

State of Florida



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: January 14, 2003
TO: All Parties of Record
FROM: Cochran Keating - Economic Regulation Section - Office of the General Counsel *WCK*
RE: Docket No. 030001-EI - Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor.

VIA ELECTRONIC MAIL

Please note that the Commission Staff will conduct an informal meeting with Progress Energy Florida, Inc., (Progress) in the above-referenced docket at the following time and place:

1:30 p.m., Thursday, January 30, 2003
Florida Public Service Commission
Room 154, Gerald L. Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, Florida

The purpose of this meeting is to discuss the benchmark mechanism used by Progress to price water-borne coal transportation services provided through its affiliate, Progress Fuels Corporation. An agenda for the meeting accompanies this memorandum. If you have any questions concerning this meeting, please call me at (850) 413-6193.

WCK/jb

cc: Division of Economic Regulation
Division of Auditing and Safety
Division of the Commission Clerk and Administrative Services (Docket File)

I:\030001\memo1.wpd

DOCUMENT NUMBER-DATE

00437 JAN 15 8

FPSC-COMMISSION CLERK

AGENDA

Progress Energy Florida, Inc., Coal Transportation Benchmark

Meeting Date: 1/30/2003

Time: 1:30 p.m.

Location: Gunter Bldg., Room 154

1. Progress Energy Florida's Coal Transport Organization, Technology, and Markets: How Have They Changed since 1994?
 - Discuss the organization structure used by the regulated and unregulated entities to deliver coal today versus 1994. Identification of the major coal transport assets and transportation agents, both affiliated and non-affiliated. Discuss the nature of transportation service contracts in effect today and the degree of competition that has developed since 1994 for each transportation function.
2. Description and Implementation of Progress Energy Florida's Benchmark Mechanism for Coal Transportation as Defined in the Stipulation Approved in Order No. PSC-93-1331-FOF-EI in Docket No. 930001-EI
 - Describe and discuss the current mechanism (method for determining original price plus escalators) used to determine the coal transportation costs that are recoverable through the fuel and purchased power cost recovery clause.
3. Evaluation of the Coal Transportation Benchmark Mechanism
 - Review Progress Energy Florida's FERC Form 423 coal transport price data since 1994.