------|----------|--------------|--------|--------------|--------------|---------|-----------|----------|------------|-----------|--------------|------------|------------------|-----------------------|-----------------|----------------|
| Sunolina | | | ic Intelli Totali Victoria | | 2004 | 2004 | 2005 | 20054 | 2006 | 2004- | Hoel tamp to | Hennit | Railcas | <u></u> | Purch | tse Spe | dication | 6 - C.P. (1) | | T UI | Itzation - I | Derate. | Cash | Carl | Unitzad. | Utilized | | | | 1000 | | |
| | | | | | | | | | | | | | | Con Page 14/2 | unterled. | -010,346 | MUNDUR | R. YAOP MA | Helest | <u>12 </u> L | -OBVST-11-1 | odes i | Cost \$/s | Cost S/M | Cost Site: | Cost SIMS | #CACTION TAN | (ENSe of N | bles with Mark | and the second second | Terrar an and | and the second |
| Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 | \$34,50 | 240 | \$34,50 | | | | | C5X 85 | \$17.00 | \$1.75 | 10.00% 0; | 78% 1 | 13.000 | 8.00% | 32,50% | 43 1. | 20 - | -\$0,74 | | \$53.25 | 2048 | \$52.51 | \$2.02 | | | | | | 1 |
| Koch Carbon 3 | 1/04 - 12/05 | Non-specific | Z40 | \$35.05 | 240 | \$75,05 | 240 | \$35.05 | | | CSX BS | \$17.00 | \$1.75 | 10.00% 0. | 78% 1 | 13,000 | 8.00% | 32.50% | 47 1. | 20 - | -\$0.74 | | \$53.80 | 2009 | \$53,06 | \$2.04 | | | | | | |
| Massey 1a | 1/04 - 8/04 | Banchull | 360 | \$33.00 | 360 | \$33,00 | | | | | CSX Kan | \$18.39 | \$1.75 | 13.00% 0 | 1 %27 | 12,100 | 8.00% | 30.00% | 42 1.3 | 20 | \$1.39 | AV | \$53.14 | 2319 | \$55.03 | \$2.27 | | | | | | |
| Massey 15 | 1/04 - 0/04 | Bandrolll-Ceredo | 360 | \$38.20 | 360 | \$38,20 | | | | | FOB Carada | \$23.50 | | 13.00% 0 | 1 216 | 2,100 | 8.00% | 30.00% | 42 1.3 | 20 | \$1.89 | AV | \$61,70 | \$2,550 | \$83.59 | \$2.63 | | | | | | - 1 |
| Maxsey 2a | 1/04 - 12/04 | Eandmit | 720 | \$33.00 | 720 | \$33.00 | | | | | CSX Kan | \$18.39 | \$1.75 | 13.00% 0. | 13% 1 | 2,100 | 8.00% | 30.00% | 42 1.3 | 20 3 | \$1.89 | AV | \$53,14 | 2196 | \$55,03 | \$2.27 | | | | | | 1 |
| Massay Zb | 1/04 - 12/04 | Bandmill-Ceredo | 720 | \$38.20 | 720 | \$38,20 | | | | | FOS Carecto | \$23.50 | | 13.00% 0. | 73% 1 | 2,100 | 8.00% | 30.00% | 42 1.3 | 20 3 | \$1.89 | AV | \$61,70 | 2550 | \$63,59 | \$2,63 | | | | | | 1 |
| Massey 3z | 1/04 - 12/04 | Bandmill | 2,160 | \$31.00 | 720 | \$32_50 | 720 | \$33.00 | 720 | \$33,50 | CSX Kan | \$18.39 | \$1.75 | 13.00% 0. | 3% 1 | 2,100 | 8.00% | 30.00% | 42 1.3 | 20 3 | \$1,89 | AV | \$53.14 | 1,2196 | 355.03 | 52.27 | | | | | | |
| Massey 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,150 | \$38,50 | 720 | \$38.00 | 720 | \$38.50 | 720 | \$39.00 | FOB Ceredo | \$23.50 | | 13.00% 0.3 | 3% 1 | 2,100 | 8,00% | 30.00% | 4Z 1.3 | ta : | \$1.89 | AV | \$62.00 | | - | 87.84 | | | | | | 1 |
| Oxbow | 1/04 -12/06 | Elk Creek CO | 1,500 | \$18,03 | 503 | \$17,50 | 500 | \$18.03 | 500 | \$18,57 | UP | \$29.00 | | 12,00% 0.5 | 8% 1 | 1.500 | 10.00% | 37 00% | 45 11 | | \$7. 94 | | \$47.01 | | | **** | | | | | | . [|
| Peabody 1 | 1/04 -12/04 | Synergy Mirve | 540 | \$34.25 | 540 | \$34.25 | | | | | CSX Kan | 518.39 | \$1 75 | 12 60% 0 | 51/ 4 | | 7 004 | | | | | ţ, | | 新和福 | 447,34 | 32.08 | | 14 | ore SO2 pren | penalty | | |
| Peebook 2 | 104 - 1784 | D93 JatBach | 500 | \$71 77 | | | | | | | FOR he fee | £15.00 | * | | | 2,300 | 7,00% | 31.00% | 49 1.4 | | \$0.17 | | \$34.39 | 偏調 | 354.56 | \$2.18 | | | | | | |
| | | the Phase | | | | | | | | | FUS Dy Lora | 413.00 | | 4,407, 0.3 | 274 | 8,800 | 28,70% | 31.50% | 59 0.3 | 50 1 | \$1.87 | BM | \$35,77 | | \$17.64 | \$2.14 | | 30 | ik la.60 least i | or 03-rail/doc | k rate es(@16.) | <u>م</u> |
| Peabooy 3 | 1/04 -12004 | 63 June | 144 | \$34,35 | 144 | 210-25 | | | | | 82 Hiver | \$24.50 | | 13,50% 0,7 | 4% t | 2,300 | 8,00% | 31.00% | 42 1.3 | 10 1 | \$0.87 | A | \$62.85 | 出现12555月 | \$83.72 | \$7.59 | | | | | | { |
| PFC | 1/04 -12/08 | cont/Synfuel | 2,700 | \$35.89 | 900 | \$34.75 | 900 | \$35.84 | 369 | \$37,03 | Kan River | \$24.50 | | 12,00% 0.7 | 5% 13 | 2,500 | 8.00% | 31.00% | 44 1.2 | 0 1 | \$0.27 | | \$80.39 | 24184 | \$60.66 | \$2.43 | | M | in 50% syntu | u - 0.64%, S to | apply-Reope | a 07 |
| RAG 1 | 1/04 -12/04 | Pfc8 - Belle Ayr | 500 | \$6.25 | 500 | \$6.25 | | | | | up,BN | 514,44 | \$15,95 | 4.50% 0.2 | 7% (| 8,550 | 29,90% | 31,00% | 58 0.6 | 3 3 | 2.83 | BM | \$36.84 | HZ.(43 | \$39.27 | \$2.30 | | | | | | |
| RAG Z | 1/04 -12/04 | 20 Mile - COL | 500 | \$15,50 | 500 | \$15.50 | | | | | UP | \$29,00 | | 10,00% 0.5 | 1% 11 | 1,300 | 10.00% | 39,00% | 40 0,9 | 0 4 | 50.32 | в | \$44.50 | 1963 | \$44.82 | \$1.98 | | Ve | al too high | | | 1 |
| Transocean | 7/03 - 12/03 | China | 200 | \$38.87 | 200 | \$38.87 | | | | | CIF NOLA | \$14.44 | | 10.00% 0.5 | 8% 11 | 1,505 | 10,00% | 31.00% | 52 1.0 | 0 3 | \$1.30 | в | \$53.31 | 油菜等的 | \$54.41 | \$2.37 | | | | • | | 1 |
| Triton 1 | 1/04 -12/04 | PRB N Rochelle | 500 | \$8.00 | 500 | \$8.00 | | | | | BNUP | \$29.00 | | 4.70% 0.3 | 5% | s,800 (| 27.99% | 31.00% | 53 0.5 | o \$ | 2.50 | BM | \$37,00 | 2.1021 | \$39.50 | \$2.24 | | | | | | 1 |
| Triton 2 | 1/04 -12/04 | PRB Buckskin | 500 | \$8.00 | 500 | 56,00 | | | | | BN | \$14.44 | \$15,95 | 5.90% 0.3 | 0% a | 8,409 | 29,90% | 31.00% | 55 0.7 | 1.5 | 3.30 | 8M | \$36,39 | Z 186 | \$39,89 | \$2,36 | | | | | | |

CR 45 Economics Base Socializations Ash Sultur Bhu Malatane Vol HCI 19.40% 9.70% 12,600 4.00% 31,60% 40

Revised: 7/30/2003 8:47

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 35 of 52

PROGRESS FUELS CORPORATION

July 03 Solicitation Foreign Water Coals All Bids

| 14.4 | | | Top 1 Top | C. An | 252004 | 18 200 | 200 | 2005 | | | | | Ship | or the | Elit | 25 | | 165 | 85. ST | 14.00 | 100 | e lineter | Frend | 1.5.76 | | | | | |
|------------|---|---------------|-----------|--|--------|---------|-------|---------|-----|---------|-----------|----------|----------|----------|--------|----------|-------------|---------|---------|----------|----------|-----------|-----------|-------------|------------------|-----------|---------------|--|-----|
| | Lerme Lerme | Carl Origina | Ton | PHE | Tone | Price | Ton | 20 31 | 43 | fina -1 | Framp | Trans | P Ralle | ac | Pu | rchase S | pecificatio | 10.00 | に記 | | t later. | ST UNIE4 | 2 | | Evaluating | Evaluated | States States | | ie- |
| Drummond | 1 1/1/04 - 12/31/0 | 4 McDuffle | 1 7 | 50 | 760 | | | 1 | T | | Moders | Cost / | Cost | Auto | Suttur | Biu | Moistu | a lovol | HGI | 507 | Contra | | Cas | Cash | C Utithed | Utilized | | | 题 |
| Drummond 2 | 2 1/1/04 - 17/31/0 | 1 10-0-00- | | 1.50 | a '30 | 1 234.0 | • | 1 | | | Dixie | \$14.44 | 4 -\$1.9 | 5 5.00% | 0.70% | 11 700 | 14 000 | | Л., | | | | 5. 160515 | Ast Cost St | Cost Sist | Cost S/M | ACTION TAKE | N & Notes 1 | 6 |
| C | | | 2,2 | ×0 - 53629 | 750 | \$34.8 | 8 750 | \$36.29 | 750 | \$39.06 | Dixle | STA | | | 1 | | 1 | 31.00 | 74 | 1.20 | \$0.41 | BA | ¥ \$47.3 | 7 2024 | \$47.78 | \$2.04 | | Ring to a feature of the second s | |
| Giencore | 1/1/04 - 12/31/0 | IMT-Gearless | - 34 | 0 538'50 | 300 | \$38.50 | , | 1 | 1 | 1 | | | | 5 5.007. | 0.70% | 11,700 | 14.00% | 31.00 | × 44 | 1.20 | \$0.41 | BA | 4 548.71 | 2015 | | | ł : | Discould faither | - 1 |
| CMC | 1/1/04 - 12/31/0- | Cerrejon | 40 | 0 335.05 | 400 | 1 | .1 | | l I | 1 | FORME | \$14.44 | ' | 7.00% | 0.74% | 12,400 | 1.00% | 35.007 | 4 45 | 1.20 | -51 18 | 1 | | 1155 | 1 110.19 | 52,10 | · · | Blending issues | |
| Guasare | 1/1/04 - 12/31/04 | DIT - Rellart | 1 | 2.2 | 5 | - | 'I | 1 | 1 | | CIF ECT | \$14.44 | | 8.00% | 0.71% | 11.800 | 11.00% | 77.500 | | | 41.74 | | 352.94 | | \$51.78 | \$2.09 | | | 1 |
| 6 mm | | | 1,13 | | 650 | \$40.25 | 500 | \$40.45 | 1 | 1 | FOB IMT | \$14.44 | 1 | TOP | | | | 43.307 | 1 ** | 1_20 | \$0,93 |] м | \$50.39 | Z 135 | \$51.32 | \$2,17 | 1 | Un- BOT | |
| Guatare | Substrate 1/1/04 - 12/31/04 Nrt - Belled 200 Status | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Guasare | Guassing 1/1/04 - 12/31/06 INT - Balted 1,50 540,25 650 540,96 FOB INT 514,44 8,00% 0.77% 12,800 8,10% 45,120 51,19 554,78 52,69 Lowest Price Alternative Glancere 1/1/04 - 12/31/06 INT - Balted 1,350 560 540,96 FOB INT 514,44 8,00% 0.77% 12,800 4,00% 31,00% 45 1,20 51,19 554,78 52,69 Lowest Price Alternative Glancere 1/1/04 - 12/31/06 TPA-Gearless 300 530,98 FOB INT 514,44 8,00% 0.77% 12,800 4,00% 31,00% 45 1,20 51,19 554,19 12,210 52,10 12,210 </td <td>Í</td> | | | | | | | | | | | | | | | Í | | | | | | | | | | | | | |
| Glancore | Justare 1/1/04 - 12/31/06 INT - Balled 1,350 5/06.328 650 3/40.25 8.50 3/40.45 650 1/4.44 8.00% 0.77% 12.00 8.00% 31.00%, 45 1.20 \$11.19 33.54 32.19 Lowest Price Alternative Jiancore 1/1/04 - 12/31/06 TPA-Gearless 300 \$33.10 50.0% 77% 12.800 8.00% 31.00%, 45 1.20 \$1.19 \$35.4.9 12/144 53.8.0 52.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F | Inter-statistic 1,150 540,35 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 650 540,25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CUMPTRUE T | Silencore 1/104 - 12/31/04 TPA-Gearless 300 530,10 540,35 650 540,35 650 540,35 FOB INF \$14,44 8.00% 0.77% 12,80 4.00% 31,10% 45 1.20 \$11,19 \$54,19 \$27,445 \$53,30 \$2,10 imercare 1/104 - 12/31/04 TPA-Gearless 300 \$33,10 FOB INF \$14,44 7,00% 0.77% 12,400 \$40,0% 31,10% 45 1.20 \$51,19 \$27,445 \$53,30 \$2,10 300 300 300 \$30,10 \$1000% 0.77% 12,400 8,00% 31,00% 45 1.20 \$1,19 \$54,19 \$27,445 \$53,30 \$2,10 300 300 \$30,10 \$1000% \$10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Glencore | 1/1/04 - 12/31/04 | TPA-Bolted | 300 | \$4015 | 300 | 540 48 | [| | | 1 | FOR DOME | \$14.44 | -\$1.95 | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.201 | 31 18 | j – | | 中国 | V uc., ra | *211 | | Not feasible | |
| Glericora | 1/1/04 - 12/31/04 | NT-Rated | | 的编辑 | | - | 1 | | | | FOB TPA | \$14.44 | | 7.00% | 0.74% | 12 400 | R Dow | | | | ¥ | ļ | 354.24 | 日本語 | \$53.08 | \$2,14 | | | |
| Emerged a | | HAT DOLLED | 300 | 10.30 | 300 | \$40.30 | | | | | FOBILAT | 514.54 | | | | | | 33.00% | 45 | 1.20 | -\$1.18 | | \$54.59 | 2201 | \$53,43 | \$2,15 | | | |
| constant 2 | 1/1/04 - 12/31/04 | IMT | 500 | 1273 | 500 | \$42.35 | | | | | | | | 1.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1 | 1.20 | -\$1.18 | | \$54.74 | | | | | | |
| Glencore | 1/1/04 - 12/31/04 | TPA-Geared | 300 | 540 BC | 300 | 540.00 | | | | | FOB Diste | \$14.44 | -\$1.95 | 7.06% | 0.74% | 12,400 | 8,00% | 35.00% | 45 1 | 20 | 31.44 | | | 國際離 | + | \$2.16 | | | |
| Glencore | 1/1/04 - 12/31/04 | Micanad | | 12.99 | | ****** | | | | | FOB TPA | \$14.44 | | 7,00% | 0.74% | 17 400 | | | | | 41.10 | 1 | \$54.84 | 234年 | \$53.68 | \$2.18 | | | |
| Transcene | 702 4705 | | | 340.00 | 200 | \$40,80 | | | | 1 | FOB IMT | \$14.44 | 1 | 7 101 | | | ~~~~ | 5.00% | 45 1 | .20 | \$1.16 | | \$55.04 | 2219 | \$53.88 | \$2.17 | | · · | |
| | 1103-12003 | China | 200 | \$38.87 | 200 | \$38.87 | | | f | 1 | | | | 1.10 | 0.74% | 12,400 | 8.00% | 5.00% | 45 1 | .20 | \$1.18 | - 1 | \$55,24 | 2777 | **** | | | | 1 |
| AEP No 1 | 1/04 -12/06 | Col/Ven/US | 2,700 | \$35.00 | 900 | \$35.50 | 800 | | | | CIP NOLA | \$14.44 | | 10.00% | 0.58% | 11,500 | 10.00% | 1.00% | 52 1 | .00 | \$1.30 | | | | + | 32,78 | | [| |
| | | | | | | | | +10.00 | 300 | \$36.50 | FOB NOLA | \$14.44 | \$6.00 | NA | 0.60% | 11300 | Na | | | | | ۱° | 404,31 | | \$54.61 | \$2.37 | | | |
| | | · ····· | | 1- | | |] | | | | | . | | | | | | ~ | "A 1. | .06 | 51.38 | ABM | \$56,44 | 0'Z 497 | \$57.82 | \$2.56 | • • | Normalited | |
| | | | | - | | | | | | | | <u>-</u> | | | | | · · · · · | | _1_ | <u> </u> | | | | 調整 | | | | Conspectice Coppoint, Quality, Freight | |

CR 45 Economics Base Specifications Ash Sultur Biu Moisture Vol 10,60% 0.76% 12,060 2.05% 31.06%

HG

Denotes Weighted Average of multi-year trices

(000) Weight

SCI2 Prime STEQ

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Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 36 of 52

PROGRESS FUELS CORPORATION CR 4 and 5

July 03 Solicitation Foreign Water Coals All Bids

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| | | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1 | A TION | | 2004 | 2004 | 2005 | 7005 | EL JOINE | 201 | Contraction of the | a stratest | Ship | | | | | the second | | x 35 | 27 Un | Ir 45. | 1. 在平台 | Evaluate | Francis | 21-22 | An I show and a second s |
|-------------|-------------------|--|-----------------|--------------|---------|---------|-----------|---------|----------|------------|--------------------|------------|---------|---------------------------------------|---------|----------|----------|------------|-----------|-----------|----------|-----------|----------------|----------|------------|-------------|---|
| Supplier | Term = h | A star Origin | Mau Tons Cor ZP | | Tons | Price | Set Const | Poce | | Sec. Press | a stand | | Halica | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | Set Pur | chase Sp | editatio | ns | 2 | Utiliza | tion: De | rate Cas | Cash. | Utilized | College of | | |
| Single Year | | | | | | | | | | ALC: NO | a change the | Cont | a Cost | Astr | Sulfur | Btur | Molstur | Vol | HGI | 2 Cost | /st Co | des Cost | st Cost Sa | Cost Sis | Cost So | ACTION TAKE | |
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffle | 750 334 | 1.18 1.88 | 750 | \$74 88 | | 1 | | 7 | 1 | 1 | 1 | 7 | | · | T | T | | | | | | | | | |
| Glencore | 1/1/04 - 12/31/04 | MT-Gearless | 100 051 | 225 | | | 1 | | | | Dbie | 514.44 | -\$1.95 | 5,00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 1. | 20 \$0,4 | 11 | BM \$47.3 | 2024 | \$47.78 | \$2.04 | | Rending Innun |
| CMC | 1/1/04 - 12/24/04 | Geneta | | 12.1.2 | 300 | \$38,50 | | | | · | FOBINT | \$14.44 | | 7.00% | 0,74% | 12,400 | 8.00% | 35.00% | 45 1.3 | 10 -\$1.1 | 16 | \$52.9 | | 5 51 78 | | | beining issues |
| | 0 000 - 1203 000 | , cerrejon | 400 515 | | 400 | \$35,95 | | 1 | 1 | | CIF ECT | 514.44 | | 8.00% | 0.71% | 11,800 | 11.00% | 33.50% | 49 1.3 | و مع أن | a Ì | H | ALC: NO. | | *2.04 | 1 | |
| Guasare | 1/1/04 - 12/31/04 | IMT - Beited | 200 \$40 | 145 | 200 | \$40.45 | | | | 1 | FOB INT | \$14.44 | | 8.00% | 0.77% | 12 800 | 8 00% | 74 00* | | | | - 1-5U,3 | | \$51.32 | \$2.17 | 1 | Use MAT |
| Glencore | 1/1/04 - 12/31/04 | TPA-Geartess | 300 539 | 1.10 | 300 | \$39.10 | | | | 1 | FOB TPA | 514.44 | | 7 00% | | | | 51.00% | | 9 - 51.1 | 9 | \$54,8 | | \$53,70 | \$2,10 | | |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 500 \$41 | 25 | 500 | \$41.75 | | | | 1 | FOR Dute | | | | 0.14% | 12,400 | 8.00% | 35.00% | 45 1.2 | ° \$1.1 | 6 | \$53.5 | Z.155 | \$\$2,38 | \$2,11 | | Not feasible |
| Glencore | 1/1/04 - 12/31/04 | TPA-Belted | 100 540 | | 300 | T40 18 | | | | í | | 314,44 | -\$1.33 | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.2 | 0 -\$1.1 | 6 | \$54.2 | 21879 | \$53.08 | \$2.14 | | |
| Glencore | 1/1/04 - 12/31/04 | NT-Relled | 100 100 | | | | | ļ | | | FOB TPA | \$14,44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.2 | -\$1.1 | 5 | \$54.5 | a 2.201 | \$51.43 | \$2.15 | | |
| Emergid 7 | | | | | 300 | 540.30 | | | | 1 | FOB IMT | \$14.44 | | 7.00% | 0.74% | 12,400 | 8,00% | 35.00% | 45 1.2 | \$1.1 | | \$54.74 | · 新建地方 | | | | |
| Childrand 2 | 01004-12/31/04 | 1M (| 500 542 | | 500 | \$42.35 | | | | | FOB Date | \$14.44 | -\$1.95 | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.2 | 51.1 | | | | | *218 | | |
| Giencore | 1/1/04 - 12/31/04 | TPA-Geared | 300 541 | 60 | 500 : | \$40.60 | | | | | FOB TPA | \$14.44 | | 7.00% | 0.74% | 12.400 | 8.00% | 75 000 | | | | | | \$53.68 | \$2,16 | | |
| Giencore | 1/1/04 - 12/31/04 | IMT-Geared | 300 540 | 10. I | 100 : | \$40.80 | | | | | FOBINT | \$14.44 | | 7 00% | 0.749 | | | 4.400 | 12 | 41.10 | • | \$55.04 | 中之之(9) 中方之子 | \$53.88 | \$2,17 | | 1 |
| Transocean | 7/03 - 12/03 | China | 200 \$38 | an : | 200 : | \$38.87 | | | | | | 5444 | 1 | | | 12,400 | 8.00% | 35,00% | 45 1.2 | -\$1.10 | | \$55,24 | 2221 | \$54.08 | \$2.18 | í | |
| Í | | | | | | | | | | | | 319,99] | | 10.00% | 0,58% | 11,500 | 10,00% | 31.00% | 52 1.00 | 51.30 | <u> </u> | B \$53.31 | 2.318 | \$54,61 | \$2.37 | | |
| Multi-Year | | | | | | | | | | | | | | | | | | | | | | | | | | | * |
| Drummond 2 | 1/1/04 - 12/31/05 | McDuffie | 1 200 | ee. | | | | | | | | | | r | | <u> </u> | | | | | | | 烈源的 | | | | |
| Gungan | | | 4,000 | | 50 1 3 | 34.88 | 750 | \$36.29 | 750 | \$39,06 | Dixle | S14.44 | -\$1.95 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 1.20 | \$0.41 | | M \$48.78 | -derive a | *** | | 1 | |
| | # 11V 12/31/04 | ums - stellad | 1,150 \$403 | 6 | 50 3 | 40.25 | 500 | \$40,45 | | | FOBINT | \$14.44 | | 1.00% | 0.77% | 12,800 | 8,00% | 31.00% | 45 1.20 | | | | in the second | a-ia, 18 | +4.10 |] ? | Blending Issues |
| Gitasare | 1/1/04 - 12/31/04 | IMT - Beited | 1,950 . 340.5 | 5 | 50 \$ | 40.25 | 650 | \$40.45 | 850 | \$40,96 | FOBINT | \$14.44 | 1 | 1.00% | 0.77% | 12 800 | 8 00% | 11 00 00 | - | | 1 | | | 22728 | \$2,09 | 1 : | Lowest Price Allemative |
| AEP No 1 | 1/04 -12/05 | Col/Ven/US | 2,700 \$38.0 | 10 9 | 20 \$ | 35.50 | 900 | \$35.00 | 900 | \$36.50 | FOB NOLA | \$14.44 | \$6.00 | NA | | | | 1.0076 | 1,20 | -\$1.19 | | \$54,99 | 2.745 | \$53.80 | \$2,10 | 1 | 3 optional cargoes 05 & 65 not incl |
| | | | | | | | | | | _ | | | | | 0.00/61 | 11300 } | NAI | NA 11 | 4A I 1 06 | 5132 | 1 40 | | | | r | | |

| | CR 45 Eco | nomíca B | asy Specific | ations | |
|--------|-----------|----------|--------------|--------|-----|
| Ash | Sulfur | Btu | Molstere | Val | HGI |
| 10.00% | 0.70% | 12,000 | 8.00% | 31.00% | 40 |

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Docket No. 060658 Progress Energy Florida Exhibit No. _____ (AWP-2) Page 37 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domestic Water Coals All Bids

| | With an a start of the | | se (000) a | Weight | 1.1 | | Destro | $d \rightarrow z \geq z_1$ | 1 1 1 1 1 1 | A. 3.0 | | 12 165 3 | Shipor | 1000 | State 1 | 17.80 | See Ltd | 4.5-5-5 | 1. T. | 19 - P | | iller 45 | | White and | 10. 100 - 1192 | Carter of Date | Contraction of the state | and the second statistic for the second second statistics and |
|-----------------|------------------------|-----------------------|-----------------|--|---------|---------|-----------|----------------------------|-------------|---------|-------------|----------------|-------------|---------|-----------|-------------|----------------|---------|-------|--------|-------------|----------|----------------------|-----------|----------------|----------------|----------------------------|---|
| | | and the second second | Total | 457 Av 2 4 | - 2004 | 2004.9 | 12005 | 2005 | 20085 | 2004 | - Transn | Franen | All South | 1.12.5 | 1.15 | 2.36- | 19 - Contactor | 1.1 | | 32 | 150 | 19 A.H. | 100 | 1000 | - Evaluate di | Eventertect | | Substance of the second second second |
| Co-Supplier Sug | -a - I em | Orten | 2500 | 1.1 | 行う | 100 | gewies . | 97 A. | 1 | Sec.es. | 1.00 | 1. 1. J. J. 10 | (Particular | | 1. 1. 1 T | CONTRACT OD | ecilication | | 1.0 | 24 100 | intration - | Derste | Cash. | auCash. | Utilized | Q Utilized | a stand and a state of the | the set and the set of the set of the set of the |
| | 1 | T T | Com Al Dillow A | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1 | STORE S | | SCI ORUNS | 2 States | | Prica | AS NODE TO | The Cast | Costs | G Arth? | Sulfuc | SE Bhilling | Moisture | Vol | HGR S | 02 20 | ost/st | Codes | Cost \$/st | Cost S/M | Cost S/st | Cost SOM | ACTION TAKEN | Notes |
| infinity | 1/01/04 - 12/31/07 | Pantiser | 3,800 | \$16.75 | 750 | \$36,75 | 750 | \$36,75 | 750 | \$36,75 | FOB barge | 524.50 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 1 | 20 - | \$1.19 | | \$81.25 | Z.393 | \$60.06 | \$2.35 | Bid withdrawn - sold | FOB Dock Quincy-FOB Barge Shrewshurg |
| PFC | 1/04 -12/06 | cost/Synfuel | 2,700 | 515.FQ | 300 | \$34,75 | 900 | \$35.88 | 300 | \$37.0J | Kan River | \$24,50 | 1 | 12.00% | 0.75% | 12,500 | 8.00% | 31.00% | 44 1. | 20 3 | \$0.27 | | \$60,39 | Z.418 | \$60,86 | \$2.43 | | Min 50% synfuel = 0.65% S to apply- Redgen 0 |
| infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | \$15.95 | 750 | \$35.95 | 750 | \$35.95 | 750 | \$15,95 | FOB barger | \$24.50 | | 10,00% | 0.75% | 12,500 | 8.00% | 31.00% | 45 1. | 20 - | \$0.34 | | \$60.45 | 2.418 | 380.11 | \$2.40 | Bid withdrawn - sold | FOB Dock Quincy-FOB Barge Shrewsbury |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Engle | 430 | \$17.00 | 480. | \$37,00 | | | | 1 | Kan barges | \$24,50 | | 12.00% | 0.74% | 12,300 | 8.00% | 31.00% | 42 1. | 20 1 | \$0.42 | | \$6 ¹ .50 | 2,500 | \$61.9Z | \$2.52 | | |
| Massey 1b | 1/04 - 6/04 | Bandmill-Ceredo | 360 | \$18.20 51270 | 367 | \$38.20 | | | | | FOB Cerecio | \$23,50 | | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1. | 20 1 | \$1.89 | AV | \$61.70 | 2,550 | \$53.59 | \$2.63 | ł | |
| Massey 2b | 1/04 - 12/04 | Bandmill-Ceredo | 720 | \$18.20 | 720 | \$38.20 | | | | { | FOB Cereda | \$23.50 | ł . | 13.00% | 0.73% | 12,100 | 8,00% | 30,00% | 4Z 1. | 20 1 | \$1.89 | AV | \$61.70 | 2,550 | \$63.59 | \$2.63 | 1 | |
| Peabody 3 | 1/04 -12/04 | B5 River | 144 | 318.35 | 144 | \$38.35 | | | | 1 | BS River | ŞZ4,50 | | 13.50% | 0.74% | 12,300 | 8,00% | 31.00% | 42 1. | 20 3 | \$0.87 | - | \$62,85 | 2,555 | \$63.7z | \$2.59 | 1 | |
| Massay 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,150 | SOL SOL | 720 | \$38.00 | 720 | \$38.50 | 720 | \$39.00 | FOB Carecto | \$23.50 | | 13.00% | 0.73% | 12,100 | 8,00% | 30.00% | 42 1. | 20 \$ | \$1.89 | AV | \$62,00 | 2.562 | \$63,89 | \$2.64 | } | |
| L | | | L | 深色浅 | | | | | |) | | | | | | 1 | | | | | | 1 | Í | | | | l i | |

motes Weighted Avg Price of Multi-year prices

CR 45 Economics Base Specifications

SOZ Pyles \$180

Revised: 7/28/2003 15:33

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 38 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domestic Water Coals All Birds

| | | | (000) C Weight | 2004 | 4 (+) 2004 (| 9 2005 | 2005 C | 2008 | 2008 | allransp. 1 | Transp. F | Ship or 2 Failcar | | Pur | hase Sc | e in allo | | | | Unit 45 | | | Evaluated | Evaluated | | |
|-----------------|--------------------|-----------------|-----------------|------|------------------|-----------|----------|------|---------|---------------------------------------|-----------|----------------------|-----------|--------|---------|-----------|--------|---------|------------|---------|----------|-----------|---------------------------------------|-------------|----------------------|---|
| Supplier | S. Jem 22 | Origin | Tons Thus Price | Jone | Prito | Tons | 1. Price | Tona | Price | Mode | Cost | Costs | Ach | Sullur | Bla | Moteture | VoL | HGP'S | OZ Cost/ | CCodes | Cost S/s | Forst S.M | Contin | | | |
| Multi Year | | | | | | _ | | | | | | | | | | | | | | 1 | 1 | 1.000404 | - SCOSE DIE | Frieder ann | PERSONAL PROPERTY | |
| latinity | 1/01/04 - 12/31/07 | Panther | 3,000 \$36.75 | 750 | \$36.75 | 750 | \$36.75 | 750 | \$36.75 | FO8 barge | \$24.50 | 3 | .00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 1. | 20 -\$1.15 | 1 | \$61.25 | 2.393 | 264.06 | \$2.35 | Bid withdrawn - sold | FOB Dock Quincy FOB Barge Shrewsbury |
| PFC | 1/04 -12/05 | coal/Synfuel | 2,700 \$35,891 | 300 | \$34,75 | 900 | \$35.88 | 900 | \$37.03 | Kan River | \$24.50 | 1: | 2.00% | 0.75% | 12,500 | 8.00% | 31.00% | . 44 1. | 20 \$0.27 | | \$60,39 | 2.416 | \$60,86 | \$2.43 | | Min 50% syntusi - 0.65% S to apply- Reopen 67 |
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 \$335.95 | 750 | \$35.35 | 750 | \$35.95 | 750 | \$35.95 | FOB barge | \$24.50 | 11 | 0.00% | 0.75% | 12,500 | 8.00% | 31.00% | 45 1. | 20 -\$0,34 | 1 | \$60.45 | 2.418 | \$60.11 | \$2,40 | Bid withdrawn - sold | FOB Dock Quincy-FOB Barge Shnewsbury |
| Massey 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,160 338,50 | 720 | \$38.00 | 720 | \$38,50 | 720 | \$39.00 | FOB Ceredo | \$23.50 | 1: | 3.00% | 0.75% | 12,100 | 8.00% | 30,00% | 4Z 1. | 20 \$1.89 | AV | \$62.00 | 2,582 | \$63.89 | \$2.64 | | |
| 1 | | | | | | | | | | | | | | | | | | | | | | | | | | ************************************** |
| Sincle Year | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1 | | 2.5% | | | | I I I | | | · · · · · · · · · · · · · · · · · · · | - T | T | ·T | r | y | | | | T | | · | · | · · · · · · · · · · · · · · · · · · · | · | T | |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Eagle | 480 3\$37.00- | 480 | \$37.00 | | 1 1 | | | Kan barge | \$24,50 | 10 | Z.00% | 74% | 12,300 | 8.00% | 31.00% | 42 1. | 20 50.42 | | \$61,50 | 2.500 | \$51.92 | \$2.52 | | ļ . |
| Massey 1b | 1/04 - 6/04 | Bandmill-Ceredo | 360 338.20 | 360 | \$38.20 | | | | | FOB Genedo | \$23,50 | 13 | 3.00% C | 173% | 12,100 | 8.00% | 30.00% | 42 1. | 20 \$1,89 | AV | \$81.70 | 2.550 | \$63.59 | \$2.63 | | |
| Massey 2b | 1/04 - 12/04 | Bandmill-Ceredo | 720 \$38.20 | 720 | \$38.20 | | | | | FOB Caredo | \$23,50 | 13 | 1.00% 0 | .73% | 12,100 | 8.00% | 30.00% | 42 1. | 20 \$1.89 | AV | \$61,70 | 2.550 | \$61.59 | \$2.63 | | - |
| Peabody 3 | 1/04 -12/04 | BS River | 144 \$38.35 | 144 | 538,35 | L | I | | | BS River | \$24.50 | 13 | .50% | 74% | 12,300 | 8.00% | 31.00% | 42 1 | 20 \$0.87 | 1 | \$62.85 | 2,555 | \$83.72 | \$2.59 | 1 | |

notes Weighted Aug Price of Multi-year prices

SOZ Prime

\$160

PEF-FÚEL-004963

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Revised: 7/30/2003 10:05

0.50% 0.70% 12,000 8.55% 31.00% 40

CR 45 Economics Base Specification

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 39 of 52

| Ç | 1 | | | | | | | | | | - | | | | | • | | | | | | | | | • • • * | | - |
|----------|-----------------|-------------------|----------------------------------|---|------------|----------------|----------|---------|-------|----------------|----------|---------|-----------------|--|-----------------|----------|----------------|----------|---------|-------------|----------|--------------|-----------------------|------------|--|------------------------------------|---------------|
| 6 | • | | | | | | | | | | | PRO | GRES | S FUELS O | ORPO | ORAT | ON | | | | | | | | | | |
| 3 | 1 | | | | | | | | | | | | | CR 4 and | 5 | | | | | | | | | | | | |
| Ð | 2 | | | | | | | | | | | | | July 03 | | | | | | | | | | | | | |
| <u> </u> | p | | | | | | | | | | | | | Solicitatio | n | | | | | | | | | | | | |
| à | | | STREET, A | Sector Sector | Column Low | - | | | | | | | | ALL BIDS | | | | | | | | | | | | | |
| | | 12 PERCENT | Arrest Street | (000)-++Welg | ht | C 15 2 | 100 | | | | | 200 | eller ? | | - | Sector | and the second | | | | | | | | | | |
| | Supplier | Term 25 | Orloha | Ave Ave | 200 | 14 3 2004 | 200 | 5, 2005 | 2-200 | L | Transp | Linx | D. Ralle | e de la construction de la construction de la construcción de la const | 定論 | | 2.4 | 8,5 P.7 | 潮區 | in a second | H45 | | | | | in the second second second second | buch to start |
| | Kach Carbon | 1 4104 2104 | | 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 | States Lon | Pike | Ser /Ton | Price | Ton | Price | Mode | Cost | Cost | Ash | irchase S | pechicat | ions and | 1 21 22 | UU | Eatfon D | rate: | ash - Cas | i uuu | | | | |
| | The Carbon | 1 1/04 = 1/04 | Nan-specific | 140 534 | 3 140 | 0 \$34.2 | 5 | | | | CSY BS | £47.00 | | | CAL DIA | Moran | resever | EHGK | SOZ | ost/st. C | des Co | tus/st Costs | AL COL | t sist | Cost SIM ACTION TA | | |
| | Koch Carbon | 2 1/04 - 12/04 | Non-specific | 240 . \$34 5 | 240 | 534.54 | | | | | 40X 45 | 417.00 | 9 31.7 5 | 10.00% 0.78% | 13,000 | 8,007 | 32,50% | 43 1 | 1.20 .4 | 50,74 | 52 | 3.00 | 3 | | | | |
| | Alpha | 1/1/04 -12/31/04 | McClure | 380 250 | å | | | | | | CSX 85 | \$17.00 | \$1.75 | 10.00% 0.78% | 13,000 | 8.007 | 32.50% | 43 1 | 20 | TA 74 | | | 劉 | 4.26 | ·¥2.01 | | |
| | Ainha | 1/1/04 . 5/10/04 | 11-01 | | | \$34.50 | 3 | | | | CSX CL | \$16,60 | \$1.75 | 10.00% 0.77% | 17 700 | 7 504 | - | | | | 20 | 3.25 2.04 | \$5: | 2,51 | \$2.02 | | . • |
| | | 11104-0030204 | MCGIUFE | 180 1.534.5 | 当 180 | · · \$34,50 | , | | | | CSX CL | \$18 60 | £4.7F | 40.000 | | 1.000 | 20,00% | 5 85 1 | .20 \$ | 0,34 | V \$5 | 2.85 2064 | <u>ت</u> عد الأ | 1,19 | \$2.08 | Must be Blended | . |
| | Koch Carbon | 1/04 - 12/05 | Non-specific | 240 \$35.8 | ž 240 | \$35,05 | 240 | \$15.05 | | | | 410.00 | 41.75 | 10.00% 0.77% | 12,800 | 7,50% | 28.00% | 65 1 | .20 \$1 | 0.34 | V \$5 | 2.85 2064 | <u>کا</u> | 19 | \$7.04 | | |
| | Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 53310 | | F1 2 44 | | | | | USX BS | \$17.00 | \$1.75 | 10.00% 0.78% | 13,500 | 8.00% | 32.50% | 43 1. | 20 -S | 0.74 | | | | | ***** | Must be Blended . | · · ·] |
| | AEP No 5 | 1/1/04 - 12/31/04 | CSY BOW- | 2 | | \$33.00 | | | | | CSX BS | \$17.00 | \$1.75 | 10.00% 0.75% | 12,500 | 8 00% | 31 00% | | | | *- | | 2 F23 | .05 | \$2.04 | | ··. |
| | | | CUX DOININ | 300 532.00 | 3 300 | \$32.00 | | | | | CSX Kan | \$18.39 | \$1.75 | 12 009/ 0 709/ | | | 51.00 A | 42 1. | 20 -54 | 4.33 | \$5 | 75 2070 | 影 \$51 | .42 | \$2.05 | | |
| 1 | AEP No 2 | 1/1/04 - 6/30/06 | Damron Fork | 900 \$35.00 | 300 | \$35.00 | 300 | \$35.00 | 300 | 515 nm | 004 20 | | | 12.00 % 0.75% | 12,500 | 8.00% | 30.00% | 42 1. | 20 `\$1 | .27 | V \$5: | 14 2.086 | \$53 | .41 | \$7.14 | F | |
| · | Aillance No 1 | 1/1/04 - 12/31/04 | MC Mining | 300 3534 00 | 100 | 6 74 m | | | •• | \$33.00 | 637.85 | \$17.00 | \$1.75 | 10.00% 0.77% | 1 2, 800 | 8.00% | 32.50% | 44 1. | 20 -50 | 0.59 | \$51 | 7. | | | - | eval using Kan-85 not | t likely |
| | Alliance No 2 | 1/1/04 - 17/31/05 | | 200 | 4 400 | \$34,00 | | | | | CSX BS | \$17.00 | \$1.75 | 9.00% 0.75% | 12,500 | 8.00% | 37 00% | | | | 444 | | 월 5 53. | .16 | /\$2.08 | | i |
| | | | prosition o in | 900 534.00 | 3 300 | \$34.00 | 300 | Reopen | 300 | Reopen | CSX BS | \$17.00 | \$1.75 | - B.D.M. 0.757 | | | 01.00 % | 42 1. | 20 -30 | 1.63 | \$52 | .75 | 흹 \$ 52, | 12 | \$2,08 | | |
| - 1 | Peanody 1 | 1/04 -12/04 | Synergy Mine | 540 3514.25 | 540 | \$34,25 | | | | | CPY 2 | | + | 3.0070 0.73% | 12,500 | 8.00% | 32,00% | 42 1.3 | 20 -\$0 | 1.63 | \$52 | 75 2:110 | 3 \$52 | 12 | \$2.08 | | · |
| | Massey 1a | 1/04 - 6/04 | Bandmill | 360 \$331.00 | 360 | 533.00 | | | | | COA Kan | \$18.39 | \$1.75 | 12.00% 0.75% | 12,500 | 7.00% | 31.00% | 44 1.2 | 20 \$0. | .17 | \$54 | | | | | | · · · |
| | Massey Za | 1/04 - 12/04 | Bandmill | 100 | | 4-0-00 | | | | | CSX Kan | \$18_39 | \$1.75 | 13.00% 0.73% | 12, 100 | 8.00% | 30.00% | 47 17 | | ** | | | 월, 354 .) 전 | 56 | \$2.18 | | |
| | Manager 3m | 4 Mar 4 Marca 4 | | 120 933.00 | 720 | \$33,00 | | | | | CSX Kan | \$18.39 | \$1.75 | 13.00% 0.77*/ | | | | | | | VV \$53 | 14 21130 | \$55. | 03 | \$2.27 | | |
| | massey Ja | 1/04 - 12/04 | Bandmill · | 2,160 533.00 | 720 | \$32.50 | 720 | \$33.00 | 720 | \$33.50 | CSX Kan | 518.74 | | | 12,100 | 8.00% | 30.00% | 42 1.2 | 10 \$1. | 89 <i>j</i> | IV \$53. | 14 2 186 | \$ \$55.0 | 33 | \$2.27 | | |
| | Arch | 1/1/04 - 6/30/04 | Logan | 300 + \$34.25 | 300 | \$34.25 | | | | | | 410,33 | \$1.75 | 13,00% 0.73% | 12,100 | 8,00% | 30.00% | 42 1.2 | 0 \$1.1 | 89 🖌 | V \$53. | 14 2.110 | 355.0 | , n | \$7.97 | | ĺ |
| 1 | Central Goal Go | 1/1/04 - 12/31/04 | Kan Eagle | 480 53575 | 488 | | | | | | CSX Kan | \$18.39 | \$1.75 | 13.00% 0.72% | 12,000 | 8.00% | 32.00% | 45 1.2 | 0 50.5 | 97 · | A 554 | | | ~ j | +4.21 | - ' | - I · |
| | Arch | 1/1/04 - 12/31/06 | | 374239 | | +12.12 | | | | | CSX Kan | \$18,39 | \$1.75 | 12.00% 0.74% | 12.300 | 8.00% | 31 00% | | | | | | \$55.3 | 16 | \$2.31 | Low price - see bid for a | add'l |
| | W Parauman | | Logan | 500 \$34.50 g | 500 | \$34.50 | 500 | \$14.50 | 500 | \$34.50 | CSX Kan | \$18.39 | \$1.75 | 13 00% 0 70% | | | ····· | 44C 1.21 | v \$0,4 | 42 | \$55. | 19 Z 272 | \$56.3 | ۰ ۲ | \$2.29 | 75 car capacity only | |
| 1 | an resources | 1/1/04 + 12/31/04 | B&W Hazard | 120 4\$40.00 | 120 | \$40.00 | | | | | CSY IN | 544 | | | 12,000 | a.00% | 32.00% | 45 1.20 | e,02 0 | 17 | A \$54. | 4 2277 | \$53,6 | • | \$2.12 | Canad | |
| | | | | | | | | | | | 03/1 181 | 419.57 | +1./5 | 10.00% 0.75% | 12,500 | 8.00% | 32.00% | 42 1.20 | 50.3 | 33 | \$58.6 | 2 2 3450 | 550 7 | | *** | Antheorem associ | ated |
| | | | | | | | | | | | | | | | | | | | | | _ | | | | C. C | | 1 |

CR 45 Economics Base Spe

Btu:

12,000

Moisture Vol 8.00% 31.00%

HG(48

\$160

PEF-FUEL-004964

Revised: 7/28/2003 15-27

Ash Sulfur 10.00% 0.70% Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 40 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation RAIL COALS Single Year

| | | | Intakin p. Avg | 2004 | Sy 2004.00 | 2005 2 2005 22006 2 2006 3 | Transp. | -I Jansp | Fallcar | Links Star | CiPur | haze Sp | cificatio | 0 x | | Utilizati | on Derat | Gash | Caste | Utilized | Utilized | | |
|-------------------|-------------------|-----------------|-----------------|---------|--------------|--------------------------------|---------|----------|---------|------------|--------|---------|-----------|------------|---------|-------------------|----------|-----------|---------------|-----------|----------|-------------------|---------------------------|
| are on boundaries | | Sector Concesso | 25 Ion Price | -Ciona- | P. SPdce Pro | Clons of Price of Tone 2 Price | Mode | Cost | Coats | Ash | Sulfur | C Bui S | Maisture | 后 Vot 把 | HGIUSO | Z Costh | ft Code | E Cost J | the Clust S/M | Cost 1/st | Cost S/M | ACTION TAKEN Note | |
| Koch Carbon 1 | 1/04 - 7/04 | Non-specific | 140 534.25 | 140 | \$34.25 | | CSX BS | \$17.00 | \$1.75 | 10,00% | 0.78% | 13,000 | 8.00% | 32,50% | 43 1.2 | 0 - \$0,74 | | \$51,00 | 2038 | \$52.25 | \$2.01 | | |
| Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 534.50 | 240 | \$34.50 | | CSX BS | \$17.00 | \$1.75 | 10,00% | 0.78% | 13,000 | 8,00% | 32.50% | 43 1.2 | a -\$0.74 | | \$51,25 | -2.048 | \$\$2.51 | \$2,92 | | |
| Alpha | 1/1/04 -12/31/04 | McClure | 360 \$34.50 | 360 | \$14.50 | | CSX CL | \$16.60 | \$1.75 | 10.00% | 0.77% | 12,800 | 7.50% | 28.00% | 5S 1.2 | 0 \$0.34 | , | / \$52.85 | 2.064 | \$53,19 | \$2.08 | Must | be Blended |
| Alpha . | 1/1/04 -6/30/04 | McClure | 150 \$34.50 | 180 | \$34.50 | | CSX CL | \$15.60 | \$1,75 | 10,00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 1.Z | n \$0.34 | 1 | \$52.85 | 2.064 | \$53,19 | \$2.08 | Must | be Blended |
| Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 533.00 | 360 | \$33.00 | • | CSX BS | \$17.00 | \$1.75 | 10.00% | 0.75% | 12,500 | 8.00% | 31.06% | 42 1.2 | -\$0.31 | | \$51.75 | 2.070 | \$51.42 | \$2.06 | | |
| AEP No 5 | 1/1/04 - 12/31/04 | CSX BS/Kan | 300 \$32.00 | 300 | \$12.00 | | CSX Kan | \$18,39 | \$1.75 | 12.00% | 0.75% | 12,500 | 8,00% | 30.00% | 42 1.2 | \$1.27 | | / \$52.14 | 2.058 | \$53.41 | \$2.14 | . Eval | using Kan-85 not likely |
| Aillance No 1 | 1/1/04 - 12/31/04 | MC Mining | 300 \$34,00 | 300 | \$34.00 | | CSX BS | \$17.00 | \$1.75 | 9,00% | 0.75% | 12,500 | 8.00% | 32.00% | 42 1.2 | -\$0,63 | | \$52.75 | 22.110 | \$52.12 | \$2.08 | | •. |
| Peabody 1 | 1/04 -12/04 | Synargy Mine | 540 \$34,254 | 540 | \$34.25 | | CSX Kan | \$18,39 | \$1.75 | 12.00% | 0.75% | 12,500 | 7.00% | 31.00% | 44 1.2 | \$0.17 | | \$54,29 | 2.176 | \$54.56 | \$2.18 | • | |
| Massey 1a | 1/04 - 6/04 | Bandmill | 360 533,000 | 360 | \$33.00 | • | CSX Kan | \$18,39 | \$1.75 | 13,00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1.2 | \$1,89 | A | / \$53.14 | 2.196 | \$55.03 | \$2.27 | | |
| Mas⊀ey 2a | 1/04 - 12/04 | Bandmill | 720 \$33.00 | 720 | \$33,99 | | CSX Kan | \$18.39 | \$1.75 | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1,21 | \$1.89 | A | \$53.14 | 1 2 198 | \$55.03 | \$2.27 | | |
| Arch | 1/1/04 - 6/30/04 | Logan | 300 534,25 | 308 | \$34,25 | | CSX Kan | \$18,39 | \$1.75 | 13,00% | 0.72% | 12,000 | 8.00% | 32.00% | 45 1.20 | \$0.97 | , | \$54.19 | 2.268 | \$55.36 | \$7.31 | Low | price - see bid for add'i |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Eagle | 480 (\$35.754 | 480 | \$35,75 | | CSX Kan | \$18,39 | \$1.75 | 12.00% (| 0,74% | 12,300 | 8,00% | 31.00% | 42 1.20 | \$0.42 | | \$55.89 | 2272 | \$56.31 | \$2.29 | 75 ca | r capacity only |
| Den Resources | 1/1/04 - 12/31/04 | DOW HATAN | 120 k \$40,00F4 | 120 | \$40.00 | | CSX Jel | \$16.87 | \$1,75 | 10.00% 0 | 1.75% | 12,500 | 8.00% | 32,00% | 42 1.20 | -10.33 | | \$58.82 | 2.3450 | \$58.29 | \$Z.33 | | |

| | R 45 Ecc | stomics B | ase Specifi | cations | |
|--------|----------|-----------|-------------|---------|-----|
| Ash | Sulfur | Btu | Moisture | Vol | HGI |
| 10.00% | 0.70% | 12,000 | 8,00% | 31.00% | 40 |
| | | | | | |

Revised: 7/26/2003 15;47

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Unit 45

PEF-FUEL-004965

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Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 41 of 52

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|-----|--|-----------------------|-------------------|--------------|---------------------|------------|-----------------------|--------------------|------------|---------------|------------|-------------|----------------|-----------|----------------|---------------|-----------|--------------|------------|-------------|-------|--------------|-----------|-----------|-----------|------------|----------------|-----------|--------------|---|----|
| | | | | | | | | | | | | | | | CR 4 (| and 5 | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | July | y 03 | | | | | | | | | | | | | | | |
| Ð | | | | | | | | | | | | | | | Solici | tation | | | | | | | | | | | | | | | |
| 5 | Q | | | | | | | | | | | | | | RAILC | OALS | | | | | | | | | | | | | | | |
| d | | | | | | | | | | | | | | | Multi | Year | | | | | | | | | | | | | | | |
| 2. | | | | | and and shared burg | 1. 8 10 10 | and the second second | Contraction (1975) | 104.02 500 | in the second | ATT OF ATT | Station and | and the second | | 10.00 | in the second | a strange | 1-1-5-6 | aligner in | Sec. Strick | 63 62 | अयोकेक वि | I Tale 15 | 1.1 | State in | | -far- | - Service | 17 53 B 19 1 | Carte Start | Ø |
| | | Part of Arts | CALLS IN THE | (000) | ST HER | 52 T 32 | | 100 5-64 | 1. | | Con State | S | and the s | Ship of | and the second | | 197 | the get star | 1 | された | 22 | | | 学校である | | 2 STAND | 1. 1. 1. 1. 1. | | | 57 . C | é |
| Б | | | the states | Total | Ava | 2004 | 2004 | 2005 | 2005 | 12008 | 2006 | Transp. | Transp | Railcas | 2.4 | Pur | hasa Spe | cification | 2 74 FL | | | difference a | Derato | Paralle | A 2 State | Cillized | A COLUMN O | | The Years | Ten Barle and | 뢺 |
| F | Sumilier | Conclusion Terminelly | Origin | I prime - co | Price E | Tons | SPRICe 1 | Ton | Price | Tons | C.Price & | Mode | Cost | Costs | Ash | Sulfur | Btu | Molsture | rsVol. | HGK | SOZ | Coststa | Codes | Cost S/st | Cost SIN | Cost Sist: | ALCOST S/MS | AGIIONIA | NEW NOUS | 51-1-5-1-1-5-5-5-5-5-5-5-5-5-5-5-5-5-5- | 4. |
| ľ | an coordependent of the | | | 100 | UNE S | | | | | | | CEV DE | 647 40 | \$4 75 | 10.00% | 0 78% | 13 800 | # 00% | 37 50% | 41 . | 1.20 | -\$0.74 | | \$53,80 | 2.069 | \$53.06 | \$2.04 | | | | 1 |
| - 1 | Koch Carbon 3 | 1/04 - 1/2/05 | Non-specific | 240 75 | 35.05公 | 240 | \$35,05 | 240 | \$35.05 | | | Cax as | 417.00 | - 14 f 14 | 10.0476 | | 10,000 | 4.0074 | 04200/0 | - | | | | ••••• | | | | | | | |
| 1 | All the state of t | + HIGH _ PINNING | Damon Fork | 500 | 35.00 | 300 | \$35.00 | 300 | \$15.00 | 300 | \$35,00 | CSX BS | \$17.00 | \$1.75 | 10.00% | 0.77% | 12,800 | 8,00% | 32.50% | 44 1 | 1.20 | -\$0.59 | | \$53.75 | 2,100 | \$\$3,16 | \$2.05 | | | | 1. |
| 1 | AEP NO 2 | 0.004 - 0.00000 | | 2 | 100 | | | | | | | | | | | | | | | | | | | 562 75 | 7 145 | \$87 17 | \$7.08 | | Reopener Ø | S and D6 | |
| 1 | Alliance No 2 | 1/1/04 - 12/31/06 | MC Mining | · 900 🐺 | 34:00 | 360 | \$34.00 | 300 | Reopen | 200 | Reoper | CSX BS | \$17,90 | \$1.75 | 8.00% | 0.15% | 12,500 | 8,00% | 32,0076 | 44 | 1.20 | -40.00 | | 4.54.14 | | 4-44-110 | | | | | 1 |
| | | | the second second | 7 460 55 | 11 002 | 770 | \$12.50 | 778 | \$13.00 | 720 | \$33.50 | CSX Kan | \$18,39 | \$1.75 | 13.00% | 0.73% | 12,100 | 8.00% | 30,00% | 42 1 | 1.20 | \$1.89 | AY | \$53,14 | 2.196 | \$55,03 | \$2.27 | | | | |
| - } | Massey 3a | 1/04 - 12/04 | Paniatan | 2,100 340 | 6.4 | 120 | 442.99 | | | | | - | | | | | | | | | | | | | | PT- 14 | 67 12 | | CarrelBacor | mers associated | 1 |
| 1 | Arch | 1/1/04 - 12/31/06 | Logan | 500 35 | 34.50 | 500 | \$34,50 | 500 | \$34,50 | 500 | \$34.50 | CSX Kan | \$18.39 | \$1,75 | 13.00% | 0.72% | 12,000 | 8,00% | 32,00% | 45 | 1,20 | 20.37 | A | 334,84 | 2.211 | 13,67 | 46.36 | | | | - |
| L | | | | _ | | | | (da. | | | | | | | | B 45 Fra | nomics Ba | use Soucific | ations . | | | | | | | | : | | - | | |
| | | | | De | maters which | Net 7/6 | | AGTE DEFINIT | | | | | | | | | | | | | | | | | | | | | | | |

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PEF-FUEL-004966

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Ash Sulfur Bits Moisture Vot 10.00% 0.70% 12,003 8,00% 31.00% NGI 40

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PROGRESS FILELS CORPORATION

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 42 of 52

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PROGRESS FUELS CORPORATION

CR 4 and 5 July 03 Solicitation Western Coals first run

FOR TEST PURPOSES ONLY - Review Later

| | | | (000) Tital y | Weight | 2004 | (-1) 2004 | 2005 | 2005 | 2006 | 2005 | Transp . | e Transfr | Ship or Railcar | | Pun | chaise Sp | ecificatio | ns 2 - 1 | | | - Utilization | Unit 45 Derate | Cash- | CashC | Evaluated | Evaluated | | |
|-----------|--------------------|-----------------|------------------|---------------|--------------|---------------|------------|----------|------|---------|-------------|-----------|--------------------|---------|----------|-----------|-------------|--------------|-----|------|------------------|-------------------|-----------|-----------|-----------|-----------|--------------|---|
| Supplier | a lem a | Origin | Signer | AP Price P | Tons 2 | Pricet | S.Tons: | C.Price? | Tons | Price | Moder | Cost | Costs | Ash | Sulfur | Btu | Moistur | VOE | HGP | soz | Cost/st/ | Codes | Cost S/st | Cost \$/5 | Cast Sist | Cost SIM | ACTION TAKEN | Notes |
| RAG 2 | 1/04 -12/04 | 20 Mile - COL | 500 | \$15.50 | 500 | \$15.50 | | | | | UP | | | 10.00% | 0.51% | 11,300 | 10.00% | 39.00% | 40 | 0.30 | \$0.32 | 8 | Ľ. | { | { | | 1 | Vol too high |
| Kennecott | 7/01/03 - 12/31/04 | Spring Creek | 100 | 34.75 | | } | | | | 1 | BN - | | | 4.00% | 0.34% | 9,350 | 24.90% | 32.43% | 53 | 0.73 | \$1.40 | ВМ | | | ļ | | | 103 tons are 0.75 less |
| AEP No 3 | 1/1/04 - 12/31/06 | PRB unprolited | 1,500 | \$19.10 | 500 | \$19.10 | 500 | \$19.10 | 500 | \$19.10 | FOB Barge | | | 5.30% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$2.64 | •вм | | | | | | Cook Coal Terminal - Rail/dock est @ 15.50 |
| Peabody 2 | 1/04 - 12/04 | PRE-Ant/Reck | 500 | \$20.77 | | I 1 | | | | | FOB bg Cora | | • | 4.40% | 0.22% | 8,800 | 28.70% | 31.50% | 59 | 0.50 | \$1.47 | ВМ | | | | | | 30k is.60 less for 03-ruil/dock rate est/016.50 |
| Oxbow | 1/0412/06 | Elk Creek CO | 1,500 | \$18.03 | 500 | \$17.50 | 500 | \$18.03 | 500 | \$18.57 | UP | | | 12.00% | 0.58% | 11,500 | 10.00% | 32.00% | 45 | 1.00 | \$0.91 | 8 | | | | | | Nota SOZ prem/penaity |
| AEP No 4 | 1/1/04 - 12/31/06 | PRB | 1,500 | \$18.10 | 500 | \$18.10 | 500 | \$18,10 | 500 | \$18.10 | FOB Barge | | · | 5.50% | 0.34% | 8,400 | 27.00% | 35.00% | 50 | 6.50 | . 53.01 | ВМ | | | | | | Cook Coal Terminal - Rall/dock est /h 16.50 |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | \$3.50 | | | | | | | UP,BN | | | 5.82% | 0.48% | 8,700 | 27.72% | 32,15% | 54 | 1,10 | 11.12 | BM | | | ł i | | 1 | 03 tons are 0.65 less |
| DTE 1 | 1/1/04 - 8/30/04 | PRB | 168 | \$4.15 | • | | | | | | FOB Car | | | 5.00% | 0,35% | 8,300 | 27.00% | 35.00% | 50 | 0.40 | \$2.11 | BM | | | | | | FOR Palicate Note SO2 neamlum |
| Arch | 1/01/04 - 6/30/04 | PR8 | 300 | \$6.30 | 300 | \$6.30 | | | | | Mult | | | 5.00% | 0.35% | 8.800 | 28.00% | 35.00% | 50 | 0.80 | 17 91 | RM | | | | | 1 | |
| DTE 2 | 1/1/04 - 12/31/04 | PRS | 336 | \$1.35 | | | | | | | FOB Car | | | 6.00% | 0.35% | # 800 | 77 00% | 35 0.0% | 50 | | 52.84 | BM | | | | | 1 | Cowest price vises bid for such oppoints |
| Triton 1 | 1/04 -12/04 | PRE N Rochelle | 500 | \$1,00 | 500 | 58.00 | • | | | | BNUP | { { | | À 70% | 0.35% | 8,000 | 77 90% | 1 007 | | | 42.41 | | | | | | 1 | · · · · · · · · · · · · · · · · · · · |
| RAG 1 | 1/04 -12/04 | PRB - Built Avr | 500 | 56.25 | 500 | \$6.25 | | | | | 11P BN | | . | 4 50 11 | | | 20.00% | 31.00% | | | \$2.50 | | | | | | 1 | |
| Triton 2 | 1/04 -17/04 | PRB Buckskin | 501 | 54.00 | 500 | \$5.00 | | | | | Di juli | · | | | 0.27% | 8,000 | 29.30% | 31.00% | 34 | 0.03 | \$2,83 | BM | | | • | | I | |
| | | | | | | | | | i | | Dra . | | | 5.30% | 0.30% | 8,400 | 29.90% | 31.00% | 55 | 0,71 | \$2,30 | RM. | | | | | | |
| | | | | 1 | | | | | | | | 1 | | | | | | | | | | | | | | | | |
| , | | | | ul | | | d | ا | ł | | | L | | |] | 1 | | | | | | | | | ابن | | | L |
| | | | | | | | | | | | | | ł | | R 45 Eco | nomics Ba | an Specific | ationa | _ | | | | | | | | | Total of 7,538,003 tons offered |
| | | | • | Osnobes we | gitted avera | ge of multiy | ear prices | | • | | | | | 10.00% | a 70% | 17.000 | Notative | Yol Troox | AGE | | 1 | SOI Mine | \$160 | | | | | |
| | | | | Transportatio | on rates mus | st be regotia | ied. | | | | | | 1 | | | 12,000 | | 31.2074 | -•• | | | | | | | | 1 | |

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Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 43 of 52

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PROGRESS FUELS CORPORATION CR 4 and 3 Master Listing-All Categories (First Run)

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|-----------------|--------------------|----------------|-------|-----------|-------|---------|-------|-----------------|------|-------------------|----------------|-------------|--------|---|---------|-------------|-----------|---------|-------------|--------|------------|-----------|------------------|----------------|------------------------|--|
| | the start | | 10001 | | | | in an | | 2008 | 2006 | Transa | Transp. FR | il can | The Pure | hase Sp | edification | | | Utilization | Decate | Cash | 2Cash2 | Dunand . | Utulizeo | | |
| Socier | and James C | Origin n n | Tom | US NUMBER | Tours | Price | Tone | C Priceso | Tons | Price | C Mode | Cost | osts | Ash Sulfur | Bhu | Molsture | Vol | GI SD2 | Casthat | Codes | Cost \$/st | CostSM | Cost Sist. | CostsAts | ACTION TAKE | No Bolts of the second s |
| AFP No 1 | 1/04 -12/06 | Col/Ven/US | 2,700 | 338.00 | 900 | \$35,50 | 900 | \$36,00 | 908 | \$30,50 | FOB NOLA | \$14.44 \$ | 8.00 | NA 0.60% | 11300 | NA | NA N | U 1,06 | \$1.34 | ABM | \$56,44 | 2497.1 | \$57.82 | \$2.56 | • . | Nonspecific Loadpoint, Quality, Freight |
| AEP No Z | 1/1/04 + 6/30/06 | Damron Fork | 500 | \$35.00 | 309 | \$35.00 | 300 | \$35.00 | 306 | \$35.00 | C5X 85 | \$17,00 \$ | 1.75 | 10,00% 0,77% | 12,800 | 8.00% | 32.50% 4 | 1,20 | -\$0,59 | | \$53,75 | 2 106 | \$53,18 | \$2.08 | | |
| AEP No 3 | 1/1/04 - 12/31/06 | PRB | 1,500 | \$19,10 | 500 | \$19,10 | 500 | \$19,10 | 500 | \$19,10 | FOB Barge | \$16,50 \$ | 9.00 | 5,50% 0,15% | 8,500 | 27.00% | 35.00% 5 | 50 0,20 | \$2,56 | BM | \$35.60 | 2021 | \$38,25 | \$2.17 | | Cook Coal Termina - Pandock est & 16.30 |
| AEP No 4 | 1/1/04 - 12/31/05 | PRB unspection | 1,500 | \$18,10 | 500 | \$18.10 | 500 | \$18.10 | 506 | \$16,10 | FOB Barge | \$16.50 \$ | 0.00 | 5,50% 0,34% | 8,400 | 27.00% | 35.00% 5 | 50 0.80 | \$3,01 | BM | \$34,60 | 2060 | \$37.81 | \$2.24 | | Logic Cost remains whiles. This is likely case |
| AEP No 5 | 1/1/04 - 12/31/04 | CSX Kan | 300 | \$32,00 | 300 | \$32,00 | | | | | CSX Kan | \$18.39 \$ | 1.75 | 12.00% 0.75% | 12,500 | 8.00% | 30.00% 4 | 1,20 | \$1_27 | v | \$52,14 | | \$51.41 | \$2,14 | -11 | Solution of antiputs of the state of a state of the state |
| Alliance No 1 | 1/1/04 - 12/31/04 | MC Mining | 300 | \$34,00 | 300 | \$34.00 | | | | • | CSX BS | \$17.00 \$ | 1.75 | 9.00% 0,75% | 12,500 | 8.00% | 32.00% 4 | 42 1.20 | -\$0.63 | | \$52,75 | | \$12,12 | \$2.08 | | Recomment 05 and 05 |
| Alliance No 2 | 1/1/04 - 12/31/06 | MC Mining | 300 | \$34.00 | 300 | \$34.00 | 300 | Reopen | 300 | Reopen | CSX BS | \$17.00 | 1.75 | 9.00% 0.75% | 12,500 | 8.00% | 32.00% 4 | 1.20 | -\$0.63 | | \$52.75 | | \$02.12 | \$2.08 | | Keythe Blanded |
| Alpha | 1/1/04 -12/31/04 | McClure | 360 | \$34.50 | 360 | \$34.50 | | | | | CSX CL | \$18.60 \$ | 1.75 | 10.00% 0.77% | 12,800 | 7.50% | 25.00% 5 | 1.20 | \$0.34 | v | 152,85 | | \$53.19 | | | Kust be Blended |
| Alpha | 1/1/04 -8/30/04 | McClure | 180 | \$34.50 | 180 | \$34,50 | | | | | CSX CL | \$16.50 \$ | 1.75 | 10.00% 0.77% | 12,800 | 7.50% | 28.00% 8 | 1.20 | \$0.34 | · · | 102,85 | | \$5J.19 | \$2,08 | | Low ritice - see bid for add" |
| Arch | 1/1/04 - 6/30/04 | Logan | 300 | \$34.25 | 300 | \$34.25 | | | | | CSX Kan | \$18,39 1 | 1.75 | 13.00% 0.72% | 12,000 | 8.00% | 32.00% 4 | 1.20 | 20.97 | | \$54,39 | | 400.00 | 92,31 69.75 | | towest price - see bid for addit options |
| Arch | 1/01/04 - 6/30/04 | PRB | 300 | \$6,30 | 308 | \$6.3D | | | · | | Malti | \$14.44 \$ | 15.95 | 6.00% 0.35% | 8,500 | 25.00% | 35.00% 5 | 50 0.80 | 52,91 | EW. | 978,8W | | 9-13-00 | 42,43 | | Cany/Reppeners associated |
| Arch | 1/1/04 - 12/31/06 | Logan | 500 | \$34,56 | 500 | \$34.50 | 500 | \$34,50 | 500 | \$34,50 | CSX Ken | \$18.39 1 | 1.75 | 13.00% 0.72% | 12,000 | 8.00% | 32,00% 4 | 1.20 | \$0,\$7 | Ŷ | 409.09 | | 400.01 868.20 | \$7.53 | | |
| B&W Resources | 1/1/04 - 12/31/04 | B&W Harard | 120 | \$40.00 | 120 | \$40.00 | | | | | CSX Jef | \$16.87 \$ | 1.75 | 10.00% 0.75% | 12,500 | 8,00% | 32.00% 4 | 12 1.20 | -90.25 | | \$24.20 | | 161 97 | 12.52 | • | |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Engle | 480 | \$37.00 | 480 | \$37.00 | | | | | Kan barge | \$24.50 | | 12.00% 0.74% | 12,300 | 8,00% | 31,00% 4 | 42 1.20 | 50.42 | | 155 80 | | 555.31 | 52.79 | ě, | 75 car capacity only |
| Central Coel Co | 1/1/04 - 1/2/31/04 | Kan Eagle | 480 | \$25,75 | 489 | \$35.75 | | | • | | CSX Kan | \$18.39 3 | 1,75 | 12,00% 0.74% | 12,300 | 8.00% | 31,0074 4 | 44 1 20 | 40.94 | м | \$50.10 | | \$51.32 | \$2.17 | 5 | Use IMT |
| CMC | 1/1/04 - 12/31/04 | Correjon | 400 | \$35.95 | 400 | \$35.95 | | | | | CIF ECT | \$14.44 | | 8.00% 0.71% | 11,800 | 11,00% | 11.00% | 49 1.20 | -50 33 | | \$51.75 | 2070 | 551.42 | \$2.06 | ą́ – | |
| Dominion | 1/1/04 - 12/31/04 | MC Mieling | 360 | 227.00 | 360 | \$13.00 | | | | | CSX BS | \$17.00 , 1 | 1,73 | 10.00% 0.73% | 14 700 | 14 40% | 11 00% | 4 1.70 | 50.41 | вм | \$47.57 | 2024 | \$47.78 | \$2.04 | 1. | Blending Issues |
| Drummond 1 | 1/1/04 - 12/31/04 | McDutte | 750 | \$34.88 | 750 | \$34.88 | | | | | | 514.44 | 1.05 | 500% 070% | 11,700 | 14 00% | 31 00% 4 | 44 1.20 | 50.41 | BM | \$48,78 | 2.085 | \$49.19 | \$2,10 | 5 | Blending Issues |
| Drummond 2 | 1/1/04 - 12/31/06 | McDuffle | 2,250 | \$38.29 | 750 | \$34.88 | 750 | \$36.29 | 750 | 239.06 | EOB Car | 514.44 E | 15.95 | 6.00% 0.35% | 8 800 | 27.00% | 35.00% 5 | 50 0.50 | \$2.81 | BM | \$38.54 | 2076-3 | \$39.35 | \$2,24 | ц - | FOB Ralicar - Note 502 premium |
| DTE 1 | 1/1/04 - 6/30/04 | PRB | 188 | \$8.15 | | | | | | | FORCH | 514.44 5 | 15.95 | 6.00% 0.35% | 8,800 | 27,00% | 35.00% 5 | 50 0.80 | \$2.81 | вм | \$38.74 | 2,084 | \$19.55 | \$25 | Ĩ. | FOB Railcar - Noie SC2 premium |
| DTE 2 | 1/1/04 - 12/31/04 | PRB | 338 | 36.35 | | | | | | | FOR Dide | 514.44 | 1.95 | 7.00% 0.74% | 12,400 | 8.00% | 35.00% 4 | 45 1.20 | -\$1.16 | | \$54.24 | 定在14 | \$53.08 | \$2,14 | | |
| Enteraid 1 | 1/1/04 - 12/31/04 | Mobile | 500 | \$41.73 | 500 | \$41./5 | | | | | FOB Disle | \$14,44 | 1.95 | 7,00% 0,74% | 12,400 | 8,00% | 35.00% 4 | 45 1.20 | -\$1.18 | | \$54.84 | 227 | \$53,68 | \$2,16 | | |
| Enterald 2 | 1/1/04 - 12/31/04 | BAT . | 500 | 342.35 | 200 | \$42,33 | | | | | FOB IMT | 514,44 | | 7.00% 0.74% | 12,400 | 8.00% | 35.00% 4 | 45 1.20 | -\$1,18 | | \$54,74 | 2.297 | \$53.58 | \$2.16 | | |
| Glencort | 1/1/04 - 12/31/04 | Cellect-TWC | 300 | 540.30 | 300 | \$40.40 | | | | | POB INT | 514.44 | | 7.00% 0.74% | 12,400 | 8.00% | 35.00% 4 | 45 1.20 | -\$1,16 | | \$55.24 | 17.227.0 | \$54,08 | \$2.18 | | |
| Giencore | 1/1/04 - 12/31/04 | INT Content | 300 | \$78.50 | 300 | \$18.50 | | | | | FOB IMT | \$14.44 | | 7.00% 0.74% | 12,400 | 8.00% | 35,00% 4 | 45 1.20 | -\$1.16 | | \$52,94 | 412 | \$51,78 | \$2.09 | • | |
| Glencore | 12104 - 1213104 | TDA Raited | 500 | \$40.15 | 300 | \$40,15 | | | | | FOR TPA | \$14.44 | | 7.00% 0.74% | 12,400 | 8.00% | 35.00% 4 | 45 1.20 | -\$1,18 | | \$54.59 | 7.201 | \$51,43 | \$2.15 | | Not feasible - too much trucking |
| Glancore | 1/1/04 - 12/31/04 | TPA-Gamed | 100 | \$40.60 | 300 | \$40.60 | | | | | FOB TPA | \$14.44 | | 7.00% 9.74% | 12,408 | 8.00% | 35.00% 4 | 45 1,20 | -\$1,16 | | \$55.04 | 2.219 | \$53,88 | \$2.17 | 15 | Not feasible - too much trucking |
| Giestcore | 11104-1213104 | TPA-Gearless | 308 | \$39,10 | 300 | \$39,10 | | | | | FOR TPA | \$14.44 | | 7.00% 0,74% | 12,408 | 8,00% | 35.00% 4 | 45 1.20 | -\$1,15 | | \$53,54 | 215 | \$52,38 | \$2.11 | | Not fassible - too much bracking |
| Giencore | 115/04- 12/31/04 | INT - Belted | 200 | \$40.45 | 200 | \$40,45 | | | | | FOB IMT | \$14,44 | | 8,00% 0.77% | 12,800 | 8.00% | 31.00% 4 | 45 1.20 | -\$1.19 | | \$54.89 | | \$53,70 | \$2.10 | · . | Make certain on blu guar on all 3 bids |
| Guittan | 12/04-12/31/05 | MT - Beited | 1,150 | \$40,34 | 850 | \$40.25 | 500 | \$40.45 | • | | FOB INT | \$14.44 | | 8,00% 0,77% | 12,809 | 3.00% | 31.00% 4 | 45 1.20 | -\$1.19 | | \$54.78 | 2140 | \$53,59 | \$2,09 | | Lowest Price Alternative (one of many options) |
| Guaran | 1/1/04 - 12/31/06 | IMT - Beited | 1,950 | \$40.55 | 650 | \$40.25 | 650 | \$40,45 | 650 | \$40.95 | FOB IMT | 514.44 | | 8.00% 0.77% | 12,800 | 3.00% | 31.00% 4 | 45 1.20 | -\$1.19 | | \$54,99 | Z144 | \$53,80 | \$2,10 | • •• | 3 optional cargoes 05 & 06 not incl |
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | \$36,75 | 750 | \$38.75 | 750 | \$36,75 | 750 | \$36,75 | FOB barge | \$24.50 | | 8,00% 0.77% | 12,300 | 8.00% | 31.00% 4 | 45 1.20 | -\$1.19 | | \$51,25 | 2 193 | \$60,06 | \$2,15 | Sold - bid withdr | WA FOB Dock Quincy-FOB Barge Snewsbury |
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | \$35,95 | 750 | \$35.95 | 750 | \$35.95 | 750 | \$35.95 | POB barge | \$24,50 | | 10.00% 0.75% | 12,500 | 8.00% . | 31.00% 4 | 45 1.20 | -\$0.34 | | \$50,45 | 12.418 | \$60.11 | \$2,44 | Sold • bid withdr | WI FUS LOCK QUINCY + UG BALGE SHIWHOU Y |
| Kennecatt | 7/01/03 - 12/31/04 | Jacobs | 100 | \$5.50 | | | | | | | UP,BN | \$14.44 \$ | 15.95 | 5.82% 0.48% | 8,700 | 27.72% | 32.19% 5 | 54 1.10 | \$3.33 | BM | \$35.89 | C.OGS | \$39_22 | 52,25 | | 03 tons are 0.75 less |
| Kennecolt | 7/01/03 - 12/31/04 | Spring Çreek | 100 | \$8.75 | | | | | | | BN | \$14.44 \$ | \$9.5 | 4.00% 0,34% | 9,350 | 24.90% | 32.43% 5 | 55 0.73 | \$1.40 | BM | \$37.14 | | \$38.54 | 52.04 | | our spens der Gille man |
| [| | | 140 | *14 75 | 140 | \$14.75 | | | | | CSX 85 | \$17.00 \$ | 1,75 | 10.00% 0.78% | 13,000 | 5.00% | 32.50% 4 | 43 1.20 | -\$0.74 | | \$53,00 | . 2.038.1 | \$52.25 | \$2.01 | | |

140 \$34.25

÷

Koch Carbon 1

1/04 - 7/04

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 44 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 Master Listing-All Categories (First Run)

| Los Supplier | Term | T-Origin 4-st | and the second | 17 1 | | | Contraction of the | 7727,2005 | 200 | 2008 | a a l ranspi | Tranapa | Ralic | 74 | | - 65 - 5 - 5 | as a con | 50 | 12 | is Unit | 5. 2. 3 | 1.1.1.1 | Evaluated | Evaluated in the second | |
|---------------|--------------|-----------------|----------------|---------|------|---------|--------------------|-----------|-----|---------|--------------|-------------|--------|----------------|--------|--------------|-----------|---------|---------|-----------|----------|------------------------|-------------|-------------------------|--|
| Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 | \$34,54 | z40 | ST4 S | Ton | Lus Price | Ton | РТС | Mode: | Costs | Cost | Ash Sulfu | HE Bhu | Molstur | - Vol - | HGI SO2 | Cultras | etri Code | Coart S | Cont Vi | a Uulbad | United | |
| Koch Carbon J | 1/04 - 12/05 | Non-specific | 740 | | | ***** | • | | | | CSX BS | \$17,00 | \$1,75 | 5 10.00% 0.78% | 13,000 | 8.00% | 32.50% | 41 1 70 | 50.7 | | | | - Cont Sist | Cost I/M ACTION TA | KEN: Notes |
| Manager 1a | 104 - 504 | | 240 | 932.05 | 240 | \$35.0 | 5 240 | \$35.0 | 1 | | CSX 85 | \$17,00 | \$1.75 | 5 10.00% n 7x% | 17 000 | | | -5 1.20 | -90.74 | 4 | \$51.2 | 5 102048 1 | \$52,51 | \$2.02 | - |
| | 104-204 | Bandrall | 360 | \$33.00 | 360 | \$33.0 | 9 | | | | CSX Kan | \$18.10 | ** 70 | | 13,000 | a.00% | 32.50% | 43 1.20 | \$0.74 | 4 | \$53.80 | 2.009 | \$53.06 | \$2.04 | • |
| Massay 15 | 1/04 - 6/04 | Bandmiā-Ceredo | 360 | \$38,20 | 360 | \$38.20 | 2 | | | | FOR C | | 41.13 | 13.00% 0.73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | A (| \$53.14 | 2.196 | \$55.03 | \$7.97 | |
| Massey 2a | 1/04 - 12/04 | Bandmill | 720 | \$33,00 | 720 | \$77.00 | | | | | FUS GARE | io \$23.50 | | 13.08% 0.73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | | / \$8170 | 調調 | | W4.21 | |
| Massey Zb | 1/04 - 12/04 | Bandmill-Ceredo | 7-10 | | | | | | | | CSX Kan | \$18,39 | \$1.75 | 13.00% 0.73% | 12,100 | 8,00% | 30.00% | 47 1 70 | | | | | 282.29 | \$2.63 | |
| Maxim 31 | 104 43/04 | | 120 | 418,20 | 720 | \$38.20 | | | | | FOB Cered | o \$23.50 | | 13.00% 0.73% | 17 100 | | | | 41.43 | - A1 | \$53.14 | 代12196号 在13年期日本 | \$55.03 | \$2,27 | |
| | 104 - 1204 | Bandmill | 2,160 | \$33.00 | 720 | \$32.50 | 720 | \$33.00 | 720 | \$33,50 | CSX Kan | \$17 m | | | 12,100 | 6.00% | 30.00% | 42 1.20 | \$1.89 | A) | \$81.70 | 12556 | \$63.59 | \$2,63 | • |
| Massey 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,150 | \$38,50 | 720 | \$38.00 | 720 | 518 50 | 770 | | | 410,39 | 41.75 | 13.00% 0,73% | 12,100 | 8.00% | 30.00% | 1.20 | \$1.89 | AV | \$53.14 | 219 | \$55.01 | *** *** | |
| Oxbow | 1/04 -12/08 | Elk Greek CO | 1.500 | 518.03 | Eng. | | | 444.00 | 720 | 913.00 | FOB Cered | o \$23,50 | | 13.00% 0.73% | 12,100 | 8.00% | 30.00% | 2 1.20 | \$1.89 | 41 | | | ****** | +2.21 | |
| Peabody 1 | 1/04 -12/04 | Symmetry Mine | | | 300 | \$17,50 | 500 | \$18.03 | 500 | \$18.57 | UP | \$29.00 | | 12.00% 0.58% | 11,500 | 10.00% | 32.00* | | | ~ | 102.00 | | \$83,89 | \$2.64 | |
| Perbadia 1 | | of the gy make | . 344 | \$34.25 | 540 | \$34.25 | | | | | CSX Kin | \$18.39 | \$1.75 | 12 00% 0 76% | | _ | | 1,00 | 20.91 | B | \$47,03 | N2045 | \$47_94 | \$2.08 | Note SO2 prem/remain |
| 1 44000y 2 | 1/04 - 12/04 | PRE-Ant/Roch | 500 | \$20,77 | | | | | | | FOR by Car | | | | 12,500 | 7.00% | 31.00% 4 | 4 1.20 | \$0.17 | | \$54.39 | Z176 | \$54.56 | \$2.18 | |
| Peebody 3 | 1/04 -12/04 | BS River | 144 | \$38.35 | 144 | \$38.35 | | | | | | - 413.00 | | 4.46% 0.22% | 8,800 | 26.70% | 31.50% 5 | 9 0,50 | \$1.87 | BM | \$35.77 | BERNAR BERNAR | \$17.04 | | - |
| PFC | 1/04 -12/06 | coal/Synfuel | 2,700 | \$35.89 | 900 | *** | | | | | BS River | \$24.50 | | 13.50% 0.74% | 12,300 | 8.00% | 31.00% 4 | 2 1.20 | 50.87 | | *** | | 4-11,04 | \$2.14 | 30k is.60 less for 03-rail/dock rate est@16.50 |
| RAG 1 | 1/04 -12/04 | PRB - Balla Ave | | | | 434.15 | 900 | \$35,88 | 900 | \$37.03 | Kan River | \$24,50 | | 12.00% 0.75% | 12.500 | B 00% | | | | Ŷ | 442,43 | | \$63.72 | \$2.59 | |
| RAG 7 | 104-1104 | | 300 | \$8.25 | 500 | \$6.25 | | | | | UP, BN | \$14.44 \$t | 15.95 | 4.50% 0.77% | | | | • 1.20 | \$0.27 | | \$60,39 | 2416 | \$60.68 | \$2,43 | Min 50% synfuel +0.68% S. to analy Deserve |
| _ | | 20 Mile - COL | 504 | \$15,50 | 500 | \$15.50 | | | | | UP. | \$30 AA | | | 4,000 | 29,90% | 11.00% 51 | 0.63 | \$2.63 | BM | \$36.64 | BELLE H | \$39.27 | \$2.30 | to apply Reopen of |
| Transocean | 7/03 - 12/03 | China | 200 | \$38.87 | 200 | \$38.87 | | | | | | 423.04 | | 10.00% 0.51% | 11,300 | 10.00% | 9.00% 40 | 0.90 | \$0.32 | в | \$44.50 | 3.109 3.1 (161,969) | 544 82 | ** ** | |
| Triton 1 | 1/04 -12/04 | PRB N Rochelle | 500 | \$8.00 | 500 | | | | | | GIF NOLA | \$14.44 | | 10.00% 0.58% | 11,500 | 10.00% | 1.00% 52 | 1.00 | \$1.30 | | | 語の時間 | | 4 1.36 | Val too high |
| Triton 2 | 1/04 -12/04 | PRB Buckskin | 500 | - | | 40.00 | | | | | 8N,t/₽ | \$29.00 | | 4.70% 0.35% | 8,800 | 27.90% | 1.00% 55 | | | | 16444 | | \$54,81 | \$2.37 | · · |
| | | | | 44.00 | 000 | 35.00 | | | | | BN | 514.44 \$1 | 5,95 | 5.90% 0.30% | 3 405 | 20.000 | | | 44.50 | ВМ | \$37,00 | 42.102.3 | \$39,50 | \$2.24 | : |
| | | | | | | | | | | | | | | | | | 1.00% 55 | 0.71 | \$3,30 | BM | 518 10 | | | | |

CR 45 E Axh Bts: Moletare Vol 12,000 8,00% 31.09% 10,00% 9.70%

HGI 40 ST72 Price

\$160

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 45 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation RAL COALS ALL BIDS Ship are state to a state of the
| Appla VIG4 - 7/24 Non-specific 20 VIG4 - 2/24 Ausses - 2/24 VIG4 - 2/24 Ausses - 2/ | CO TRACTION | and the second second second | | to an and the second | And sold literation | | | | | | | | | ALL BID | s | | | | | | • • | | | | | | |
|---|-----------------|------------------------------|--------------|---|---------------------|----------|------|---------|------------|----------------|---------|---------|--------|--------------------------------------|------------|------------|-----------|--------------------|------------------|----------------|---------|------------------|-----------|------------------|-----------|-----------------------------|-----|
| Koch Carbon 1 104 - 17/4 Non-specific 50 51.40 51.40 50.00 51.40 50.00 51.40 50.00 51.40 50.00 51.40 50.00 51.40 50.00 51.40 50.00 51.40 51.40 50.00 51.40 50.00 51.40 51.40 51.40 50.00 51.40 50.00 51.40 51.40 50.00 51.40 50.00 51.40 51.40 50.00 50. | Supplier | a tradition to the | -Origin | (000) Welgh I Total Aven Lofa wels Pilos | 6 200 7 200 | 0 C 2004 | 2005 | 2005 | 2006 | 2006 | Jransp! | Transp | Ship. | e _{de la} serie Franksie | Virchase S | pectificat | 1 OTTA | | 2 UUnzati | Unit m Dera | | | Evaluated | Evaluated | | | |
| Koch Carbon 2 194 - 12/24 Non-specific 20 54.6.9 54.6.9 52.9.7 41 12.9 49.74 55.00 20.72 52.27 Apha 11764 - 12/3104 McChare 300 54.6.9 54.6.9 CSX ES 51.70 51.75 10.00% 0.75% 12.00 80.75 25.25 41 12.9 49.74 153.26 25.27 25.27 Apha 117164 - 12/3104 McChare 300 51.55 240 535.65 CSX CL 51.66 51.75 10.00% 7.77 12.80 7.00 8.07% 45 12.0 40.4 V 552.85 151.10 151.10 12.00 <td>Koch Carbon</td> <td>1 1/04 - 7/04</td> <td>Non-specific</td> <td>140 534.25</td> <td>140</td> <td>\$34.25</td> <td></td> <td></td> <td>140/ POILS</td> <td>Beergen Prices</td> <td>MODEL P</td> <td>Cost</td> <td>Cost</td> <td>Ash: Sul</td> <td>ur - Btu</td> <td>Moistu</td> <td>ren Vol</td> <td>HGIESC</td> <td>Z Costi</td> <td>dCode</td> <td>Cost</td> <td>st Cost VI</td> <td>Cost Vist</td> <td>Cost Sid</td> <td>ACTIONTAR</td> <td>N Notes</td> <td>窘</td> | Koch Carbon | 1 1/04 - 7/04 | Non-specific | 140 534.25 | 140 | \$34.25 | | | 140/ POILS | Beergen Prices | MODEL P | Cost | Cost | Ash: Sul | ur - Btu | Moistu | ren Vol | HGIESC | Z Costi | dCode | Cost | st Cost VI | Cost Vist | Cost Sid | ACTIONTAR | N Notes | 窘 |
| Alpha 11/164 - 1/2/31/04 McChure 380 154.00 Control Find 1000 find 11/164 - 1/2/31/04 153.25 2.007 153.25 2.007 153.25 2.007 Alpha 11/164 - 40/014 McChure 180 154.50 51.65 240 35.50 CSX CL 31.66 31.70 10.07 0.787 12.00 2.007 2.007 12.00 2.007 12.00 10.01 10.01 10.01 10.01 10.01 10.01 10.01 10.01 0.017 12.00 0.007 10.01 10.01 10.01 10.01 0.017 12.00 0.027 12.00 10.01 | Koch Carbon | 2 1/04 - 12/04 | Non-specific | 240 53450 | . 240 | \$34.50 | | | | ' | CSX 85 | \$17.00 | \$1.75 | 10.00% 0.78 | * 13,000 | 8.005 | 32.50% | 49 1.2 | -\$0.74 | r - | \$53.00 | 2018 | \$52.28 | \$2.01 | | | |
| Alpha 11/164_01/02/104 McClare 10 Lize 10 12/20 10/20 12/20 10/20 12/20 | Alpha | 1/1/04 -12/31/04 | McClure | 360 1134.50 | 3 360 | \$34.50 | | | | | CSX CL | \$10.50 | \$1.75 | 10.00% 0.7 | % 13,000 | 3.00% | 3Z.50% | 43 1.2 | 50.74 | L . | \$53,25 | 2.048 | \$52.51 | \$2,02 | | | |
| Koch Carbon 3 1/64 - 12/05 Mon-specific 240 33.5.05 250.75 41.60 40.07 25.075 41.60 40.07 32.075 41.75 10.005 0.755 12.00 8.075 32.075 41.1 10.00 40.75 10.005 40.75 12.00 40.75 12.00 40.75 12.00 40.75 12.00 40.75 12.00 40.75 12.00 40.75 12.00 40.75 12.00 40.75 | Alpha | 1/1/04 -6/30/04 | McClure | 180 \$34.50 | 180 | \$34.50 | | | | | CSX CL | \$16.60 | \$1.75 | 10.00% 0.77 | % 12,800 | 7.50% | 28.00% | 65 1.2 | 0 \$0.34 | | \$52,85 | - 2.084T | \$53.19 | \$2,08 | | Must be Blended | |
| Dominion 1/1/4 + 12/31/04 MC Mining 340 513.00 513.00 513.00 51.75 1/1/6 51.01 51.00 52.04 AEP No.5 1/1/64 + 2/3/1/04 CSX BS/Km 300 512.00 513.00 51.75 1/1/64 511.75 1/1/64 511.75 1/1/64 511.75 511.42 52.04 AEP No.5 1/1/64 + 2/3/1/04 CSX BS/Km 300 513.00 516.00 30.05 51.75 1/1/64 511.75 1/1/64 511.75 1/1/64 52.04 52.04 Eval using Kan-BS net likely Allance No 1 1/1/04 + 2/3/1/04 MC Mining 300 514.00 300 516.00 516.00 51.75 10.00% 0.75% 12.50 8.00% 21.20% 44 12.0 50.50 513.17 511.62 52.04 52.04 52.04 52.04 52.04 52.04 52.04 50.07 51.75 12.00 8.00% 21.00% 42.120 50.50 51.27.5 51.16 52.14 52.04 52.04 50.07 51.05 51.01 52.14 52.04 52.04 50.07 | Koch Carbon : | 1/04 - 12/05 | Non-specific | 240 \$35.05 | 240 | \$35.05 | 240 | \$35,05 | | | CSX BS | \$17,00 | \$1.75 | 10.00% 0.78 | × 12,000 | 8.00% | 37.50% | 41 17 | D \$0.34 | , | \$52,85 | 2.064 | \$53.19 | \$2,08 | | Must be Blended | |
| AEP No 5 17/104 - 12/31/04 CSX BS/Kan 300 51/20 301 51/20 301 51/20 50.04 52.04 AEP No 2 17/104 - 42/31/04 GSX BS/Kan 300 51/20 300 51/20 300 51/20 300 51/20 50.04 50.04 51/20 50.07 51/20 50.07 51/20 51/20 50.07 51/20 < | . Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 533.00 | 380 | \$13.00 | | | | | CSX BS | \$17,00 | \$1.75 | 10.00% 0.75 | 4 12,500 | 8.00% | 31.00% | 42 1.2 | 50.74 50.74 | | \$53.80 | 15 A SUR | \$53.0e | \$2.04 | | • | |
| All And No. No. 1 1/10/4 - 1/2/3 1/04 MC Mining 300 \$13.50 300 \$15.00 CSX BS \$17.00 \$1.73 10.00% 0.77% 12.50% 44 1.20 50.50 552.17 552.17 552.18 52.46 Alliance No 1 1/10/4 - 12/3 1/04 MC Mining 300 \$34.60 | AEP No 5 | 1/1/04 - 12/31/04 | CSX BS/Kan | 300 \$32.00 | 300 | \$32,00 | | | | | CSX Kan | \$18,39 | \$1.75 | 12,00% 0.75 | 4 12,500 | 8.00% | 30.08% | 42 1.2 | D \$1.27 | , | +31./3 | | \$51.42 | \$2_06 | | | |
| Allance No 1 Indo 1/2/300 Mic Mining 300 \$34.00 S34.00 CSX BS \$17.00 \$1.75 9.00% 0.75% 12.50 8.00% 22.00% 42 1.20 50.85 \$12.275 \$2.08 Allance No 2 1/104 - 12/31/08 MC Mining 900 \$13.40 300 Reopen 300 Reopen 500 \$1.75 9.00% 0.75% 12.50 8.00% 22.00% 42 1.20 50.85 \$52.12 \$2.08 Reopener 05 and 06 Massey 1a 1/04 - 12/04 Bandmill 366 \$31.00 720 \$13.30 51.75 12.00% 0.75% 12.50 8.00% 22.00% 42 1.20 50.83 \$52.12 \$2.08 Reopener 05 and 06 Massey 2a 1/04 - 12/04 Bandmill 366 \$31.00 720 \$33.50 720 \$1.75 12.00% 0.75% 12.00 8.00% 21.00% 42 1.20 5.1.75 55.03 \$2.27 72.11 55.03 \$2.27 72.11 55.03 \$2.27 72.11 55.03 52.27 72.11 55.03 <td>ALP NO 2</td> <td>1/1/04 - 6/30/06</td> <td>Damron Fork</td> <td>900 2535,00</td> <td>300</td> <td>\$35,00</td> <td>300</td> <td>\$35,00</td> <td>300</td> <td>\$35.00</td> <td>CSX BS</td> <td>\$17,00</td> <td>\$1.75</td> <td>10.00% 0.77</td> <td>6 12,800</td> <td>8.00%</td> <td>32.50%</td> <td>44 1,2</td> <td>-\$0,59</td> <td></td> <td>\$53.75</td> <td>ZTOR</td> <td>\$57.18</td> <td>\$2.14 \$7.88</td> <td></td> <td>Eval using Kan-BS not lik</td> <td>»ly</td> | ALP NO 2 | 1/1/04 - 6/30/06 | Damron Fork | 900 2535,00 | 300 | \$35,00 | 300 | \$35,00 | 300 | \$35.00 | CSX BS | \$17,00 | \$1.75 | 10.00% 0.77 | 6 12,800 | 8.00% | 32.50% | 44 1,2 | - \$ 0,59 | | \$53.75 | ZTOR | \$57.18 | \$2.14 \$7.88 | | Eval using Kan-BS not lik | »ly |
| Peabody 1 100-12/04 Symergy Mine 500 134.00 300 Reopen 300 Reopen CSX BS \$17.00 \$1.75 9.00% 27.00% 31.00% 42 1.20 \$0.4.3 \$52.12 \$2.08 Reopener 05 and 06 Massey 1a 1/04 - 6/04 Bandmill 360 \$31.00 51.75 12.00% 0.73% 12.500 8.00% 21.20 \$0.07 \$54.35 \$52.12 \$2.08 Reopener 05 and 06 Massey 2a 1/04 - 6/04 Bandmill 360 \$31.00 720 \$31.00 720 \$31.30 720 \$31.30 6.73% 12.100 8.00% 30.00% 42 1.20 \$0.17 \$54.35 \$2.175 \$2.18 AU \$3.01 \$2.175 \$3.00% \$2.00% 42 1.20 \$0.17 \$54.35 \$2.175 \$52.12 \$2.85 \$2.16 Reopener 05 and 06 Massey 2a 1/04 - 12/04 Bandmill 720 \$33.00 720 \$33.50 CSX Kan \$18.35 \$1.75 12.00% \$0.07% \$2.100 \$0.07% \$2.14 \$2.167 \$55.03 | Alitance No 2 | 1/1/04 - 12/31/08 | MC Mining | 300 1534.00 | 300 | \$34.00 | | | | | CSX BS | \$17.00 | \$1,75 | 9.00% 0.75 | 6 12,500 | 8.00% | 32.00% | 42 1.20 | -\$0,63 | | \$52.75 | 100 A 2 2 110 | \$52,12 | \$2.08 | | | |
| Massey 1a 1/64 - 6/04 Bandmill 364 331.0 CSX Kan \$18.3 \$1.75 12.00% 0.75% 12.00% 44 1.20 50.17 \$54.38 \$2,178 Massey 1a 1/64 - 6/04 Bandmill 364 331.0 720 \$33.00 720 \$13.00 0.75% 12.00% 0.75% 12.00% 0.07% 41.00 50.17 \$54.38 \$2,178 Massey 2a 1/04 - 12/04 Bandmill 2100 51.75 13.00% 0.73% 12,100 0.07% 1 | Peabody 1 | 1/04 -12/04 | Synergy Mine | 540 534 25 | 300 | \$34.00 | 200 | Reopen | 309 | Reopen | CSX 85 | \$17.60 | \$1.75 | 9.00% 0,75 | 6 12,500 | 8.00% | 32,00% | 42 1.20 | -\$0,63 | • | \$52,75 | 170 T | \$52.12 | \$2,05 | | Reopener 05 and 06 | |
| Massey 2a 1/04 - 12/04 Bandmill 720 \$33,00 720 \$33,00 720 \$33,00 6720 \$1,30 6,00% 1/104 1/2100 8,00% 30,00% 42 1/20 \$1,83 AV \$33,14 2110 \$2100 \$227 Massey 3a 1/04 - 12/04 Bandmill 2,160 \$33,00 720 \$33,00 720 \$33,00 6720 \$1,75 13,00% 0.7% 12/100 8,00% 30,0% 42 1,20 \$1,83 AV \$33,14 2,116 \$5,63 \$227 Arch 1/104 - 6/20/04 Logan 300 \$33,17 720 \$33,00 720 \$33,00 720 \$13,00% 0.7% 12/100 8,00% 30,07% 42 120 \$1,83 AV \$33,14 2,116 \$2,126 \$55,53 \$2,27 Arch 1/104 - 6/20/04 Logan 300 \$33,75 CSX Km \$18,39 \$1,75 13,00% 0.7% 12,100 8,0% 30,07% 42 120 \$1,33 AV \$33,14 2,116 Low price-seebid for addT | Massey 1a | 1/04 - 6/04 | Bandmill | 364 \$33.003 | 360 | 511.00 | | | | | CSX Kan | \$18.39 | \$1.75 | 12.00% 0.75 | 12,500 | 7.00% | 31.00% | 44 1.20 | \$0.17 | | \$54,39 | 2.176 | \$\$4.38 | \$2,18 | | | |
| Massey Ja 1004 - 12/04 Bandmill 2,168 511,00 720 513,00 720 513,00 720 513,50 CSX Kan \$18,39 \$1,75 13.00% 6.73% 12,100 8.00% 42 1.20 \$1.83 AV \$53,14 2116 \$55,03 \$2.27 Arch 1/104 - 6200/4 Logan 300 \$34,25 720 \$33,00 720 \$13,00 6.73% \$1,75 13.00% 6.73% 12,100 8.00% 30.0% 42 1.20 \$1.83 AV \$53,14 \$2182 \$55,03 \$2.27 Arch 1/104 - 6200/4 Logan 300 \$34,25 CSX Kan \$18.39 \$1.75 13.00% 0.7% 12,00% 8.00% 31.07 A \$2,00% 42 1.20 \$1.83 AV \$53,14 \$2.18 \$2.27 Cantral Coal Co 1/104 - 12/31/04 Kan Eagle 489 \$35,75 CSX Kan \$18.39 \$1.75 13.00% 0.7% 12,008 8.00% 31.00% 42 12.00 \$0.42 \$55.36 \$2.27 \$55.36 \$2.27 <td>Massey 2a</td> <td>1/04 ~ 12/04</td> <td>Bandmill</td> <td>720 \$31.00</td> <td>720</td> <td>\$33.08</td> <td></td> <td></td> <td></td> <td></td> <td>CSX Kan</td> <td>\$18,39</td> <td>\$1.75</td> <td>13.00% 0.73</td> <td>12,100</td> <td>8.00%</td> <td>30,00%</td> <td>42 1.20</td> <td>\$1.89</td> <td>AV</td> <td>\$53,14</td> <td>-2.198.</td> <td>\$55.03</td> <td>\$2,21</td> <td></td> <td></td> <td></td> | Massey 2a | 1/04 ~ 12/04 | Bandmill | 720 \$31.00 | 720 | \$33.08 | | | | | CSX Kan | \$18,39 | \$1.75 | 13.00% 0.73 | 12,100 | 8.00% | 30,00% | 42 1.20 | \$1.89 | AV | \$53,14 | -2.198. | \$55.03 | \$2,21 | | | |
| Arch 1/104 - 6200104 Logan 300 \$34.25 300 \$1.25 1.30% 6.73% (2,100 6.00% 42 1.20 \$1.89 AV \$31.14 \$2188 \$55.03 \$2.27 Central Cosi Co 1/184 - 12/31/04 Kan Eagle 480 \$33.75 440 \$32.75 CSX Kan \$18.39 \$1.75 13.00% 0.72% 12.000 8.00% 32.00% 45 1.20 \$0.37 A \$54.35 \$2.27 Central Cosi Co 1/184 - 12/31/04 Kan Eagle 480 \$33.75 CSX Kan \$18.39 \$1.75 13.00% 0.72% 12.000 8.00% 31.00% 42 1.20 \$0.42 \$55.36 \$2.27 Arch 1/184 - 12/31/06 Logan 500 \$34.50 500 \$34.50 500 \$34.50 CSX Kan \$18.39 \$1.75 13.00% 0.72% 12.00% 8.00% 32.00% 45 1.20 \$0.42 \$56.31 \$2.23 75 car capacity only E&W Resources 1/174 - 12/31/04 B&W Hazard 120 \$40.00 CSX Kan \$18.39 | Massey Ja | 1/04 - 12/04 | Bandmill | 2,160 \$31.003 | 728 | \$32,50 | 720 | \$33.00 | 720 | \$33.50 | CSX Kan | \$10,33 | \$1.75 | 13.00% 0.739 | 12,100 | 8.00% | 30,00% | 42 1.20 | \$1.89 | AV | \$53,14 | 2.196 | \$65.03 | \$2.27 | | | |
| Central Coal Co 1/1/84 - 12/31/84 Kan Eagle 439 533.75 440 535.75 C5X Kan \$18.39 \$1.75 12.00% 0.74% 12.300 8.00% 32.00% 45 1.20 \$0.42 \$56.81 \$2276 \$55.56 \$2.31 Low price - see bid for add Arch 1/1/84 - 12/31/86 Logan 500 \$34.50 500 \$34.50 500 \$34.50 500 \$34.50 C5X Kan \$18.39 \$1.75 12.00% 0.74% 12.300 8.00% 32.00% 45 1.20 \$0.42 \$56.81 \$277 \$55.51 \$2.23 75 car capacity only I&W Resources 1/1/84 - 12/31/84 B&W Hazard 120 \$44.00 C5X Jai \$18.87 \$1.75 10.00% 0.75% 12.500 8.00% 32.00% 45 1.20 \$0.37 A \$54.38 \$227 \$55.51 \$2.32 Capa/Reopeners associated | Arch | 1/1/04 - 5/30/04 | Logan | 300 \$34.25 | 300 | \$34,25 | | | | | CSX Kan | \$18.39 | 51.75 | 13.00% 0.739 | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | AV | \$53,14 | 2.198 | \$55,03 | \$2.24 | | - | |
| Arch 1/104-12/31/06 Logan 500 \$34,50 500 \$34,50 500 \$34,50 500 \$34,50 CSX Kan \$18.39 \$1.73 13.00% 0.72% 12,000 8.00% 32.00% 42 1.20 \$42.27 \$55.51 \$2.23 75 car capacity only 12/07 Resources 1/1/04-12/31/04 B&W Hazard 120 \$40.00 CSX Isi 316.87 \$1.75 10.00% 0.75% 12,500 8.00% 32.00% 42 1.20 \$0.31 \$356.62 \$2.44 | Central Coal Co | 1/1/84 - 12/31/04 | Kan Eagle | 480 335.75 | 440 | \$35.75 | | | | | CSX Kan | \$18.39 | \$1.75 | 12.00% 0.74% | 12,000 | 8.00% | 32.00% | 45 1.20 | \$0,97 | A | \$54,39 | 2.266 | \$55.36 | \$2.31 | | Low price - see bid for add | л |
| Saw Resources 1/1/04 - 12/3/1/04 Baw Hazard 120 1940.00 120 \$40.00 C5X Jel 316.87 \$1.75 10.00% 0.75% 12.500 8.00% 32.00% 42 1.20 \$0.33 \$38.62 2.246 \$58.79 \$73 | Arch | 1/1/04 - 12/31/08 | Logan | 500 \$34.50 | 500 | \$34,50 | 500 | \$34.50 | 500 | \$34,50 | CSX Kan | \$15.39 | \$1.75 | 13.00% 0.72% | 12,000 | 8.00% | 32.00% | 42 1.20 45 1.20 | \$0,42 \$0,97 | | \$55.89 | | \$56.31 | \$2.29 | | 75 car capacity only | |
| | DEVI HESOUICES | 1/1/04 - 12/91/04 | B&W Hazard | 120 \$40,001 | 120 | \$40.00 | | | | | CSX Jei | 316.87 | \$1.75 | 10.00% 0.75% | 12,500 | 8.00% | 32.00% | 42 1.20 | -\$0.33 | î | \$58.62 | 2345 | 558.20 | \$2.32 | | Caps/Reopeners associate | a [|

| 1.7.9 | 10.00% | 0,75% | 12,500 | 8,00% | 32.00% | 42 | 1.20 |
|-------|--------|-----------|-----------------------|-------------|---------|-----|------|
| | | CR 45 Eca | mannic y 8 | ase Specifi | cations | | |
| | Ash | Sulfur | Btu | Moisture | Vol | HGI | |
| | 10.00% | 0.70% | 12,008 | 1.00% | 31.00% | 40 | |
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Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 46 of 52

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| | | | | La lotal Aver | 2004 | 2004 | 2005 7 2005 2006 2006 | Lransp, | Transp | Rallcan | 12.26- | Pur | hase Spe | cification | | 5.54 | Utilizat | on Derat | Cash | -Cash | Utilized | Littlized, - 14 . The | A - I SHIT HAND AND A |
|---|-----------------|-------------------|--------------|----------------|--------|----------|---------------------------|---------|-----------|---------|--------|--------|----------|------------|--------|--------|----------|----------|----------|------------|----------|-----------------------|-------------------------------|
| | | Ferni, w | Origin | Tons | Serons | A Prices | Tons - Price Tons - Price | Mode | Cont | Costa | Ash | Salfur | ABU A | Moisture | Vob s | HGE | 2 Cost | st; Code | Cost S/s | t Cost S/M | Cost Sat | COST STAL ACTION TAX | EX Notes |
| | Koch Carbon 1 | 1/04 - 7/04 | Non-specific | 140 \$34.25 | 140 | \$34,25 | c | CSX BS | \$17.00 | \$1.75 | 10.00% | 0.78% | 13,000 | 8.00% | 32,50% | 43 1.3 | 0 -\$0.7 | 4 | \$53.00 | 2018 | \$52,26 | \$2.01 | |
| | Koch Carbon 2 | 1/04 - 12/04 | Non-specific | 240 534:50 | 240 | \$34.50 | c | CSX BS | \$17.00 | \$1.75 | 10.00% | 0.78% | 13,000 | 8.00% | 32,50% | 43 1.1 | S -\$0.7 | 4 | \$53.25 | 2.048 | \$52.51 | \$2.02 | |
| | Alpha | 1/1/04 -12/31/04 | McClure | 369 - 534:50 | 360 | \$34.50 | · c | ESX CL | \$15,60 | \$1.75 | 10,00% | 0.77% | 12,800 | 7.50% | 28,00% | 65 1J | L.02 0 | 4 Y | \$52.85 | 2.064 | \$53,19 | \$2,08 | Must be Blended |
| | Alpha | 1/1/04 -6/30/04 | McClure | 180 534.50 | 180 | \$34.50 | · · · · | CSX CL | \$18,60 | \$1.75 | 10.00% | 0.77% | 12,800 | 7.50% | 28,00% | 65 1J | 0 \$0.3 | 4 1 | \$52,85 | -2.064 | \$53.19 | \$2.08 | Must be Blended |
| | Dominion | 1/1/04 - 12/31/04 | , MC Mining | 360 \$33.001 | 360 | \$33.00 | c | CSX BS | \$17,00 | \$1.75 | 10.00% | 8.75% | 12,500 | 8.00% | 31.00% | 4Z 1.3 | o -\$0,3 | 3 | \$51,75 | 2.070 | \$51.42 | \$2.06 | |
| | AEP No 5 | 1/1/04 - 12/31/04 | CSX BS/Kan | 300 \$32.00 | 300 | \$32.00 | c | SX Kan | \$18,39 . | \$1.75 | 12,00% | 0.75% | 12,500 | 8.D0% | 30.00% | 42 1.2 | 0 \$1.Z | r v | \$52.14 | 12:086 | \$53.41 | \$2.14 | Eval using Kan-BS not likely |
| | Alifance No 1 | 1/1/04 - 12/31/04 | MC Mining | 300 S3400 | 300 | \$34,00 | c | csx BS | \$17,00 | \$1.75 | 9.00% | 0.75% | 12,500 | 8.00% | 32,00% | 42 1.2 | 0 -\$0.6 | 3 | \$52.75 | 2 1103 | \$52,12 | \$2.08- | |
| | Peabody 1 | 1/04 -12/04 | Synergy Mine | 540 \$34,25 | 540 | \$34.25 | · c | SX Kan | \$18,39 | \$1.75 | 12.00% | 0.75% | 12,500 . | 7,00% | 31.00% | 44 1.2 | Ø \$0.1 | , | \$54,19 | 2,17m | \$54.56 | \$2.18 | |
| | Massey 12 | 1/04 - 6/04 | Bandmill | 360 \$33.00 | 360 | \$33.00 | C | SX Kan | \$18.39 | \$1.75 | 13,00% | 0.73% | 12,100 | 8.00% | 30,00% | 42 1.2 | Ø \$1,8 | 9 A) | \$53.14 | Z196.7 | \$55.03 | \$2.27 | |
| | Маззеу 2я | 1/04 - 12/04 | Bandmill | 720 333.00 | 720 | \$33,00 | · c | SX Kan | \$18.39 | \$1.75 | 13.00% | 0.73% | 12,100 | 8.00% | 30,00% | 42 1.2 | 0 \$1.8 | р — Ал | \$53,14 | 2198 | \$55.03 | \$2.27 | |
| | Arch | 1/1/04 - 6/30/04 | Logan | 300 \$34.25 | 200 | \$34.25 | c | SX Kan | \$18.39 | \$1.75 | 13,00% | 0.72% | 12,000 | \$.00% | 32.00% | 45 1,2 | o \$0,9) | r 4 | \$54,39 | 2.268 | \$55,36 | \$2.31 | Low price - see bid for add'i |
| | Central Coal Co | 1/1/04 - 12/31/04 | Kan Eagle | 480 \$ \$35.75 | 480 | \$35.75 | c | SX Kan | \$18.39 | \$1,75 | 12.00% | 0.74% | 12,300 | 8.00% | 31.00% | 4Z 1.2 | o \$0.4 | 2 | \$55.89 | 2.272 | \$56.31 | \$2.29 | 75 car capacity only |
| ĺ | 8&W Resources | 1/1/04 - 12/31/04 | B&W Hazard | 120 \$40.00 | 120 | \$40,00 | c | SX Jel | \$15.87 | \$1.75 | 10.00% | 0.75% | 12,500 | 8.00% | 32.00% | 42 1.2 | 0 -50.3 | 3 | \$58,92 | 2345 | \$58.29 | \$2.33 | |

CR 45 Economics Base Specification 1 Ash 10.00% Sulfur Btu Moisture Moisture Vol 8.00% 31.00% HGI 0,70% 12,000 SCIE Prime ed: 7/28/2003 15:46

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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 47 of 52

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| | | fr of shead | a (tool a state of the | | | | 1.1.1 | | 10.00 | | | Ship | | A6528 | 1. 2. 16 | - 747- | S.S.R.L | | 49-31 | - | - Constant | Transfer Indiana Press | ÷ • | | |
| Star Supplier | | | Avon | 2004 | 2004 | 2005 | 2005 | 12006; | 2006 | a al ransp | Stranip | Ralica | nos - Pi | uctuase Sr | ecification | | | | Unit 45 | | - 10 P 31 | Evaluated | Evaluated | | 11.65 |
| | | - and the out of the states | ante ante | 221 013* | -FERCE | salonsi | Price | Tons | SPrice | Mode | Cont | Cost | Ash Fisufu | Bht | Monthing | Li Varth | UCDICON | UUUUUUUU | - Uerate | -Cash. | Cash | Utilized. | Utilizad | | |
| Koch Carbon 3 | 3 1/04 - 12/05 | Non-specific | 240 \$35.054 | 240 | \$35.05 | 240 | \$35.05 | | | CSYRS | 547 00 | | | | (enderer la | C-TOTE: | 101-302 | £Costast> | Codes | Cost \$/st | Cost S/M | 7Cost \$/st | Cost SM | ACTION TAKEN Notes | |
| AEP No 2 | 1/1/04 - 6/30/06 | Damron Fork | 800 2022 | 300 | | | | | | | 417.00 | ¥1./5 | 10.00% 0.78% | 13,000 | 8.00% | 32.50% | 43 1.20 | -\$0,74 | | \$53,80 | 2,069 | \$53.06 | \$7.04 | - | |
| Alliance No.2 | - | | | 300 | \$32.00 | 300 | \$35,00 | 300 | \$35.00 | CSX BS | \$17.00 | \$1.75 | 10.00% 0,77% | 12,800 | 8.00% | 32,50% | 44 1.20 | -\$0.59 | | 857 75 | | | | | |
| | 11104 - 12-31/08 | MC Mining | 500 S 53 008 | 300 | \$34.00 | 300 | Reopen | 300 | Reopen | CSX BS | \$17.00 | \$1.75 | 9.00% 0.75% | 40 504 | | | | • | | +34,13 | 2.100 | \$53,16 | \$2.08 | | 1 |
| Massey 3a | 1/04 - 12/04 | Bandmill | 2,160 \$33.00 | 720 | \$32.50 | 720 | 577.00 | 720 | £33 80 | 65V M | | | 0.007 | 12,300 | 4.00% | 32,00% | 42 1.20 | -\$0.63 | | \$52.75 | 2.110 | \$52,12 | \$2.08 | Reopener 05 and | d Ora |
| Arch | 1/1/04 + 12/31/06 | Locan | | | | | **** | 120 | \$3-3-50 | CSX Kan | \$18.39 | \$1.75 | 13.00% 0.73% | 12,100 | 8.00% | 30.00% | 47 1.20 | \$1.89 | AV | \$53.14 | 7 198 | 555 03 | F7 77 | | |
| | | | 500 3314,502 | 500 | \$34.50 | 500 | \$34.50 | 500 | \$34.50 | CSX Kan | \$18.39 | \$1.75 | 13.00% 0.72% | 12,000 | 8.00% | 32.00% | 45 1 20 | \$0.07 | | | | 40.00 | *c.e. | | 1 |
| | | | Denotes weig | bteri uwer | man of multi- | | | | | | | | | | | | | 4U.97 | A | 554.64 | 2.277 | \$55.61 | \$2,32 | Caus/Reoneners | Any no bet ad |

| | CR 45 Eco | nomics B | 134 Specifi | ations | |
|--------|-----------|----------|-------------|--------|-----|
| Ash | Saltur | Btu | Moisture | Vol | HGI |
| 10,00% | 0,70% | 17,000 | 1.00% | 31,00% | 40 |
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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-2) Page 48 of 52

PROGRESS FUELS CORPORATION

July 03 Solicitation Foreign Water Coals All Ride

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|--------------|----------------------|---------------|--|---------------|-------------|------------|-----------------|------------|---------------|-----------|----------|---------|---------|--------|----------|------------|----------|----------|------------|-----------|----------|---|-------------|------------|----------|-----|---|
| | | | a show i show | IT DE LA | | | 21.Yant | | f i s | | 1.4 | Shipo | 100 | 6-12 | | 5.00.18 | | | 2 | Station 2 | | | 1-1-1 | - 1 | | | |
| Jappher | Jame Jame | a Original | | and the | 200 | Che 200 | 2005 | 2006 | 2006 | transport | - Transp | Ralica | | er Pur | chase Sp | relifcatio | | | Ullizatio | | | 341 43 | Svalua incl | Evaluated | Sec. 1 | | |
| Single Yea | | | 1- | | PTIC: | c,c:el ons | CHARTER PRICE | CHEST ON | ASS Price | A Mode | Cost | Costs | Ash | Sulfue | Blu | Molstar | Vol | HGI | 2 . Cost/s | t Code | Cost 2/a | T Corr Sou | Culture | Utilized | | | |
| Demmerand | | | 1 | | | <u> </u> | <u> </u> | - <u>r</u> | - | | | T | | | | | | | | 1 | 1 | 1 | · | ELOST SIME | ACTIONTA | KEN | Notes and a second s |
| in anitolity | 1 1/1/04 + 12/31/04 | McDuffie | 750 334. | 750 | \$34,8 | 8 | | 1 | | Dixle | \$14.44 | -\$1.95 | 5.00% | 0.70% | 11.700 | 14 00% | 14 00.00 | | | - | | 百字道 | | | T | | · · · · · · · · · · · · · · · · · · · |
| Giencore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 - \$38,5 | 300 | \$38.5 | | | | | FORINT | | | | | | | | - " "- | 20 30,41 | 1 84 | \$47.37 | 2026 | \$47.78 | \$2,04 | 1.1 | ş | Blending Issues |
| СМС | 1/1/04 - 12/31/04 | Cerreion | 400 9350 | 5 | | . 1 | | | í | 1.00 mm | | ĺ | 1.007. | 0,74% | 12,400 | 8.00% | 35.00% | 45 1. | -\$1.18 | | \$\$2.94 | 21151 | \$51.78 | \$2.09 | 1 | | |
| Gunnar | 140. 400.00 | | | Ē | | ? | | 1 | 1. | CIF ECT | \$14.44 | | 5.00% | 0.71% | 11,800 | 11.00% | 33.50% | 49 1.3 | 20.93 | | \$50.39 | 2135 | 551 12 | | | ; | |
| | 17104-12/31/04 | IN I + Berred | 200 540 4 | 200 | \$40,4 | 5 | | 1. | | FOB IMT | \$14.44 | | 8.00% | 0.77% | 12,800 | 8.00% | 11 00*4 | 45 1 1 - | | 1 | | 對这種 | | *211 | 1 | 1 | Use MIT |
| Glencore | 1/1/04 - 12/31/04 | TPA-Gearless | 300 - 510-1 | 300 | \$39.10 | | | 1 | 1 | FOR TPA | 514.44 | | 7 000 | | | | | ~ ~ | -\$1.15 | | \$24.83 | | \$31,70 | \$2,10 | ł | 2 | } |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 500 54177 | 500 10 500 | \$49.70 | | 1 | | 1 | | | 1 | 1,007 | 0.7474 | 12,400 | 8.00% | 35.00% | 45 1.3 | 0 -\$1.16 | | \$53.54 | 2 150 | \$52,38 | \$2.11 | * | } | Not feasible |
| Glanar | 41104 400404 | | | | 1 *** | ' | | 1 | | FOB Dbde | \$14.44 | -\$1.95 | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1.2 | 0 -\$1.18 | 1 | \$54.24 | 2167 | \$51.08 | | { | : | |
| Giencon | 1/1/04 - 12/31/04 | IPA-delted | 300 340 15 | E 300 | \$40,15 | 1 | | ſ | | FOB TPA | \$14.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 15 00% | 45 4 7 | | | | 和政府 | 4.0.00 | +42.14 | | - 6 | |
| Glencore | 1/1/04 - 12/31/04 | IMT-Beited | 300 \$40.30 | 300 | \$40,30 | | | | | FORINT | 514.44 | | | | | | | ~ [] | | | \$54.59 | | \$51,43 | \$2,15 | | ; | |
| Emerald 2 | 1/1/04 - 12/31/04 | илт | 500 347 15 | a son | 1 547.75 | | | | | | 4.77 | · · | 1.00% | 0.74% | 12,400 | 1.00% | 35.00% | 45 1.2 | 0 -51.16 | | \$54,74 | 2 207 | \$53.58 | \$2,15 | | | ļ |
| Glanger | 1000 000000 | TRA C | 1000 | | 1 | | 1 | 1 | | FOB Dixle | \$14.44 | -\$1.95 | 7.00% | 0.74% | 12,400 | 4.00% | 35,00% | 45 1.2 | -\$1.18 | 1 | \$54,84 | 274 | \$51.68 | \$7.18 | | , | |
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| Glencore | 1/1/04 + 12/31/04 | IMT-Geared | 300 \$40.80 | 500 S | \$40.80 | | | | 1 | FOBIMT | 514.44 | | 7 00% | 0.702 | 47 499 | | | ~ [~ | 1 | | 300.04 | | \$53,88 | \$2,17 | | | |
| Transocean | 7/03 - 12/03 | China | 200 538.87 | 200 | \$38.87 | 1 | 1 | | | | | | 1.54 /4 | | 12,400 | 0.00% | 35.00% | 45 1,2 | -\$1.18 | | \$55.24 | 2.227 | \$54,08 | \$2,18 | • | | |
| | | | | - | | d | | · | | CIP NULA | 514.94 | l | 10.00% | 0.58% | 11,500 | 10,00% | 31.00% | 5Z 1.00 | \$1,30 | в | \$53,31 | 2314 | \$54.81 | \$2.37 | | | |
| (Auth Yours | | | | | | | | | | | | | | | | | | | | | į | 出始調 | | | | | |
| MURP-TOUT | ····· | | 1 - Secreta | | | | | | | | | | | | | | | | | | | | | | - | | - |
| Drummond 2 | 1/1/04 - 12/31/08 | McDuffie | 2,250 \$36,29 | 750 | \$34.88 | 750 | \$38.29 | 750 | \$39.08 | Dhrie | | | 6 | | | 1 | | 1 | T | · · · · | | AND | ······ | · | | · | |
| Guaran | 1/1/04 - 12/31/06 | IMT - Belted | 1.150 . 540 14 | 850 | 1 40 74 | | | | | Dune | 3 14,44 | -91.95 | 3.00% | 0.70% | 11,700 | 14.00% | 31.00% | 1,20 | \$0.41 | BM | \$48.78 | 2.085 | \$49.19 | \$2.10 | | | Blanding Issues - |
| Guaran | and a surround | | C. C. AN | | ++++.2.5 | 300 | 340.45 | | | FOB IMT | \$14.44 | - 1 | 8.00% | 0.77% | 12,800 | 8.00% | 1.00% | 1.20 | -\$1.19 | | \$54.78 | 2.140 | \$53.59 | *7 ma | | 1 | |
| | 123000 | 1041-2141040 | 1,350 \$40,55 | 650 | \$40,25 | 650 | \$40.45 | 650 | \$40.96 | FOB IMT | \$14.44 | | 8.00% | 0.77% | 12,800 | 8.00% | 1.00% | 1.20 | -\$1.19 | f . | *** | No. | | | | - 1 | Const LUCE VIGUIDINE |
| AEP No 1 | 1/04 -12/06 | Col/Ven/US | 2,700 536.00 | 900 | \$35,50 | 900 | \$36.00 | 500 | \$36.50 | FOB NOLA | \$14.44 | \$6.00 | NA | 0.00 | | | | | | | +24.33 | | \$53,80 | \$2,10 | | · | 3 optional cargoes 05 & 06 not incl |
| | | | | | - | | | | | | | | | 0.00 M | 11300] | MA | NA II | AT 1.06 | \$1.38 | ABM | \$56.44 | Z.497. | \$57.82 | \$2,56 | | | Nonspecific Loadpoint, Quality, Freight |

Hed Average of multi-year price

| | CR 45 Eco | nomice 8 | use Specifi | ations | |
|--------|-----------|----------|-------------|--------|-----|
| Auh | Sulfur | Btu | Moisture | Vol | HGI |
| 10.00% | 0.70% | 12,000 | 8.00% | 31.00% | 40 |
| | | | | | |

302 Price

\$160

PEF-FUEL-004973

dt 7/30/2003 11:34

Docket No. 060658 Progress Energy Florida Exhibit No.____(AWP-2) Page 49 of 52

٠.

PROGRESS FUELS CORPORATION CR 4 and 5

July 03 Solicitation Foreign Water Coals All Bids

| | 6 | 在 一边运行 | (000) We | ight | 78.5 | - 0x / | 1000 | | | | | | Ship o | i de | | | | | | | | Unit 45 | 1 | | Evaluated | Evaluated | 1. 1. 1. | |
|------------|-------------------|-----------------|-------------|-------|------|---------|------|---------|------|----------------|-----------|---------|---------|--------|--------|---------|---------|--------|---------|----------------|--------|---------|---------|----------------------|------------|-----------|--------------|---|
| Suppler | Стоп | 0 12 Orlgin 0 | Terrs . Pr | | one | Price | Tons | Price | Tons | TC: | Mode | Cost | Costs | Ash | Sulfur | Blut | Molstur | Vol | HGI | Um | zation | Derates | Cash | D'Cash-1 Seage Sc | A Utilized | - Dunad | | |
| Drummond 1 | 1/1/04 - 12/31/04 | McDuffie | 750 534 | 688 | 750 | \$34.88 | | | | | Dixte | 514.44 | -\$1.95 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 1 | 20 \$ | 0.41 | ВМ | \$47.37 | 2.0245 | \$47.78 | \$2.04 | ALLIONFLAKED | Blending Issues |
| Drummond Z | 1/1/04 - 12/31/06 | McDuffie | 2,250 538 | -20- | 750 | \$34.88 | 750 | \$36.29 | 750 | \$39.06 | Dixie | \$14.44 | \$1.95 | 5.00% | a.70% | 11,700 | 14.00% | 31.00% | 4 1 | 20 50 | 0.41 | BM | \$48,78 | 2.085 | \$49.19 | \$7.10 | : | Blending issues |
| Giericore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 538 | 50 | 300 | \$38.50 | | 1 | | 1 | FOBINT | \$14.44 | | 7.00% | 0,74% | 12,400 | 8.00% | 35.00% | 45 1 | 20 -5 | 1.15 | | \$52.94 | 2135 | \$51,78 | \$7.09 | | |
| CMG | 1/1/04 - 12/31/04 | Cerrejon | 400 \$35 | us - | 400 | \$35.95 | | | | | CIF ECT | \$14.44 | [| 8.00% | 0.71% | 11,800 | 11.00% | 33.50% | 43 1 | 20 50 | ce.0 | м | \$50.39 | 2135 | \$51.32 | \$2.17 | } : | lize INT |
| Guasare | 1/1/04 - 12/31/06 | IMT - Belled | 1,150 \$40 | | 850 | \$40,25 | 500 | \$40.45 | | . | FOB MT | \$14.44 | [| 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 1 | 20 5 | 1.19 | | \$54.78 | | \$51.59 | \$1.00 | (| 1 ownet Bries Alternation |
| Guasare | 1/1/04 - 12/31/04 | IMT - Balled | 200 \$40 | | 200 | \$40.45 | | | | [| FOR MT | \$14.44 | | 8,00% | 0.77% | 12,800 | 8.00% | 31.00% | 43 1 | 20 .5 | 1 19 | | 554 89 | | 163 70 | | | Lowest Fills Alenanye |
| Guasare | 1/1/04 - 12/31/05 | MT - Belled | 1,950 - 540 | | 650 | \$40.25 | 850 | \$40.45 | 650 | \$40.96 | FORIMT | \$14.44 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 1 | 20 | 1 10 | j | 204.00 | | 453.80 | \$210 | 1 | |
| Glencare | 1/1/04 - 12/31/04 | TPA-Gearless | 300 - \$39 | 10 | 300 | \$39,10 | • | | | l | FOR TPA | \$14.44 | | 7.00% | D.74% | 17 460 | 8 00% | 75 000 | | | | | | | +55.66 | \$210 | | o obtionar cargoeano a na tiot inci |
| Emeraid 1 | 1/1/04 - 12/31/04 | Mobile | 500 \$41 | 劉 | 500 | \$41,75 | | | | | FOR The | 514.44 | | 7.00% | 0.747 | 12 400 | | | | | | | 323,34 | | 332,38 | \$2.11 | | Not feasible |
| Giencore | 1/1/04 - 12/31/04 | - TPA-Balted | 300 540 | | 100 | 540 15 | | | | | EOR TRA | | | 7.007 | 0.14/ | 12,400 | 8.00% | 35,00% | 45 [L | 20 -51 | 1.16 | - 1 | \$54.24 | 210 | \$53.08 | \$2,14 | Ĩ | |
| ~ | | were re- the of | | 纚 | | | | | | | FUD IFA | 1 | | 1.007 | 0.74% | 1.2,400 | 8.00% | 35.00% | 45 1. | 20 -51 | 1,16 | | \$54.59 | 12201 | \$53,43 | \$2,15 | { | |
| Giencore | 1/104 - 12/3 1/04 | 24 1-Cented | | | 100 | \$40.30 | - 1 | | | | FOB IMT | \$14.44 | | 7.00% | 0.74% | 12,400 | 8,00% | 35.00% | 45 1. | 20 -51 | 1.16 | | \$54.74 | 2207 | \$53,58 | \$2.16 | 1 1 | 1 |
| Emerald 2 | 1/1/04 - 12/31/04 | UMT | 500 542 | 351 E | 606 | \$42.35 | 1 | | | | FO8 Dixle | \$14.44 | -\$1,95 | 7,00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1. | 20 -\$1 | 1,16 | | \$54.84 | 22112 | \$53,68 | \$2,16 | 1 1 | |
| Giencore | 1/1/04 - 12/31/04 | TPA-Gearad | 300 540 | 60 3 | 100 | \$40.60 | | | | | FOB TPA | 314.44 | | 7,00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1. | 20 -51 | 1,18 | | \$55.04 | 120 | \$53.88 | \$2.17 | { | |
| Glencore | 1/1/04 - 12/31/04 | MT-Geared | 300 \$40 | 10 3 | 108 | \$40.80 | | | | | FOB IMT | 514.44 | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 1. | 20 -\$1 | 1.16 | | \$55.24 | 2221 | \$54.08 | \$2,18 | ļĮ | |
| Transocean | 7/03 - 12/03 | China | 200 \$38 | 27. 2 | :00 | \$38.87 | | | | | CIFNOLA | \$14.44 | j | 10.00% | 0.58% | 11,500 | 10.00% | 31,00% | 52 1. | nal \$1. | .30 | в | \$53.31 | 2318 | 354,61 | \$2.17 | | |
| AEP No 1 | 1/04 -12/06 | Cali/Ven/US | 2,700 \$35. | 90 9 | 00 | \$35.50 | 900 | \$36,00 | 800 | \$36.50 | FOB NOLA | 514.44 | \$6,00 | NA | 0.60% | 11300 | NA | NA | NA 1. | 56 \$1. | .38 | ASM | \$58.44 | 2.197 | \$57.82 | \$2,56 | | Nonspecific Loadpoint, Quality, Freight |

Denotes Weighted Average of multi-

CR 45 Economics Uses Specifications Ash Sultur 9ta Nalatar Vol HGi 10.00% 0.70% 12,000 8.00% 31.00% 40 301 Prim

5160

Docket No. 060658 Progress Energy Florida Exhibit No. _____ (AWP-2) Page 50 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domestic Water Coals Al Bids

| | Contract of the | difference in the | A MARANET Y | 1 | A DECK | Contraction of the | CALLER Y | Survey Star | A COLORADOR | 10 W 1 3 1 1 1 1 | Contraction to the | Sec. 1 | | | | | _ | | | | | | | | | |
|-----------------|--------------------|-------------------|-------------|-------------------|--------|--------------------|----------|-------------|-------------|------------------|--------------------|----------|---------|--------|--------|----------|---------|---------|--------------|----------|-----------|---------|-----------|-----------|-----------------------|---|
| | | | C Total 254 | Ave | 2004 | 7-2004 | 2005 | 2005 | f 2006 | 200 | Contraction of the | Ship | 6.5 | | | | 建肥 | | | Unit 45 | | | Evaluated | Evaluated | 2 8 2 2 2 | |
| Supplier | Terra | Congen - | CT ION | Pices | Tone | Prior | Tons | DePrice D | Tons | Price | Mode | Cost Cos | te CAsh | Sulfur | a Blue | Moisture | Vola | HGL-SO | Utilization. | Durate | Cash | Cash | > Dulland | Utilized | | |
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | \$34,75 | 750 | \$36,75 | 750 | \$36,75 | 750 | \$36,75 | FOB barge | \$24.50 | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 1.7 | -51 19 | | 10410-005 | COSC SM | Cost yat | Cost S/M- | COACTION TAKENG | Notes |
| PFC | 1/04 -12/06 | coal/Synfuel | 2,700 | \$35.89 | 500 | \$34,75 | 900 | \$35.88 | 500 | \$37.03 | Kan River | \$24.50 | 12.00% | 0.75% | 12.500 | 8.00% | 31 00* | | | 1 1 | ***** | 2,393 | \$60.06 | \$2.35 | Bid withdrawn - sold | FOB Dock Quincy-FOB Barge Shrewsbury |
| hildinity | 1/01/04 - 12/31/07 | Panther | 3,000 | \$35.95 | 750 | \$33.95 | 750 | \$31.95 | 750 | \$35.95 | FOB barge | \$24.50 | 10.00% | 0.75% | 17 500 | 2.004 | | | 1 30-21 | Į 1 | 200.33 | 2.415 | \$60.66 | \$2,43 | | Min 50% synfuel - 0.68% S to apply- Reopen 07 |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan Esgle | 480 | \$37.00 | 480 | \$37.00 | | | 1 ! | | Kan harne | \$24.50 | 12 004 | | 12.000 | 8.04% | 31.0u7e | 45 1.20 | -\$0.34 | [] | \$60,45 | 2.418 | \$50.11 | \$2,40 | Bird withdrawn - sold | FOB Dock Quincy-FOB Barge Shrewsbury |
| Massey 1b | 1/04 - 5/04 | Bandmill-Ceredo | 360 | \$38.20 | 360 | 531.20 | | 1 | 1 1 | | FOR Courts | | 12.00 % | 0.7474 | 12,300 | 8,00% | 31.00% | 42 1.20 | \$0.42 | | \$61.50 | 2,500 | \$81.92 | \$2.52 | 1 | |
| Massey 2b | 1/04 - 12/04 | Bandmill-Ceredo | 770 | 510 20 | 770 | | | | . 1 | | FUB Carego | 523,50 | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | AV | \$61,70 | 2.550 | \$63.59 | \$2,63 | | . |
| Peabody 1 | 104-1704 | RS Diver | | 编辑 | | 1000 | | | . 1 | | FOB Carado | \$23.50 | 13.00% | 0,73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | | \$51.70 | 2,550 | \$61.59 | \$2.63 | | |
| Peaboay | | BS Rover | | | 144 | \$38.35 | | | | | BS River | \$24.50 | 13.50% | 0.74% | 12,300 | a.00% | 31.00% | 42 1.20 | \$0.87 | <u> </u> | \$82.85 | 2,555 | \$61.72 | \$2.59 | | } |
| Wassey JD | 1/04 - 12/04 | Sandmill-Ceredo | 2,160 13 | 54,50% 547,527 | 720 | \$38.00 | 720 | \$38.50 | 720 | \$39.00 | FOB Ceredo | \$23,50 | 13,00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | | \$62,00 | 2.562 | 553.89 | 1 17 64 | 1 | |
| | | | | 199 | | | | l | | <u> </u> | | | | | | | | | | i | | | | 12.04 | | |

ted Ava Price of Multi-year price





PEF-FUEL-004975

8/2003 15:33

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 51 of 52

PROGRESS FUELS CORPORATION CR 4 and 5 July 03 Solicitation Domestic Water Coals All Bids

| a | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------|--|-----------------|---------------------|-----------|----------|----------|----------|------------|---------|----------------|----------------|----------|----------|-----------|-----------------|--------------|---------------|----------------|---------|-----------|-------------|------------|-----------|--|--|
| | 10 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - | 30.40°号。242 | (000E Weight | States a | 100 A | 10.00 | 17. A. | 1000 | 1.1 | 1. 1. 1. 1. 1. | Shlo | or Total | : 13-5 S | and share | Sec. | H 442 | 399 C. | Service of the | Unit 45 | C. Second | 7 3 404 | Fusiont | 1.25 | No. of the local sectors in th | The same state of the second |
| | 1 | | | 1004 | 2004 | 3-005 | Phone 5 | The second | in Cart | a sale of | Tronge Balle | | | 10 The D | | - 57 | | | | | 1.1.1.1.1 | 1.721-574 | Evel Gate | 10 m 20 1 c P 2 | |
| A STATE OF COMPANY | States of the second | | C.L. C. C. C. C. C. | | and Same | 10.00 | | ELTEFR. | Ger Lat | | a line barre | | | 101050-01 | ACCILIZATION OF | | and share the | - and the | Danate | C. M. | - al-asiles | Sublided | Unkceor | The second | and the second |
| ~ C Supplier r | i or ut | | The long the second | 2121 0101 | S. FTICE | Deci ons | DE-FREEH | COOS-3 | -UMOCES | 292 MOOK AS | SV COSICE COSI | S SZAGIO | Sumur | Sec- BURD | 17 MOISIUR | Kan Vol | HGI~SQ2 | RCost/st | "Codes | Cost Vst | Cost \$/M | -Cost Sige | Cost S/M | ACTIONTAKEN | Notes |
| Multi Year | ······· | | 1.000 | | | · | | | | ····· | ····· | | | , | · · · · · · | | | ļ | | | | | | | |
| infinity | 1/01/04 - 12/31/07 | Panther | 3,000 \$38.75 | 750 | \$36,75 | 750 | \$36,75 | 750 | \$38.75 | FOB barge | \$24.50 | \$.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 1.20 | -\$1.19 | | \$61.25 | 2.393 · | \$50.06 | \$2.35 | Bid withdrawn - sold | FOB Dock Quincy-FOB Barge Shrewsbury |
| PFC | 1/04 -12/05 | coal/Synfuel | 2,700 \$35,89 | 300 | \$34.75 | 900 | \$35,88 | 904 | \$37.03 | Kan River | \$24.50 | 12.00% | 0.75% | 12,500 | 4.00% | 31.00% | 44 1.20 | \$0.27 | ł | \$60,39 | 2.415 | \$50,88 | \$2.43 | · | Min 50% synfuel - 1.58% S to apply- Reopen 97 |
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 \$15.95 | 750 | \$35,95 | 750 | \$35,95 | 750 | \$35.95 | FOB barge | \$24,50 | 10,00% | 0.75% | 12,500 | 8.00% | 31.00% | 45 1.20 | -\$0,34 | | \$60,45 | 2.418 | \$60.11 | \$2.40 | Bid withdrawn - xaid | FOB Dock Quincy-FOB Barge Shrewsbury |
| Massey 3b | 1/04 - 12/04 | Bandmill-Ceredo | 2,160 \$38,50 | 720 | \$38.00 | 720 | \$38,50 | 720 | \$39,00 | FOB Caredo | 523.50 | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 1.20 | \$1.89 | AV | \$62,00 | 2,562 | \$63,89 | \$2.64 | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| Single Year | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | AP84-53 | | | | | | | | | | | | | | | | 1 | | | • | T | T | |
| Central Coal Co | 1/1/04 - 12/31/04 | Kan szgle | 480 5 53,600 | 480 | \$37,00 | | { | | | Kan barge | \$24.50 | 12.00% | 0.74% | 12,300 | 8.00% | 31.00% | 42 1.20 | \$0.42 | | \$51,50 | 2.500 | \$61.92 | \$2.52 | | |
| Massey 1b | 1/04 - 6/04 | Bandmill-Ceredo | 360 \$38.20 | 360 | \$38,20 | | | ! | | FOB Ceredo | \$23.50 | 13.00% | 0.73% | 12,100 | 8.00% | 30,00% | 42 1.20 | \$1.89 | AV | \$61,70 | 2.550 | \$83,59 | \$2,63 | | |
| Massey 2b | 1/04 - 12/04 | Bandmill-Ceredo | 720 \$38.20. | 729 | \$38,20 | | | | | FOB Ceredo | \$23,50 | 13.00% | 0.73% | 12,109 | 8.00% | 30,00% | 42 1.20 | \$1.89 | AV. | \$61,70 | 2,550 | \$63.59 | \$2,63 | | 1 |
| Peabody 3 | 1/04 -12/04 | BS River | 144 338.35 | 144 | \$38.35 | | 1 | | | BS River | \$24.50 | 13.50% | 0.74% | 12,300 | 8.00% | 31.00% | 42 1,20 | \$0,87 | A | \$62.85 | 2,555 | \$53.72 | 52.59 | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |

oles Weighted Aug Price of Nubl-year prices

138 M.

CR 45 Economics Baav Specifications 18.60% 9.76% 12,000 8.00% 31,06% 40

30.2 Price \$160

PEF-FUEL-004976

Revised: 7/30/2003 11:34

Docket No. 060658 Progress Energy Florida Exhibit No. _____(AWP-2) Page 52 of 52

1211-2

PROGRESS FUELS CORPORATION

CR 4 and 5 July 03 Solicitation Western Coals first run

FOR TEST PURPOSES ONLY - Review Later

| | | | (000) | Weight | 2019-27 2010-0 | 1.13371 1.13971 | | | 2008 | | | s es a | Ship o | | | | | | | | | Unit 45 | | | Evaluated | Evaluated | | |
|-----------|--------------------|--------------------|-------|---------|-------------------|--------------------|-------|---------|-------|---------|-------------|--------|-----------|------------|--------------|------------------|----------|--------|-------------|------|------------|---------|----------|--------------------|-----------|---------------------------------|-----------------|---|
| Supplier | Lem . | Origin | Torm | CPrice | Tons | v Erica: | .Jons | 2/Price | ATons | Prices | Mode | -Cost- | Costa | Ash | Sulfur | Btu ² | Moisture | Vol | HG17 | sõz | Costs | Codes | Cost S/s | Cash Cash Cost S/M | Cost Sist | Cost S/M | ACTION TAKEN | Notes |
| RAG 2 | 1/04 -12/04 | 20 Mile - COL | 500 | \$15.50 | 500 | \$15.50 | | ł | | | UP | | | 10.00% | 0.51% | 11,300 | 10.00% | 38.00% | 40 | 0.90 | \$0.32 | в | [| | | | 1.1.1 | Vol too high |
| Kennecott | 7/01/03 - 12/31/04 | Spring Creek | 100 | \$6.75 | l I | [| | | | | BN | | | 4.00% | 0.34% | 9,350 | 24.90% | 32.43% | 55 | 0.73 | \$1.40 | ВМ | | | | | | 03 tons are 1.25 lass |
| AEP No 3 | 1/1/04 - 12/31/06 | PRB unopendited | 1,500 | \$19,10 | 500 | \$79.10 | 500 | \$19.10 | 500 | \$19.10 | FOB (Barge | | | 5.50% | 0,35% | 8,800 | 27.00% | 35.00% | 50 | 0.50 | \$2.65 | ВМ | | | (i | | | Cook Coai Terminal - Rallidock est @ 18.50 |
| Peabody 2 | 1/04 - 12/04 | PRB-Ant/Roch | 500 | \$20.77 | | 1 | | | | | FOB bg Cora | | | 4,40% | 0.22% | 8,300 | 26,70% | 31,50% | 59 | 0.50 | \$1.47 | вм | Í | | | | | 30k is \$0 less for 03-rail/dock rate est@15.50 |
| Oxbow | 1/04 -12/06 | Elk Creek CO | 1,500 | \$18.03 | 500 | \$17.50 | 500 | \$18.03 | 500 | \$18.57 | UP | | • | 12.00% | 0.58% | 11,500 | 10,00% | 32,00% | 45 | 1.00 | Ş0.91 | в | | | | | | Note SO2 premipenality |
| AEP No 4 | 1/1/04 - 12/31/06 | PRB manatine | 1,500 | \$18.10 | 500 | \$18,10 | 500 | \$18.10 | 500 | 518,10 | FOB Barge | | | 5.50% | 0.34% | 8,400 | 27.00% | 35.00% | 50 | 0.80 | \$3.01 | вм | | | | | | Cook Coal Terminal - Rail/dock est @ 16.50 |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | \$5,50 | | | | | | | UP,BN | | | 5.82% | 0.48% | 5,700 | 27.72% | 32.19% | 54 | 1.10 | <i>u.u</i> | ВМ | | | | | | 03 tons are 0.85 less |
| DTE 1 | 1/1/04 + 6/30/04 | PRB | 168 | \$6.15 | | | { | | | | FOB Car | | | 8.00% | 0.35% | 3,800 | 27,00% | 35,00% | 50 | 0,50 | \$2.81 | BM | | | | | | FOB Railcar-Note SOZ premium |
| Arch | 1/01/04 - 8/30/04 | PRB - Plate Taxate | 300 | \$6.30 | 306 | \$6.30 | | | | | Multi | | | 6.00% | 0.35% | 8,800 | 28,00% | 35.00% | 50 | 0.80 | \$2.91 | вм | | | | | ·. ¹ | Lowest price - see bid for add't options |
| DTE 2 | 1/1/04 - 12/31/04 | PRB | 335 | \$8,35 | | | | | | | FOB Car | | • | 8,00% | 0.35% | 8,800 | Z7.00% | 35,00% | 50 1 | 08.0 | \$2.81 | вм | | | | • | | FOB Railcar - Note SO2 premium |
| Triton 1 | 1/04 -12/04 | PRB N Rocheile | 500 | \$8.00 | 500 | \$ 8. 00 | | | | | BN,UP | | | 4.70% | 0.35% | 8,800 | 27.90% | 31.00% | 55 (| 0,80 | \$2,50 | вм | | | · · | | • | · |
| RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | \$8,25 | 500 | \$8,25 | | | | | UP,BN | | | 4.50% | 0.27% | 8,550 | 29.90% | 31.00% | 58 (| 0,63 | \$2.63 | ВМ | | | | | | |
| Titton 2 | 1/04 -12/04 | PRS Buckskin | 500 | \$6.00 | 500 | \$5.00 | | | | | BN | | | 5.90% | 0.30% | 8,400 | 29.90% | 31.00% | 55 (| 0.71 | \$3.30 | вм | | | • | | | |
| | | | | | | | | | | | | | • | | | 1 | | | | | | l | | | | 1 | | |
| · | | | ļ | | | | L | | | L I | | l | | | l | | | | | | | | | | L1 | | | L |
| | · | | | | | | | | | | 1 | | CR 45 Eco | nontica Ba | era Spacific | ations. | | | | | | | | | | Total of 7.536.009 long offered | | |

Ash

Sulfur Blu

10.00% 0.70% 12,000 8,00% 31,00%

Vol HGI

40

Transportation raises must be reconsidered

PEF-FUEL-004977

28/2003 15:30

SOZ Price

\$160



INTER-OFFICE CORRESPONDENCE

BT10E

Fuel Transportation

727/824-6692

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-3) Page 1 of 12

SUBJECT: 2004 REQUEST FOR PROPOSAL (RFP) AND CONTRACT RE-OPENERS (RE-OPENERS)

TO:

Charlie Gates

DATE: October 2, 2003

As discussed, during the past several months Progress Fuels Corporation (PFC) has been evaluating the results of the 2004 RFP and had discussions with various suppliers regarding their 2003 price re-opener provisions.

Office

We have eight contracts with price re-openers during 2003, five of which are for the Delta coal and three of which are for the Alpha coal. We have successfully renegotiated five contracts (two Alpha and three Delta), were unsuccessful with one supplier (Delta), and have two remaining to be renegotiated (one Alpha and one Delta). A portion of the tonnage for the unsuccessful contract was replaced with another supplier and the balance will be secured in the 2004 spot market. PFC's purchase strategy is to eventually achieve a 75/25, 70/30 split between contract and spot.

The results of the 2004 RFP provided PFC a good selection of potential suppliers for 2004 and beyond. We received bids from 21 domestic and foreign suppliers who submitted 42 bids. Some bids contained "bids within bids," for a total of approximately 75 bids. These suppliers offered 31 million tons spread fairly evenly over foreign and domestic water, rail-eastern, and rail-western. I have enclosed with this memo a Supply Assessment for years 2004-2007 (see attachment A), and the Short List evaluations for the domestic water, foreign water, and domestic rail (eastern only) (see attachment B). The western coals will be evaluated separately and used for test burn purposes only.

We currently have agreements with the suppliers noted below. We were able to improve some of the economics, as compared to the RFP results, on selected bids while increasing the tonnage purchased.

2004 RFP PURCHASES

FOREIGN WATER

Choice:

The Guasare single-year bid from its Mina Norte mine (200,000 tons) was converted to a two-year contract during negotiations with 250,000 tons to be shipped in year one and 150,000 tons to be shipped in year two. This coal will deliver to Crystal River (CR) for 2.126 \$/MMBtu and 2.136 \$/MMBtu in years one and two, respectively.

The multi-year bid from its Paso Diablo mine (550,000 tons for 2004 and 650,000 tons/year for 2005 and 2006) was negotiated into 650,000 tons/year for 2004 and

Mr. Charlie Gates • October 2, 2003 Page 2_____ Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-3) Page 2 of 12

2005 with a market re-opener for 2006. This coal will deliver to CR for 2.124 \$/MMBtu and 2.134 \$/MMBtu for years one and two, respectively. Guasare would account for 43.0 percent of our water-delivered coal in year one and 38 percent in year two. However, these foreign coal purchases, based upon total burn, account for only 13-15 percent of the total.

Explanation:

Guasare is currently a supplier and was previously a short-term contract supplier. Their coal has excellent qualities, CR likes the product, they have performed very well even though Venezuela had a major strike during 2002, and the coal makes an excellent blend product for other purchases. Guasare has fulfilled all obligations, including a substantial price reduction on the tons affected by the strike. Their original bid was tied with Glencore; but Glencore is a broker of coal, while Guasare is a producer. Because of some price concessions, Guasare became the most competitive water coal purchased.

The Drummond Colombian coal evaluated first, but because of the low Btu and high moisture the plant is concerned about a de-rate. As previously discussed, since this coal will potentially de-rate the plant, the plant will <u>test</u> the Drummond coal during November and December. This test is still on schedule.

DOMESTIC WATER

Choice:

No purchase.

Explanation:

The foreign coals, as expected, evaluated ahead of the domestic coals offered. The Black Hawk/Calla coal/synfuel bid evaluated second among domestic bids and fourth overall, but was offered subject to obtaining the coal supply. Infinity Coal Sales evaluated slightly ahead of Black Hawk/Calla with a straight coal product, but sold the coal prior to us making a decision. The coal was offered "subject to prior sale." There were no single-year bids considered competitive enough to place on the short list. Due to intense market activity, Black Hawk/Calla could not obtain a coal source for their bid. Because of the tight supply of domestic Delta water coal and the resultant elevated prices, the planned purchase of 350,000 tons was deferred until 2004. Purchases, as required, will be made in the spot market.

DOMESTIC RAIL

Choice:

The Dominion one-year bid for 120,000 tons.

Explanation:

• The Koch Carbon bid evaluated first in both the single- and multi-year bids. Plans were to purchase only 120,000+/- tons for 2004, leaving the remaining for the spot market.

Mr. Charlie Gates October 2, 2003 Page 3_____ Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-3) Page 3 of 12

Once again, because of intense market activity and increasing prices, Koch Carbon began providing excuses as to why they did not have the coal as offered. Long story short, I have removed Koch Carbon from our active bidders list; and I purchased twelve trains (120,000 tons) from Dominion (#5 in the evaluation). The coal will ship from one of our existing supplier's mines—the coal is excellent quality. The price did increase slightly from the original offer, but it will deliver to Crystal River at 2.074 \$/MMBtu. The Alpha Coal Sales Company bid, which evaluated at #3 and #4, was eliminated because of the 28 percent volatile.

2003 RE-OPENERS

As noted above, we have eight contracts with price re-openers during 2003. The first to occur was Consol (May 1, 2003) and the last two are Amvest (Delta coal—November 1, 2003) and Quaker (Alpha coal—November 1, 2003). Between May 1 and October 1 we renegotiated prices for six of the eight contracts; or in the case of one supplier, reallocated their tons to another supplier.

In every case, we ensured ourselves that the renegotiated price was within the current market range and very competitive compared to other bids offered.

Attached is a summary of these re-opener activities (see Attachment C).

SUMMARY OF 2004 FURCHASES

We anticipate burn of 2.2 million tons for Crystal River Units 1 and 2 and 3.9 million tons for Crystal River Units 4 and 5, for a total burn of 6.1 million tons.

We have purchased all needs for Crystal River Units 1 and 2 from our long-term contracts, and will transport 100 percent of the product via rail.

Regarding Crystal River Units 4 and 5, we have purchased approximately 1.5 million tons on contract, which will be delivered by rail; and we will purchase the remaining rail tonnage (approximately 200,000 tons) from the spot market. We will deliver 2.1 million tons via barge; 1.5 million tons have been purchased on contract, and we will purchase the remaining water tonnage (approximately 600,000 tons) from the spot market.

I will be available, as required, to answer any questions you or Lloyd might have.

A. W. Pitcher

AWP/ro

Attachments

cc: Rufus Jackson Bonnie Hancock

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-3) Page 4 of 12

ATTACHMENT A PAGE 1

SUPPLY ASSESSMENT

۰.

| | 34 | D" RAIL | | |
|------------------------------------|----------------------|-----------|-----------|--------------|
| • | 2004 | 2005 | 2006 | 2007 |
| PROJECTED BURN | · 3 838 DDD | 4 098 000 | 3 921 000 | 3 031 000 |
| Minus Water Delivered Coal | 2,100,000 | 2 100 000 | 2 100 000 | · 2 100 000 |
| Equals Net Rail "D" Delivered Coal | 1.738.000 | 1 998 000 | 1 821 000 | 1 831 000 |
| Existing contracts: | .1 1 | | 1,021,000 | 1,001,000 |
| Massey | 200,000 | 150.000 | 0 | 0 |
| Amvest | 212,000 | 0 | 0. | . 0 |
| AEP/Quaker | 400,000 | 0 | - 0 | 0 |
| Alliance | 300,000 | 300,000 | 300,000 | . 0 |
| Total Existing Contracts | 1,112,000 | 450,000 | 300,000 | 0 |
| Total Open Position: | 626,000 ⁻ | 1,548,000 | 1,521,000 | 1,831,000 |
| Potential Contract Suppliers: | | | | |
| AEP/Quaker | 100,000 | 700,000 | . o | 0 |
| Alliance | 200,000 | 300,000 | 300,000 | · 0 |
| Amvest | · 0 | 0 | . 0 | 0 |
| Massey | • 0 | . 0 | 0 | 0 |
| Dominion | 100,000 | 0 | 0 | . 0 |
| Total Potential Contracts | 400,000 | 1,000,000 | 300,000 | 0 · |
| Iotal Existing & Potential | 1,512,000 | 1,450,000 | 600,000 | 0 |
| | | | | |
| Potential Spot or Additional | ÷ . | | | |
| Contract Purchases: | 226,000 | 548,000 | 1,221,000 | a. 1,831,000 |
| Allocation: | | | | • • |
| % Existing Contract to burn: | 64.0% | 22.5% | 16.5% | 0.0% |
| % Potential contract to burn | 23.0% | 50.1% | 16.5% | 0.0% |
| % Total contract to burn | 87.0% | 72.6% | 33.0% | 0.0% |
| % Potential spot to burn | 13.0% | 27.4% | 67.0% | 100.0% |
| | | | | |
| Notes: | | • | • | |
| (1) BOLD denotes 2004 reopener and | | | | |
| potential or actual results or new | | • • | | |
| purchase. | • | • | • • • | • |
| (2) Purchase strategy is | | • . | | |
| to maintain, if possible, | | • | • | |
| approximately a 70/30 split | | | | |
| between contract and spot. | | | | |
| • • | ••• | • | | |
| (3) Purchases based upon | | | • | · |
| the 2004 RFP results and | · | | • : | |
| various contract reopener | | · · | • | |
| negotiations. | • | | | |

9/19/2003 9:00

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-3) Page 5 of 12

ATTACHMENT A PAGE 2

| | SUPPLY A | SSESSMENT | |
|-----------|-----------|-----------|------|
| | "D" W | ATER | • |
| 2004 | 2005 | 2006 | 2007 |
| 2 100,000 | 2,100,000 | 2 100 000 | 2 10 |

| Water Delivery | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
|---|-----------|-----------|-----------|-----------------|
| Existing contracts: | | · · · · | • | |
| Massey-Contract Terminated | . 0 | 0 | 0 | 0 |
| Total Existing Contracts | . 0 | 0 | 0 | 0 |
| Total Open Position | 2,100,000 | 2,100,000 | 2,100,000 | 2,100,000 |
| Potential Contract Suppliers: | | | | |
| Guasare #1 | 250,000 | 150,000 | . 0 | · 0 |
| Guasare #2 | 650,000 | 650,000 | 650,000 | . 0 |
| Progress Fuels | | | | |
| (New Supply; Replaces Massey) | 600,000 | . 0 | 0 | 0 |
| Total Potential Contracts | 1,500,000 | 800,000 | 650,000 | - 0 |
| Total Existing & Potential | 1,500,000 | 800,000 | 650,000 | 0 |
| Potential Spot or Additional | | • | | |
| Contract Purchases: | 600,000 | 1,300,000 | 1,450,000 | 2,100,000 |
| | | 1 | | |
| Allocation: | | • | | |
| % Existing contract to delivery | . 0.0% | 0.0% | 0.0% | 0.0% |
| % Potential contract to delivery . | 71.4% | 38.1% | . 31.0% | 0.0% |
| % Total contract to delivery | 71.4% | 38.1% | 31.0% | 0.0% |
| % Potential spot or additional contract | | | | . ` |
| to requirement | 28.6% | 61.9% | 69.0% | 100.0% |
| | | | | |
| Notes: | • | - · | • • | |
| (1) BOLD denotes 2004 reopener, | | | | ··· · · |
| potential of actual results of new | | • | • | |
| purchase. | | • | | |
| (2) Purchase strategy is to | .· . | • | | |
| maintain if possible | | • • • | | · . |
| approximately a 70/30 split | | | • | · · |
| between contract and spot | | · · · | | |
| | • . | • | • • | |
| (3) Purchases based upon | • | | | |
| the 2004 RFP results and | | • | | • |
| various contract reopener | | • | · | 9/19/03 8:54 AM |
| negotiations. | ·- | · · | | |
| | | | | |
| | . · | ·• . | | • |
| | | | • | |
| • • • | | | · | • • |
| | • | · · | | • • |

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-3) Page 6 of 12

ATTACHMENT A PAGE 3

| | | UPPLY ASSES | SMENT | ···· · · · |
|-------------------------------------|-----------|-------------|-----------|-------------|
| | | "A" RAIL | • | |
| | 2004 | 2005 | 2006 | 2007 |
| PROJECTED BURN | 2,241,000 | 2,252,000 | 2,231,000 | . 2,239,000 |
| Existing contracts: | | • | • | • |
| Consol | 1,000,000 | 1,000,000 | 1,000,000 | · 0 . |
| Massey | 600,000 | 150,000 | . 0 . | 0. |
| AEP/Quaker | 480,000 | . 0 | 0 | · 0 |
| Total Existing Contracts | 2,080,000 | 1,150,000 | 1,000,000 | 0 |
| Total Open Position: | 161,000 | 1,102,000 | 1,231,000 | 2,239,000 |
| Potential Contract Suppliers: | | • | | |
| AEP/Quaker | 0 | 400,000 | 200,000 | - 200,000 |
| Consol | Ο. | 0 | 0. | . 0 |
| Massey | 0 | 400,000 | 500,000 | 500,000 |
| Total Potential Contracts | 0 | 800,000 | 700,000 | 700,000 |
| Total Commitments/Potential | 2,080,000 | 1,950,000 | 1,700,000 | 700,000 |
| | | | | • • |
| Potential Spot Purchases: | 161,000 | 302,000 | 531,000 | 1,539,000 |
| Allocation | | • | | |
| % Existing Contract to burn: | 92.8% | 51 1% | 44.8% | 0.0% |
| % Potential contract to burn | 0.0% | 26.6% | 26.9% | 26.0% |
| % Total contract to burn | 92.8% | 82 9% | 75.2% | 20.578 |
| % Potential spot to burn | 7.2% | 17.1% | 24.8% | . 30.0% |
| • | | • • • | • | |
| Notes | | • | • | • • |
| (1) BOLD denotes 2004 reopener | | • | • | · · · |
| notential or actual results or new: | • | • • | | |
| purchase. | • • • | | • | |

(2) Purchase strategy is to maintain, if possible, approximately a 70/30 split between contract and spot.

(3) Purchases based upon the 2004 RFP results and various contract reopener negotiations.

8/20/2003 13:03

PROGRESS FUELS CORPORATION *CR 4 and 5 July 03 Solicitation* Foreign Water Coals SHORT LIST

ATTACHMENT B PAGE 1

| | | | (1086) (149 | 编新组织 | | | | 运行时候 | | 进行用 外引起 | 的地路制度 | 加而没 | | 和影响的 | 466-571-010 | 出國部門國際的社 | Tathining |
|-------------------------|-------------------|--------------|---------------------------------------|------|--------------------|-------|-------|--------|----------|----------------|----------|-----|-------|-----------|-------------|-----------------|------------|
| | | | | 2004 | 2005 ₁₁ | 2006 | | in Eur | chase.Sp | dification | 15 | | | Cash | Cash! | | LEVALUATED |
| 些爱? #Supplier 点读 | A STORE STORE | OIEM | i i i i i i i i i i i i i i i i i i i | tons | . itons | stons | Ash | Sulfur | 版目间语 | Malslure | 1. 1061. | HG | 502 | Cost \$/s | COSI S/M | Cost s/st | Cost \$/M |
| Single Year (04) | | | | • | | | | • | | | | | | | • | | |
| Drummond 1 | 1/1/0412/31/04 | McDuffle | 750 | 750 | | | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 | 1.20 | \$47 37 | 2 024 | \$47.7B | \$7.04 |
| Glencore | 1/1/04 - 12/31/04 | IMT-Gearless | 300 | 300 | | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$52.94 | 2.135 | \$51.78 | \$2.04 |
| Guasare | 1/1/04 - 12/31/04 | IMT - Belted | 200 | 200 | | | 8.00% | 0.77% | 13,000 | 8.00% | 31.00% | 45 | 1.18 | \$55.52 | 2.135 | \$54.13 | \$2.05 |
| Emerald 1 | 1/1/04 - 12/31/04 | Mobile | 500 | 500 | | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$54.24 | 2.187 | \$53.08 | \$2.14 |
| Glencore | 1/1/04 - 12/31/04 | IMT-Belted | 300 | 300 | | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$54.74 | 2.207 | \$53.58 | \$2.16 |
| Emerald 2 | 1/1/04 - 12/31/04 | IMT · | 500 | 500 | | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$54.84 | 2.211 | \$53.68 | \$2.16 |
| Glencore | 1/1/04 - 12/31/04 | IMT-Geared | 300 | 300 | | | 7.00% | 0.74% | 12,400 | 8.00% | 35.00% | 45 | 1.20 | \$55.24 | 2,227 | \$54.08 | \$2,18 |
| [| <u> </u> | | | | | | | , | | | | | | | | | |
| | · | | • | | | | | · . | | | | | | | A | | |
| Mulli-Year | ····· | | | : | | | | • • | | | | | | | • • | | |
| Drummond 2 | 1/1/04 - 12/31/06 | McDuffle | 2,250 | 750 | ·750 | 750 | 5.00% | 0.70% | 11,700 | 14.00% | 31.00% | 44 | 1.20 | \$48.78 | 2.085 | \$49.19 | \$2.10 |
| Guasare | 1/1/04 - 12/31/06 | IMT - Belted | 1,150 | 650 | 500 | | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | \$55.41 | 2.164 | \$54.22 | \$2.12 |
| Guasare | 1/1/04 - 12/31/06 | IMT - Belted | 1,950 | 650 | 650 | · 650 | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1 20 | \$55.63 | 2 177 | \$54.44 | \$2.12 |
| | • | | l | | | | | | 1~1000 | 0.0078 | 1.00/01 | -15 | 1.4.0 | 499,09 | | \$ 34.44 | 92.13 |

| | | | • • | | | | r |
|--------|-----------|-----------|--------------|--------|-----|---|-----------|
| | CR 45 Eco | nomics Ba | ase Specific | ations | | | SO2 Price |
| Ash | Sulfur | Blu | Molsture | ' Vol | HGI | | \$160 |
| 10.00% | 0.70% | 12,000 | 8.00% | 31.00% | 40 | • | |

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-3) Page 7 of 12

\$160

PEF-FUEL-004740

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PROGRESS FUELS CORPORATION CR 4 and 5

July 03 Solicitation RAIL COALS SHORT LIST

ATTACHMENT B PAGE 2

| | | | (000)t | | | | | | 制制作品 | Harayan | HATTERN. | E ESIKIN | | . Millionen | 4 11111112 | el en soulennoom d | 1 Han to sweet the second |
|---------------|------------------------------------|----------------|--------|-------|------------|--|----------|----------|----------------|-------------|-------------|-----------------|------|-------------|------------|--------------------|---------------------------|
| Supplief | A CALL TOTAL | Line of a play | | 2004 | 2005 | 1112006 | | Pilit Pu | renase Sr | becificatio | | | | NCasH. | i Casn. | Evaluated | Evaluated scuthized |
| Single Year | T | | | | And a long | X CELOUS | MayAsha | Sullu | BEADERN | Molstur | olin Volity | Hď | 1562 | COSI 5/5 | Costisim | Cost \$/81 | HCOal S/M |
| Koch Carbon 1 | 1/04 - 7/04 | Non-specific | 140 | 140 | | ······································ | <u> </u> | 1 | · | 1 | 1. | <u> </u> | T | | - <u>r</u> | T | ····· |
| Koch Carbon 2 | 1/04 - 12/04 | Non specific | 140 | 140 | | | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.00 | 2.038 | \$52.26 | \$2.01 |
| Aluba | | non-specific | 240 | 240 | | • | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.25 | 2.048 | \$52.51 | \$2.02 |
| | 1/1/04 -12/31/04 | McClure | 360 | 360 | | | 10.00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 | 1.20 | \$52.85 | 2.064 | \$53.19 | \$2.08 |
| Alpha | 1/1/04 -6/30/04 | McClure | 180 | 180 | | | 10.00% | 0.77% | 12,800 | 7.50% | 28.00% | 65 | 1.20 | \$52.85 | 7.064 | t 52 40 | |
| Dominion | 1/1/04 - 12/31/04 | MC Mining | 360 | 360 · | | | 10.00% | 0.75% | 12 500 | 0.004 | 24.000 | | | 452.05 | 2.004 | \$53.19 | \$2.08 |
| AEP No 5a | 1/1/04 - 12/31/04 | CSX BS/Kan | 300 | 300 | | | 12.00% | 0.107 | 12,500 | 0.00% | 31.00% | 42 | 1.20 | \$51.75 | 2.070 | \$51.42 | \$2.06 |
| | | | | | • | | 12.00% | 0.75% | 12,500 | 8.00% | 30.00% | 42 | 1.20 | \$52.14 | 2.086 | \$53.41 | \$2.14 |
| Mulli-Year | • | | | | | • | | | | | | | | | • | | • |
| | | | | | | | ····· | | | | | | | | | | |
| Noch Carbon 3 | . 1/04 - 12/05 ⁻ | Non-specific | 240 | 240 | . 240 | | 10.00% | 0.78% | 13,000 | 8.00% | 32.50% | 43 | 1.20 | \$53.80 | 2 060 | t=2.00 | to a 1 |
| AEP No 2 | 1/1/04 - 6/30/06 | Damron Fork | 900 | 300 | 300 | 300 | 10.00% | 0.77% | 12 800 | 8.00% | 22 801 | | 4.00 | 453.00 | 2.005 | 903.UB | \$2.04 |
| Alliance No 2 | 1/1/04 - 12/31/06 | MC Mining | 900 | 300 | 300 | · 900 | 0.00% | 0.754 | 12,000 | 0.0070 | 52.3078 | 44 | 1,20 | \$53.75 | 2.100 | \$ 53.16 | \$2.08 |
| Massey 3a | 1/04 - 12/04 | Bandmill | 2 160 | 720 | 700 | 300 | 3.00% | U./ 5% | 12,500 | 8.00% | 32.00% | 42 | 1.20 | \$52.75 | 2.110 | \$52.12 | \$2.08 |
| | | | ~,100 | 140 | 120 | /20 | 13.00% | 0.73% | 12,100 | 8.00% | 30.00% | 42 | 1.20 | \$53.14 | 2.196 | \$55.03 | \$2.27 |

PEF-FUEL-004741

CR 45 Economics Base Specifications Sulfur Ash Btu Molsture Vol HGI 8.00% 31.00% 10.00% 0.70% 12,000 40

So2 Price \$160

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-3) Page 8 of 12

PROGRESS FUELS CORPORATION

CR 4 and 5 July 03 Solicitation Domestic Water Coals Short List

ATTACHMENT B PAGE 3

Cash: YUU zed

ASIVERSULUER FULLER MOLECULAR AVGLERENG PSOZ OUSIVS/SI COOSIVSIM PCOBUSING CONTS/M

\$180

Single Year (No single year bids were competitive)

۰.

Subblie

PEF-FUEL-004742

Jola

| Mulli Year | | | 1 | | | | | | | | | | - | • | | | |
|------------|--------------------|--------------|---------|-----|-----|-----|--------|-------|--------|-------|--------|----|------|---------|-------|---------|----------|
| Infinity | 1/01/04 - 12/31/07 | Panther | 3,000 | 750 | 750 | 750 | 8.00% | 0.77% | 12,800 | 8.00% | 31.00% | 45 | 1.20 | \$61.25 | 2.393 | \$60.06 | \$2.35 |
| PFC | 1/04 -12/06 | Coal/Synfuel | 2,700 | 900 | 900 | 900 | 12.00% | 0.75% | 12,500 | 8.00% | 31.00% | 44 | 1.20 | \$60.39 | 2.416 | \$60.66 | \$2.43 |
| Infinity | 1/01/04 - 12/31/07 | Panther | . 3,000 | 750 | 750 | 750 | 10.00% | 0.75% | 12,500 | 8.00% | 31.00% | 45 | 1.20 | \$60.45 | 2.418 | \$60.11 | . \$2.40 |
| | | | | | | | | L. | | | | | | | | | |

| | CR 45 Ecc | nomics B | ase Specifi | cations | | | SO2 Price |
|---------|-----------|------------|-------------|---------|-------|---|-----------|
| Ash | Sulfur | Btu 12,000 | Moisture | Vol | . HGI | · | \$180 |
| 10.00/1 | 0.107 | 12,000 | 0.00/5 | 31.007 | 40 | | |

Purchase Specifications

Docket No. 060658 Progress Energy Florida Exhibit No. ____(AWP-3) Page 9 of 12

| PEF-FUEI | | • | | • | | • | ATTACHMENT C |
|-----------------|--------------|------------------|---------------|------------------------------------|---------------|------------------------------------|---|
| 00474 | · • | | 2003 | Contrac | t Re~Open | NER ACTIVI | ТҮ |
| ω Γ | | | 20 | 003 | 20 | 004 | |
| Supplier | Соа1 Туре | Delivery Mode | Tons (000) | Estimated Delivered \$/MMBtu | Tons (000) | Estimated Delivered \$/MMBtu | Comments |
| Consol | A | Rail | 1,000 | 2.221 | 1,000 | 2.045 | Price agreed to April 2003; effective July 1, 2003. |
| Massey—Goff | A | Rail | 600 | 2.274 | 600 | 2.098 | Price agreed to early September 2003; effective October 1, 2003. |
| AEP/Quaker | Á | Rail | 480 | 2.140 | Pending | Pending | Renewal price to be established by 11/01/03. |
| Massey—Bandmill | D | Rail | 600 | 2.416 | 240 | 2.158 | Tonnage reduced due to price. Re-allocated between Alliance, AEP/Quaker, and spot. |
| Amvest | D | Rail | 212 | 2.399 | Pending | Pending | Renewal price to be established by 11/01/03. |
| AEP/Quaker | D | Rail | 400 | 2.184 | 500 | 2.134 | Price fixed for both 2004 and 2005. 2005 tonnage increases to 700,000 tons. |
| Alliance | D | Rail | 300 | 2.204 | 500 | 2.131 | Two-year contract; 2005 tonnage 600,000; price 2.142 \$/MMBtu delivered. |
| Massey—Elk Run | D | Water | 600 | 2.740 | | | Price not agreed; new contract with Progress Fuels. Price requested by Massey 2.640 \$/MMBtu delivered. |
| Progress Fuels | D | Water | | | 600 | 2.530 | See apove. |

Progress Energy Florida Exhibit No. (AWP-3) Docket No. 060658

PROGRESS FUELS CORPORATION

CR 4 and 5 July 03 Solicitation Western Coals

FOR TEST PURPOSES ONLY - Review Later

| | | | к ((000) Таба) | 2004 | 200530 | 2006) 1 | | Pur | chase Spi | elfication | 5 | | | i Cash | Cashiri Cashiri | Evaluated. | Evaluated Utilized | |
|-----------|-----------------------|---------------------|-------------------|-------|--------|----------------|---------------|----------|-----------------|--------------|--------|----|------|------------|--------------------|------------|-----------------------|--|
| Suppliers | State Termilaria | A MORIGINI W | Printing All | Tons | Tonst | E trans | 洲Ash y | Sulfur | 統自由的 | Moisture | Vol | HG | SO2 | Cost \$/st | Costi\$/M | Cost \$/st | Cost \$/M | |
| Kennecolt | 7/01/03 - 12/31/04 | Spring Creek | 100 | • | • | | 4.00% | 0.34% | 9,350 | 24.90% | 32.43% | 55 | 0.73 | \$37.14 | [.] 1.986 | \$38.54 | \$2,06 | |
| RAG 2 | 1/04 -12/04 | 20 Mile - COL | 500' | 500 | | | 10.00% | 0.51% | 11,300 | 10.00% | 39.00% | 40 | 0.90 | \$44.50 | 1.969 | \$44.82 | \$1.98 | |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | | | | 5.82% | 0.48% | 8,700 | 27.72% | 32.19% | 54 | 1.10 | \$35.89 | 2.063 | \$39.22 | \$2.25 | |
| DTE 1 | 1/1/04 - 6/30/04 | PRB | 168 | | | | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$36.54 | 2.076 | \$39.35 | \$2.24 | |
| Arch | 1/01/04 - 6/30/04 | PRB - Black Thunder | - 300 | . 300 | | | 6.00% | 0.35% | 8,800 | 28.00% | 35.00% | 50 | 0.80 | \$36.69 | 2.085 | \$39.60 · | \$2.25 | |
| DTE 2 | 1/1/04 - 12/31/04 | PRB | 336 | | | | 6.00% | 0.35% | ·8,800 | 27.00% | 35.00% | 50 | 0,80 | \$36.74 | 2.088 | \$39.55 | \$2.25 | |
| AEP No 3 | 1/1/04 - 12/31/06 | PRB unspecified | 1,500 | 500 | 500, | 500 | 5.50% | 0.35% | . 8, 800 | 27.00% | 35.00% | 50 | 0.80 | \$35.60 | 2.023 | \$38.26 | \$2.17 | |
| Oxbow | 1/04 -12/06 | Elk Creek CO | 1,500 | 500 | 500 | 500 | 12.00% | 0.58% | 11,500 | 10.00% | 32.00% | 45 | 1.00 | \$47.03 | 2.045 | \$47.94 | \$2.08 | |
| AEP No 4 | 1/1/04 - 12/31/06 | PRB unspecified | 1,500 | 500 | 500 | 500 | 5.50% | 0.34% | 8,400 | 27.00% | 35.00% | 50 | 0.80 | \$34.60 | 2.060 | \$37.61 | \$2.24 | |
| RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | 500 | | | 4.50% | 0.27% | 8,550 | 29.90% | 31.00% | 58 | 0.63 | \$36.64 | 2.143 | \$39.27 | \$2.30 | |
| Triton 2 | · 1/04 - 12/04 | PRB Buckskin | 500 | 500 | 1 | | 5.90% | 0.30% | 8,400 | 29.90% | 31.00% | 55 | 0.71 | \$36.39 | 2.166 | \$39.69 | \$2.36 | |
| Triton 1 | 1/04 -12/04 | PRB N Rochelle | 500 | 500 | | | 4.70% | 0.35% | 8,800 | 27.90% | 31.00% | 55 | 0.80 | \$37.00 | 2.102 | \$39.50 | \$2.24 | |
| Peabody 2 | 1/04 - 12/04 | PRB-Anl/Roch | 500 | | | | 4.40% | 0.22% | 8,800 | 26.70% | 31.50% | 59 | 0.50 | \$45.27 | 2.572 | \$47.14 | \$2.68 | |
| | | | • | | • | | | | | | | | | | | | | |
| | 1 | | | | | | | | | | | • | | | | | | |
| | · · · | • | | | | • | | CR 45 Ec | onomics Ba | ase Specific | ations | | | SO2 Price | | | | |
| | | | • | | | | | | | | | | | | | | | |

Ash

10.00%

Sulfur

0.70%

Blu

12,000

Moisture

8.00%

Vol

131.00%

HGI

40

\$160

PEF-FUEL-004744

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-3) Page 11 of 12

PROGRESS FUELS CORPORATION

FOR TEST PURPOSES ONLY - Review Later

CR 4 and 5 July 03 Solicitation Western Coals

| | | | 1.(000) (1.000) | 2004 | vt 2005. | 2006 J. | | an li si Li si | hase Spe | cification | 5-1 Sec. | | | T.Cash- | Chish 4 | Evaluated SUIIIzed | Evaluated |
|-----------|--------------------|---------------------|--------------------|------|----------|------------------|--------|---|-----------|--------------|----------|-----|--------------|------------|-----------|-----------------------|-----------|
| Supplier | | ate noticine stud | UTIONS (20) | Tons | Tons | Dirons in | H Ash | Sulfur | H B U | Mojsture | Vol N | HGI | \$ <u>92</u> | Cost/\$/st | Gosti\$/M | Costi\$/st | Cost \$/M |
| Kennecott | 7/01/03 - 12/31/04 | Spring Creek | 100 | | | | 4.00% | 0.34% | 9;350 | 24.90% | 32.43% | 55 | 0.73 | \$37.14 | 1.986 | \$38.54 | \$2.06 |
| RAG 2 | 1/04 -12/04 | 20 Mile - COL | 500 | 500 | | | 10.00% | 0.51% | 11,300 | 10.00% | 39.00% | 40 | 0.90 | \$44.50 | 1.969 | \$44.82 | \$1.98 |
| Kennecott | 7/01/03 - 12/31/04 | Jacobs | 100 | | | | 5.82% | 0.48% | 8,700 | 27.72% | 32.19% | 54 | 1.10 | \$35.89 | 2.063 | \$39.22 | \$2.25 |
| DTE 1 | 1/1/04 - 6/30/04 | PRB | 168 | | | | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$36.54 | 2.076 | \$39.35 | \$2.24 |
| Arch | 1/01/04 - 6/30/04 | PRB = Black Thunder | 300 | 300 | | | 6.00% | 0.35% | 8,800 | 28.00% | 35.00% | 50 | 0.80 | \$36.69 | 2.085 | \$39.60 | \$2.25 |
| DTE 2 | 1/1/04 - 12/31/04 | PRB | 336 | | | | 6.00% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$36.74 | 2.088 | \$39.55 | \$2.25 |
| AEP No 3 | 1/1/04 - 12/31/06 | · PRB unspecified | 1,500 | 500 | 500 | 500 | 5.50% | 0.35% | 8,800 | 27.00% | 35.00% | 50 | 0.80 | \$35.60 | 2.023 | \$38.26 | \$2.17 |
| Oxbow | 1/04 -12/06 | Elk Creek CO | 1,500 | 500 | 500 | 500 | 12.00% | 0.58% | 11,500 | 10.00% | 32.00% | 45 | 1.00 | \$47.03 | 2.045 | \$47.94 | \$2.08 |
| AEP No 4 | 1/1/04 - 12/31/06 | PRB unspecified | 1,500 | 500 | 500 | 500 | 5.50% | 0.34% | 8,400 | 27.00% | 35.00% | 50 | 0.80 | \$34.60 | 2.060 | \$37.61 | \$2.24 |
| RAG 1 | 1/04 -12/04 | PRB - Belle Ayr | 500 | 500 | | | 4.50% | 0.27% | 8,550 | 29.90% | 31.00% | 58 | 0.63 | \$36.64 | 2.143 | \$39.27 | \$2.30 |
| Triton 2 | 1/04 -12/04 | PRB Buckskin | 500 | 500 | | | 5.90% | 0.30% | 8,400 | 29.90% | 31.00% | 55 | 0.71 | \$36.39 | 2.166 | \$39.69 | \$2.36 |
| Triton 1 | 1/04 -12/04 | PRB N Rochelle | 500 | 500 | | | 4.70% | 0.35% | 8,800 | 27.90% | 31.00% | 55 | 0.80 | \$37.00 | 2.102 | \$39.50 | \$2.24 |
| Peabody 2 | 1/04 - 12/04 | PRB-Ant/Roch | 500 | | • | | 4.40% | 0.22% | 8,800 | 26.70% | 31.50% | 59 | 0.50 | \$45,27 | 2.572 | \$47.14 | \$2.68 |
| | | | | | | | | ļ | | | | | l | | | | |
| L | <u> </u> | | L | | | | | | | | | | | | | l | |
| | | • | | | | | | CR 45 Ec | onomics B | ase Specific | cations | | | SO2 Price | | | |

CR 45 Economics Base Specifications Sc Ash Sulfur Btu Moisture Vol HGI 10.00% 0.70% 12,000 B.00% 31.00% 40

\$160

Docket No. 060658 Progress Energy Florida Exhibit No. ____(AWP-3) Page 12 of 12

PEF-FUEL-004745



Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-4) Page 1 of 5

April 12, 2004

COMPLIANCE COAL RFP BID DEADLINE: MAY 12, 2004 TIME: 5PM EDT

Potential Supplier:

To place a portion of our requirements under contract for Progress Energy's *Crystal River Units Nos.* 4 and 5, Progress Fuels Corporation (PFC) is considering entering into a new coal supply agreement(s) beginning January 1, 2005. Accordingly, we prefer that you quote a minimum of 150,000 tons annually to be delivered in generally ratable monthly amounts during the following periods; however, lesser quantities will be considered (please quote each offer separately):

- 1. January 1, 2005 through December 31, 2005
- 2. January 1, 2005 through December 31, 2006
- 3. January 1, 2005 through December 31, 2007

The quality of all coals submitted should conform to the specifications listed on the attached bid form. *Coals not meeting a* 1.2 *LB/SO*₂ *maximum standard will not be considered.*

PFC prefers a price quote effective on the start date, which will be fixed for the first twelve months. For terms longer than twelve months, PFC will consider fixed and firm, adjusted and/or reopener(s) if term is three years. All prices should be quoted either f.o.b. mine loading point for rail delivery and f.o.b. barge loading point for water delivery. Your proposal for this business must be submitted in writing by 5 PM EDT on May 12, 2004, and should be valid and binding for a minimum of thirty (30) days from that date. PFC encourages offers that provide added value, including, but not limited to:

- 1. Annual tonnage flexibility (expressed as a percentage),
- 2. Unilateral extension option(s) for PFC,
- 3. Innovative pricing proposals.

In evaluating the submitted proposals, PFC will consider all relevant factors including an "as burned" bus bar analysis. However, the delivered cost per million Btu has been and will continue to be the factor with the strongest overall impact to the evaluation process. PFC encourages suppliers to quote their coals at the highest quality rating they feel they can comfortably maintain. All cost calculations will be based on guaranteed values rather than typical values expected. *Guaranteed values are expected to be met on a per shipment basis.* Negotiations of the remaining terms and conditions will be conducted with those suppliers making a "short list" based on delivered economics.

Due to our ability to deliver coal to Crystal River by both rail and ocean barge, PFC will consider both rail and water delivered origins of the submitted product. Those suppliers planning to ship by barge should indicate any dock preferences. (This would also apply to western USA coal suppliers.) Those suppliers planning to ship CSX rail direct must be capable of shipping 24 hours per day, 7 days per week, in 90-car unit train lots (PFC-owned or leased rapid discharge cars) and they must specify

Progress Fuels Corporation 200 Central Ávenue St. Petersburg, FL 33701

Term Coal SolicitationDocket No. 060658April 12, 2004Progress Energy FloridaPage 2Exhibit No. (AWP-4)Page 2 of 5

loading time requirements and CSX rail district origin. Please do not attempt to secure domestic rail/barge rates as these are to be negotiated by PFC.

Draft and narrow channel restrictions at the power plant receiving facility will not accommodate large deep-draft vessels. Therefore, foreign origin coals will require delivery through a New Orleans or Mobile area import terminal. Foreign origin coals should be quoted on a "CIF" basis in "Self-Discharging" vessels. Belted type vessels are preferred.

Proposals must be submitted by the date and time specified above in a sealed envelope clearly marked "Term Contract Compliance Coal Quotation" addressed to Mrs. Robin Ott at the address indicated on the attached bid form. Note that bids submitted directly to me via e-mail or fax will <u>not</u> be considered. Proposals must include a completed copy of the attached bid form (for multiple proposals, please copy the attached form and submit a separate form for each proposal) complete with current and projected typical ash mineral analysis including minimum and maximum Na₂O (sodium oxide), typical ultimate analysis including maximum nitrogen and chlorine, sulfur forms, all reducing ash fusion points (average and minimum temperatures), and trace elements. In some cases, where suppliers are quoting a blend of various seams of coal, the above requested quality data must be provided for the blended product as well as the individual seams for all coals you would expect to ship on this business. Any extraneous information not included on the provided bid form will <u>not</u> be considered.

Weighing and sampling and analysis will be done at the mine facility, loading dock or the power plant by a mutually agreeable independent testing company.

PFC reserves the right to waive informal technicalities or irregularities and reject any and all proposals for any reason PFC deems appropriate under the circumstances. PFC does not represent that it will accept the lowest bid or any other bid. In no event shall PFC be considered to have accepted any offer except and unless in an express written acceptance or contract signed by an officer of PFC.

Thank you for your attention to this *Request for Proposals*. If you have any questions or require further information regarding this invitation to quote, please contact me at 727/824-6692.

erely V. Pitcher

Vice President-Coal Procurement

AWP/ro

Attachment

| • |
|-------------|
| PROGRESS |
| FUELS |
| CORPORATION |

COAL PRODUCERS' SOLICITATION FORM CRYSTAL RIVER 4 & 5 PAGE 1 OF 3

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-4) Page 3 of 5

| | • | · . |
|--|--|--|
| STREET ADDRESS: | | |
| CONTACT: | TELEPHONE N | NO. |
| MINE(S): BOM DIS | STRICT: COUNTY: | STATE: |
| ORIGIN RAILROAD(S)/DISTRICT: EK CV Big Sa | andy Other | R/R TIPPLE DESIGNATION/NUMBER: |
| TYPE OF LOADING FACILITY: UNIT TRAIN: | SINGLE CAR: | TRAINLOAD: |
| MAXIMUM LOADING CAPACITY: | HOURS | TRACK CAPACIT |
| WATER DELIVERY CAPABILITY:YES | NO IMP | PORT COAL: LOAD PORT |
| SHIP THROUGH:DOCK | | LOAD RATE:: |
| TOTAL PRODUCTION CAPACITY PER MONTH: | TONS | |
| PRODUCTION PER MONTH-MEETING OUR COAL SPECIF | TICATIONS:TONS | |
| TYPE OF MINE:% DEEP | % STRIP | % AUGE |
| SEAMS: | BLEND RATIOS | S: |
| COAL PREPARATION:RAW | WASHED | COMBINATIO |
| TYPE OF COAL WASHER, IF WASHED: | · · · · · · · · · · · · · · · · · · · | |
| TYPE OF COAL SAMPLING: | | |
| F OF LABOR CONTRACT(S): | DATE FOR RENEGOTIATION: | |
| TYPE OF COAL WEIGHING: | SCALE CERTIF | FIED?YESNO |
| PERIOD | TONNAGE | BASE PRICE PER TON FOB MINE |
| | | |
| | | |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL | WHICH IS NOT THE PRODUCER PLEASE INT | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: | WHICH IS NOT THE PRODUCER PLEASE INI | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: | WHICH IS NOT THE PRODUCER PLEASE IN | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): | WHICH IS NOT THE PRODUCER PLEASE INI | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): | WHICH IS NOT THE PRODUCER PLEASE IN | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): | WHICH IS NOT THE PRODUCER PLEASE INI | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): | WHICH IS NOT THE PRODUCER PLEASE INI | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): UDUSTRY REFERENCES (Minimum four): | WHICH IS NOT THE PRODUCER PLEASE IN | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): | WHICH IS NOT THE PRODUCER PLEASE INI | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): | WHICH IS NOT THE PRODUCER PLEASE INI | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): UDUSTRY REFERENCES (Minimum four): | WHICH IS NOT THE PRODUCER PLEASE INI TITLE: MAIL THIS FORM AND ANY ADDITIONAL INFORM MRS. ROBIN OTT PROGRESS FUELS CORPORATION ONE PROGRESS PLAZA, SUITE 600 ST. PETERSBURG, FLORIDA 33701 OR | DICATE SO BY MAKING AN "X" IN THIS SPOT. |
| F THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL PRODUCER'S COMMENTS: REDIT REFERENCES (Minimum two): | WHICH IS NOT THE PRODUCER PLEASE INI TITLE: MAIL THIS FORM AND ANY ADDITIONAL INFORM MRS. ROBIN OTT PROGRESS PLAZA, SUITE 600 ST. PETERSBURG, FLORIDA 33701 OR POST OFFICE BOX 15208 ST. PETERSBURG, FLORIDA 33733 PHONE NO. 727/624-6670 FAX NO. 727/624-6670 FAX NO. 727/624-6670 | DICATE SO BY MAKING AN "X" IN THIS SPOT. |



PROGRESS FUELS

CORPORATION

COAL PRODUCERS' SOLICITATION FORM CRYSTAL RIVER 4 & 5 PAGE 2 OF 3

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-4) WALTY Page 4 of 5

| | | c | FFERED COA | LSPECIFICATI | ONS | REQUIRED COAL SPECIFICATIONS | | | | |
|---|---|-----------------|---------------------|--------------|--|---|---|--|--|--|
| DESCRIPTION | | AS RECI | EIVED" R TYPICAL | "AS GU | RECEIVED* ARANTEED | BITUMINOUS "AS RECEIVED" GUARANTEED | SUB-BITUMINOUS "AS RECEIVED" GUARANTEED | | | |
| MOISTURE (TOTAL) % | | | | | -4 | 8.0% MAX. | 30.0% MAX. | | | |
| SURFACE MOISTURE % | | | | | | 5.0% MAX. | 5.0% MAX. | | | |
| ASH % | · | | | | 4 | 10.0% MAX.2 | 7.8% MAX.2 | | | |
| SULFUR DIOXIDE (LB/MBTU | J) | | | | | 1.2 LB/MAX.1 | 1.2 LB/MAX.1 | | | |
| BTU/LB | | | | | . 4 | 12,300 MIN. | 8,200/LB MIN. | | | |
| ASH SOFTENING DEGREES FAHRENHEIT H | =W (R) | | | | 4 | 2,500 MIN. | 2,200 MIN. | | | |
| VOLATILE % | | | | | 4 | 31.0% MIN.1 | 31.0% MIN.1 | | | |
| GRINDABILITY, HARDGROV | Έ | | | | 4 | 42 MIN. ³ | 65 MIN.3 | | | |
| SIZE | | | | | | 2" × 0" | 2* X 0* | | | |
| FINES (-1/4" X 0") | • | | | | | 45% MAX. ⁵ | 30% MAX.5 | | | |
| | | | | | | 0.2% MAX.1 | 0.2% MAX.1 | | | |
| FIXED CARBON % | | | | | | ······································ | · · · · · · · · · · · · · · · · · · · | | | |
| HYDROGEN % | | | | | | | | | | |
| NITROGEN % | | | | | | | | | | |
| ORINE % | | | | | | | | | | |
| OXYGEN % | | | | | | | | | | |
| ¹ Must be met on an individu ² Adjustable in direct proport ³ Adjustable in inverse propo | al shipment i ion to Btu. rtion to Btu. | basis. | <u></u> | | ⁴ E∞nornic analy ⁵ Preferred value, | ses will be based on these values coals not meeting this specification | on will be considered. | | | |
| | | | | | 5 | | | | | |
| ţ | AINERAL AN | ALYSIS %WEIGHT | | | ļ | I RACE ELEMENTS PP | M IN COAL | | | |
| DESCRIPTION | AINERAL AN | IALYSIS %WEIGHT | STD | . DEV. | DESCRIPTIC | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION | MINERAL AN | VALYSIS %WEIGHT | STD | . DEV. | DESCRIPTIC | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ² 20s 3iOz | AINERAL AN | VALYSIS %WEIGHT | STD | .DEV. | DESCRIPTIC Antimony Arsenic | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ² 20s 3iOz ² e2O3 | MINERAL AN | VALYSIS %WEIGHT | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ³ 20s 3iO2 (e2O3 12O3 | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ² 20s 3iOz ¹ e2O3 J2O3 TO2 | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Chromium | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ² 20s 3iOz ² e ₂ O ₃ 1/ ₂ O ₃ 1Oz ² aO | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Chromium Cobait | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ² 20s 3iOz e2O3 I2O3 TO2 aO IgO | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Chromium Cobait Fluorine | IRACE ELEMENTS PP | M IN COAL STD DEV. | | | |
| DESCRIPTION 2205 3iOz 62O3 12O3 102 203 102 102 102 102 102 102 102 102 | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Chromium Chromium Cobait Fluorine Lead | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ² 20s 3iOz ¹ e2O3 1/2O3 1Oz 1aO 1gO O3 2O | MINERAL AN | IALYSIS %WEIGHT | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Chromium Chromium Cobait Fluorine Lead Lithium | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION 20s 3iOz ezO3 IzO3 TOz aO IgO O3 2O a2O | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Cadmium Chromium Cobait Fluorine Lead Lithium Manganese | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION 220s 3iOz :e2O3 il2O3 1Oz :aO IgO O3 2O a2O ndetermined | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Chromium Chromium Cobait Fluorine Lead Lithium Manganese Mercury | DN AVERAGE | M IN COAL STD DEV. | | | |
| DESCRIPTION ² 20s 3iO2 ¹ e2O3 1zO3 1C2 ¹ aO 1gO O3 2O a2O ndetermined ³ se/Acid Ratio | MINERAL AN | VERAGE | STD | . DEV. | DESCRIPTIC Antimony Arsenic Beryllium Cadmium Chromium Chromium Cobait Fluorine Lead Lithium Manganese Mercury Nickel | DN AVERAGE | M IN COAL STD DEV. | | | |

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PROGRESS

COAL PRODUCERS' SOLICITATION FORM CRYSTAL RIVER 4 & 5 PAGE 3 OF 3

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-4)

| $\overline{)}$ | | OFF | ERED COA | L SPECIFICATI | ONS | 1 | REQUIRED CO | AL SPECIFICATI | ONS |
|--|---|---------------------------------------|---------------|---------------|---|-----------------------------|--|--|------------------------------------|
| DESCRIPTION | 1 | "AS RECEIV AVERAGE OR T | ED" YPICAL | "AS GU, | RECEIVED" ARANTEED | | BITUMINOUS AS RECEIVED" GUARANTEED | SUB-F *AS GUA | BITUMINOUS RECEIVED" RANTEED |
| MOISTURE (TOTAL) % | | | | | 4 | | 8.0% MAX. | 30. | .0% MAX. |
| SURFACE MOISTURE % | | | , | | | 1 | 5.0% MAX. | . 5.0 | 0% MAX. |
| ASH % | | | | | . 4 | | 10.0% MAX.2 | 7.8 | % MAX.2 |
| SULFUR DIOXIDE (LB/MB) | ru) | | | | | | 1.2 LB/MAX.1 | 1.2 | LB/MAX.1 |
| BTU/LB | | | | | . 4 | | 12,300 MIN. | 8,20 | 0/LB MIN. |
| ASH SOFTENING DEGREES FAHRENHEIT | H=W (R) | | · · · · · · | | 4 | | 2,500 MIN. | 2,2 | 200 MIN. |
| VOLATILE % | | | | | 4 | | 31.0% MIN. ¹ | 31.0 | 0% MIN.1 |
| GRINDABILITY, HARDGRC | VE | | | | 4 | | 42 MIN. ³ | 6 | 5 MIN.3 |
| SIZE | | | | | | - | 2"×0" | 2 | "X0" |
| FINES (-1/4" X 0") | | · · · | | | | | 45% MAX. ⁵ | 309 | 6 MAX.5 |
| PYRITIC SULFUR | | | | | | | 0.2% MAX.1 | 0.24 | % MAX.1 |
| FIXED CARBON % | | · · · · · · · · · · · · · · · · · · · | | | | | | | |
| HYDROGEN % | | | | | | | · | | |
| NITROGEN % | | | | | · | | | | |
|)ORINE % | | | | | | | | | |
| DXYGEN % | | | | | | | | | |
| ¹ Must be met on an individ ² Adjustable in direct propo ³ Adjustable in inverse prop | ual shipment b rtion to Btu, ortion to Btu, | pasis. | | | ⁴ Economic analy ⁵ Preferred value | yses will be , coals not | based on these values. meeting this specification | will be considered | l |
| · · | MINERAL AN | ALYSIS %WEIGHT | | | | · T | RACE ELEMENTS PPM | IN COAL | |
| DESCRIPTION | AV | ERAGE | STD. | DEV. | DESCRIPTI | ON · | AVERAGE | | STD DEV. |
| ³ 205 | | | | | Antimony | | | | |
| iiO2 | | | | | Arsenic | | | | |
| e ₂ O ₃ | | | | | Beryllium | | | | : |
| 1203 | | | | | Cadmium . | | | | |
| iOz | | | • | | Chromium | | | | |
| aO | | | | | Cobalt | | | | |
| gO | | | | | Fluorine | | | | |
| D ₃ | | | | | Lead | | | | |
| 10 | | | | | Lithium | | | | |
| 320 | | | | | Manganese | | | | |
| ndetermined | | | | _ | Mercury | | | | |
| 'Acid Ratio | | | | | Nickel | | | | |
|) | | | | | Selenium | | | | |
| <u> </u> | <u> </u> | | NOTE: A | DD SHEETS IF | MORE THAN ONE S | EAM | · · · · · · · · · · · · · · · · · · · | ······································ | |

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5) Page 1 of 15

REP RESPONSE LIST COMPLIANCE GOAL SOLICITATION—APRIL 12, 2004 95 BIDDERS INVITED—2:SUPPLIERS SENT REPS AFTER INTIAL MAILING OF SOLICITATION PAGE 1 OF 15

PROPOSALS LETTERS OF CONTACT/COMPANY OF RESPONDENT CONTACT/COMPANY OF RESPONDENT CONTACT/COMPANY SOLICITED CONTACT/COMPANY SOLICITED COMMENT RECEIVED LETTER OF MR, FREDERICK J. MURRELL PRESIDENT DECLINE ADARO ENVIROCOAL AMERICAS 1401 MANATEE AVENUE WEST, SUITE 910 BRADENTON, FLORIDA 34205 PHONE No.: 941/747-2630 FAX No.: 941/747-8081 MR. MICHAEL F. MORAN **DIRECTOR - MARKETING** AEP ENERGY SERVICES, INC. 11622 CHESTNUT HILL DRIVE MATTHEWS, NORTH CAROLINA 28105 PHONE NO.: 704/846-8248 FAX No.: 704/844-0569 MR, JOHN W. TANNER OFFER SUBMITTED BID NON-RESPONSIVE AS IT WAS NOT SUBMITTED IN A SEALED VICE PRESIDENT, SALES VIA E-MAIL ALLIANCE COAL SALES CORPORATION CONFIDENTIAL ENVELOPE AS 5000 SAILWIND CIRCLE REQUIRED BY THE RFP. ORLANDO, FLORIDA 32810 PHONE No.: 407/523-9797 FAX No.: 407/523-7870 MR. L. ELLIS DUSENBURY VICE PRESIDENT ALPHA COAL SALES 9300 HARRIS CORNERS PARKWAY, SUITE 210 CHARLOTTE, NORTH CAROLINA 28269 UNITED STATES OF AMERICA PHONE NO.: 704/596-9253 FAX No.: 704/598-8115 MR. ERNIE L. THRASHER PRESIDENT AMCI EXPORT CORPORATION ONE ENERGY PLACE, SUITE 2000 LATROBE, PENNSYLVANIA 15650 PHONE NO .: 724/537-2444 FAX No.: 724/537-2382 MR. ANDREW W. COX VICE PRESIDENT AMVEST COAL SALES, INC. POST OFFICE BOX 5347 CHARLOTTESVILLE, VIRGINIA 22905 PHONE NO .: 434/972-7754 FAX No.: 434/295-3203

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5) Page 2 of 15

REP.RESPONSELIST COMPLIANCECOAL SOLICITATION—APRIL 12, 2004 95 BIDDERS INVITED—2 SUPPLIERS SENT REPS AFTER INTIAL MAILING OF SOLICITATION PAGE2 OF 15 CT PL PROPOSAUS/ LETTERS OF CONTACT/COMPANY OF RESPONDENT: DECLINE IFOTHER THAN PARTY SOLICITED Comments CONTACT/COMPANY SOLICITED RECEIVED 的感觉的是 MR. DAVID E. LONG PRESIDENT APEX COAL SALES SIX MOUNTAIN MEADOWS CHAPMANVILLE, WEST VIRGINIA 25508 UNITED STATES OF AMERICA PHONE NO.: 304/752-2365 FAX NO.: 304/752-5769 MR. JOHN C. SMITH PRESIDENT **APPALACHIAN FUELS, LLC** 1500 NORTH BIG RUN ROAD ASHLAND, KENTUCKY 41102 PHONE NO .: 606/923-5890 FAX NO .: MR. KEN HODAK 1 Bid TITLE CHANGED TO: REGIONAL VICE PRESIDENT, SOUTHEAST SENIOR VICE PRESIDENT-REGIONAL SALES ARCH COAL, INC. CITYPLACE ONE, SUITE 300 ST. LOUIS, MISSOURI 63141 PHONE NO .: 314/994-2842 Fax No.: 314/994-2719 MR. VICTOR I. VALENZUELA MARKETING MANAGER - AMERICAS BHP BILLITON ENERGY COAL VESPUCIO SUR 100, PISO 7, LAS CONDES SANTIAGO, CHILE SOUTH AMERICA PHONE NO.: 011-56-2-330-5981 FAX No.: 011-56-2-330-5418 MR. DAN HENDRICKSON BLACK GOLD, LLC 410 WINTERHAM DRIVE ABINGDON, VIRGINIA 24211 PHONE NO .: (276) 623-8336 FAX No.: (276) 619-2499 MR. DON E. CAIN PRESIDENT C/C CHEMICAL & COKE COMPANY 3177 MARIA DRIVE LEXINGTON, KENTUCKY 40516 PHONE NO .: FAX NO .:

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5)

REP RESPONSE LIST COMPLIANCE COAL SOLICITATION—APRIL 12: 2004 95 BIDDERS INVITED—2 SUPPLIERS SENT REPS AFTER INTIAL MAILING OF SOLICITATION PAGE 3:0E:15 ١. Na

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CONTACT/COMPANY/SOLICITED PROPOSALS/ LETTERS OF CONTACT/COMPANY/OFRESPONDENT DECLINE TIPOTHER THAN: PARTY SOLICITED COMMENT RECEIVED

| MR. MIKE GOFF MANAGER, EASTERN COAL SALES CENTRAL APPALACHIAN MINING 116 MAIN STREET P.O. Box 1169 PIKEVILLE, KENTUCKY 41502 PHONE NO.: 606/432-3900 EXT. 306 FAX NO.: 606/432-0031 | | | |
|--|--------|---|------------------|
| MR. STEVE HERSHBERGER CENTRAL COAL AND COKE, INC. POST OFFICE BOX 80092 INDIANAPOLIS, INDIANA 46280 PHONE NO.: 317/841-7733 FAX NO.: 317/841-9180 | | | |
| MR. CLARK WISMAN DIRECTOR OF MARKETING & SALES CENTRAL COAL COMPANY 148 BRISTOL EAST ROAD BRISTOL, VIRGINIA 24202 UNITED STATES OF AMERICA PHONE NO.: 276/669-8599 FAX NO.: (276) 669-3543 | 1 Bio | | Awarded Contract |
| MR. FRANCISCO J. GARCIA MARKETING MANAGER CMC - COAL MARKETING COMPANY LTD. CARRERA 54 # 72-80, P.20 BARRANQUILLA, COLOMBIA SOUTH AMERICA PHONE NO.: 011-57-5-350-2123 FAX NO.: 011-57-5-350-2475 | 2 Bids | • | |
| MR. GREG JORDAN VICE PRESIDENT, SALES COAL ENERGY RÉSOURCES INC. POST OFFICE BOX 2043 ABINGDON, VIRGINIA 24210 PHONE NO.: 540/676-3101 FAX NO.: 540/676-3068 | | | |
| MR. SAM BROVERMAN PRESIDENT COAL SOURCING AND SALES, INC. DRAWER 1878 LEWISBURG, WEST VIRGINIA 24901 UNITED STATES OF AMERICA PHONE NO.: 304/645-5950 FAX NO.: 304/645-5009 | | | |
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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-5) Page 4 of 15

REP RESPONSE LIST COMPLIANCE COAL SOLICITATION—APRIL 12:2004 95 BIDDERS INVITED—2 SUPPLIERS SENT REPS AFTER INTIAL MAILING OF SOLICITATION PAGE40E15 CONTACT/COMPANY SOLICITED PROPOSALS/ CONTACT/COMPANY OF RESPONDENT COMMENTS RECEIVED MR. ROBERT H. SCOTT COMMONWEALTH COAL SALES, L.C. 5413 PATTERSON AVENUE, SUITE 205 RICHMOND, VIRGINIA 23226 PHONE NO .: 804/282-9826 FAX No.: 804/282-9836 MR. ALAN WEED COMPLIANCE HOLDING COMPANY, INC. POST OFFICE Box 727 BENTON, ILLINOIS 62812 PHONE NO .: FAX NO.: 618/435-5676 MR. DENNIS P. DUFFY LETTER OF GENERAL SALES MANAGER DECLINE CONSOL ENERGY INC. 3330 CUMBERLAND BOULEVARD, SUITE 440 ATLANTA, GA 30339 UNITED STATES OF AMERICA PHONE No.: 770/951-2625 FAX No.: 770/951-0601 MR. JOHN SEIBEL CONONA RESOURCES 176 BARNWOOD DRIVE EDGEWOOD, KENTUCKY 41017 PHONE NO .: 859/426-1375 Fax No.: 859/426-7295 MR. CHARLES R. REASOR VICE PRESIDENT, SALES CUMBERLAND RIVER ENERGIES, INC. 1659 OAK CREST COURT MARIETTA, GEORGIA 30066 PHONE NO .: 770/977-3177 FAX No.: 770/977-3177 MR. D. TATE RICH VICE PRESIDENT DELTA COALS, INC. CAVALIER BUILDING, SUITE 404 95 WHITE BRIDGE ROAD NASHVILLE, TENNESSEE 37205 PHONE NO.: 615/352-5484 FAX NO .: MR. DOUGLAS C. YOUNG SENIOR FUELS TRADER DOMINION ENERGY POST OFFICE BOX 25593 RICHMOND, VIRGINIA 23260 PHONE NO .: 804/787-5779 Fax No.: 804/787-6482

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5) Page 5 of 15

REP RESPONSELIST COMPLIANCE COAL SOLICITATION APRIL 12 2004 95/BIDDERSINVITED=2SUPPLIERSSENT REPSAFTER INTIAL MAILING OF SOLICITATION PAGE 5 OF 15

CONTACT/COMPANY SOLICITED EFTERS OF CONTACT/COMPANY OF RESPONDENT DECLINE (IF OTHER THAN PARTY SOLICITED RECEIVED

COMMENTS

| MR. DENNIS J. STEUL DIRECTOR, NORTH AMERICAN SALES DRUMMOND COAL SALES, INC. 530 BEACON PKWY. W., STE. 800 BIRMINGHAM, ALABAMA 35209 PHONE NO.: 205/945-6411 FAX NO.: 205/945-6440 | ' 1 Bid | SUBMITTED BY GEORGE E. WILBANKS, ATTORNEY IN FACT, INTEROCEAN COAL SALES | NO CHANGE IN CONTACT INFORMATION |
|--|---------|---|--|
| MR. ROLANDO SANZ-GUERRERO DIRECTOR OF SALES, DTECS DTE ENERGY 425 SOUTH MAIN STREET, SUITE 201 ANN ARBOR, MICHIGAN 48104 PHONE NO.: (734) 913-5877 FAX NO.: (734) 994-5849 | 3 Bids | | |
| MR. RONALD L. WHALEN EAST RIVER COAL COMPANY POST OFFICE BOX 1451 BLUEFIELD, WEST VIRGINIA 24701 PHONE NO.: 304/327-2596 FAX NO.: 304/325-3708 | | | |
| MR. STEVEN E. WEBER EMERALD INTERNATIONAL CORPORATION 6895 BURLINGTON PIKE FLORENCE, KENTUCKY 41042 PHONE NO.: 859/525-2522 FAX NO.: 859/525-4052 | | | |
| MR. ROBERT LEWIS ENERGY CONSULTING, INC. 7212 KINGSTON PIKE KNOXVILLE, TENNESSEE 37919 PHONE NO.: 865/584-9200 FAX NO.: 865/588-2988 | | | RETURNED TO SENDER—NOT DELIVERABLE AS ADDRESSED; UNABLE TO FORWARD |
| MR. THOMAS HIEMSTRA EVOLUTION MARKETS LLC 65 BROADWAY, FIFTH FLOOR NEW YORK, NEW YORK 10006 PHONE NO.: FAX NO.: | | | Address Changed to: 10 Bank Street White Plains, NY 10606-1933 |
| MR. GEORGE F. WILLIAMS SALES MANAGER GARLAND COAL COMPANY 300 FOREST PARK BOULEVARD POST OFFICE BOX 10288 KNOXVILLE, TENNESSEE 37939-0288 PHONE NO.: 423/588-9711 FAX No.: 423/588-7130 | | | |

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5) Page 6 of 15

REP RESPONSEILIST COMPLIANCE COAL SOLICITATION—APRIL 12, 2004 95 BIDDERS INVITED—2 SUPPLIERS SENT REPS AFTER INTIAL MAILING OF SOLICITATION PAGE 6-OF 15

CONTACT/COMPANY SOLICITED PROPOSALS DECLINE IF OTHER THAN PARTY SOLICITED COMMENTS RECEIVED =

| MR. JOHN MCCONAGHY TRADER GLENCORE LTD. THREE STAMFORD PLAZA 301 TRESSER BOULEVARD STAMFORD, CONNECTICUT 06901-3244 PHONE NO.: 203/328-4958 FAX NO.: 203/978-2630 | 2 Bids | | |
|--|--------|---|---------|
| MR. ELADIO BUENO CHIEF EXEGUTIVE OFFICER GUASARE COAL INTERNATIONAL LINCOLN HOUSE 137 - 143 HAMMERSMITH ROAD LONDON W14 OQL UNITED KINGDOM PHONE NO.: 44 207 471 3806 FAX NO.: 44 207 471 3809 | 2 Bids | | |
| MR. TIMOTHY MONSON VICE PRESIDENT, SALES HORIZON NATURAL RESOURCES 4509 OLDE BRIDGE COURT LEXINGTON, KENTUCKY 40513 PHONE NO.: 859/219-1250 FAX NO.: 859/219-2031 | | | |
| MR. BUD RUNYON VICE PRESIDENT, SALES HORIZON NATURAL RESOURCES 401 EDGEWOOD ROAD HURRICANE, WEST VIRGINIA 25526 PHONE NO.: 606/920-7777 (KY) 304/562- 3320 (WV) FAX NO.: 606/920-7788 (KY) | | - | |
| MR. THOMAS A. MCQUADE PRESIDENT INFINITY COAL SALES 3315 SPRINGBANK LANE, SUITE 106 CHARLOTTE, NORTH CAROLINA 28226 PHONE NO.: 704/542-4100, EXT. 11 FAX NO.: 704/542-4107 | | | |
| MR. KEVIN MCEVOY GENERAL MANAGER INTEGRITY COAL SALES, INC. 490 WHEELER ROAD, SUITE 165M HAUPPAUGE, NEW YORK 11788 PHONE NO.: 631/582-6340 FAX NO.: 631/582-6364 | | | |
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Docket No. 060658 Progress Energy Florida

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| SSBIDDERS INVITED | -2SUPPLIERSS PROPOSALS/ LETTERS OF DECLINE RECEIVED | ENTREPS AFTER INTIA PAGE 7 OF 15 CONTACT/COMPANY OF IF OTHER THAN: PART | RESPONDENT Y SOLICITED | COMMENTS |
| MR. MARCEL L. J. VAN DEN BERG INTER-ÀMERICAN COAL, INC. 5016 DORSEY HALL DRIVE, SUITE 202 ELLICOTT CITY, MARYLAND 21042 PHONE NO.: 410/730-6800 FAX NO.: 410/997-6842 | | | | |
| MR. MARK DOOLEY EXECUTIVE VICE PRESIDENT & COO JAMES RIVER COAL SALES, INC. 901 EAST BYRD STREET, SUITE 1600 RICHMOND, VIRGINIA 23219-4080 PHONE NO.: 804/780-3003 FAX NO.: 804/649-9319 | | | | |
| MR. RODNEY L. CAMP GENERAL MANAGER, MARKETING JIM WALTER RESOURCES, INC. POST OFFICE BOX 133 BROOKWOOD, ALABAMA 35444 PHONE NO.: 205/554-6230 (TUSCALOOSA) FAX NO.: 205/554-6161 (TUSCALOOSA) | | · . · · | | |
| MR. J. MICHAEL E. KELLEY DIRECTOR, TRADING & DIRECT SALES KENNECOTT ENERGY COMPANY 505 SOUTH GILLETTE AVENUE GILLETTE, WYOMING 82716 PHONE NO.: 307/687-6045 FAX NO.: 307/687-6015 | | | | |
| MR. JAMES R. "KENNY" GILLUM EXECUTIVE VICE PRESIDENT KENTUCKY CUMBERLAND COAL COMPANY POST OFFICE BOX 151 403 N. TENNESSEE AVE., SUITE 1 LAFOLLETTE, TENNESSEE 37766 PHONE NO.: 423/562-4799 FAX NO.: 423/566-5646 | | | | |
| MR. ED LANE VICE PRESIDENT, MARKETING KERR-MCGEE COAL CORPORATION POST OFFICE BOX 25861 OKLAHOMA CITY, OKLAHOMA 73125 PHONE NO.: 405/270-3964 FAX NO.: 405/270-2967 | | | | Returned to Sender-No Longer At Address |
| MR. EARL ROOP VICE PRESIDENT, SALES KNOTT FLOYD LAND COMPANY, ING. POST OFFICE BOX 2765 PIKEVILLE, KENTUCKY 41502 PHONE NO.: 606/874-9003 FAX NO.: 606/874-1261 | | | | |
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Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5) Page 8 of 15

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| | CONTACT/COMPANY SOLICITED | LETTERS OF A DECLINE | CONTACT/COMPANY OF RESPONDENT | Commen | NTIS a |
| | MR. ROBERT NELSON DIRECTOR, COAL ORIGINATION KOCH CARBON LLC 20 EAST GREENWAY PLAZA, 8TH FLOOR HOUSTON, TEXAS 77046-2002 PHONE NO.: 713/544-5031 FAX NO.: 713/544-6052 | | | | |
| | MR. GENE MITCHELL Koch Carbon, Inc. 632 Overhill Road Ardmore, Pennsylvania 19003 Phone No.: Fax No.: | | | | |
| • | MR. JOHN BARNARD VICE PRESIDENT LAFAYETTE COAL COMPANY 5600 EXECUTIVE CENTER DRIVE, SUITE 113 CHARLOTTE, NORTH CAROLINA 28212 PHONE NO.: 704/536-5698 FAX NO.: 704/536-8045 | | | | |
| | MS. MARY EILEEN O'KEEFE PRESIDENT LAKE SHORE INTERNATIONAL, LTD. 1362 NORTH STATE PARKWAY CHICAGO, ILLINOIS 60610 PHONE NO.: 312/482-9701 FAX NO.: 312/482-9703 | | | | |
| | MR. PAUL GREER REGIONAL SALES MANAGER LAREWAY FUEL CORPORATION ONE KING JAMES SOUTH, SUITE 118 24700 CENTER RIDGE ROAD CLEVELAND, OHIO 44145 PHONE NO.: 404/835-2990 FAX NO.: 404/835-3027 | | : | | |
| | MR. CHRIS RATLIFF LANDMARK MINING COMPANY, INC. 159 MAIN STREET SHELBIANA, KENTUCKY 41562 PHONE NO.: 606/639-4346 FAX NO.: 606/639-9348 | | | | |
| | MR. STEVE MELTON DIRECTOR, UTILITY & INDUSTRIAL SALES LOGAN & KANAWHA COAL CO., ING. P.O. BOX 18370 SOUTH CHARLESTON, WEST VIRGINIA 25303 UNITED STATES OF AMERICA PHONE NO.: 304/746-4014 FAX NO.: 304/746-4470 | | | | |

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-5) Page 9 of 15

RFP:RESPONSELIST COMPLIANCECOAL SOLICITATION APRIL 12 2004 95'BIDDERS INVITED 2 SUPPLIERS SENTREPS AFTER INTIAL MAILING OF SOLICITATION PAGE 9:0F15

CONTACT/COMPANY SOLICITED PROPOSALS/ EETITERS OF CONTACT/COMPANY OF RESPONDENT DECLINE IF OTHER THAN PARTY SOLICITED RECEIVED

| MR. JOHN R. PARKER SENIOR VICE PRESIDENT MASSEY COAL SALES COMPANY, INC. FOUR NORTH FOURTH STREET RICHMOND, VIRGINIA 23219 UNITED STATES OF AMERICA PHONE NO.: 804/782-1678 FAX NO.: 804/788-1811 | 2 Bids | AWARDED CONTRACT |
|--|--------|--------------------|
| MR. JOHN R. BAKER, JR. McWane Coal Sales, Inc. 1927 First Ave. N., Suite 900 Birmingham, Alabama 35203 Phone No.: 205/323-2400 Fax No.: | | RETURNED TO SENDER |
| MR. ROCCO D. PRICHINELLO DEPARTMENT MANAGER, COAL, IRON ORE & FERRO MITSUBISHI INTERNATIONAL CORPORATION 520 MADISON AVENUE NEW YORK, NEW YORK 10022 PHONE NO.: 212/605-2304 FAX NO.: 212/605-1935 | | |
| MR. MATT INAMURO MANAGER FERROUS RAW MATERIALS & COAL DEPT. STEEL AND COAL DIVISION MITSUI & COMPANY 200 PARK AVENUE, 36 TH FLOOR NEW YORK, NEW YORK 10166-0130 PHONE NO.: 212/878-4117 FAX No.: 212/878-4150 | | - - |
| MR. JOHN A. COLLINS PRESIDENT OAK HILL COAL CORPORATION POST OFFICE BOX 723 264 OLD FLEMINGSBURG ROAD MOREHEAD, KENTUCKY 40351 UNITED STATES OF AMERICA PHONE NO.: 606/780-0824 FAX NO.: 606/780-0749 | | |
| MR. JAY BRUTON VICE PRESIDENT OF MID WEST SALES OXBOW CARBON & MINERALS, INC. 7901 SOUTH PARK PLAZA, SUITE 202 LITTLETON, COLORADO 80120 PHONE NO.: 303/795-0413 FAX NO.: 303/795-1524 | 1 Bio | |

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Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5) Page 10 of 15

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| CONTACT/COMPANY SOLICITED | 2 SUPPLIERSS PROPOSALS/ LETTERSIOF (DECLINE) RECEIVED | ENTIREPS AFTER PAGE 10 OF 15 CONTACT/COMPANIE IF OTHER THAN I | NTIAL MAILING OI NY OF RESPONDENT PARTY SOLICITED | -SOLICITATION | ана 1997 - 1997 1997 - 1997 - 1997 - 1997 1997 - 1977 - 1977 - 1977 - 1977 - 1977 - 1977 - 1977 - 19 |
| Ms. BARBARA BUSBY VICE PRESIDENT, SALES PEABODY COALSALES COMPANY 701 MARKET STREET ST. LOUIS, MISSOURI 63101-1826 PHONE NO.: 314/342-7600 FAX NO.: 314/342-7609 | ' 1 Bid | | | | |
| MR. CECIL LEWIS PRESIDENT OF SALES PERRY COUNTY COAL CORPORATION POST OFFICE BOX 5001 HAZARD, KENTUCKY 41702 PHONE NO.: 606/439-1391 FAX NO.: 606/436-9113 | | | | | |
| MR. J. MARK CAMPBELL PRESIDENT PEVLER COAL SALES COMPANY POST OFFICE BOX 3368 CHARLESTON, WEST VIRGINIA 25333 UNITED STATES OF AMERICA PHONE NO.: 304/345-1276 FAX NO.: 304/345-1278 | | | | | |
| MR. SCOTT F. BROWN PRESIDENT PICKANDS MATHER COAL COMPANY 9717 CHILLICOTHE ROAD KIRTLAND, OHIO 44094 PHONE NO.: 440/256-7622 FAX NO.: 440/256-1998 | | | | · · · · · · · · · · · · · · · · · · · | |
| Ms. NANCY JAMES PINCELLI & ASSOCIATES 2009 ALBERMARLE HIXSON, TENNESSEE 37343 PHONE NO.: FAX NO.: | | | | | |
| MR. JIM CAMPBELL PRESIDENT PITTSTON COAL SALES CORPORATION 448 NORTHEAST MAIN STREET POST OFFICE BOX 6300 LEBANON, VIRGINIA 24266 PHONE NO.: 540/889-6300 FAX NO.: 540/889-6093 | | | | | |
| MR. RICK MEADE PITTSTON COAL SALES CORPORATION 448 NORTHEAST MAIN STREET POST OFFICE BOX 6300 LEBANON, VIRGINIA 24266 PHONE NO.: 540/889-6300 FAX NO.: 540/889-6093 | | | | | |

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Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-5) Page 11 of 15

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| MR. DALE L. FENWICK POWDERHORN COAL COMPANY POST OFFICE BOX 1430 PALISADE, COLORADO 81526 PHONE NO.: FAX NO.: | | | | | | |
| MR. JOSEPH B. JEFFERSON PROGRESS FUELS CORPORATION POST OFFICE BOX 308 CEREDO, WEST VIRGINIA 25507 PHONE NO.: 304/526-0757 FAX NO.: 304/453-6917 | ם 1 B | | | | Awarded Contr | ACT |
| MR. JIM SOBERY PROJECT DEVELOPMENT - VP PS ENERGY GROUP INC. 2987 CLAIRMONT ROAD, SUITE 450 ATLANTA, GEORGIA 30329 PHONE NO.: 404/321-5711 FAX NO.: 404/321-3938 | | | | | | · |
| MR. GENE MOWERY R&T COAL COMPANY, INC. 11852 KINGSTON PIKE KNOXVILLE, TENNESSEE 37922 PHONE NO.: FAX NO.: | | | | | | |
| MR. KEN STACY RAPOCA ENERGY COMPANY 2700 LEE HIGHWAY BRISTOL, VIRGINIA 24201 PHONE NO.: FAX NO.: | | | | | · · · · · · · · · · · · · · · · · · · | |
| MR. ROBERT CHADWELL RB COAL COMPANY PATHFORK, KENTUCKY 40863 PHONE NO.: FAX NO.: | | | | | · · · · · · · · · · · · · · · · · · · | |
| MR. JIM LAFORCE RED RIVER COAL COMPANY, INC. POST OFFICE BOX 668 NORTON, VIRGINIA 24273 PHONE NO.: FAX NO.: | | | | | | |
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Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-5) Page 12 of 15

RFP RESPONSEDIST COMPLIANCE COALSOLICITATION-APRIL 12, 2004 Page 12 of 15 95 BIDDERS INVITED 2 SUPPLIERS SENTREPS AFTER INTIAL MAILING OF SOLICITATION PAGE12 OF 15 PROPOSALS/ LETTERS OF CONTACT/COMPANY OF RESPONDENT DECLINE IF OTHER THAN PARTY SOLICITED RECEIVED CONTACT/COMPANY SOLICITED MR. DERON F. SAYLOR SAYLOR BROTHERS ENTERPRISES, INC. POST OFFICE BOX 127 COLDIRON, KENTUCKY 40819 PHONE No.: 606/664-2961 FAX No .: MR. JERRY COOKSEY SIGMON COAL COMPANY, INC. 549 LONDONDERRY ROAD CUMBERLAND GAP, TENNESSEE 37724 PHONE NO .: FAX NO .: MR. JOHN MCDONNELL VICE PRESIDENT, SALES SMOKY MOUNTAIN COAL CORP. 9725 COGDILL ROAD, SUITE 203 KNOXVILLE, TENNESSEE 37932 PHONE No.: (865) 966-8222, EXT. 2003 Fax No.: (865) 777-3633 MR. YURIY PIKSAYKIN RUSSIAN FAR EASTERN COAL TRADE COMPANY SOCRAT CO. LTD. 1309 MARSHALL STREET #406 REDWOOD CITY, CALIFORNIA 9406 PHONE No.: 650/366-6930 FAX No.: 650/366-6930 MR. FRED A. BOWMAN VICE PRESIDENT, SALES SOLAR SOURCES 6755 SOUTH GRAY ROAD POST OFFICE BOX 47068 INDIANAPOLIS, INDIANA 46247-7068 PHONE No.: 317/788-0084 FAX No.: 317/787-0592 MR. RALPH SHELTON PRESIDENT/CEO SOUTHEAST FUELS, INC. POST OFFICE BOX 4061 GREENSBORO, NORTH CAROLINA 27404 PHONE NO.: 336/854-1106 FAX No.: 336/547-8720 MR. PETE A. COFER VICE PRESIDENT SOUTHERN APPALACHIAN COAL SALES, INC. 9050B EXECUTIVE PARK DRIVE, SUITE 100 KNOXVILLE, TENNESSEE 37923-4616 PHONE NO.: 865/470-8595 FAX No.: 865/470-8644

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-5) Page 13 of 15

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|--|---|--|------------------------|---------------|----------------------|
| CONTACT/COMPANY SOLICITED | PROPOSALS/ LETTERS OF DECLINE RECEIVED | CONFACT/COMPANY OF RE IEOTHER THAN PARTY S | ESPONDENT OLICITED | - Commen | 1997 1997 1997 |
| MR. MARK CANON SOUTHERN COMPANY ENERGY MARKETING 1155 PERIMETER CENTER WEST ATLANTA, GEORGIA 30338 PHONE NO.: FAX NO.: | : | | | | |
| MR. MARK JONES VICE PRESIDENT SSM PETOCKE LLC 10500 LITTLE PATUXENT PKWY., SUITE 510 9891 BROKENLAND PARKWAY COLUMBIA, MARYLAND 21044 PHONE NO.: 410/910-0634 FAX NO.: 410/910-0630 | | | | | |
| MR. JOHN STAFFORD PRESIDENT STAFFORD ENERGY, INC. 1301 GREENUP AVENUE ASHLAND, KENTUCKY 41101-7526 PHONE NO.: 606/324-2625 FAX NO.: 606/326-9142 | | | | | |
| MR. EDWARD L. BILLIPS MANAGER, CONTRACT ADMINISTRATION TECO COAL CORPORATION 200 ALLISON BOULEVARD CORBIN, KENTUCKY 40701 PHONE NO.: 606/523-4444 FAX NO.: 606/523-4490 | | | | | |
| MR. STEVE ISAACS THOROUGHBRED COAL COMPANY POST OFFICE BOX 11188 LEXINGTON, KENTUCKY 40574 PHONE NO.: 859/381-8200 FAX NO.: 859/225-3535 | | | | | |
| MR. KEVIN C. BURNS VICE PRESIDENT & GENERAL MANAGER TMT COAL COMPANY LLC 18800 WOODBURN ROAD LEESBURG, VIRGINIA 20175 PHONE NO.: 703/771-9191 FAX NO.: 703/779-2070 | | | | | |
| MR. BILL ANDREWS PRESIDENT TRAIL ENERGY, INC. POST OFFICE BOX 220 GREENBACK, TENNESSEE 37742 PHONE NO.: 865/856-2859 FAX NO.: 865/983-5319 | | · · · · | | | |
| | | | | | |

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Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-5) Page 14 of 15

REP.RESPONSELIST COMPEIANCE COAL SOLICITATION APRIL 12, 2004 95 BIDDERS INVITED 2 SUPPLIERS SENT REPS AFTER INTIAL MAILING OF SOLICITATION Page 14 of 15 RAGE140F15 PROPOSALS/ LETTERS OF CONTACT/COMPANY OF RESPONDENT DECLINE CONTACT/COMPANY OF RESPONDENT FCONTACT/COMPANY OF RESPONDENT CONTACT/COMPANY SOLICITED COMMENTS RECEIVED MR. FRANK M. KOLOJESKI MANAGING DIRECTOR TRANSGLOBAL VENTURES CORPORATION 12000 LINCOLN DRIVE WEST, SUITE 108 MARLTON, NEW JERSEY 08053 PHONE NO .: 856/396-0808 FAX No.: 856/396-0615 MR. KEITH G. KLEISER GENERAL MANAGER TRANSMAR COAL, INC. POST OFFICE BOX 119 100 L, J, KOCH BOULEVARD SANTA CLAUS, INDIANA 47579 PHONE NO .: 812/937-4536 Fax No.: 812/937-4639 MR. ROBERT B. GABBARD 2 Bips VICE PRESIDENT TRITON COAL COMPANY, LLC ONE PARAGON CENTRE, SUITE 110 2525 HARRODSBURG ROAD LEXINGTON, KENTUCKY 40504 PHONE NO.: 859/223-8820 FAX No.: 859/223-8744 MR. JOHN W. PIERCE MANAGER, COMMERCIAL SERVICES U.S. STEEL MINING COMPANY, LLC 600 GRANT STREET, SUITE 1880 PITTSBURGH, PENNSYLVANIA 15219-2749 PHONE NO .: 412/433-4611 FAX No.: 412/433-5839 MR. TRAVIS HUTTON SALES AGENT UNITED COAL COMPANY 2700 LEE HIGHWAY BRISTOL, VIRGINIA 24202 PHONE No.: 540/466-0014 FAX No.: 540/669-2671 MR. DAN VAUGHN UNITED POWER, INC. 5801 LEDGESTONE DRIVE EVANSVILLE, INDIANA 47711 PHONE NO .: 812/473-5810 Fax No.: 812/473-5813 MR. BRUCE L. WASHBURN USS COAL SALES LLC 520 MAN O WAR DRIVE SEYMOUR, TENNESSEE 37865 PHONE No.: 865/573-9632 FAX No.: 865/609-8828
Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-5) Page 15 of 15

COMMENTS

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CONTACT/COMPANY SOLICITED

| MR. FRANK HURTADO VICE PRESIDENT VENRO PETROLEUM CORPORATION 45 ROCKEFELLER PLAZA, SUITE 1600 630 FIFTH AVENUE NEW YORK, NEW YORK 10111 PHONE NO.: 212/969-1722 FAX NO.: 212/969-1729 | | |
|--|--|--|
| MR. JOHN W. GARSIDE, JR. WOODRUFF COAL COMPANY POST OFFICE BOX 50190 KALAMAZOO, MICHIGAN 49005 PHONE NO.: 616/343-5531 FAX NO.: 616/343-0404 | | |

SUPPLIERS REQUESTING RFPS AFTER INITIAL MAILING OF SOLICITATION

| MR. RICHARD CLONCH 21129 GOLF ESTATES DRIVE LAYTONSVILLE, MARYLAND 20882 PHONE NO.: 240/687/2542 FAX NO.: 240/683/6770 | | Added to Bidders List For Future Solicitations |
|--|--|---|
| MR. WILLIAM E. MASSEY, JR. PRESIDENT COMPASS COAL SERVICES, LLC 808 MOOREFIELD PARK DR., STE. 206 RICHMOND, VIRGINIA 23236 PHONE NO.: 804/288/9500 FAX NO.: 804/288/9502 | | Added to Bidders List for Future Solicitations |

12 COMPANIES RESPONDED WITH 19 BID(S)

1 COMPANY SUBMITTED THEIR OFFER VIA E-MAIL (CONSIDERED UNRESPONSIVE)

2 COMPANIES SENT A LETTER DECLINING TO BID

3 RFPS WERE RETURNED DUE TO FORWARDING ORDERS EXPIRED, ETC.

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-6) Page 1 of 10



INTER-OFFICE CORRESPONDENCE

Fuel Transportation Office BT1DE MAC 727/824-6692 Phone No.

SUBJECT: 2005-2007 Request for Proposals (RFP), Purchase Activity and Contract Re-openers (Re-openers)

TO:

Charlie Gates

LIATE: June 22, 2004

Since the beginning of the year, coal prices have continued to escalate to imprecedented levels. At the present time, there does not appear to be anything that will allow these prices to recede from their current levels. Most projections show a very strong coal market, at least through 2005 and probably well into 2006. Coal has been affected, like other fuels, by a worldwide mix of uncertainties, regulatory indecision, improving and in some cases "booming" (China) economies, transportation shortages and inefficiencies, and regional coal supply shortages. As discussed during each of our past meetings, we at Progress Fuels Corporation (PFC) are committed to continue to seek the most opportune times to enter the coal market to insure the competitiveness of the Crystal River plants. In addition to participating in the 2004 spot coal market, when we deemed it advantageous, PFC successfully renegotiated agreements with various suppliers in conjunction with their contract price re-opener provisions. Additionally, PFC has just completed evaluating and purchasing coal from the results of the 2005-2007 Request for Proposals (RFP).

Last year, we had eight contracts with price re-openers, five of which were for the Delta coal and three of which were for the Alpha coal. We successfully renegotiated six contracts (three Alpha and three Delta) and were unsuccessful with two Delta suppliers. A portion of the tonnage for the unsuccessful contracts was placed with other existing suppliers and the balance was secured in the 2004 spot market. More importantly, we negotiated renewed prices, tons, and two-year terms (2004 and 2005) with two suppliers; and in each case, we have re-openers for 2006. Our 2004 RFP purchases and the renegotiated contracts are currently at least \$15.00-20.00 below the current market.

Our challenge this year was to attempt timing the market for our 2005-2007 RFP and any other purchases that we deemed of value. Although the prices are dramatically higher than last year, we were able to time the market such that the purchases we made, based on the results of the RFP just one month ago, are \$3.00-\$5.00 dollars below the current market; and in the case of the March Colombian purchase, it is at least \$15.00 to \$17.00 below the current market for that coal.

The remainder of this memo will address the results from the 2005-2007 RFP and the Drummond Colombian coal purchase noted above. The 2005-2007 RFP provided PFC a reasonable selection of potential suppliers. We received bids from 20 domestic and foreign suppliers who submitted 37 bids. Last year we received bids from 21 domestic and foreign suppliers, submitting approximately 75 bids. This year we were offered 33.0 million tons of which 13% were foreign offers and 87% were water, rail-eastern, and rail-western offers. Last year we were offered 42.0 million tons spread fairly evenly between the foreign and domestic suppliers.

Mr. Charlie Gates June 22, 2004 Page 2 Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-6) Page 2 of 10



Because of the strength of the current market, we only purchased for 2005 and 2006. Our plan is to watch the market, and re-enter for both spot and contract coal during late 2004 and early 2005. I have enclosed with this memo the purchases and the economic evaluation from the RFP (See Attachment "A"), a Supply Assessment for 2005 and 2006 (See Attachment "B"), and the 2005 and 2006 scheduled purchases including their economic evaluations (See Attachment "C").

As always, we attempted to improve the economics, as compared to the prices offered, while increasing the tonnage purchased and the term offered.

2005-2006 PURCHASES

FOREIGN WATER

Choice:

• During the latter part of March and early April, we began negotiations with Drummond for an extension of our 2004 agreement. This decision was made because all indicators pointed to the beginning of another round of price increases and supply shortages for both domestic and foreign coals. We purchased 800,000 tons for 2005 and 1 million tons for 2006 from Drummond's Mina Pribbenow mines; this is "Delta" coal. The delivered cost to Crystal River (CR) is **Comp**\$/MMBTU and **Comp**\$/MMBTU, respectively.

No additional purchases were made for foreign coal from the RTP because the prices submitted from other foreign suppliers were not competitive. Their prices ranged from 2.828 to 2.948 \$/MMBTU. These prices compared to 2.672 to 3.082 \$/MMBTU, for offers from the domestic suppliers.

Explanation:

During 2004, we began shipments of Drummond's Colombian coal. The results economically, environmentally, and operationally have been excellent. This coal, besides being very low in ash and sulfur, reduces NO_x emissions by almost 25%. This purchase will assist CR in achieving their NO_x goals, while providing them with a competitively priced product.

DOMESTIC WATER

Choices:

• We purchased "Delta" coal from two suppliers for delivery on the river system. We were offered and purchased 300,000 tons per year for 2005 and 2006 from Central Coal Company. This "Delta" coal will ship via truck to the Kanawha River and will deliver into CR at 1000 \$/MMBTU. We also purchased 360,000 and 180,000 tons of "Delta" coal for 2005 and 2006 from Massey Energy. This coal will be rail-delivered to the Ohio River, and it will deliver into CR at 1000 \$/MMBTU.

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Mr. Charlie Gates June 22, 2004 Page 3_____

CONFIDENTIAL

Explanation:

• We have had previous experience with both of these suppliers and are very satisfied they will meet or exceed the specifications bid.

DOMESTIC RAIL

Choices:

• We purchased "Delta" coal from two companies and "Alpha" ccal from three others. We have previous experience with three of the suppliers and have added two new companies.

"DELTA COAL"

We purchased 360,000 for 2005 and 180,000 tons for 2006 from Massey Energy. This coal will deliver into CR at \$1000 \$/MMBTU. We also purchased 360,000 each year from Progress Fuels-Marketing and Trading. This product will deliver into CR at \$1000 \$/MMBTU.

"ALPHA COAL"

We purchased 720,000 tons for 2005 and 360,000 for 2006 from Massey Energy. This coal will deliver into CR at (1990) \$/MMBTU. We purchased 120,000 tons for 2005 and 240,000 tons for 2006 from Sequoia Energy LLC. This coal will deliver into CR at (1990) \$/MMBTU. Also, we purchased 240,000 tons for each year (2005 and 2006) from B&W Resources. This coal will deliver into CR at (1990) \$/MMBTU.

Explanation:

• Massey Energy has been a consistently reliable supplier over the past 20 years. Progress Fuels-Marketing & Trading has very good quality coal and a seliable track record. Because of the shortage of coals in the Central Appalachian region, we felt it imperative to add to our base of suppliers. Both Sequoia Energy and B&W Resources will fulfill this need. Prior to contracting with them we had our field representative visit their mining operations, and we called other utility buyers to verify their performance. No problems were noted in either case.

2004 RE+OPENERS

We have only one contract with a re-opener during 2004. Consol Energy (Consol) has a price, quantity, and terms re-opener, which needs to be completed by November 1, 2004. We have already had several discussions with Consol regarding tennage for next year. Current estimates are that they will have 750,000 to 1 million tons to offer. The current contract is for 1 million tons.

Mr. Charlie Gates june 22, 2004 Page 4 Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-6) Page 4 of 10

SUMMARY OF 2005 and 2006 PURCHASES

We anticipate a burn of 2.3 million tons for Crystal River Units 1 and 2 for both 2005 and 2006 and 4.3 and 4.4 million tons for Crystal River Units 4 and 5 for 2005 and 2006, respectively. The total burn is estimated at 6.6 million tons for 2005 and 6.7 million tons for 2006.

Our CR 1 & 2 open position for 2005 is approximately 330,000 tons, while it is 1.9 million tons for 2006; and it will be delivered 100 percent via rail.

Regarding Crystal River Units 4 and 5, our open position for 2005 is approximately 230,000 tons and approximately 920,000 tons for 2006. We will deliver 2.3 million tons via barge each year and 2.0-2.1 million tons by rail.

We will continue to fulfill the open positions from the spot and contract markets.

I would like to schedule a meeting with you at your earliest convenience to discuss the details of this report and answer any questions you may have.

W. Pitcher Α.

AWP/ro

Attachments

cc/att: Rufus Jackson Kyle Crake

| | | • • | | Pi | PROGRESS FUELS CORPORATION CR Units 1,2, 4 and 5 PURCHASES from 2005-2006 RFP | | | | | | | Attachment A | | | | | | |
|-----------------------|---------------------------------------|------------|---|-----------------|---|--------------|--------|--------|------------|------------------|---------|--------------|------|-------------|-----------|--------------------|-----------------------|-----------------------|
| Supplier | ⊂Coal Type | Term | Origin | (000) Totale | 2005 Tops | 2006 Tons | Ach. | Sulfur | itchase Sp | ecificatio | 15 | | Min | Max. | Cash | Cash | Evaluated Utilized | Evaluated Utilized |
| <u>Water</u> | | | Contraction of the second s | | | | | | a - Druga | <u>emoisture</u> | | <u></u> | ~50Z | <u>~502</u> | ecosta)se | <u>≗COSI+\$/IM</u> | GOSI \$/st | S:Cost\$/MS |
| Drummond / Interocean | D (CR4&5) | 1/05-12/06 | FOB Mobile | 1800 | 800 | 1000 | 5.50% | 0.70% | 11,700 | 14.00% | 32.00% | 43 | | 1 20 | | | | p |
| Central Coal Co. | D (CR4&5) | 1/05-12/06 | Winifred Dock | 600 | 300 | 300 | 12 00% | 0.74% | 12 300 | 8.0.0% | 31 0.0% | 10 | | 1.20 | | | | |
| Massey | D (CR4&5) | 1/05-6/06 | FOB Ceredo | 540 | 360 | 180 | 13.00% | 0.73% | 12,100 | 8.00% | 31.00% | 42 | | 1.20 | | | | |
| Rail | | | | | | | | | | | | | | | | | | |
| Massey | D (CR4&5) | 1/05-6/06 | Bandmill | 540 | 360 | 180 | 12.00% | 0.73% | 12 100 | 8 00% | 31.00% | 42 | | 1 20 | | | | |
| Progress Fuels | D (CR4&5) | 1/05-12/06 | Diamond May | 720 | 360 | 360 | 12.00% | 0.75% | 12,500 | 8.00% | 32.00% | 43 | | 1.20 | | | | |
| Soquoia Enoray I t.C. | à (CD122) | 1/05 10/00 | 00//11 | | | | | | | | | | | | | | | |
| Sequola Lilergy LEC | A (OD400) | 1/03-12/06 | USX Harlan | 360 | 120 | 240 | 10.00% | 1.34% | 12,700 | 8.00% | 31.00% | 42 | 1.50 | 2.10 | | | | |
| Massey | A (CR1&2) | 1/05-6/06 | CSX BS | 1080 | 720 | 360 | 12.00% | 1.27% | 12,100 | 8.00% | 31.00% | 42 | 1.50 | 2.10 | | | | |
| B&W Resources | A (CR1&2) | 1/05-12/06 | CSX Jellico | 480 | 240 | 240 | 11.50% | 1.25% | 12,500 | 7.00% | 32.00% | 42 | 1.50 | 2.00 | | | | |
| - | · · · · · · · · · · · · · · · · · · · | | | | <u> </u> | <u></u> | - | | | | | | | | | | | |
| | | | Total Tons | 4320 | 2460 | 1860 | | | | | | | | SO2 | | | | |

PROGRESS FUELS CORPORATION

CR Units 1,2, 4 and 5 PURCHASES from 2005-2006 RFP Attachment A

| | and the second | | | | | | | | | | | | | | | | | |
|-----------------------|--|------------|---------------|----------------------|------|--------|--------|--------|---|----------------------|--------|-----|------|------------------|---|--|-------------|------------|
| | | Sec. 1995 | | (000) | | | | | | | | | | | | | Evaluated | Evaluated |
| | | | | Total | 2005 | 1 2006 | | Pi | rchase Sp | ecificatio | ns - C | | Min | Max | Cash - | Gash | Utilized # | Utilized - |
| +Supplier | Coal Type | Term | Origin | Tons | Tons | Tons | Ash | Sulfur | Btu | Moisture | Vol | HGI | S02 | S02 | Cost \$/st | Cost \$/M | -Cost \$/st | Cost \$/M |
| Nater | | | | | | | | | a dina minina di Kanana di Manazilia di | | | | | Collecter Courts | and the second secon | an a | | |
| Drummond / Interocean | D (CR4&5) | 1/05-12/06 | FOB Mobile | 1800 | 800 | 1000 | 5.50% | 0.70% | 11,700 | 14.00% | 32.00% | 43 | | 1.20 | | | | |
| Central Coal Co. | D (CR4&5) | 1/05-12/06 | Winifred Dock | 600 | 300 | 300 | 12.00% | 0.74% | 12,300 | 8.00% | 31.00% | 42 | | 1.20 | | | | |
| Massey | D (CR4&5) | 1/05-6/06 | FOB Ceredo | 540 | 360 | 180 | 13.00% | 0.73% | 12,100 | 8.00% | 31.00% | 42 | | 1.20 | | | | |
| | | | | | | | | | | | | | | | | | | |
| Rail | | | | | | | | | | | | | | | | | | |
| Massey | D (CR4&5) | 1/05-6/06 | Bandmill | 540 | 360 | 180 | 12.00% | 0.73% | 12,100 | 8.00% | 31.00% | 42 | | 1.20 | | | | |
| Progress Fuels | D (CR4&5) | 1/05-12/06 | Diamond May | 720 | 360 | 360 | 12.00% | 0.75% | 12,500 | 8.00% | 32.00% | 43 | | 1.20 | | | | |
| САМ-КҮ | D (CR4&5) | 1/05-12/06 | Diamond May | 720 | 360 | 360 | 12.00% | 0.75% | 12,500 | 8.00% | 32.00% | 43 | | 1.20 | | | | |
| | | | i | an martin contractor | | | | | | | | | | | | | | |
| Sequoia Energy LLC | A (CR1&2) | 1/05-12/06 | CSX Harlan | 360 | 120 | 240 | 10.00% | 1.34% | 12,700 | 8.00% | 31.00% | 42 | 1.50 | 2.10 | | | | |
| Massey | A (CR1&2) | 1/05-6/06 | CSX BS | 1080 | 720 | 360 | 12.00% | 1.27% | 12,100 | 8.00% | 31.00% | 42 | 1.50 | 2.10 | 9 | | | |
| Daw Resources | A (CRIGZ) | 1/05-12/00 | USX Jemco | 400 | 240 | 240 | 11.50% | 1.23% | 12,500 | ĩ.00% | 32.00% | 4Z | 1.50 | Ź:00 | | | | |
| | | | | | | | | r | ~ | .~ ~~~~ _ | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | Total Tons | 5040 | 2820 | 2220 | | | | | | | | Ş02 | • | | | |

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-6) Page 7 of 10

PAGE 1 OF 3

Corrected

| · · · · · · · · · · · · · · · · · · · | SUPPLY ASSESS | MENT | | |
|---|---------------|-----------|-------|--|
| | "ALPHA" RAI | L | | |
| | 2005 | 2006 | Notes | |
| PROJECTED REQUIREMENTS** Existing contracts: | 2,309,000 | 2,257,000 | | |
| Consol Energy | 750,000 | 0 | (2) | |
| Massey Energy | 150,000 | 0 | | |
| CAM-Kentucky LLC | 0 | 0 | | |
| Total Existing Contracts | 900 000 | 0 | | |
| Open Position | 1 409 000 | 2 257 000 | . (1) | |
| New Confined One I | 1,400,000 | 2,237,000 | (1) | |
| New Contract Suppliers: | 300.000 | | (3) | |
| Sequeia Epergy LLC | 120,000 | 360,000 | | |
| B&W Resources | 120,000 | 240,000 | | |
| | 240,000 | 240,000 | | |
| Total New Contracts | 1 080 000 | 840.000 | | |
| Total Existing & New | 1,980,000 | 840.000 | | |
| | 1,000,000 | 040,000 | | |
| Total Open Position | 329,000 | 1,417,000 | (1) | |
| Potential Add'l Suppliers: | | | | |
| Massey Energy | 0 | 0 | | |
| Central Coal | 0 | 0 | | |
| Sequoia Energy LLC | 0 | 0 | | |
| B&W Resources | 0 | | | |
| CAM Kentucky LLC | 0 | 0 | | |
| 2004 Carry over | . 0 | 0 | | |
| Total Potential Suppliers | 0 | 0 | | |
| Total New and Potential | 1,980,000 | 840,000 | | |
| Potential Spot or Additional | | | | |
| Contract Purchases: | 329,000 | 1,417,000 | | |
| Allocation: | | | | |
| % Existing contracts to delivery | 39.0% | 0.0% | | |
| % New contracts to delivery | 46.8% | 37.2% | | |
| % I otal contract to delivery | 85.8% | 37.2% | | |
| % Potential spot or additional contract | | | | |
| to requirement | 14.2% | 62.8% | | |
| Notes: | | | | |
| (1) BOLD denotes open position. | | | • | |

PEF-FUEL-000130

(2) These contract has a price reopener for 2006.

(3) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn projections

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-6) Page 8 of 10

PAGE 1 OF 3

| | SUPPLY ASSESS | MENT | |
|--|-------------------------------|-------------------------------|---------------|
| | "ALPHA" RAII | | |
| PROJECTED REQUIREMENT'S** | <u>2005</u> 2,309,000 | <u>2006</u> 2,257,000 | Notes |
| Consol Energy Massey Energy CAM-Kentucky LLC | 750,000 150,000 0 | | (2) |
| Total Existing Contracts | 900,000 | 0 | |
| Open Position | 1,409,000 | 2,257,000 | (1) |
| New Contract Suppliers: | 700,000 | | (3) |
| inassey ⊨nergy Sequoia Energy LLC B&W Resources | 720,000 120,000 240,000 | 360,000 240,000 240,000 | |
| | , | | Cak |
| Total New Contracts Total Existing & New | 1,080,000 1,980,000 | 360,000 | |
| Total Open Position | 329,000 | 1,897,000 | (1) |
| Potential Add'l Suppliers: | | | |
| Massey Energy | ` 0 | 0 | |
| Central Coal | 0 | · 0 | |
| | 0 | U | |
| CAM Kentucky II C | 0 | 0 | |
| 2004 Carry over | 0 | 0 | |
| Total Potential Suppliers | Ō | 0 | |
| Total New and Potential | 1,980,000 | 360,000 | |
| Potential Spot or Additional Contract Purchases: | 329,000 | 1,897,000 | |
| Allocation: | 20.00/ | 0.00/ | |
| % New contracts to delivery | 39.0% 46-8% | 16.0% | |
| % Total contract to delivery | 85.8% | 16.0% | $\overline{}$ |
| % Potential spot or additional contract to requirement | 14.2% | 84.0% | |
| Notes: | | | • |

(1) BOLD denotes open position.

(2) These contract has a price reopener for 2006.

(3) Purchases based upon the 2005 RFP results and various other purchases.

PEF-FUEL-000131

**Based upon burn projections

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-6) Page 9 of 10

PAGE 2 OF 3

| SUPPLY ASSESS | SMENT | |
|---------------|--|--|
| "DELTA" RA | IL | |
| | | |
| 2005 | 2006 | Notes |
| 4,311,000 | 4,390,000 | |
| 2,300,000 | 2,300,000 | |
| 2,011,000 | 2,090,000 | |
| | | |
| 500 000 | 200.000 | |
| 600,000 | 600,000 | |
| | | |
| 1,100,000 | 800,000 | |
| 911,000 | 1,290,000 | (1) |
| | | (2) |
| 360,000 | 180.000 | (-) |
| 360,000 | 360,000 | |
| 000,000 | | |
| 720.000 | 540.000 | |
| 1 820 000 | 1 340,000 | |
| | 1,340,000 | |
| 191,000 | 750,000 | |
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| | C | |
| 191,000 | 750,000 | |
| | | |
| 54.7% | 38.3% | |
| 35.8% | 25.8% | |
| 90.5% |) 64.1% | |
| t t | < · | |
| 9.5% | / 35.9% | |
| | | |
| | SUPPLY ASSESS "DELTA" RA 2005 4,311,000 2,300,000 2,011,000 500,000 2,011,000 500,000 1,100,000 911,000 360,000 1,100,000 911,000 720,000 1,820,000 191,000 0 0 0 0 1,820,000 1,820,000 191,000 54.7% 35.8% 90.5% 2t | SUPPLY ASSESSMENT "DELTA" RAIL $\frac{2005}{4,311,000}$ $\frac{2006}{4,390,000}$ $2,300,000$ $2,300,000$ $2,011,000$ $2,090,000$ $500,000$ $200,000$ $500,000$ $200,000$ $500,000$ $200,000$ $500,000$ $200,000$ $500,000$ $200,000$ $500,000$ $800,000$ $1,100,000$ $800,000$ $360,000$ $180,000$ $360,000$ $180,000$ $360,000$ $180,000$ $360,000$ $180,000$ $360,000$ $180,000$ $360,000$ $180,000$ $360,000$ $180,000$ $191,000$ $750,000$ 0 |

Notes:

(1) BOLD denotes open position.

(2) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn requirements

PEF-FUEL-000132

S:\EXEC\Robin\Word\Bid Solicitations-Coal\Rail_D_Open_Position 2:33 PM6/22/2004

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-6) Page 10 of 10

PAGE 3 OF 3

| | SUPPLY ASSESS | MENT | |
|---|---------------|-----------|-------|
| | "DELTA" WAT | ER | |
| · · | 2005 | 2006 | Notes |
| PROJECTED WATER DELIVERY | 2,300,000 | 2,300,000 | |
| Guasare #1 (Venezuelan) | 150.000 | 0 | > |
| Guasare #2 (Venezuelan) | 650.000 | 650,000 | (2) |
| Drummond (Colombian) | 800,000 | 1,000,000 | (-) |
| | | | |
| Total Existing Contracts | 1,600,000 | 1;650,000 | |
| Open Position | 700,000 | 650,000 | (1) |
| New Contract Suppliers: | | | (3) |
| Massey Energy | 360,000 | 180,000 | (-) |
| Central Coal | 300,000 | 300,000 | |
| | | | |
| Total New Contracts | 660,000 | 480,000 | |
| Total Existing & New | 2,260,000 | 2,130,000 | |
| Total Open Position | 40,000 | 170,000 | |
| Potential Add'l Suppliers: | | | |
| Asset Mgmt Group | 0 | 0 | |
| Central Coal | 0 | 0 | |
| Keystone | 0 | 0 | |
| | 0 | 0 | |
| 2004 Carry over | U | U | • |
| Total Potential Suppliers | 0 | 0 | |
| Total New and Potential | 2,260,000 | 2,130,000 | |
| Potential Spot or Additional | | | |
| Contract Purchases: | 40,000 | 170,000 | |
| Allocation: | | | |
| % Existing contracts to delivery | 69.6% | 71.7% | |
| % New contracts to delivery | 28.7% | 20.9% | |
| % Total contract to delivery | 98.3% | 92.6% | |
| % Potential spot or additional contract to requirement | 1 7% | · · 7 4% | |
| · · · · · · · · · · · · · · · · · · · | | 1.1,5 | |

PEF-FUEL-000133

Notes:

(1) BOLD denotes open position.

(2) The Guasare contract has a price reopener for 2006.

(3) Purchases based upon the 2005 RFP results and various other purchases.

| PROGR | ESS INTER-OFFICE | CORRESPONDENCE |
|-------------|-----------------------------|--|
| FUELS | · <u>Technical Services</u> | <u>BT10E</u> <u>727/824-6684</u> |
| Corporation | INITIAL PRB TEST | Docket No. 060658 Progress Energy Florida Exhibit No (AWP-7) Page 1 of 16 |
| TO: | A. W. Pitcher | DATE: May 13, 2004 |

Attached please find the observation report of the firing of our first PRB blend to Crystal River Unit 4.

Please advise any questions or comments.

Roy 7. Potter

Roy F. Potter Technical Services Manager

Attachments

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Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-7) Page 2 of 16

Observations From Initial PRB Test Burn Crystal River Unit 4 April 26-28, 2004

Powder River Basin coal was initially tested in blend form in Crystal River Unit 4 to look at the feasibility of incorporation into the fuel mix. Not only is PRB one of the cheapest coals available based on the current market, but there are some potential benefits (such as NOx, SOx production) that are of interest at this time.

PRB test coal originated from Peabody's Antelope Mine near Gillette Wyoming. PRB is commonly available in two grades; 8400 or 8800 Btu products. The 8800 product was selected for testing. Coal was transported by Burlington Northern Railroad to Cahokia Terminal and transferred to river barge for transit to International Marine Terminal in New Orleans. Quality Data for bunkered samples, PRB, and the test barge are shown in appendix A.

PRB is commonly known for dustiness, and propensity for spontaneous combustion. In the boiler, it is generally known for it's long lazy flame which tends to focus the heat in the back end of the unit. It is also common to see extreme fouling and slagging effects on high percentage burns.

An initial test blend of 15% was established based on exceeding the typical unit derate specification of 11700 Btu. Blend coals used were Central Appalachian and Venezuelan compliance coals. The base ratio of 60/40 Central Appalachian to Venezuelan mirrors current tonnage commitments. This blend also capitalizes on the high Btu of the Venezuelan and the stable LOI production of the Central Appalachian. Overall, the initial target blend was 15% PRB, 50% Central Appalachian, and 35% Venezuelan. Quality data is shown in appendix B and C.

The three component blend was accomplished on the Amy Thompson April 23-24, 2004 at IMT. The base Central App and Venezuelan coals were loaded from ground storage using IMT's sophisticated scale based feeder system. The PRB component was added manually from river barge (i.e. not computer controlled). This method worked fairly well for holds 2,3, and 4. There was, however, an increase in percentage on the number 1 hold for the PRB percentage up to as much as 22%. This was likely the result of barge switching and reestablishing the blend feed ratios in manual mode. The coals were all extremely dry, receiving no rain in several weeks.

Temperature monitoring of the gulf barge loading was performed using an Ircon fixed mount infrared device. Temperatures at loading centered around 90 degrees with no hot spots indicated.

The Amy Thompson arrived at Crystal River and began to discharge directly to Unit 4 the night of April 25th. The coal began to show up in the furnace the morning of the 26th. The direct bunkering continued until approximately 8 am on April 28th. Coal from hold 1 showed up in the furnace on April 27th.

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-7) Page 3 of 16

Coal Handling/Dust

The PRB coal sizing was exhibited a coarser product than expected. Not only was this advantageous to the flow characteristics, but it also provides less surface area for the production of spontaneous heating effects as well as dust. A moderate amount of dust was seen as the dry 100% PRB was put to storage at IMT.



No dust was observed at Crystal River on the blended cargo. No chute plugs or other handling issues were experienced.



No Dust Unloading the blend at CR

Mill Performance

The 15% blend showed a slight increase in feeder speeds from approximately 63% to 65-67%. These are well within control ranges. Mill inlet temperatures rose from a nominal 300-degree level to around 350 degrees. Outlet temperatures were able to maintain at 175 degrees. Mill differential pressures were not noticeably changed.

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-7) Page 4 of 16

For the 22% level blend, feeder speeds rose to the 69-70% range. Mill inlet temperatures rose to around 400 degrees. Operators lowered the mill outlet temperatures to 155-160 degree levels in order to bring down the inlet temperature. The Bailey control system looked at the feeder speeds and various other items and conducted a "Btu runback" dropping load from once from 760 MW to 745 MW and on a second occasion to 730MW. Once the 22% blend material passed the unit returned to the 15% settings. There was an increase in opacity during the passing of the 22% material up to the 15% opacity range.

Due to the softer grindability of the PRB coal (55), it is quite possible that full load could be achieved by manipulating the logic or running in manual. It is felt there is adequate mill capacity left.



Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-7) Page 5 of 16



Mill Feed Rates (Klbs/hr)

Mill differential pressures generally were not impacted substantially by the PRB at any level. This would suggest the potential for additional capacity readily exists



Mill Differential Pressures

NOx/SOx/Opacity

Continuous emissions monitor (CEM) readings for SO2 performed exactly as anticipated, producing numbers in the 0.95 lb/MMBtu for the 60/40 coal, 0.89 lbs/MMBtu for the 15% blend, and around 0.85 lbs/MMBtu for the 22% level.

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-7) Page 6 of 16

NOx baselines at 0.54-0.55 lbs/MMBtu for the normal coal. A slight, but significant reduction was seen at the 15% PRB blend level down to 0.51 lbs/MMBtu. The 22% blend level produced NOx down to 0.44 lbs/MMBtu, however, the derate of 15-30 MW and resulting flow reductions had some contribution.

Unit 4 has recently experienced some difficulties with their precipitator (ESP). Nominal base levels of 10% opacity rose to 12% with the 15% PRB blend and 14% when the 22% PRB material burned. A short-term peak (10 minutes) of 19% occurred when a presumed spike occurred in the blend towards the end of the 22% material burn. This amounts to roughly 50 tons presumably in the 25-30% PRB class.



Opacity, NOx, and SO2 Data Plots

Fly Ash LOI

LOI in CR 4&5 fly ash baselines at the 5-6% carbon level for the 60/40 D-Venezuelan blend. During the tests the LOI rose to a spike over 6% for truck shipments, which may be indicative of some tank blending with lower LOI ash. The top samples (which determine if the ash will be trucked) predominantly jumped around in the 6-8% range. It is fair to conclude that the influence of the PRB coal was not good for fly ash quality.

It is not known what impact, if any, the unit 4 ESP may have had on this. The ESP has had some difficulties lately that are not being seen on unit 5. In general, we have seen increases in opacity on both units but Unit 4 runs higher.

Graphs of both truck ash samples are included. Top samples are basically grab samples and have a much higher variability. Therefore, once again, the ash was not readily saleable.

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-7) Page 7 of 16

Crystal River Units 4&5 Ash LOI Trend



Truck samples for LOI

Unit Performance

The unit seemed to perform as usual at the 15% PRB level. Temperatures seen as exit gas temperatures, or as shown below as air heater inlet temperatures were unaffected. This would indicate that within these ranges the unit could make adjustments. The major adjustment noticed, particularly at the 22% PRB level was the possible minor increase in attemperation sprays. The increase in superheat and reheat temperatures was one of our things to look for. While the steam temperatures and pressures were maintained, the unit could be trying to keep these temperatures from going up, as opposed to normally trying to hold them up. This would naturally have an impact on the unit efficiency ad eventually load. Judging from the intermittent use of sprays as seen on the graph, it does not readily appear the use of sprays was very significant. Note that the 5/1/04 burn had only 60/40 baseline material with no PRB.



Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-7) Page 8 of 16



Air Heater Inlet Temps

Similarly the air heater inlet temperatures show no significant change. This was the closest indicator to FEGT temperatures readily accessible to me.

Slagging and Fouling

Soot blower activity was not noticeably increased at any level. It is also assumed that at 15-20% PRB there simply was not enough accumulation of material to be noticed. In total only 2400 tons was in the blend at approximately 4% ash. Consequently, only 96 tons of PRB ash was present over the four days of burn.

Conclusions

While one barge load should not be considered as answering all the questions about this material, some things have become evident. First, from a load point of view, it was a fortunate accident that a hold of 22% was included in this test. It readily and fortunately, only briefly, indicated where we would notice the presence of the PRB. From the chart below, it is relatively easy to see the 22% area on the 27th.



Docket No. 060658

Load (MW)

We therefore can conclude that 20% will not be a sustainable blend as far as the automatic controls are currently capable of. These could be adjusted, however, it would take us to places the unit has not been before in terms of feeder speeds.

It was also learned that the blending of this material is more critical than sulfur or other parameters would dictate, as there are no 6-minute or even 3-hour averages to help soften the impact. Therefore, an alternative blending technique will be required at IMT that utilizes the scales and feeders for the most homogeneity possible.

It should also be emphasized that all the coal used in this barge were dry and in excellent condition. Weathering and increased moisture will certainly have as much or more impact on this blend than a blend without the PRB.

It is therefore currently contemplated that, as terminal traffic and availability allow, we will limit the blends to 15% PRB and ship when feasible. In the event we get more than marginally wet weather, we will have to carefully evaluate pile moistures more extensively than normally done to determine whether to proceed with a blend.

In conclusion, the economic impacts of a 15% PRB blend are very compelling. At current pricing this amounts to a minimum 6 cent per million saving for each blended barge (i.e. all 16000 tons). If all barges came blended we could easily realize savings in the 2.3 to 3.5 million dollar per year range, depending on percentage and exact materials

Docket No. 060658 Progress Energy Florida Exhibit No. (AWP-7) Page 10 of 16

used. No value is considered for SO2 or NOx in this calculation. Further testing will be required to ascertain the lower limits for impacts on NOx at levels below 15%. It was determined that NOx was substantially impacted at 22% and to a lesser extent, seen at 15%.

Roy F. Potter Technical Services Manager Progress Fuels Corporation

APPENDIX A QUALITY DATA-

PROGRESS FUELS CORPORATION SHIPPING NOTICE

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-7) Page 11 of 16

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| | | | Page | | |
|---------------------|--------------|------------|---------------------|--|--|
| DATE: | APRIL | 24, 2004 | | | |
| ATTENTION: | COAL YARD S | UPERVISOR | - CRYSTAL RIVER | | |
| RE: | SHIPPING NO | TICE | | | |
| | | | | | |
| | | | · · · · · · | | |
| POINT OF DELIVERY : | CRYSTAL RIVE | ER | 4 & 5 | | |
| BARGE/TUG | AMY T/RESO | LUTE | | | |
| DATE LOADED: | APRIL | 23, 2004 | - | | |
| ETA: | APRIL | 25, 2004 | <u>0700</u> | | |
| | | · | | | |
| TYPE OF COAL: | | CLASS | "D" | | |
| SUPPLIER: | D - FOREIGN | I & PRB BL | END | | |
| | | | | | |
| SURVEY WEIGHT: | 15,500.00 | ESTIMAT | ED | | |
| (BARGE) | | | | | |
| | | | | | |
| QUALITY: ACTUAL | SULFUR % | 0.59 | • | | |
| | ASH % | 8.04 | _ | | |
| | VOLATILE % | 32.78 | - - | | |
| | MOISTURE % | 10.81 | MOISTURE OVER 10% | | |
| | BTU | 11997 | PLEASE NOTE LOW BTU | | |
| | SO2 | 0.98 | _ | | |
| | 95% | 0.93 | - | | |
| | | | | | |

PFC Operations

GINNIE MUEHLENDYCK

REPORT DATE: 04-24-2004 Unit/Origin Report PAGE 1 COMPOSITE ID: 343C VENZ, VESSELS/SYNFUEL BLENDS - PROGRESS FUELS - 1MT - GULF BARGES -LAB NUMBER DATE UNIT OR!GIN TOTAL ASREC AS AS ASREC ASREC DRY DRY NRY DRY DRY MAF S02 PAGE RECEIVED ₩Г. MOIST ASH REC REC BTU SULF ASH VOL FC 9111 SULF BILU ଢ TONS VOL FC 1005 --------------89 4792-29 04-21-2004 HOLD 1 SPIRIT/SYN/D 3403.00 12.59 7.62 32.94 46.85 11702 0.57 37.69 8.72 53.59 13388 0.65 14667 0. fi 1096.00 SO. TD. 0.9 1552.00 NO. YD. 300.000 NH 105 465.000 RF 920 89- 4792-30 04-23-2004 HOLD 2 SPIRIT/SYN/D 4488.00 10.57 8.23 32.53 48.67 12024 0.60 9.20 36.37 54.43 13445 0.67 14807 1.00 1571.00 SO. YD. PHX:50446477220 2244.00 NO. YD. 336.000 RF 920 337.000 NH 105 89- 4792-31 04-23-2004 HOLD 3 SPIRIT/SYN/D 4295.00 10.08 7.61 33.15 49.16 12181 0.61 8.46 36.87 54.67 13547 0.60 14799 1.00 1503,00 SO, TD, 2148,00 NO. YD. 307.000 RF 920 337.000 NM 105 89- 4792-32 04-23-2004 HOLD 4 SPIRIT/SYN/D 3993.00 10.33 8.68 32.51 48.48 12022 0.58 9.68 16.25 54.07 13407 0.65 14644 0.96 1399.00 SO. TD. 1999.00 NO. YD. -RUDE 300.000 NH 105 300.000 RF 920 ISANIMUL SPS: TI FINAL TOTALS DRY WEIGHTED AVERAGES 16179.00 10,81 8.04 32.78 48.37 11997 0.59 9.02 36.75 54.23 13451 0.66 14785 COUNTS 0.98 4 -1 4 4 Page 12 of 16 Exhibit No. Progress Energy Docket TO: PROGRESS FUELS 4/ 24/04 10:40 HRS CTE @ IMT No. COAL YARD SUPV./CRYSTAL RIVER PEF-FUEL-000115 ED SNELLLING/CRYSTAL RIVER . 060658 FM: CTE/ST. ROSE GULF BARGE: 4my ThoMPSON Florida (AWP-7) せつノサレノせつ SAMPLING:

ģ

 Shipment Id:05779
 Vendor

 Transporter Id:SEC. AI=042304
 Status R

 Analysis Type PFC Load Prox
 Mme

 Type TAS Received Analysis Date 4/23/2004
 Analysis Date 4/23/2004

Docket No. 060658 Progress Energy Florida Exhibit No. ___ (AWP-7) Page 13 of 16

| Plant | | Specification | Minimum | Maximum | Result | OutOfRange |
|-------------------|------|---------------|-------------|---------|-------------|------------|
| Crystal River 4&5 | CR45 | Ash | | 11.0000 | 8.0400 | |
| Crystal River 4&5 | CR45 | BTU | 12,000.0000 | | 11,997.0000 | 2 |
| Crystal River 4&5 | CR45 | Moisture | | 10.0000 | 10.8100 | |
| Crystal River 4&5 | CR45 | So2mmbtu | | 1.1500 | 0.9836 | |
| Crystal River 4&5 | CR45 | Sulfur | | 2.0000 | 0.5900 | |
| Crystal River 4&5 | CR45 | Volatile | 31.0000 | | 32.7800 | |

CR 415 "As Fired" Somples

| S.L. | | Sampler # | 4 | APRIL-2004 | | | | As Bunkered Samples | | | | | | | | | |
|------|----------|-----------|------------|------------|------|------------|--------|---------------------|----------|-------|----------|--------|--------|---------|---------|-------|--|
| | | • | Mech | а Туре | # | I.D. | #/1000 | | | | Volatile | Fixed | | | Lbs SO2 | MAF | |
| | Date | Lab # | Hand | A/D | Samp | Shift | Tons | Tonnage | Moisture | Ash | Matter | Carbon | Sulfur | BTU/LB | /MBTU | BTU | |
| 4 | 04/01/04 | 56882 | м | D | 54 | 00:01-08:0 | 12.5 | 4.322 | 7.60 | 11.48 | 32.47 | 48.45 | 0.60 | 12149 | 0.99 | 15014 | |
| | | 56883 | M | Ď | 40 | 08:00-16:0 | 9.7 | 4,119 | 6.22 | 9.52 | 33.22 | 51.04 | 0.64 | 12460 | 1 03 | 14788 | |
| | | 56884 | M | Ď | 43 | 16:00-24:0 | 11.8 | 3.629 | 6.63 | 8.84 | 38.56 | 45.97 | 0.61 | 12639 | 0.97 | 14952 | |
| 4 | 04/02/04 | 56890 | м | D | 59 | 00:01-08:0 | 11.5 | 5,126 | 7.16 | 10,91 | 32,14 | 49.79 | 0.64 | 12380 | 1.03 | 15110 | |
| | | 56891 | м | D | 50 | 08:00-16:0 | 14.1 | 3,537 | 7.29 | 11.07 | 37.08 | 44.56 | 0.64 | 12334 | 1.04 | 15108 | |
| | | 56892 | М | D | 59 | 16:00-24:0 | 16.0 | 3,693 | 6.84 | 10.79 | 37.05 | 45.32 | 0.69 | 12449 | 1.11 | 15114 | |
| 4 | 04/03/04 | 56898 | М | D | 83 | 00:01-08:0 | 20.2 | 4,114 | 7.95 | 10.07 | 32.06 | 49.92 | 0.63 | 12362 | 1.02 | 15079 | |
| | | 56899 | Μ | D | 69 | 08:00-16:0 | 15.6 | 4,431 | 7.36 | 10.45 | 35.82 | 46.37 | 0.68 | 12367 | 1.10 | 15047 | |
| | , | 56900 | M | D | 42 | 16:00-24:0 | 73.8 | 569 | 6.36 | 10.02 | 40.41 | 43.21 | 0.69 | 12689 | 1.09 | 15175 | |
| 4 | 04/04/04 | 56908 | . M | D | 57 | 00:01-08:0 | 22.3 | 2,556 | 7.53 | 10.95 | 41.19 | 40.33 | 0.64 | 12344 | 1,04 | 15142 | |
| | | 56909 | М | D | 54 | 08:00-16:0 | 13.2 | 4,085 | 6.45 | 10.66 | 32,73 | 50.16 | 0.65 | 12633 | 1.03 | 15241 | |
| | | 56910 | М | D | 50 | 16:00-24:0 | 6.0 | 8,360 | 6.23 | 7.77 | 36.08 | 49.92 | 0.62 | 12906 | 0.96 | 15007 | |
| 4 | 04/05/04 | 56919 | М | D | 54 | 00:01-08:0 | 13.1 | 4,116 | 6.93 | 9.78 | 33.07 | 50.22 | 0.65 | 12530 | 1.04 | 15044 | |
| | | 56920 | м | D | 25 | 08:00-16:0 | 5.9 | 4,256 | 6.56 | 11.08 | 32.14 | 50.22 | 0.62 | . 12502 | 0.99 | 15180 | |
| | | 56921 | Μ | D | 47 | 16:00-24:0 | 11.0 | 4,292 | 6.29 | 10.50 | 35.83 | 47.38 | 0.63 | 12616 | 1.00 | 15162 | |
| 4 | 04/06/04 | 56928 | М | D | 62 | 00:01-08:0 | 16.1 | 3,861 | 6.84 | 11.32 | 31.85 | 49.99 | 0.66 | 12404 | 1.06 | 15156 | |
| | | 56929 | М | D | 64 | 08:00-16:0 | 14.3 | 4,490 | 5.63 | 9.47 | 32.04 | 52.86 | 0.65 | 12537 | 1.04 | 14767 | |
| | | 56930 | М | D | 52 | 16:00-24:0 | 12.9 | 4,042 | 6.21 | 10.04 | 32.86 | 50.89 | 0.67 | 12696 | 1.06 | 15159 | |
| 4 | 04/07/04 | 56938 | М | D | 60 | 00:01-08:0 | 16.8 | 3,570 | 7.25 | 12.44 | 32.01 | 48.30 | 0.70 | 12222 | 1.15 | 15219 | |
| | | 56939 | М | D | 50 | 08:00-16:0 | 10.1 | 4,927 | 7.89 | 10.85 | 34.45 | 46.81 | 0.74 | 12356 | 1.20 | 15206 | |
| | | 56940 | М | D | 38 | 16:00-24:0 | . 11.4 | 3,344 | 6.72 | 9.86 | 38.72 | 44.70 | 0.68 | 12575 | 1.08 | 15074 | |
| 4 | 04/08/04 | 56949 | М | Ð | 62 | 00:01-08:0 | 13.7 | 4,518 | 6.68 | 10.50 | 30.71 | 52.11 | 0.62 | 12400 | 1.00 | 14972 | |
| | | 56950 | M | D | 24 | 08:00-16:0 | 7.9 | 3,041 | 6.95 | 11.36 | 30.99 | 50.70 | 0.58 | 12135 | 0.96 | 14855 | |
| | | 56951 | M | D | 46 | 16:00-24:0 | 10.8 | 4,249 | 7.22 | 11.47 | 33,15 | 48.16 | 0.65 | 12238 | 1.06 | 15051 | |
| 4 | 04/09/04 | 56957 | M | D | 99 | 00:01-08:0 | 18,2 | 5,425 | 6.80 | 10.62 | 31.64 | 50.94 | 0.58 | 12351 | 0.94 | 14956 | |
| | | 56958 | M | U D | 19 | 08:00-16:0 | 6.1 | 3,102 | 6.59 | 9.43 | 35.72 | 48.26 | 0.63 | 12614 | 1.00 | 15020 | |
| | 04/40/04 | 56959 | M | 0 | 86 | 16:00-24:0 | 19.1 | 4,496 | 6.49 | 9.68 | 39.07 | 44.76 | 0.60 | 12531 | 0.96 | 14948 | |
| 4 | 04/10/04 | 20900 | M | U D | 65 | 00:01-08:0 | 17.6 | 3,700 | 8.48 | 12.64 | 31.44 | 47.44 | 0.63 | 11955 | 1.05 | 15156 | |
| | | 56967 | M | U | 39 | 08:00-16:0 | 9.8 | 3,998 | 7.38 | 11.92 | 34.30 | 46.40 | 0.64 | 12366 | 1.04 | 15323 | |
| 4. | 0444404 | 26968 | M | 0 | 41 | 16:00-24:0 | 14.0 | 2,925 | 7.26 | 11.82 | 36.15 | 44.77 | 0.66 | 12394 | 1.07 | 15316 | |
| 4 | 04/11/04 | 36976 | 1/1 | U | 71 | 00:01-08:0 | 14.7 | 4,827 | 7.01 | 11.29 | 32.04 | 49.66 | 0.67 | 12399 | 1.08 | 15176 | |
| | | 50977 | | 0 | 32 | 08:00-16:0 | 7.9 | 4,043 | 7.42 | 11.03 | 33.50 | 48.05 | 0.66 | 12353 | 1.07 | 15148 | |
| 4 | 04/42/04 | 209/0 | 11/1 | .0 | 48 | 10:00-24:0 | 11.0 | 4,348 | 7.75 | 10.01 | 37.27 | 44.37 | 0.63 | 12318 | 1.02 | 15088 | |
| 4 | 04/12/04 | 00900 | IVI NA | 0 | 40 | 00.01-08:0 | 11.8 | 4,066 | 7.89 | 10.35 | 34.18 | 47.58 | 0.59 | 12308 | 0,96 | 15054 | |
| | | 50900 | | 0 | 44 | 10:00-16:0 | 12.9 | 3,423 | 8.94 | 9.70 | 37.65 | 43.71 | 0.60 | 12235 | 0.98 | 15038 | |
| ٨ | 04/13/04 | 56004 | IVI NA | 0 | 40 | 10:00-24:0 | 10.0 | 4,793 | 7.60 | 11.24 | 31.84 | 49.32 | 0.65 | 12273 | 1.06 | 15122 | |
| 4 | 04/15/04 | 56005 | IVI NA | 0 | 52 | 00.01-06.0 | 12.0 | 4,070 | 8.30 | 11.90 | 32.03 | 47.64 | 0.65 | 11987 | 1.08 | 15046 | |
| | | 56006 | IVI NA | 0 | 44 | 10.00-10.0 | 12.0 | 3,520 | 8.02 | 11.0Z | 30.80 | 49.56 | 0.66 | 12010 | 1,10 | 14945 | |
| ٨ | 04/44/04 | 50990 | IVI A A | 0 | 40 | 10:00-24:0 | 9.6 | 4,149 | 8.34 | 70.59 | 32,21 | 48.86 | 0.67 | 12263 | 1.09 | 15126 | |
| -1 | 04/14/04 | 57002 | IVI LJ | | 104 | 00.01-08.0 | 23.8 | 4,303 | 8,90 | 11.04 | 31,88 | 41.58 | 0.70 | 11954 | 1.17 | 15044 | |
| | | 57004 | 11 Li | | 44 | 16:00 24:0 | 15,3 | 2,082 | 8.62 | 10,42 | 33.64 | 47.32 | 0.65 | 12110 | 1.07 | 14958 | |
| A | 04/15/04 | 57004 | г) Ц | U D | 99 | 10:00-24:0 | 20.4 | 4,042 | P.90 | 9.09 | 32.52 | 51.49 | 0.62 | 12533 | 0.99 | 14918 | |
| 4 | 04/15/04 | 57013 | п ы | | 174 | 00:01-08:0 | 21.6 | 4,070 | 1.22 | 0.0/ | - 32.19 | 51.72 | 0.59 | 12455 | 0.95 | 14843 | |
| | | 57014 | л u | 0 | 1/4 | 16:00 24:0 | 30.8 | 4,133 | 1.43 | 10 50 | 31./3 | 52.06 | 0.60 | 12456 | 0.96 | 14866 | |
| | | 57015 | r1 | U | 102 | 10.00-24:0 | 33,1 | 5,492 | 5,74 | 12.53 | 35.63 | 46.10 | 0.63 | 12271 | 1.03 | 15014 | |

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Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-7) Page 14 of 16

PEF-FUEL-000117

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| 4 | 04/16/04 | 57026 | н | D | 125 00:01-08:0 | 39.0 | 3,205 | 11.50 | 6.57 | 34.38 | 47.55 | 0.55 | 11462 | 0.96 | 13990 |
|----------|---------------|-------|----------|------------|-------------------|---------|---------|-------|-------|---------|---------|------|------------|---------|---------|
| | | 57027 | н | D | 169 08:00-16:0 | 92.2 | 1,833 | 7.69 | 11.37 | 32.62 | 48.32 | 0.63 | 11518 | 1.09 | 14230 |
| | | 57028 | М | D | 40 16:00-24:0 | 7.5 | 5,319 | 11.56 | 5.85 | 40.10 | 42,49 | 0.58 | 11696 | 0.99 | 14162 |
| 4 | 04/17/04 | 57033 | н | D | 112 00:01-08:0 | 24.9 | 4,504 | 8,25 | 12.02 | 34.21 | 45.52 | 0.63 | 11998 | 1.05 | 15048 |
| | | 57034 | H | D | 144 08:00-16:0 | 38.7 | 3.721 | 7.80 | 10.39 | 36.02 | 45.79 | 0.64 | 12398 | 1.03 | 15155 |
| | | 57035 | M | Đ | 165 16:00-24:0 | 35.6 | 4,637 | 8.67 | 11.20 | 30.80 | 49.33 | 0.58 | 12130 | 0.96 | 15138 |
| 4 | 04/18/04 | 57043 | н | ō | 167 00.01-08.0 | 55.2 | 3 027 | 8.05 | 12.09 | 33 90 | 45.96 | 0.61 | 12026 | 1 01 | 15059 |
| | | 57044 | н | Ď | 154 08:00-16:0 | 43.0 | 3 581 | 8 79 | 8 34 | 37 30 | 45 57 | 0.60 | 12564 | A0 0 | 15161 |
| | | 57045 | н | ñ | 132 16:00-24:0 | 33.2 | 3 970 | 11 13 | 4:63 | 35.65 | 48.50 | 0.51 | 11905 | 0.86 | 14132 |
| 4 | 04/19/04 | 57055 | н | Ď | 120 00:01-08:0 | 28.4 | 4 232 | 12 38 | 5.04 | 36.50 | 46.08 | 0.61 | 11650 | 1 08 | 14108 |
| | 01110101 | 57056 | н | о. С | 150 08:00-16:0 | 72 0 | 2.057 | 11 11 | 6.52 | 38.08 | 44.00 | 0.00 | 11546 | 0.05 | 14100 |
| | | 57057 | ы | ñ | 142 16:00-24:0 | 32.6 | 4 350 | 5.77 | 8 37 | 38.61 | 44.25 | 0.55 | 12856 | 0.95 | 14017 |
| 4 | 04/20/04 | 57065 | ы | D | 142 10:00-24:0 | 33.8 | 4,555 | 8.97 | 10.07 | 30.07 | • 47.20 | 0.63 | 12000 | 0.90 | 14973 |
| | 04/20/04 | 57066 | - NA | D | 49.09:00.46:0 | 12 4 | 3,433 | 0.07 | 10.01 | 30.40 | 43.92 | 0.59 | 12003 | 0.98 | 15044 |
| | | 57060 | NA NA | 0 | 40 00.00-10.0 | 10.4 | 3,370 | 0.04 | 9.37 | 31.12 | 40.27 | 0.64 | 12040 | 1.01 | 15055 |
| 4 | 04/04/04 | 57057 | | 0 | 04 10.00-24.0 | 10,9 | 4,970 | 7.09 | 10.39 | 31.35 | 50.57 | 0.64 | 12348 | 1.04 | 15073 |
| 4 | 04/21/04 | 57070 | IVI N | U | 22 00:01-08:0 | 6.6 | 3,348 | 8.01 | 11.31 | 31.18 | 49.50 | 0.66 | 12204 | 1.08 | 15126 |
| | | 57077 | M | D | 46 08:00-16:0 | 10.4 | 4,407 | 6.47 | 9.72 | 33.29 | 50.52 | 0.65 | 12628 | 1.03 | 15067 |
| , | 0.100/01 | 5/0/8 | M | D | 44 16:00-24:0 | 10.6 | 4,150 | 6.39 | 11.20 | 35.54 | 46.87 | 0.65 | 12438 | 1.05 | 15093 |
| 4 | 04/22/04 | 57086 | M | D | 48 00:01-08:0 | 10.5 | 4,554 | 6.11 | 13.25 | 34.53 | 46.11 | 0.65 | 12122 | 1.07 | 15032 |
| | | 57087 | M | D | 58 08:00-16:0 | 16.7 | 3,469 | 5.24 | 9,89 | 32.38 | 52.49 | 0.73 | 12785 | 1.14 | 15064 |
| | | 57088 | М | D | 49 16:00-24:0 | 10.0 | 4,876 | 7.76 | 9.22 | 33.34 | 49.68 | 0.63 | 12510 | 1.01 | 15069 |
| 4 | 04/23/04 | 57093 | М | D | 4 00:01-08:0 | 2.8 | 1,451 | 6.74 | 10.25 | 30.34 | 52.67 | 0.66 | 12451 | 1.06 | 14999 |
| | | 57094 | M | D | 48 08:00-16:0 | 11.2 | 4,271 | 6.16 | 8.21 | 35.14 | 50.49 | 0.64 | 12715 | 1.01 | 14849 |
| | | 57095 | М | Ď | 30 16:00-24:0 | 6.7 | 4,449 | 5.76 | 8.67 | 35.84 | 49.73 | 0.66 | 12717 | 1.04 | 14862 |
| 4 | 04/24/04 | 57099 | М | D | 1 00:01-08:0 | 0.3 | 3,053 | 6.22 | 10.75 | 35.88 | 47.15 | 0.65 | 12535 | 1.04 | 15097 |
| | | 57100 | М | D | 27 08:00-16:0 | 8.3 | 3,236 | 7.46 | 10.92 | 29.00 | 52.62 | 0.65 | 12333 | 1.05 | 15110 |
| | | 57101 | М | D | 32 16:00-24:0 | 8.5 | 3,746 | 8.26 | 10.08 | 32.83 | 48,83 | 0.60 | 12406 | 0.97 | 15192 |
| 4 | 04/25/04 | 57107 | М | D | 28 00:01-08:0 | 7.8 | 3,607 | 7.39 | 9.98 | 34.02 | 48.61 | 0.68 | 12478 | · 1.09 | 15101 |
| | | 57108 | М | D | 60 08:00-16:0 | 18.5 | 3,246 | 7.55 | 9.69 | 36.15 | 46.61 | 0.65 | 12448 | 1.04 | 15041 |
| | | 57109 | M | - D | 6 16:00-24:0 | 2.9 | 2,043 | 5.75 | 7.98 | 32.58 | 53.69 | 0.65 | 12942 | 1.00 | 15002 |
| 4 | 04/26/04 | 57115 | М | D | 65 00:01-08:0 | 48.3 | 1,346 | 9,07 | 10.24 | 29.57 | 51.12 | 0.65 | 12106 | 1.07 | 15003 |
| | | 57116 | Μ | D | 74 08:00-16:0 | 34.7 | 2,131 | 10.82 | 9.01 | 33.56 | 46,61 | 0.60 | 11933 | 1.01 | 14885 |
| | • | 57117 | М | D | 96 16:00-24:0 | 37.5 | 2,563 | 10.67 | 8.84 | 36.38 | 44.11 | 0.60 | 12076 | 0.99 | 15003 |
| 4 | 04/27/04 | 57123 | М | D | 106 00:01-08:0 | 50.7 | 2,091 | 11,73 | 10.18 | 33.32 | 44.77 | 0:56 | 11529 | 0.97 | 14764 |
| | | 57124 | М | D | 100 08:00-16:0 | 46.8 | 2,139 | 11.63 | 8.93 | 35.28 | 44.16 | 0.54 | 11778 | 0.92 | 14826 |
| | | 57125 | М | D | 144 16:00-24:0 | 79.6 | 1,809 | 11.11 | 8.47 | 36.84 | 43.58 | 0.55 | 12052 | 0.02 | 14086 |
| 4 | 04/28/04 | 57132 | н | D | 124 00:01-08:0 | 62.4 | 1,988 | 8 12 | 10.50 | 36.45 | 44.93 | 0.00 | 12168 | 1 28 | 14950 |
| | | 57133 | н | D | 20.08:00-16:0 | 12.9 | 1 552 | 5.72 | 12 25 | 37.23 | 44.80 | 0.70 | 12/00 | 1.20 | 14002 |
| | | 57134 | M | П | 60 16:00-24:0 | 30.1 | 1 993 | 5 53 | 8 35 | 32.02 | F4 10 | 0.00 | 12410 | 0.00 | 10100 |
| 4 | 04/28/04 | 57132 | М | D D | 63 00:01-08:0 | 26.5 | 2 380 | 7.81 | 10.55 | 32.02 | 34.10 | 0.02 | 12009 | 0.96 | 14966 |
| | 01120101 | 57133 | 5.4 | n | 66 08:00-16:0 | 20.0 | 2,500 | 7.01 | 10.00 | 33.10 | 40.40 | 0.62 | 12203 | 1.02 | 14947 |
| | | 57134 | M | 5 | 55 16:00 04:0 | 20.2 | .2,020 | F 67 | 9.09 | 37.01 | 40.07 | 0.01 | 12344 | 0.99 | 14930 |
| 4 | 04/20/04 | 57151 | | 5 | 115 00:04 08:0 | 20.7 | 2,141 | 5.07 | 9.60 | 35.41 | 49.32 | 0.62 | 12657 | 0.98 | 14938 |
| 4 | 04/30/04 | 57151 | | 0 | | 46.5 | 2,373 | 7.71 | 10.11 | 35.66 | 46.52 | 0.67 | 12305 | 1.09 | 14973 |
| | | 57152 | | 0 | 164 08:00-16:0 | 82.4 | 1,990 | 7,95 | 9.90 | 39.58 | 42,57 | 0.67 | 12305 | 1.09 | 14979 |
| | | 5/153 | M | U | 38 16:00-24:0 | 18.8 | 2,018 | 7.84 | 7.52 | 33.07 | 51.57 | 0.62 | 12361 | 1.00 | 14604 |
| *0 | | | ===: | | | ======= | ======= | | | 5252255 | | | ********** | ***** | 9922209 |
| "U +D | Composite for | r | Sam | pier 4 | APRIL-2004 | | 325,891 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 | · 0 | #DIV/01 | 0 |
| -0 | Composite for | | | pli correc | cted -6000 per JP | | 319,891 | 7.57 | 10.07 | 34,34 | 48.02 | 0.63 | 12339 | 1.03 | 14982 |

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-7) Page 15 of 16

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PEF-FUEL-000118

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|---|----------------|-----------------|--------|------|--------|--|------|---------------------|-----------|-------|------|-------|------|------|-------|
| RUN DATE: 4/30/200 RUN TIME: 9:05:47 BEG DATE: 1/1/2004 END DATE: 4/30/200 | 94 am 94 | | | тот | AL WTI | Page 4 of 10 RPT-ID: TLWTQUAL TRANS. MODE: River | | | | | | | | | |
| | CLUD | SHIPMENT | LOAD | UNLO | AD CL | TT # | # OF | LOAD | TONS | MOIPT | | ALITY | ANAL | YSIS | |
| SUPPLIER | Sriir | ID NUNDER | DATE | DAI | | I Liff | CARS | UKIGIN | LUADED | MOIST | ASH | VOL | 301 | 010 | 302 |
| PCT Spot PRB Coal | 05686 | RVG0406-EFC154 | 4/6 | | D Coal | | | Cahokia Terminal,IL | 2,001.65 | 26.37 | 4.36 | 31.93 | .23 | 8985 | .5120 |
| PCT Spot PRB Coal | 05682 | RVG0406-MEM301 | 7 4/6 | 4/19 | D Coal | | | Cahokia Terminal,IL | 2,107.00 | 26.37 | 4.36 | 31.93 | .23 | 8985 | .5120 |
| PCT Spot PRB Coal | 05687 | RVG0406-MEM305 | 5 4/6 | | D Coal | | | Cahokia Terminal,IL | 1,896.30 | 26.37 | 4.36 | 31.93 | .23 | 8985 | .5120 |
| PCT Spot PRB Coal | 05685 | RVG0406-NM105 | 4/6 | | D Coal | | | Cahokia Terminal,IL | 1,790.95 | 26.37 | 4,36 | 31.93 | .23 | 8985 | .5120 |
| PCT Spot PRB Coal | 05684 | RVG0406-RF908 | 4/6 | | D Coal | | | Cahokia Terminal,IL | 2,001.65 | 26.37 | 4.36 | 31.93 | .23 | 8985 | .5120 |
| PCT Spot PRB Coal | 05688 | RVG0406-RF920 | 4/6 | | D Coal | | | Cahokia Terminal,IL | 1,264.20 | 26.37 | 4.36 | 31.93 | .23 | 8985 | .5120 |
| PCT Spot PRB Coal | 05683 | RVG0406-WRS9301 | 4/6 | 4/19 | D Coal | | | Cahokia Terminal,IL | 2,001.65 | 26.37 | 4.36 | 31.93 | .23 | 8985 | .5120 |
| PCT Spot PRB Coal | 05714 | RVG0414-CBL332 | 4/14 | | D Coal | | | Cahokia Terminal,IL | 1,592.38 | 27.24 | 4.11 | 30.37 | .19 | 8894 | .4273 |
| PCT Spot PRB Coal | 05708 | RVG0414-ITC122 | 4/14 | | D Coal | | | Cahokia Terminal,IL | 1,469.68 | 27.27 | 4.11 | 30.37 | .19 | 8894 | .4273 |
| PCT Spot PRB Coal | 05712 | RVG0414-MEM5264 | 4 4/14 | | D Coal | | | Cahokia Terminal,IL | 1,950.25 | 27.24 | 4.11 | 30.37 | .19 | 8894 | .4273 |
| PCT Spot PRB Coal | 05711 | RVG0414-PIN210 | 4/14 | | D Coal | | | Cahokia Terminal,IL | 1,945.70 | 27.24 | 4.11 | 30.37 | .19 | 8894 | .4273 |
| PCT Spot PRB Coal | 05709 | RVG0414-RF804 | 4/14 | | D Coal | | | Cahokia Terminal,IL | 2,087.50 | 27.24 | 4.11 | 30.37 | .19 | 8894 | .4273 |
| PCT Spot PRB Coal | 05713 | RVG0414-RF825 | 4/14 | | D Coal | | | Cahokia Terminal,IL | 2,047.93 | 27.24 | 4.11 | 30.37 | .19 | 8894 | .4273 |
| PCT Spot PRB Coal | 05710 | RVG0414-RF914 | 4/14 | | D Coal | | | Cahokia Terminal,IL | 2,074.78 | 27.24 | 4.11 | 30.37 | .19 | 8894 | .4273 |
| | | | | | | | | TOTAL: | 26,231.62 | 26.81 | 4.23 | 31.15 | 0.21 | 8939 | .4694 |

PEF-FUEL-000119

Docket No. 060658 Progress Energy Florida Exhibit No. ____ (AWP-7) Page 16 of 16