

REDACTED

031057-EI

Disclosure No. 1

Subject: Waterborne Transportation Cost

47-1 **Statement of Fact:** Commission Order No. PSC-93-1331-FOF-EI authorized a market pricing mechanism for waterborne transportation services provided by Electric Fuels Corporation (now called Progress Fuels Corporation) to Florida Power Corporation (now Progress Energy Florida). The base price of [REDACTED] per ton became effective on January 1, 1993. The price per ton was adjusted on January 1 of each year thereafter using a composite index approved by the Commission.

47 Based on the escalation, the rate charged by PFC to PEF for 2003 was [REDACTED] per ton. PFC estimates that [REDACTED] of this amount relates to transportation from the mine to the Gulf terminal and [REDACTED] is for transportation across the Gulf to Crystal River.

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47-1 The market price for PFC's deliveries cover the transportation components from the coal mine to the Crystal River plant site. This includes short-haul rail/truck transportation from the mine to the up-river dock, up-river barge transloading, river barge transportation, Gulf barge transloading, Gulf barge transportation and transportation to the Crystal River plant, as well as other charges, such as port fees and assist tug.

45-45⁶ The short-haul rail/truck transportation amount from the mine to the up-river dock is based on letter agreements between Kanawha River Terminals, Inc. and PFC, affiliated companies.

Auditor Opinion: We determined the average cost of waterborne transportation for Progress Fuels Corporation for 2003 was \$16.52 per ton based on company records.

45	2003 market proxy	[REDACTED]
	Average direct cost for PFC	<u>16.52</u> ← ex.
	Gross Profit	[REDACTED]

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COMMUNICATIONS

Disclosure No. 2

Subject: Coal Purchases

42-5 **Statement of Fact:** Progress Fuels Corporation (PFC) purchases coal from various suppliers and
P through its affiliates acting as agents. The per ton prices reviewed ranged from [REDACTED] per ton for
42-4 coal from Alliance Coal Sales Corp. (MC Mining), a non-affiliated entity, to [REDACTED] per ton for
synfuel from Riverside Synfuel LLC, an affiliated company. The specifications in both contracts
were similar.

42-4 Progress Fuels Corporation has contracts with its suppliers, setting the prices and terms of delivery.
The contracts reviewed for waterborne transported fuel were FOB dock.

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

46-3 Progress Fuels Corporation bills Progress Energy Florida the same per ton price for waterborne and
rail shipped coal. According to the Coal Supply and Delivery Agreement between PFC and PEF,
this price represents PFC's estimated cost per ton of coal delivered to Crystal River. The estimate
is determined monthly and includes overhead charges.

45 **Auditor Opinion:** The average delivered price, including transportation, to PEF in 2003 was
\$58.06 per ton for coal and \$70.10 per ton for synfuel.

01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

5701
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ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
INCOME -						
COAL SALES	3000-100	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
REVENUE ADJUSTMENT	3000-400	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL OPERATING REVENUES	OPERREV	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EQUITY EARNINGS -						
OTHER INCOME						
INTEREST INCOME - OTHER	4230-000	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INTEREST INCOME		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
GAIN/(LOSS) ON DISPOSAL ASSET	4300-200	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
MISCELLANEOUS INCOME	MISCINC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL REVENUES	REVENUES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EXPENSES -						
COAL COGS - INVENTORY	5310-010	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - PRICE ADJUSTMENT	5310-020	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - PRICE ADJ. P/P	5310-025	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - TONNAGE ADJ	5310-050	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - OTHER COST	5310-100	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - QUALITY ADJUSTMENT	5310-110	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - QUALITY ANALYSIS	5310-120	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COST OF GOODS SOLD	COALCOGS	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
RAIL COGS - INVENTORY	5320-010	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
RAIL COGS - PRICE ADJ P/P	5320-025	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COGS - RAIL - OTHER COST	5320-100	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COGS-WATER TRANSPORTATION	5380-010	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FREIGHT COST OF GOODS SOLD	FRTCOST	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

To 44-1

To 45-7

To 44-2

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01/15/2004
12:18

CONFIDENTIAL

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

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④

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
PROPERTY TAXES - RAILCARS	6530-100					
RAILCAR LEASING EXPENSE	6710-000					
MAINTENANCE - RAILCAR	6820-000					
RAIL CAR OPERATING COST	RCCOGS					
TOTAL COST OF GOODS SOLD	COGS					
GENERAL AND ADMINISTRATIVE -						
PAYROLL EXPENSES -						
WAGES	6010-000					
P/R TAXES - FICA	6020-001					
ALLOCATED EMPLOYEE BENEFITS	6030-999					
EMPLOYEE BENEFITS-PENSION	6040-010					
EMPLOYEE BENEFITS-FAS106(OPEB)	6040-030					
EMPLOYEE BENEFITS-SERP	6040-040					
TEMPORARY LABOR	6050-000					
PAYROLL EXPENSES	PAYROLL					
PROFESSIONAL FEES -						
PROFESSIONAL FEES-OTHER	6310-010					
PROFESSIONAL FEES-CONSULTANT	6310-035					
FLA POWER OVERHEAD	6320-000					
FLA POWER SERVICE - OTHER	6320-090					
FLORIDA PROGRESS OVERHEAD	6330-000					
PROGRESS SERVICES - LEGAL	6331-010					
PROGRESS ENERGY SERVICES-PUBLIC AFFAIRS	6331-310					
ENERGY VENTURES SERVICES	6331-400					
PROFESSIONAL FEES	PROF-FEE					
BUILDING & OFFICE EXPENSE -						
RENT EXPENSE	6410-000					
BUILDING SERVICES	6420-000					

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01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

	ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
UTILITIES	6430-000						
UTILITIES - ELECTRIC	6430-010						
UTILITIES - TELEPHONE	6430-015						
OFFICE SERVICES	6440-005						
OFFICE SUPPLY - GENERAL	6440-010						
POSTAGE	6440-015						
OFFICE SUPPLY - SUPPLIES	6440-020						
OFFICE SUPPLY - COPY RENTAL	6440-025						
SUBSCRIPTION & PUBLICATIONS	6440-030						
OFFICE SUPPLY - EQUIPMENT	6440-040						
OFFICE SUPPLY-DATA PROCESSING	6440-050						
BUILDING & OFFICE EXPENSE	BUILD-OF						
OTHER GENERAL & ADMINISTRATIVE -							
EXPENSE ACCT & TRAVEL - TAX	6510-100						
NONTAX MEALS/ENTERTAINMENT	6510-210						
NONTAXABLE OTHER	6510-220						
CORPORATE AIRCRAFT EXPENSE	6510-225						
PROPERTY & CRIME INSURANCE	6520-013						
MARINE CARGO INSURANCE	6520-014						
PROPERTY TAX REAL ESTATE	6530-200						
OTHER TAXES	6550-000						
FRANCHISE TAX	6550-010						
EMPLOYEE DEVELOPMENT	6560-000						
SEMINARS	6560-010						
PROFESSIONAL AFFILIATIONS	6560-020						
MISCELLANEOUS EXPENSE	6570-000						
MISC EXPENSE - RECORD STORAGE	6570-007						
AUTO OPERATING EXPENSE	6570-040						
AUTO EXPENSE REIMBURSEMENTS	6570-050						
MAINTENANCE - GENERAL	6810-000						
MAINTENANCE - AUTO	6810-020						
MAINTENANCE - DP EQUIPMENT	6810-030						

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01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

	ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
OTHER GENERAL & ADMINISTRATION	OTHG-A						
TOTAL GENERAL & ADMINISTRATION	GENLADM						
OTHER EXPENSES -							
DEPRECIATION EXPENSES -							
DEPRECIATION - RAILCARS	6230-020						
DEPRECIATION - DP EQUIPMENT	6230-030						
DEPRECIATION - FURN & FIXTURES	6240-000						
DEPRECIATION EXPENSES	DEPREC						
INTEREST EXPENSE -							
ALLOCATION INTEREST EXPENSE	6100-999						
INTEREST EXPENSE - PCH MTN	6120-102						
INTEREST EXPENSE - PEC LINE	6120-105						
INTEREST EXPENSE - PEC L/T NOTE PAY	6120-106						
COMMITMENT FEE - PCH	6160-101						
COMMITMENT FEE - MTN	6160-102						
INTEREST EXPENSE	INTEREST						
TOTAL EXPENSES							
INCOME BEFORE INCOME TAXES							
PROVISION (BENEFIT) FOR INC TAXES -							
CURRENT FIT - CURRENT YEAR	6900-101						
CURRENT FEDERAL INCOME TAXES	CUR-FED						
CURRENT SIT - CURRENT YEAR	6900-111						
CURRENT STATE INCOME TAXES	CUR-STAT						
DEFERRED FIT - CURRENT YEAR	6900-201						

4 of 5
6

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01/15/2004
12:18

CONFIDENTIAL

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

5045
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	ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DEFERRED FEDERAL INCOME TAXES	DEF-FED	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DEFERRED SIT - CURRENT YEAR	6900-211	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DEFERRED STATE INCOME TAXES	DEF-STAT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
REGULAR DEFERRED TAX CREDITS	RDEFTC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
INVESTMENT TAX CREDIT	ITC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME TAXES	TAXES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
INCOME FROM CONTINUING OPERATIONS		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NET INCOME		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

5901
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ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
INCOME -						
COAL SALES	3000-100	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
REVENUE ADJUSTMENT	3000-400	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL OPERATING REVENUES	OPERREV	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EQUITY EARNINGS -						
OTHER INCOME						
TOTAL REVENUES	REVENUES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EXPENSES -						
COAL COGS - INVENTORY	5310-010	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - PRICE ADJUSTMENT	5310-020	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - PRICE ADJ. P/P	5310-025	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - TONNAGE ADJ	5310-050	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - OTHER COST	5310-100	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - QUALITY ADJUSTMENT	5310-110	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COGS - QUALITY ANALYSIS	5310-120	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COAL COST OF GOODS SOLD	COALCOGS	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
RAIL COGS - INVENTORY	5320-010	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
RAIL COGS - PRICE ADJ P/P	5320-025	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COGS - RAIL - OTHER COST	5320-100	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
COGS-WATER TRANSPORTATION	5380-010	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FREIGHT COST OF GOODS SOLD	FRTCOST	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PROPERTY TAXES - RAILCARS	6530-100	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
RAILCAR LEASING EXPENSE	6710-000	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
MAINTENANCE - RAILCAR	6820-000	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

To 44-1

To 45-7

To 44-2

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01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

5 of 5
5

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
RAIL CAR OPERATING COST						
RCCOGS						
TOTAL COST OF GOODS SOLD						
COGS						
GENERAL AND ADMINISTRATIVE -						
PAYROLL EXPENSES -						
WAGES						
P/R TAXES - FICA						
ALLOCATED EMPLOYEE BENEFITS						
EMPLOYEE BENEFITS-PENSION						
EMPLOYEE BENEFITS-FAS106(OPEB)						
EMPLOYEE BENEFITS-SERP						
TEMPORARY LABOR						
PAYROLL EXPENSES						
PAYROLL						
PROFESSIONAL FEES -						
PROFESSIONAL FEES-OTHER						
PROFESSIONAL FEES-CONSULTANT						
FLA POWER OVERHEAD						
FLA POWER SERVICE - OTHER						
FLORIDA PROGRESS OVERHEAD						
PROFESSIONAL FEES						
PROF-FEE						
BUILDING & OFFICE EXPENSE -						
RENT EXPENSE						
BUILDING SERVICES						
UTILITIES						
UTILITIES - ELECTRIC						
UTILITIES - TELEPHONE						
OFFICE SERVICES						
OFFICE SUPPLY - GENERAL						
POSTAGE						
OFFICE SUPPLY - SUPPLIES						

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01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
OFFICE SUPPLY - COPY RENTAL						
6440-025						
SUBSCRIPTION & PUBLICATIONS						
6440-030						
OFFICE SUPPLY - EQUIPMENT						
6440-040						
OFFICE SUPPLY-DATA PROCESSING						
6440-050						
BUILDING & OFFICE EXPENSE						
BUILD-OF						
OTHER GENERAL & ADMINISTRATIVE -						
OTHER GENERAL & ADMINISTRATIVE						
6500-000						
EXPENSE ACCT & TRAVEL - TAX						
6510-100						
EXPENSE ACCT & TRAVEL - NONTAX						
6510-200						
NONTAX MEALS/ENTERTAINMENT						
6510-210						
NONTAXABLE OTHER						
6510-220						
INSURANCE EXPENSE						
6520-000						
PROPERTY & CRIME INSURANCE						
6520-013						
MARINE CARGO INSURANCE						
6520-014						
AUTOMOBILE INSURANCE						
6520-020						
PROPERTY TAX REAL ESTATE						
6530-200						
OTHER TAXES						
6550-000						
FRANCHISE TAX						
6550-010						
EMPLOYEE DEVELOPMENT						
6560-000						
SEMINARS						
6560-010						
PROFESSIONAL AFFILIATIONS						
6560-020						
EMPLOYMENT - ADVERTISING						
6565-010						
EMPLOYMENT - MOVING EXPENSE						
6565-030						
EMPLOYMENT - MISC EXPENSE						
6565-040						
MISCELLANEOUS EXPENSE						
6570-000						
MISC EXPENSE - RECORD STORAGE						
6570-007						
AUTO EXPENSE REIMBURSEMENTS						
6570-050						
PROMOTIONAL						
6570-065						
MAINTENANCE - GENERAL						
6810-000						
MAINTENANCE - AUTO						
6810-020						
MAINTENANCE - DP EQUIPMENT						
6810-030						
OTHER GENERAL & ADMINISTRATION						
OTHG-A						

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

4065
11

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
TOTAL GENERAL & ADMINISTRATION	GENLADM					
OTHER EXPENSES -						
DEPRECIATION EXPENSES -						
DEPRECIATION - RAILCARS	6230-020					
DEPRECIATION - DP EQUIPMENT	6230-030					
DEPRECIATION - FURN & FIXTURES	6240-000					
DEPRECIATION EXPENSES	DEPREC					
INTEREST EXPENSE -						
ALLOCATION INTEREST EXPENSE	6100-999					
INTEREST EXPENSE - PEC LINE	6120-105					
INTEREST EXPENSE - PEC LT NOTE PAY	6120-106					
COMMITMENT FEE - MTN	6160-102					
INTEREST EXPENSE	INTEREST					
TOTAL EXPENSES						
INCOME BEFORE INCOME TAXES						
PROVISION (BENEFIT) FOR INC TAXES -						
CURRENT FIT - CURRENT YEAR	6900-101					
CURRENT FIT - PRIOR YEAR	6900-102					
CURRENT FEDERAL INCOME TAXES	CUR-FED					
CURRENT SIT - CURRENT YEAR	6900-111					
CURRENT SIT - PRIOR YEAR	6900-112					
CURRENT STATE INCOME TAXES	CUR-STAT					
DEFERRED FIT - CURRENT YEAR	6900-201					
DEFERRED FIT - PRIOR YEAR	6900-202					

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01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

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ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DEFERRED FEDERAL INCOME TAXES						
DEF-FED	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DEFERRED SIT - CURRENT YEAR						
6900-211	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DEFERRED SIT - PRIOR YEAR						
6900-212	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DEFERRED STATE INCOME TAXES						
DEF-STAT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
REGULAR DEFERRED TAX CREDITS						
RDEFTC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
INVESTMENT TAX CREDIT						
ITC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME TAXES						
TAXES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
INCOME FROM CONTINUING OPERATIONS						
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NET INCOME						
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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WEIGHTED AVERAGE CONTRACTUAL COST PER TON COAL SHIPPED
BY WATER FROM THE MINE TO CRYSTAL RIVER PLANT - 2003

		Tons	\$/Ton	Amount	
UPRIVER	1) FOB MINE	164,480.41	\$ [REDACTED]	\$ [REDACTED]	
		20,222.45	[REDACTED]	[REDACTED]	
		301,819.51	[REDACTED]	[REDACTED]	
		166,349.72	[REDACTED]	[REDACTED]	
	TOTAL UPRIVER	673,999.40	\$ [REDACTED]	[REDACTED]	
RIVER BARGE	2) MEMCO	1,092,150.69	[REDACTED]	[REDACTED]	
		20,222.45	[REDACTED]	[REDACTED]	
		1,112,373.14	\$ [REDACTED]	[REDACTED]	
			0.11 Demurrage	\$ 121,800.00	
TOTAL RIVER BARGE			\$ [REDACTED]		
GULF TERMINAL	3) IMT	[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]	[REDACTED]	[REDACTED]	
				- Demurrage	\$ -
				0.01 Port Fees	10,362.75
			0.09 Line Handling	151,200.00	
			0.06 Dockage	102,377.02	
				\$ 263,939.77	
TOTAL GULF TERMINAL			\$ [REDACTED]		
CROSS-GULF	4) DIXIE	2,080,494.85	\$ [REDACTED]		
				- Demurrage 02	\$ 6,588.47 **
				0.36 Demurrage 03	750,000.00
				0.03 Port Fees	61,107.51
				0.16 Insurance/Labor	335,000.00
				0.03 Customs	71,147.86
					\$ 1,223,843.84
	TOTAL CROSS-GULF			\$ [REDACTED]	
OTHER	5)	2,080,494.85	\$ [REDACTED]	\$ [REDACTED]	
				Dixie Rebel (Assist Tug)	
				Other	\$ 438.27
TOTAL OTHER			\$ [REDACTED]		
TOTAL			\$ [REDACTED]		

** This demurrage was foreign coal not included in interrogatory for 2002 paid in 2003

01/15/2004
12:18

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
INCOME -						
COAL SALES						
3000-100	████████	████████	████████	████████	████████	████████
REVENUE ADJUSTMENT						
3000-400	████████	████████	████████	████████	████████	████████
TOTAL OPERATING REVENUES						
OPERREV	████████	████████	████████	████████	████████	████████
EQUITY EARNINGS -						
OTHER INCOME						
TOTAL REVENUES						
REVENUES	████████	████████	████████	████████	████████	████████
EXPENSES -						
COAL COGS - INVENTORY						
5310-010	████████	████████	████████	████████	████████	████████
COAL COGS - PRICE ADJUSTMENT						
5310-020	████████	████████	████████	████████	████████	████████
COAL COGS - PRICE ADJ. P/P						
5310-025	████████	████████	████████	████████	████████	████████
COAL COGS - TONNAGE ADJ						
5310-050	████████	████████	████████	████████	████████	████████
COAL COGS - OTHER COST						
5310-100	████████	████████	████████	████████	████████	████████
COAL COGS - QUALITY ADJUSTMENT						
5310-110	████████	████████	████████	████████	████████	████████
COAL COGS - QUALITY ANALYSIS						
5310-120	████████	████████	████████	████████	████████	████████
COAL COST OF GOODS SOLD						
COALCOGS	████████	████████	████████	████████	████████	████████
RAIL COGS - INVENTORY						
5320-010	████████	████████	████████	████████	████████	████████
RAIL COGS - PRICE ADJ P/P						
5320-025	████████	████████	████████	████████	████████	████████
COGS - RAIL - OTHER COST						
5320-100	████████	████████	████████	████████	████████	████████
COGS-WATER TRANSPORTATION						
5380-010	████████	████████	████████	████████	████████	████████
FREIGHT COST OF GOODS SOLD						
FRTCOST	████████	████████	████████	████████	████████	████████
PROPERTY TAXES - RAILCARS						
6530-100	████████	████████	████████	████████	████████	████████
RAILCAR LEASING EXPENSE						
6710-000	████████	████████	████████	████████	████████	████████
MAINTENANCE - RAILCAR						
6820-000	████████	████████	████████	████████	████████	████████

14
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CONFIDENTIAL

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
OFFICE SUPPLY - COPY RENTAL	6440-025					
SUBSCRIPTION & PUBLICATIONS	6440-030					
OFFICE SUPPLY - EQUIPMENT	6440-040					
OFFICE SUPPLY-DATA PROCESSING	6440-050					
BUILDING & OFFICE EXPENSE	BUILD-OF					
OTHER GENERAL & ADMINISTRATIVE -						
OTHER GENERAL & ADMINISTRATIVE	6500-000					
EXPENSE ACCT & TRAVEL - TAX	6510-100					
EXPENSE ACCT & TRAVEL - NONTAX	6510-200					
NONTAX MEALS/ENTERTAINMENT	6510-210					
NONTAXABLE OTHER	6510-220					
INSURANCE EXPENSE	6520-000					
PROPERTY & CRIME INSURANCE	6520-013					
MARINE CARGO INSURANCE	6520-014					
AUTOMOBILE INSURANCE	6520-020					
PROPERTY TAX REAL ESTATE	6530-200					
OTHER TAXES	6550-000					
FRANCHISE TAX	6550-010					
EMPLOYEE DEVELOPMENT	6560-000					
SEMINARS	6560-010					
PROFESSIONAL AFFILIATIONS	6560-020					
EMPLOYMENT - ADVERTISING	6565-010					
EMPLOYMENT - MOVING EXPENSE	6565-030					
EMPLOYMENT - MISC EXPENSE	6565-040					
MISCELLANEOUS EXPENSE	6570-000					
MISC EXPENSE - RECORD STORAGE	6570-007					
AUTO EXPENSE REIMBURSEMENTS	6570-050					
PROMOTIONAL	6570-065					
MAINTENANCE - GENERAL	6810-000					
MAINTENANCE - AUTO	6810-020					
MAINTENANCE - DP EQUIPMENT	6810-030					
OTHER GENERAL & ADMINISTRATION	OTHG-A					

(16) 2-11-04

01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
TOTAL GENERAL & ADMINISTRATION	GENLADM					
OTHER EXPENSES -						
DEPRECIATION EXPENSES -						
DEPRECIATION - RAILCARS	6230-020					
DEPRECIATION - DP EQUIPMENT	6230-030					
DEPRECIATION - FURN & FIXTURES	6240-000					
DEPRECIATION EXPENSES	DEPREC					
INTEREST EXPENSE -						
ALLOCATION INTEREST EXPENSE	6100-999					
INTEREST EXPENSE - PEC LINE	6120-105					
INTEREST EXPENSE - PEC L/T NOTE PAY	6120-106					
COMMITMENT FEE - MTN	6160-102					
INTEREST EXPENSE	INTEREST					
TOTAL EXPENSES						
INCOME BEFORE INCOME TAXES						
PROVISION (BENEFIT) FOR INC TAXES -						
CURRENT FIT - CURRENT YEAR	6900-101					
CURRENT FIT - PRIOR YEAR	6900-102					
CURRENT FEDERAL INCOME TAXES	CUR-FED					
CURRENT SIT - CURRENT YEAR	6900-111					
CURRENT SIT - PRIOR YEAR	6900-112					
CURRENT STATE INCOME TAXES	CUR-STAT					
DEFERRED FIT - CURRENT YEAR	6900-201					
DEFERRED FIT - PRIOR YEAR	6900-202					

01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DEFERRED FEDERAL INCOME TAXES						
DEF-FED						
DEFERRED SIT - CURRENT YEAR						
6900-211						
DEFERRED SIT - PRIOR YEAR						
6900-212						
DEFERRED STATE INCOME TAXES						
DEF-STAT						
REGULAR DEFERRED TAX CREDITS						
RDEFTC						
INVESTMENT TAX CREDIT						
ITC						
TOTAL INCOME TAXES						
TAXES						
INCOME FROM CONTINUING OPERATIONS						
NET INCOME						

01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
INCOME -						
COAL SALES						
3000-100						
REVENUE ADJUSTMENT						
3000-400						
TOTAL OPERATING REVENUES						
OPERREV						
EQUITY EARNINGS -						
OTHER INCOME						
INTEREST INCOME - OTHER						
4230-000						
TOTAL INTEREST INCOME						
GAIN/(LOSS) ON DISPOSAL ASSET						
4300-200						
MISCELLANEOUS INCOME						
MISCINC						
TOTAL REVENUES						
REVENUES						
EXPENSES -						
COAL COGS - INVENTORY						
5310-010						
COAL COGS - PRICE ADJUSTMENT						
5310-020						
COAL COGS - PRICE ADJ. P/P						
5310-025						
COAL COGS - TONNAGE ADJ						
5310-050						
COAL COGS - OTHER COST						
5310-100						
COAL COGS - QUALITY ADJUSTMENT						
5310-110						
COAL COGS - QUALITY ANALYSIS						
5310-120						
COAL COST OF GOODS SOLD						
COALCOGS						
RAIL COGS - INVENTORY						
5320-010						
RAIL COGS - PRICE ADJ P/P						
5320-025						
COGS - RAIL - OTHER COST						
5320-100						
COGS-WATER TRANSPORTATION						
5380-010						
FREIGHT COST OF GOODS SOLD						
FRTCOST						

01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
PROPERTY TAXES - RAILCARS	6530-100					
RAILCAR LEASING EXPENSE	6710-000					
MAINTENANCE - RAILCAR	6820-000					
RAIL CAR OPERATING COST	RCCOGS					
TOTAL COST OF GOODS SOLD	COGS					
GENERAL AND ADMINISTRATIVE -						
PAYROLL EXPENSES -						
WAGES	6010-000					
P/R TAXES - FICA	6020-001					
ALLOCATED EMPLOYEE BENEFITS	6030-999					
EMPLOYEE BENEFITS-PENSION	6040-010					
EMPLOYEE BENEFITS-FAS106(OPEB)	6040-030					
EMPLOYEE BENEFITS-SERP	6040-040					
TEMPORARY LABOR	6050-000					
PAYROLL EXPENSES	PAYROLL					
PROFESSIONAL FEES -						
PROFESSIONAL FEES-OTHER	6310-010					
PROFESSIONAL FEES-CONSULTANT	6310-035					
FLA POWER OVERHEAD	6320-000					
FLA POWER SERVICE - OTHER	6320-090					
FLORIDA PROGRESS OVERHEAD	6330-000					
PROGRESS SERVICES - LEGAL	6331-010					
PROGRESS ENERGY SERVICES-PUBLIC AFFAIRS	6331-310					
ENERGY VENTURES SERVICES	6331-400					
PROFESSIONAL FEES	PROF-FEE					
BUILDING & OFFICE EXPENSE -						
RENT EXPENSE	6410-000					
BUILDING SERVICES	6420-000					

01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
UTILITIES						
UTILITIES - ELECTRIC						
UTILITIES - TELEPHONE						
OFFICE SERVICES						
OFFICE SUPPLY - GENERAL						
POSTAGE						
OFFICE SUPPLY - SUPPLIES						
OFFICE SUPPLY - COPY RENTAL						
SUBSCRIPTION & PUBLICATIONS						
OFFICE SUPPLY - EQUIPMENT						
OFFICE SUPPLY-DATA PROCESSING						
BUILDING & OFFICE EXPENSE						
BUILD-OF						
OTHER GENERAL & ADMINISTRATIVE -						
EXPENSE ACCT & TRAVEL - TAX						
NONTAX MEALS/ENTERTAINMENT						
NONTAXABLE OTHER						
CORPORATE AIRCRAFT EXPENSE						
PROPERTY & CRIME INSURANCE						
MARINE CARGO INSURANCE						
PROPERTY TAX REAL ESTATE						
OTHER TAXES						
FRANCHISE TAX						
EMPLOYEE DEVELOPMENT						
SEMINARS						
PROFESSIONAL AFFILIATIONS						
MISCELLANEOUS EXPENSE						
MISC EXPENSE - RECORD STORAGE						
AUTO OPERATING EXPENSE						
AUTO EXPENSE REIMBURSEMENTS						
MAINTENANCE - GENERAL						
MAINTENANCE - AUTO						
MAINTENANCE - DP EQUIPMENT						

01/15/2004
12:18

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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
OTHER GENERAL & ADMINISTRATION						
OTHG-A	████████	████████	████████	████████	████████	████████
TOTAL GENERAL & ADMINISTRATION						
GENLADMI	████████	████████	████████	████████	████████	████████
OTHER EXPENSES -						
DEPRECIATION EXPENSES -						
DEPRECIATION - RAILCARS						
6230-020	████████	████████	████████	████████	████████	████████
DEPRECIATION - DP EQUIPMENT						
6230-030	████████	████████	████████	████████	████████	████████
DEPRECIATION - FURN & FIXTURES						
6240-000	████████	████████	████████	████████	████████	████████
DEPRECIATION EXPENSES						
DEPREC	████████	████████	████████	████████	████████	████████
INTEREST EXPENSE -						
ALLOCATION INTEREST EXPENSE						
6100-999	████████	████████	████████	████████	████████	████████
INTEREST EXPENSE - PCH MTN						
6120-102	████████	████████	████████	████████	████████	████████
INTEREST EXPENSE - PEC LINE						
6120-105	████████	████████	████████	████████	████████	████████
INTEREST EXPENSE - PEC L/T NOTE PAY						
6120-106	████████	████████	████████	████████	████████	████████
COMMITMENT FEE - PCH						
6160-101	████████	████████	████████	████████	████████	████████
COMMITMENT FEE - MTN						
6160-102	████████	████████	████████	████████	████████	████████
INTEREST EXPENSE						
INTEREST	████████	████████	████████	████████	████████	████████
TOTAL EXPENSES						
	████████	████████	████████	████████	████████	████████
INCOME BEFORE INCOME TAXES						
	████████	████████	████████	████████	████████	████████
PROVISION (BENEFIT) FOR INC TAXES -						
CURRENT FIT - CURRENT YEAR	████████	████████	████████	████████	████████	████████
CURRENT FEDERAL INCOME TAXES	████████	████████	████████	████████	████████	████████
CURRENT SIT - CURRENT YEAR	████████	████████	████████	████████	████████	████████
CURRENT STATE INCOME TAXES	████████	████████	████████	████████	████████	████████
DEFERRED FIT - CURRENT YEAR	████████	████████	████████	████████	████████	████████

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01/15/2004
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PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR01
UNIT CODE: REG

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
DEFERRED FEDERAL INCOME TAXES						
DEF-FED	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DEFERRED SIT - CURRENT YEAR						
6900-211	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DEFERRED STATE INCOME TAXES						
DEF-STAT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
REGULAR DEFERRED TAX CREDITS						
RDEFTC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
INVESTMENT TAX CREDIT						
ITC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME TAXES						
TAXES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
INCOME FROM CONTINUING OPERATIONS	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NET INCOME	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

TO: Javier Portuondo
UTILITY: Progress Energy Florida, Inc.
FROM: Joseph Rohrbacher
(AUDIT MANAGER)

(AUDITOR PREPARING REQUEST)
DATE OF REQUEST: 03/02/04

REQUEST NUMBER: 6
AUDIT PURPOSE: Transportation Audit

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 03/04/04
REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

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

- 1) Which coal suppliers product is delivered by rail and which are waterborne to Crystal River
- 2) For coal which is not FOB mine, how is it transported to the upriver dock. How is cost determined.
- 3) On the Blackhawk agreement (attached), the letter states a price of [REDACTED] per ton, backup [REDACTED] per ton.
- 4) Please convert the Guasare Coal agreements into US dollars and tons, as per all other contracts

Additional information may be requested at a later date.

TO: AUDIT MANAGER _____

DATE: 3/4/04

THE REQUESTED RECORD OR DOCUMENTATION:

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

L. J. Cross Man Regulatory Policy
SIGNATURE AND TITLE OF RESPONDENT

Distribution: Original: Utility (for completion and return to Auditor)

Copy: Audit File and FPSC Analyst

PSC/AUS-6 (Rev.2/02)

24 10-6
1083

Blod Doc



January 10, 2003

Mr. Michael P. Gatens
Marmet Synfuel LLC
As Agent for Calla Synfuel LLC
Post Office Box 308
Ceredo, West Virginia 25507

RE: SALES ORDER 9011 BETWEEN PROGRESS FUELS CORPORATION (PROGRESS) AND MARMET SYNFUEL LLC AS AGENT FOR CALLA SYNFUEL LLC DATED MAY 1, 2002

Dear Mr. Gatens:

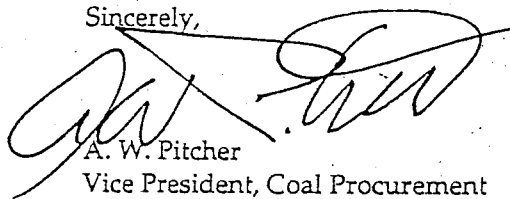
The purpose of this letter is to confirm our recent discussion regarding the above referenced sales order (see attachment).

Progress desires to have a certain amount of the synfuel product shipped each month to be shipped as crushed run of mine coal (CROM). This CROM blended with the synfuel will provide us with a product that contains an overall courser material than straight synfuel. Therefore, by copy of this letter, Kanawha River Terminals has the permission to ship CROM at the contract price of [REDACTED]. The tonnage will be directed on a month-to-month basis by Progress.

All other terms and conditions as stated in the above referenced sales order will apply.

If you concur with the above, please indicate so by signing in the signature block provided below and returning one original to me for my files.

Sincerely,

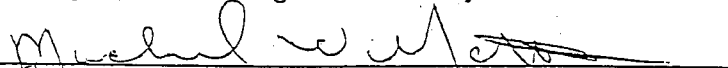

A. W. Pitcher
Vice President, Coal Procurement

AWP/ro

cc: Mrs. Donna M. Davis, Mrs. Mary J. Kuderick, Mr. F. Michael Lelak, Ms. Carrie A. Leonard, Mrs. Tina M. McRoberts, Mrs. Virginia M. Muehlendyck, Mr. Roy F. Potter, Mr. William Traywick

Agreed to and accepted this the 12 day of Jan, 2003.

Marmet Synfuel LLC as Agent for Calla Synfuel LLC

By: 
Its: SR. V.P.

**MARMET SYN FUEL LLC
AS AGENT FOR CALLA SYN FUEL LLC
SALES ORDER**

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

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

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

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


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

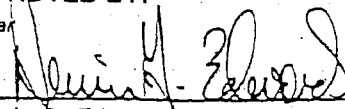
TONNAGE	SIZE	MINE NAME	BASE PRICE PER TON	
			FOB Barge	PIT
Up To 950,000 tons SEE SPECIAL INSTRUCTIONS BELOW	Synfuel	2002-2003 Price	[REDACTED]	

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

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

SPECIAL INSTRUCTIONS: All Guaranteed quality, excepting SO₂, will be determined on a monthly composite. SO₂ will be based on a per shipment basis. For additional terms and conditions, see attached. Buyer and Seller have agreed that this Sales Order in combination with Sales Order 600636 shall have a maximum tonnage of 950,000 total tons to be shipped from either Marmet or Quincy Docks.

ACCEPTED BY:
Seller

A.W. PITCHER
VICE PRESIDENT SALES

APPROVED BY:
Buyer

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

Progress Energy Florida
FPSC Transportation Audit
Response to Audit Request No. 6

- 1) Which coal suppliers product is delivered by rail and which are waterborne to Crystal River?

$\frac{10-6}{2}$ Response: Please see attached.

- $\frac{10-6}{3}$ 2) For coal which is not FOB mine, how is it transported to the upriver dock? How is cost determined?

Response: All coal is transported by truck except one shipment received by rail to Ceredo. Cost is determined as per the attached letter agreements.

- $\frac{10-6}{4}$ 3) On the Blackhawk agreement (attached), the letter states a price of [REDACTED] per ton, backup [REDACTED] per ton.

Response: Synfuel is purchased at \$2.00 per ton less than standard coal. While the sales order contains a base price of [REDACTED] for synfuel, the letter agreement states that a crushed run of the mine coal (CROM) will be blended with the synfuel at a price of [REDACTED]

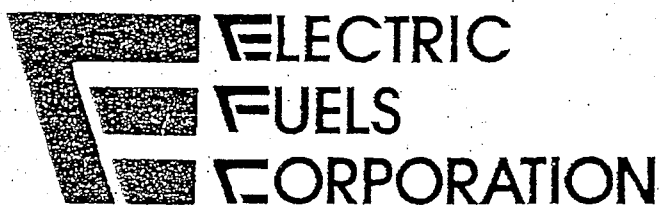
- 4) Please convert the Guasare Coal agreements into US dollars and tons, as per all other contracts.

Response: An example of the conversion is as follows:

\$ per MMBtu divided by 500 multiplied by guaranteed MMBtu = \$ per ton

[REDACTED] / 500 * 12,500 = [REDACTED] per ton

10-30
Ye DGE (3/10/02)
this to CF
E. Edwards



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

February 5, 2002

Mr. Albert W. Pitcher
Vice President
Kanawha River Terminals, Inc.
P.O. Box 308
Ceredo, West Virginia 25507

RE: LETTER AGREEMENT

Dear Mr. Pitcher:

This will confirm our agreement to increase the Kanawha River Terminals, Inc. (KRT) truck, transfer and storage fees from Elk Run mines from [redacted] to [redacted]. This is in response to the increased enforcement of truck weights in the State of West Virginia.

If you are in agreement, please so indicate by signing in the space provided below and returning one (1) original of this letter to me.

Thank you.

Regards,

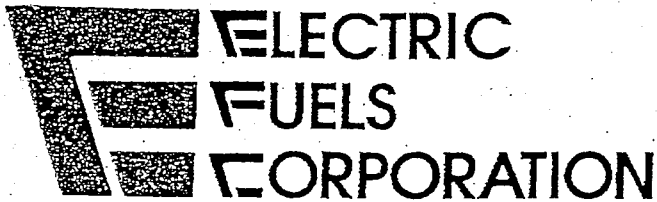
Dennis G. Edwards
Vice President
CSX/Barge Coal Procurement

DGE/tlr
Attachment
cc: D. M. Davis
F. M. Lelak

AGREED TO AND ACCEPTED THIS
5th DAY OF February, 2002.

By:
Its: Vice President - Terminal Services

EFC Doc



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

February 5, 2002

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

Dear Mr. Gatens:

This letter will memorialize our agreement regarding trucking costs for the Elk Run, Kanawha River docks coals to be shipped to Electric Fuels Corporation (EFC) under our *Coal Transshipment Agreement* effective January 1, 2002.

Specifically, Kanawha River Terminals, Inc. (KRT) and EFC agree that until such time as the West Virginia trucking weights are legally increased, EFC will pay KRT an additional \$1.76 for truck, transfer, and storage from Elk Run mines for a total rate of [redacted]. This increases the current rate of [redacted] as reflected in Appendix A of the contract. This rate will be adjusted downward reflecting any increase in legal trucking weights over 80,000 pounds when any such change occurs.

If the above accurately reflects your understanding of our agreement, please indicate so by signing in the signature block provided below and returning one original to me for our files.

Sincerely,

F. Michael Lelak
Manager, CSX/Barge Transportation

FML/ro

Agreed to and accepted this the 28 day of February 2002.

KANAWHA RIVER TERMINALS, INC.

By: *Michael Gatens*
Michael Gatens, Vice President



January 6, 2003

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

Dear Mr. Gatens:

This letter is to confirm our recent conversations wherein spot coal bids submitted to Progress Fuels Corporation from the Quincy and Marmet docks for calendar year 2003 include a trucking, storage, and transfer fee of [REDACTED] (transportation fee). Therefore, if one deducts this transportation fee from the spot bid price, one derives an equivalent f.o.b. mine price.

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

Sincerely,

Handwritten signature of F. Michael Lelak.

F. Michael Lelak
Manager, CSX/Barge Transportation

FML/ro

cc: A. W. Pitcher
D. M. Davis

Agreed to and accepted this the 10 day of Jan, 2003.

Kanawha River Terminals, Inc.

By: Handwritten signature of Michael Gatens.

Michael Gatens, Senior Vice President

Eled Doc



January 10, 2003

Mr. Michael P. Gatens
Black Hawk Synfuel LLC
As Agent for New River Synfuel LLC
Post Office Box 308
Ceredo, West Virginia 25507

RE: SALES ORDER 600636 BETWEEN PROGRESS FUELS CORPORATION (PROGRESS) AND BLACK HAWK SYNFUEL LLC, AS AGENT FOR NEW RIVER SYNFUEL LLC DATED MAY 1, 2002

Dear Mr. Gatens:

The purpose of this letter is to confirm our recent discussion regarding the above referenced sales order (see attachment).

Progress desires to have a certain amount of the synfuel product shipped each month to be shipped as crushed run of mine coal (CROM). This CROM blended with the synfuel will provide us with a product that contains an overall courser material than straight synfuel. Therefore, by copy of this letter, Kanawha River Terminals has the permission to ship CROM at the contract price of [REDACTED]. The tonnage will be directed on a month-to-month basis by Progress.

All other terms and conditions as stated in the above referenced sales order will apply.

If you concur with the above, please indicate so by signing in the signature block provided below and returning one original to me for my files.

Sincerely,

A. W. Pitcher
Vice President, Coal Procurement

AWP/ro

cc: Mrs. Donna M. Davis, Mrs. Mary J. Kuderick, Mr. F. Michael Lelak, Ms. Carrie A. Leonard, Mrs. Tina M. McRoberts, Mrs. Virginia M. Muehlendyck, Mr. Roy F. Potter, Mr. William Traywick

Agreed to and accepted this the 12 day of Jan, 2003.

Black Hawk Synfuel LLC as Agent for New River Synfuel LLC

By: Michael W. Harts
Its: S.R. U.P.

31 10-6
4
inf 2

**BLACK HAWK SYN FUEL LLC
AS AGENT FOR NEW RIVER SYN FUEL LLC
SALES ORDER**

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

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

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

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


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

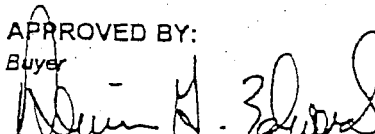
TONNAGE	SIZE	MINE NAME	BASE PRICE PER TON	
			FOB Barge	PIT
Up To 950,000 tons- SEE SPECIAL INSTRUCTIONS BELOW	Synfuel	2002-2003 Price	[REDACTED]	

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

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

SPECIAL INSTRUCTIONS: All Guaranteed quality, excepting SO₂, will be determined on a monthly composite. SO₂ will be based on a per shipment basis. For additional terms and conditions, see attached. Buyer and Seller have agreed that this Sales Order in combination with Sales Order 9011 shall have a maximum tonnage of 950,000 total tons to be shipped from either Marmet or Quincy Docks.

ACCEPTED BY:
Seller

A.W. PITCHER
VICE PRESIDENT SALES

APPROVED BY:
Buyer

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

32 10-6
4

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

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

SELLER/PHONE NO.

BLACK HAWK SYNFUEL LLC
MAIN & RIVER
P.O. BOX 308
CEREDO, WV 25507
304-526-0700

BUYER/PHONE NO.

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

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

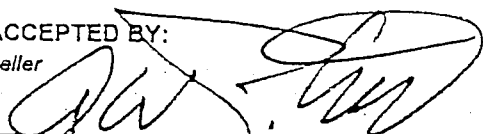
TONNAGE	SIZE	MINE NAME	BASE PRICE PER TON	
			FOB Barge	PII
Up To 950,000 tons SEE SPECIAL INSTRUCTIONS BELOW	Synfuel	2002-2003 Price	[REDACTED]	

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

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

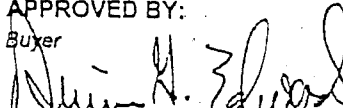
SPECIAL INSTRUCTIONS: All Guaranteed quality, excepting SO₂, will be determined on a monthly composite. SO₂ will be based on a per shipment basis. For additional terms and conditions, see attached. Buyer and Seller have agreed that this Sales Order in combination with Sales Order 9011 shall have a maximum tonnage of 950,000 total tons to be shipped from either Marmet or Quincy Docks.

ACCEPTED BY:
Seller



A.W. PITCHER
VICE PRESIDENT SALES

APPROVED BY:
Buyer



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

(33) 10-6
4-1

Marcia/Javier

03/05

In reviewing the invoices, I have the following questions:

- 1) How are the BTU adjustments calculated (Amvest inv #A9770) *OK recomputed*
- 2) How are dockage charges calculated on IMT invoice dated 08/07/03 (ck# 91021416)
- 3) KRT invoice 10002875 and 10002863, what is change in rate for [redacted] and [redacted]
How determine what is what
- 4) Massey invoice 0023717, price on invoice [redacted] - backup [redacted] Also, how are adjustments computed (I don't fully follow)

Invoice 11012 - what for

Invoice 15332 - how was this shipped

There was rate adjustment [redacted], (can't recall what invoice)

- 5) Why is harbor fee different for Guasare Coal

Noted invoices are tabbed with yellow sheets

Progress Energy Florida
FPSC Transportation Audit
Response to Audit Request No. 7

$\frac{10-7}{1-1}$ 1. How are the BTU adjustments calculated (Amvest inv #A9770)

Response: See explanation on attached invoice.

$\frac{10-7}{2}$ 2. How are dockage charges calculated on IMT invoice dated 08/07/03 (ck#91021416)

Response: Dockage is charged per the contract (see attached).

3. KRT invoice 10002875 & 10002863, what is change in rate for [REDACTED] and [REDACTED]
How are amounts determined?

$\frac{10-7}{3}$ Response: The rate was actually changed from \$ [REDACTED] ^{ok the} to [REDACTED] This is stipulated in the letter attached.

4. Massey invoice 023717, price on invoice [REDACTED] - backup [REDACTED]. Also, how are adjustments computed?

Invoice 11012 - what for

Invoice 15332 - how was this shipped

There was rate adjustment [REDACTED] (can't recall what invoice)

not confidential Jan

Response: Documentation attached to invoice 023717 states "D Coal train was out of spec - Apply to A coal contract". There are also other notes and e-mails attached to the invoice explaining the price adjustment.

Invoice 11012 - I don't understand the question. Coal was trucked from Cline to Quincy fob mine.

Invoice 15332 - Trucked

Rate adjustment - Please provide invoice number.

$\frac{10-7}{4}$ 5. Why is harbor fee different for Guasare Coal?

Response: Harbor fees are imposed by the government. The higher fees for Guarare are likely due to the large size vessels of over 40,000 tons vs. domestic vessels of approx. 15,000 tons. See attached rule on Harbor Fees.

AGENT FOR
 FOLA COAL COMPANY
 P.O. Box 5347
 Charlottesville, VA 22905-5347
 (434) 977-3350 • Fax (434) 972-7741



RECEIVED

DEC - 8 2003

Hi Response

AMVEST COAL SALES, INC. PF ACCOUNTS PAYABLE

DATE INVOICE NO.

12/04/03 A9770

CHARGE TO: ELECTRIC FUELS CORP
 ACCTS PAYABLE - OHS 6-PFC
 P. O. BOX 1551

OUR ORDER NO. YOUR ORDER NO.

001125 CONTRACT

RALEIGH NC 27602

SHIPPED TO: ELECTRIC FUELS CORP
 RED LEVEL JUNCTION
 CRYSTAL RIVER FLA

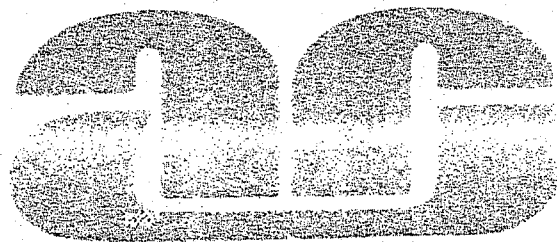
DATE SHIPPED	CAR INITIALS & NUMBERS	WEIGHT		KIND AND SIZE	PRICE NET-TON	AMOUNT
		POUNDS	NET TONS			

***** SALES ADJUSTMENT *****

\$ 3,971.44

TO APPLY ~~_____~~ BTU PREMIUM TO 18,911.63 TONS OF FOLA COAL SHIPPED DURING THE MONTH OF NOVEMBER 2003. REF. ATTACHMENTS FOR QUALITY AND CALCULATIONS.

How is adj, comp



PROGRESS FUELS CORP
 VENDOR #: 43380
 AMOUNT APPROVED: _____
 PAYMENT DATE: 12/23
 ACCTG PERIOD: _____
 APPROVED BY: [Signature]
 ACCTG APPROVAL: CF 12/10
 UNIT/ACCT #: 4RAV 5310 110
 PROJECT #: _____
 DESCRIPTION: (20) 18,582.30 11/1-30

TRAIN #: _____
 LOAD DATE: 11/10-25
 TONS: 18,582.30
 SUPPLIER: Amvest/c
 COAL TYPE: D
 DELIVERY MODE: Paul
 INITIALS: g/2/10

RECEIVED BY [unclear] DATE [unclear]

#1 Response

AMVEST Coal Sales, Inc.
Coal Quality Report

Specifications:

Moist: 7% Max.
Ash: 12.0% Max. A/R
Sulfur: 1.2# SO2
BTU: 12,500 Min A/R

Mine: Fola Coal Company

Customer: Electric Fuels Corporation
Crystal River Generating Station
Red Level Junction, FLA

November 2003

OK

Train No.	Ship Date	No. Cars	Tonnage	Moist	A/R Ash	Dry Ash	A/R Sul	Dry Sul	A/R BTU	Dry BTU	MAF BTU	#SO2	PREM/PENALTY Rate	Amount
F102	11-10-03	88	9,346.25	[redacted]	11.67		0.66	0.69	12,681	13,260	15,012	1.04		
F103	11-25-03	87	9,565.38	[redacted]	12.26		0.66	0.70	12,434	13,198	15,042	1.06		
November Average:		175	18,911.63	[redacted]	11.97		0.66	0.70	12,556	13,229	15,027	1.05	[redacted]	[redacted]

9236.05 18,582.30 12558

BTU PREMIUM:
12566 X [redacted] = [redacted] ADJUSTED PRICE
12500

[redacted] = \$0.21/NT BTU PREMIUM RATE

\$0.21/NT X 18,911.63 NT = \$ 3,971.44

18,582.30

Prepared by:
Deborah A. White
12/4/03

Contract calls for 12,500 BTU @ \$40 / ton
premium of \$.21 / ton is shown above based
on BTU of 12,566.

INTERNATIONAL MARINE TERMINALS

PLEASE REMIT:
INTERNATIONAL MARINE TERMINALS
P. O. Box 54228
New Orleans, Louisiana 70154-4228

RECEIVED

AUG 18 2003

PF ACCOUNTS PAYABLE

RECEIVED

AUG 26 2003

PF ACCOUNTS PAYABLE

#2 Response

INVOICE DATE: 08/07/03

INVOICE NUMBER:

TERMS: NET 30 DAYS

ARE AS FOLLOWS:

See attached Contract

chk dockage

DEPARTURE
15:40 07/28 16:00 10,071
PER GRT PER 12 HRS =

VESSEL

07/28 17:50 07/29 00:45 07/29 01:20
HOURS AT PER GRT PER 12 HRS =
LINE HANDLING =
TOTAL CHARGES THIS VESSEL

07/30 13:55 07/30 14:25 07/31 02:30 07/31 02:50
DOCKAGE OF HOURS AT PER GRT PER 12 HRS =
LINE HANDLING =
TOTAL CHARGES THIS VESSEL

TOTAL AMOUNT DUE

MREF 5350

NFPC 1110 010 22.38 DFLREC
MREF 5350 140 7255.69

PROGRESS FUELS CORP

VENDOR #:
AMOUNT APPROVED:
PAYMENT DATE: 9/27
ACCTG PERIOD:
APPROVED BY:
ACCTG APPROVAL: CR 8/28
UNTYACCT #:
PROJECT #
DELIVERY (C): vessel fees 7/1-31

TRAIN #:
LOAD DATE: 7/14-7/31
TONS:
SUPPLIER: Zent-D
COAL TYPE: D
DELIVERY MODE: Water
INITIALS: 8/25/03 8/21

#2 Response
IMT Contract

ATTACHMENT III

Agreement No. 02EFC01

VESSEL FEES

ARTICLE I
TERMS OF AGREEMENT

The following sets forth the vessel fees under which International Marine Terminals, hereinafter "Terminal," will invoice to Electric Fuels Corporation, hereinafter Shipper, for shipments of coal in Gulf barges. Import vessels will be charged the standard vessel fees and billed to the vessel's account. The fees listed below are in effect as of January 1, 2001.

ARTICLE II

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



#3 Response

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

February 5, 2002

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

Dear Mr. Gatens:

This letter will memorialize our agreement regarding trucking costs for the Elk Run, Kanawha River docks coals to be shipped to Electric Fuels Corporation (EFC) under our *Coal Transshipment Agreement* effective January 1, 2002.

Specifically, Kanawha River Terminals, Inc. (KRT) and EFC agree that until such time as the West Virginia trucking weights are legally increased, EFC will pay KRT an additional [redacted] for truck, transfer, and storage from Elk Run mines for a total rate of [redacted]. This increases the current rate of [redacted] as reflected in Appendix A of the contract. This rate will be adjusted downward reflecting any increase in legal trucking weights over 80,000 pounds when any such change occurs.

If the above accurately reflects your understanding of our agreement, please indicate so by signing in the signature block provided below and returning one original to me for our files.

Sincerely,

F. Michael Lelak
Manager, CSX/Barge Transportation

FML/ro

Agreed to and accepted this the 28 day of February 2002.

KANAWHA RIVER TERMINALS, INC.

By:

Michael Gatens, Vice President

#5 Response

RULE: 34 Subrule: 135 Filing Date: 15 June 1994
Amend Type: I Effective Date: 20 July 1994
Sp case number: Expiration Date:

NAME: Harbor Fee

RULE TEXT

All vessels which dock, moor, or anchor within the District shall be assessed a Harbor Fee per each arrival within the geographical limits of the District to assist in defraying the expenses of the administration and maintenance of the port and harbor, including supervision of the shipping of the port, with the view of preventing collisions and fires, policing the river and riverfront, providing services as required for an orderly and safe port operation, including response to vessels in distress with the means available, and to aid in extinguishing fires on vessels and equipment and in the cargo aboard such vessels or upon the wharves, shores, banks and battures of the waterways of the District, and in the harbor, and upon the private wharves, docks, and immediately adjacent facilities connected thereto, located on areas of shore and banks of the navigable waterways and streams vested with public and private property rights located in and on such banks with the approval or permission of the Port District (see Louisiana Property Law, Civil Code Articles 448, 450, 452, 455, 456, 458, 460 and 665 and related Articles; Louisiana Revised Statutes 9:1101, 9:1102.1, 9:1102.2, and 9:1107) without any additional charge (except for the cost of supplies, material, and equipment expended by the District in the performance of such services).

(See Part B of the Preamble to this Tariff which is made a part hereof for evaluation of Harbor Fee elements for further amplification of this section, and see Subrule 165 - "Payment of Bills".)

The Harbor Fee for vessels is composed of separate amounts as set forth in Sections A, B and C. The Harbor Fee for facilities and terminals is set forth in Section D.

A. Harbor Fee -
Self-Powered Commercial Vessels and Ocean Barges:

Fee Per Vessel for Port Entry and Usage:

- 2/ 16' and under 100' in length
- 100' and under 250' in length
- 250' and under 500' in length
- 500' and over in length

CONSIDERED AS SELF-POWERED OCEAN BARGE DUE TO NOTH
IN COMBINED LOA COUNTS 8/31/00 1/PER RTH

Per Day

\$ [blacked out]
\$ [blacked out]
\$ [blacked out]
\$ [blacked out]

OK

140 RY

CONFIRMED W/OXIC IN 2/15/90 & 12/29/95

962 BARGE (70' NOTH)

The Harbor Fee shall be calculated on tugboats, towboats, or pushboats, or oil service vessels on the length of the powered

562 TOTAL LOA

DIXIE SECTION 2)

Progress Fuels Corporation
 True Up Analysis
 July 2003

	CRYSTAL RIVER 1 & 2		CRYSTAL RIVER 4 & 6		TOTAL REGULATED	
	DOLLARS	COST PER TON	DOLLARS	COST PER TON	DOLLARS	COST PER TON
PERCENT TOTAL TONS SOLD		38%		62%		100%
PERCENT RAIL TONS SOLD		49%		51%		100%
PERCENT PET COKE TONS SOLD		0%		0%		0%
TOTAL TONS SOLD	155,147.00		258,178.00		413,325.00	
RAIL TONS SOLD	155,147.00		160,055.00		315,202.00	
PET COKE TONS SOLD	0.00		0.00		0.00	
BTU'S DELIVERED	12,609.00		12,388.00		12,471.00	
SALES PRICE/TON		\$56.15		\$61.00		\$59.18
CENTS/MBTU		\$2.2266		\$2.4621		\$2.3727
INCOME						
OPERATING-						
REVENUE BILLED-COAL						
REVENUE BILLED-PET COKE						
EFFECTIVE REVENUE						
REVENUE ADJUSTMENT						
TOTAL FPC REVENUE						
O/S REV-CREDIT FPC						
TOTAL OPERATING REVENUE						
CON SUBS & PART						
UNG SUBS & PART						
OTHER INCOME						
TOTAL REVENUE						
EXPENSES						
OPERATING-						
COGS-COAL						
COGS-FRT.						
OTHER OPERATING						
TOTAL OPERATING EXPENSES						
GENERAL & ADMINISTRATIVE						
DEPR, DEPL, & AMORT						
INTEREST						
TOTAL EXPENSES						
INCOME BEFORE TAXES						
INCOME TAXES						
NET INCOME FROM CONTINUING OPS						
CUM EFFECT OF CHANGE IN ACCTG PRINCIPLE						
NET INCOME						
ALLOWABLE EARNINGS						

Prepared by: GAL

NOTE: DOES NOT INCLUDE REGULATED/NON-REGULATED ELIMINATION

42 10-8
1-1

JE 01C
 WATER TRANSP REG.
 FEBRUARY 2003

03/04/03
 02:51 PM

A COAL:

@ IMT	0.00	X	\$ [REDACTED]	=	\$0.00	IEFC
@ IMT	0.00	X	\$ [REDACTED]	=	\$0.00	MREF
@ Port Arthur	0.00	X	\$ [REDACTED]	=	\$0.00	MREF
@ Crystal River	0.00	X	\$ [REDACTED]	=	\$0.00	OWAT
					<u>\$0.00</u>	

D COAL:

@ IMT	108,093.63	X	\$ [REDACTED]	=	[REDACTED]	IEFC
@ IMT	115,819.40	X	\$ [REDACTED]	=	[REDACTED]	MREF
@ ECT	0.00	X	\$ [REDACTED]	=	[REDACTED]	IEFC
@ ECT	0.00	X	\$ [REDACTED]	=	[REDACTED]	MREF
@ Crystal River	124,259.84	X	\$ [REDACTED]	=	[REDACTED]	OWAT

TOTAL [REDACTED]

<u>SEQ #</u>	<u>UNIT</u>	<u>ACCOUNT</u>	<u>DEBIT</u>	<u>CREDIT</u>	<u>DESCRIPTION</u>
	NFPC	2010-900 <i>sic Reg</i>	[REDACTED]		JE01C WATER TRANSP REG
	INTR	3000-100	[REDACTED]		JE01C WATER TRANSP REG
	IEFC	3000-100		[REDACTED]	JE01C WATER TRANSP REG
	MREF	3000-100		[REDACTED]	JE01C WATER TRANSP REG
	OWAT	3000-100		[REDACTED]	JE01C WATER TRANSP REG
	INTR	5380-010		[REDACTED]	JE01C WATER TRANSP REG
			[REDACTED]	[REDACTED]	

PREPARED BY: CAV POSTED BY: _____ BATCH ID: 22807

Progress Energy Florida
FPSC Transportation Audit
Response to Audit Request No. 9

1. Dixie Fuels vouchers 103-05 and 203-07, what are charges for? Does not appear to be fuel adjustment.

Response: I think the question is referring to voucher 203-05 rather than 103-05. If so, then I have attached a copy of vouchers 203-05 and 203-07. The support on 203-05 shows that 108,154.65 tons should have been billed at [REDACTED] per ton but were actually billed at [REDACTED] per ton. This voucher reflects the adjustment. I cannot see anything unusual on voucher 203-07. It is also attached.

2. In your response to Document request 2A, question 2 refers to PFC and PEF not Dixie Fuels. This is for all transportation charges.

Response: Progress Fuels pays contract rates to KRT, MEMCO and IMT as well as Dixie Fuels.

3. Who gets the synfuel tax credits? Is any of it passed to PEF and the ratepayers?

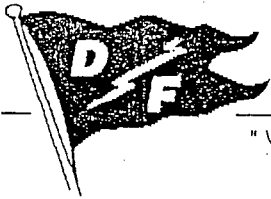
Response: The plants that produce the synfuel get the synfuel tax credits. Progress Fuels owns 10% of New River Synfuel, LLC, and therefore is entitled to 10% of the synfuel tax credits. These credits are not passed to PEF and the ratepayers.

4. Why are rail and barge per ton amounts identical on invoices from PFC to PEF? Show how each per ton charge, rail and barge, was determined.

Response: PFC does not separate the tonnages on the invoices to PEF. Rather, PFC charges an average rate on aggregate tons. Each per ton charge is calculated based on contractual commodity rates plus the appropriate transportation rate for rail or barge.

5. Are the coal and transportation contracts put out for bid? If not, why? Provide list of contracts put out in 2003.

Response: Contracts were not put out for bid in 2003 because they expire in 2004. They will be put out for bid in 2004.



Dixie Fuels Limited

a Kirby Company

"WHERE QUALITY MAKES THE DIFFERENCE"

199500

PROGRESS FUELS CORP

ELECTRIC FUELS CORPORATION
P. O. BOX 15208
ST. PETERSBURG, FL. 33733

VENDOR #: _____
AMOUNT APPROVED: _____
PAYMENT DATE: WIRE _____
ACCTG PERIOD: _____
APPROVED BY: [Signature]
ACCTG APPROVAL: C. J. 2/20
UNIT ACCT #: NAFC 2020 600 ✓
PROJECT #: _____
DESCRIPTION (20) [Redacted] 2/1-9 OK

F0203-07
15-Feb-03
2714

FOR MOVEMENT OF COAL

EFC 14-03 02/07/03	15,654.34	HO030009
EFC 15-03 02/09/03	15,414.68	DO030008

TOTAL TONS

31,069.02

[Redacted]

PLEASE REFERENCE INVOICE NUMBER AND DF1
AND REMIT AS FOLLOWS:
P.O. BOX 201044
HOUSTON, TX. 77216-1044

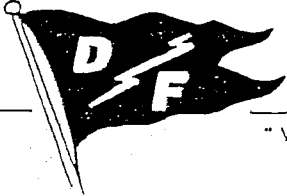
WIRE TRANSFER INSTRUCTIONS:
CHASE OF TEXAS
ACCOUNT: # 00100359554
ABA: #113-000-609

TRAIN #:	_____
LOAD DATE:	<u>2/2-9</u>
TONS:	<u>31069.02</u> ✓
SUPPLIER:	<u>Int-D</u>
COAL TYPE:	<u>D</u>
DELIVERY MODE:	<u>Wastes</u>
INITIALS:	<u>[Signature]</u>

PLEASE REMIT

[Redacted]

46 10-9
1-1 ✓



Dixie Fuels Limited

a Kirby Company

"WHERE QUALITY MAKES THE DIFFERENCE"

199275

ELECTRIC FUELS CORPORATION
P. O. BOX 15208
ST. PETERSBURG, FL. 33733

PROGRESS FUELS CORP
VENDOR #:
AMOUNT APPROVED: [REDACTED]
PAYMENT DATE: WIRE 2/18
ACCTG PERIOD:
APPROVED BY: [Signature]
ACCTG APPROVAL: C 2/12
UNIT ACCT #: NPC 2020 1000
PROJECT #:
DESCRIPTION (20) Rate adj [REDACTED]
1/18-31

F0203-05
06-Feb-03

TO INVOICE YOUR ACCOUNT FOR THE FOLLOWING:

JAN TONS BILLED ORIGINALLY 200,944.62 X [REDACTED]

CORRECTED BILLING
92,789.97 X [REDACTED]

108,154.65 X [REDACTED] ← Rate change

TOTAL CORRECTED BILLING [REDACTED]

BALANCE DUE FROM EFC [REDACTED]

PLEASE REMIT AS FOLLOWS:
P.O. BOX 201044
HOUSTON, TX. 77216-1044

WIRE TRANSFER INSTRUCTIONS:
CHASE OF TEXAS
ACCOUNT: # 00100359554
ABA: #113-000-609

TRAIN #:	
LOAD DATE:	<u>1/1-31</u>
TONS:	<u>200944.62</u>
SUPPLIER:	<u>Tand-D</u>
COAL TYPE:	<u>D</u>
DELIVERY MODE:	<u>Water</u>
INITIALS:	<u>g2/6 m/27</u>

PLEASE REMIT \$20,149.21
=====

(47)

EFC 01-03	VIGILANT	LHOW	01/02/03	15,413.66	F0103-05	HO030001
EFC 02-03	COURAGEOUS	MBIR	01/05/03	15,474.65	F0103-05	BR030002
EFC 03-03	RESOLUTE	ATHO	01/12/03	15,323.45	F0103-10	TH030002
EFC 04-03	VIGILANT	LHOW	01/15/03	15,576.46	F0103-10	HO030003
EFC 05-03	RELIANCE	MDOT	01/15/03	15,393.24	F0103-10	DO030003
EFC 06-03	COURAGEOUS	MBIR	01/18/03	15,714.45	F0103-10	BR030004
EFC 07-03	RESOLUTE	ATHO	01/20/03	15,375.52	F0103-10	TH030004
EFC 08-03	VIGILANT	LHOW	01/21/03	15,832.60	F0103-10	HO030005
EFC 09-03	COURAGEOUS	MBIR	01/25/03	15,068.04	F0103-10	BR030006
EFC 10-03	RELIANCE	MDOT	01/26/03	15,358.63	F0103-10	DO030005
EFC 11-03	RESOLUTE	ATHO	01/27/03	15,412.98	F0103-12	TH030006
EFC 12-03	VIGILANT	LHOW	01/30/03	15,633.58	F0103-14	HO030007
EFC 13-03	RELIANCE	MDOT	01/31/03	15,367.36	F0203-01	DO030006

TONS ORIGINALLY BILLED AT [REDACTED] 200,944.62 [REDACTED]

EFC 01-03	VIGILANT	LHOW	01/02/03	15,413.66	F0103-05	HO030001
EFC 02-03	COURAGEOUS	MBIR	01/05/03	15,474.65	F0103-05	BR030002
EFC 03-03	RESOLUTE	ATHO	01/12/03	15,323.45	F0103-10	TH030002
EFC 04-03	VIGILANT	LHOW	01/15/03	15,576.46	F0103-10	HO030003
EFC 05-03	RELIANCE	MDOT	01/15/03	15,393.24	F0103-10	DO030003
EFC 06-03	COURAGEOUS	MBIR	01/18/03	15,608.51	F0103-10	BR030004

TOTAL SHOULD HAVE BEEN BILLED AT [REDACTED] 92,789.97 [REDACTED]

EFC 08-03	COURAGEOUS	MBIR	01/18/03	105.94	F0103-10	BR030004
EFC 07-03	RESOLUTE	ATHO	01/20/03	15,375.52	F0103-10	TH030004
EFC 08-03	VIGILANT	LHOW	01/21/03	15,832.60	F0103-10	HO030005
EFC 09-03	COURAGEOUS	MBIR	01/25/03	15,068.04	F0103-10	BR030006
EFC 10-03	RELIANCE	MDOT	01/26/03	15,358.63	F0103-10	DO030005
EFC 11-03	RESOLUTE	ATHO	01/27/03	15,412.98	F0103-12	TH030006
EFC 12-03	VIGILANT	LHOW	01/30/03	15,633.58	F0103-14	HO030007
EFC 13-03	RELIANCE	MDOT	01/31/03	15,367.36	F0203-01	DO030006

TOTAL SHOULD HAVE BEEN BILLED AT [REDACTED] 108,154.65 [REDACTED]

CORRECTED BILLING [REDACTED]
 ORIGINAL BILLING [REDACTED]
 DIFFERENCE [REDACTED]

CALCULATION BY VOYAGE NUMBER EACH TRIP EXCLUDING #13

MBIR	BR030004	01/18/03	105.94	[REDACTED]	[REDACTED]
ATHO	TH030004	01/20/03	15,375.52	[REDACTED]	[REDACTED]
LHOW	HO030005	01/21/03	15,832.60	[REDACTED]	[REDACTED]
MBIR	BR030006	01/25/03	15,068.04	[REDACTED]	[REDACTED]
MDOT	DO030005	01/26/03	15,358.63	[REDACTED]	[REDACTED]
ATHO	TH030006	01/27/03	15,412.98	[REDACTED]	[REDACTED]
LHOW	HO030007	01/30/03	15,633.58	[REDACTED]	[REDACTED]

DIXIE FUELS LIMITED

02/06/03

EFC Business
RATE ESCALATION
01/01/03

BASE RATE

[REDACTED]

FUEL ESCALATION

BASE FUEL PRICE PER GALLON
FUEL PRICE PER GALLON - 10/1/02 - 12/31/02
Increase (Decrease)
Percent Increase (Decrease)
Base Rate
Escalation Factor
Percent Increase (Decrease)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

FUEL ESCALATION

[REDACTED]

LABOR ESCALATION none until April 1, 2003

BASE LABOR RATE prior contract amount for now
LABOR RATE
Increase (Decrease)
Percent Increase (Decrease)
Base Rate
Escalation Factor
Percent Increase (Decrease)

[REDACTED]
[REDACTED]
0.00%
[REDACTED]
[REDACTED]

LABOR ESCALATION

[REDACTED] none until April 1, 2003

[REDACTED]
[REDACTED]
1/1/02
Increase (Decrease)
Percent Increase (Decrease)
Base Rate
Escalation Factor
Percent Increase (Decrease)

[REDACTED]
[REDACTED]
[REDACTED]
0.00%
[REDACTED]
[REDACTED]

ESCALATED BASE RATE EFFECTIVE - 01/01/03

[REDACTED]

MINIMUM RATE

[REDACTED]

RATE TO BE CHARGED 01/01/03

[REDACTED]

Agreed on new contract rate, but
carried over tons from 2002.
92K tons were carried over from prior

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

TO: Javier Portuondo
UTILITY: Progress Energy Florida, Inc.
FROM: Joseph Rohrbacher
(AUDIT MANAGER)

(AUDITOR PREPARING REQUEST)
DATE OF REQUEST: 03/16/04

REQUEST NUMBER: 11
AUDIT PURPOSE: Transportation Audit

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 03/19/04
REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

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

I have questions on responses previously provided to Document Requests:

1. DR #3 has 737,676 upriver tons - DR #3A 673,999
2. DR #3A shows waterborne transportation of S [REDACTED] - PFC Income Statement [REDACTED]
3. DR #7 (2) has tons purchased 5,705,441 - Form 423's has 5,852,955
4. Response to DR #6 in the Fuel Audit shows ~~4,271,996~~ tons coal purchased in 2003 ^{at the} Disregard per phone call from Joe R.

Please explain and reconcile these differences

Additional information may be requested at a later date.

TO: AUDIT MANAGER _____

DATE: 3/19/04

THE REQUESTED RECORD OR DOCUMENTATION:

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

Marcia Oliva (Lead Analyst)
SIGNATURE AND TITLE OF RESPONDENT

Distribution

Progress Energy Florida
FPSC Transportation Audit
Response to Audit Request No. 11

1. DR #3 has 737,676 upriver tons – DR #3A 673,999

Response: The tonnage originally provided in response to DR #3 of 737,676 was later revised to 673,999 as provided in DR #3A. 673,999 is the accurate tonnage.

2. DR #3A shows waterborne transportation of [REDACTED] – PFC Income Statement [REDACTED]

Response: First of all, when adding up the amounts in the far right column, the first row of the “Cross-Gulf” component was omitted. Therefore, [REDACTED] must be added to the [REDACTED] for a total of [REDACTED]. This amount represents the contractual costs associated with tons purchased by PFC. On the other hand, the PFC Income Statement reflects the cost of tons sold to PEF. The difference is due to building or depleting inventory at IMT.

3. DR #7 (2) has tons purchased 5,705,441 – Form 423's has 5,852,955

Response: DR #7 (2) incorrectly included some non-regulated purchases. The revised schedule is attached and reflects 5,431,517 tons. When adding the 423's, our calculations reflect a total of 5,431,389 tons on Form 423-2. The remaining difference is reflected on 423-2C. *Did not get answer by end of field work. Employee on vacation*

01/15/2004
12:18

CONFIDENTIAL

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

10-12
2003

52

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
RAIL CAR OPERATING COST						
RC COGS						
TOTAL COST OF GOODS SOLD						
COGS						
GENERAL AND ADMINISTRATIVE -						
PAYROLL EXPENSES -						
WAGES						
6010-000						
PIR TAXES - FICA						
6020-001						
ALLOCATED EMPLOYEE BENEFITS						
6030-999						
EMPLOYEE BENEFITS-PENSION						
6040-010						
EMPLOYEE BENEFITS-FAS 106(OPEB)						
6040-030						
EMPLOYEE BENEFITS-SERP						
6040-040						
TEMPORARY LABOR						
6050-000						
PAYROLL EXPENSES						
PAYROLL						
PROFESSIONAL FEES -						
PROFESSIONAL FEES-OTHER						
6310-010						
PROFESSIONAL FEES-CONSULTANT						
6310-035						
FLA POWER OVERHEAD						
6320-000						
FLA POWER SERVICE - OTHER						
6320-090						
FLORIDA PROGRESS OVERHEAD						
6330-000						
PROFESSIONAL FEES						
PROF-FEE						
BUILDING & OFFICE EXPENSE -						
RENT EXPENSE						
6410-000						
BUILDING SERVICES						
6420-000						
UTILITIES						
6430-000						
UTILITIES - ELECTRIC						
6430-010						
UTILITIES - TELEPHONE						
6430-015						
OFFICE SERVICES						
6440-005						
OFFICE SUPPLY - GENERAL						
6440-010						
POSTAGE						
6440-015						
OFFICE SUPPLY - SUPPLIES						
6440-020						

01/15/2004
12:18

CONFIDENTIAL

PROGRESS FUELS CORPORATION
INCOME STATEMENT DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2003
EFC REGULATED SUMMARY

REPORT ID: DELISR02
UNIT CODE: REG

3063
52

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
OFFICE SUPPLY - COPY RENTAL	6440-025					
SUBSCRIPTION & PUBLICATIONS	6440-030					
OFFICE SUPPLY - EQUIPMENT	6440-040					
OFFICE SUPPLY-DATA PROCESSING	6440-050					
BUILDING & OFFICE EXPENSE	BUILD-OF					
OTHER GENERAL & ADMINISTRATIVE -						
OTHER GENERAL & ADMINISTRATIVE	6500-000					
EXPENSE ACCT & TRAVEL - TAX	6510-100					
EXPENSE ACCT & TRAVEL - NONTAX	6510-200					
NONTAX MEALS/ENTERTAINMENT	6510-210					
NONTAXABLE OTHER	6510-220					
INSURANCE EXPENSE	6520-000					
PROPERTY & CRIME INSURANCE	6520-013					
MARINE CARGO INSURANCE	6520-014					
AUTOMOBILE INSURANCE	6520-020					
PROPERTY TAX REAL ESTATE	6530-200					
OTHER TAXES	6550-000					
FRANCHISE TAX	6550-010					
EMPLOYEE DEVELOPMENT	6560-000					
SEMINARS	6560-010					
PROFESSIONAL AFFILIATIONS	6560-020					
EMPLOYMENT - ADVERTISING	6565-010					
EMPLOYMENT - MOVING EXPENSE	6565-030					
EMPLOYMENT - MISC EXPENSE	6565-040					
MISCELLANEOUS EXPENSE	6570-000					
MISC EXPENSE - RECORD STORAGE	6570-007					
AUTO EXPENSE REIMBURSEMENTS	6570-050					
PROMOTIONAL	6570-065					
MAINTENANCE - GENERAL	6810-000					
MAINTENANCE - AUTO	6810-020					
MAINTENANCE - DP EQUIPMENT	6810-030					
OTHER GENERAL & ADMINISTRATION	OTHG-A					

Progress Energy Florida
FPSC Transportation Audit
Response to Audit Request No. 12

1. Provide amounts paid to KRT, MEMCO, IMT, and Dixie Fuels for transportation and/or transloading service during 2003. If possible state what payments are for.

Response: A schedule of tonnages and amounts was previously provided in response to Audit Request 3A. Any amounts not explained on this schedule were derived using contractual rates.

2. Regarding the synfuel tax credits, what amounts were received by the various affiliates of Progress Energy in 2003? This should include agent, plant operator fees, etc. What percent of the total credits were received by the different Progress entities?

Response: Non-regulated activities of Progress Energy affiliates are not discoverable by the Florida Public Service Commission as established by statute 366.093.

366.093 Public utility records; confidentiality.--

(1) The commission shall continue to have reasonable access to all public utility records and records of the utility's affiliated companies, including its parent company, regarding transactions or cost allocations among the utility and such affiliated companies, and such records necessary to ensure that a utility's ratepayers do not subsidize nonutility activities. Upon request of the public utility or other person, any records received by the commission which are shown and found by the commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1).

Additionally, PEF does not want to set a precedent by providing records for non-regulated activities.

3. Lori was to answer questions and get me a copy of the contract between PFC and PEF. Please see if she did.

Response:

See attached copy of contract between PFC and PEF. *Returned to Company*

Below are the answers to the following questions:

1. What is included in account 5310-100 COGS – Other Costs on PFCs Income Statement?
2. How is the labor burden rate determined for PFC?

1. PFC account 5310-100 COGS – Other Costs on PFCs Income Statement is used to book miscellaneous transactions related to cost of goods sold. In 2003, PFC booked an adjustment relative to the Massey/KRT synfuel coal price adjustment of [REDACTED] for tons purchased from 6/02-12/02 in this account. See Tons Purchased worksheet.

2. The labor burden rate for PFC is determined based on the percent of benefits to total labor dollars.

4. On G&A expenses, provide a schedules showing how allocations are calculated. Should tie to amounts on schedules previously provided. (Account Analysis by Range of Accounts)

Response:

6010-000 - [REDACTED]

PFC wages are charged to regulated operations based on direct allocation of each employee's wages multiplied by the percent of time dedicated to regulated operations.

(A) For example, in August 2003, [REDACTED] total PFC payroll was charged to regulated operations (see PFC Company Detail For the Month Ending August 2003).

6510-220 – Miscellaneous Expense - [REDACTED]

PFC miscellaneous expense is allocated to regulated operations based on the percentage of labor hours charged to regulated activities to total payroll hours.

(B) For example, in July 2003, there were 40 total PFC employees at the Bank of America Tower (see Payroll Allocation – Overhead Calculation Report page 4 of 4). 999 hours of these employees' wages were charged to regulated operations (see Payroll Allocation – Overhead Calculation Report page 2 of 4). 999 hours divided by a total of 4000 hours (40 employees at 100%) equals 24.98%. This 24.98% was used as the allocator for miscellaneous expense, rent and insurance expense in August 2003.

[REDACTED]	Total Miscellaneous Expense -- Acct 6570-000 **
X [REDACTED]	Payroll Allocator
\$ [REDACTED]	Amount Allocated to PFC Regulated Activities

** - See Account analysis by Range of Accounts 7/1/03 to 7/31/03.

(B) 6410-000 - [REDACTED]

PFC rent is allocated to regulated operations based on the percentage of payroll hours charged to regulated activities to total payroll hours. See account 6510-220 above for calculation of allocator.

[REDACTED]	Total Rent Expense – Acct 6410-000 **
[REDACTED]	Payroll Allocator for July 2003
[REDACTED]	Amount Allocated to PFC Regulated Activities

** - See Account analysis by Range of Accounts 7/1/03 to 7/31/03.

6310-035 – Professional Fees – Consultant - [REDACTED]

Fees paid for expert testimony for waterborne transportation.

6320-090 – FLA Power Service – Other - [REDACTED]

Wages paid to PEF employee working on behalf of Progress Energy on a temporary job assignment at Crystal River doing lab and transportation functions.

6520-000 – Insurance Expense - \$15,022.89

PFC insurance expense (workers comp) is allocated to regulated operations based on the percentage of payroll hours charged to regulated activities to total payroll hours. See account 6510-220 above for calculation of allocator.

For example, in November 2003, there were 41 total PFC employees at the Bank of America Tower (see Payroll Allocation – Overhead Calculation Report page 4 of 4). 1088 hours of these employees' wages were charged to regulated operations (see Payroll Allocation – Overhead Calculation Report page 2 of 4). 1088 hours divided by a total of 4100 hours (41 employees at 100%) equals 26.54%. This 26.54% was used as the allocator for miscellaneous expense, rent and insurance expense in December 2003.

 \$	Total Insurance Expense – Acct 6410-000 ** Payroll Allocator for November 2003 Amount Allocated to PFC Regulated Activities
---	---

** - See Account analysis by Range of Accounts 11/1/03 to 11/30/03.

6560-000 – Employee Development - \$9,450.00

Fee for University of North Carolina Leadership Training.

PROGRESS FUELS CORP (PFC)
 COMPANY DETAIL
 FOR THE MONTH ENDING AUGUST 2003
 08 - 31 - 2003

(A)

3:\RipUES\JE 16 Payrje.xls\PAYRJE

	WAGES	FICA	LOADING @ 7.66%	TOTAL
Land Group:				
DULCIMER	\$	\$	\$	\$
PLC				
MLC				
Coal Group:				
HCC				
ACC				
EFC SYNFUEL				
PROG SYNFUEL				
KMM				
BSD				
SOLID ENERGY				
SOLID FUEL				
PMT (KMR-BROKER)				
CIN-BROKER				
MESA HYDRO				
WESTCHESTER GAS				
DIA				
DMM (CHARGE DIA)				
Terminal Group:				
KCT				
COLONA				
KRT				
BLACKHAWK				
CBT				
Riverside				
KRT-Ceredo Dock				
Ceredo Liquid				
Ceredo Synfuel				
Sandy River Synfuel				
Rail Services Group:				
PRSC				
FMI				
Marine Group:				
Marmet Synfuel				
MRT				
DFL				
Cash Mgmt Group:				
CR DIRECT				
CR INDIRECT				
TOT DIR&INDIR				
PMI ADMIN				
Unallocated Group:				
ACQ				
PROGR ENERGY				
CAROLINA PWR & ENVIRON RES				
OFF SVCS				
UNALLOC COMM				
ACCTING				
BUSOPS				
COO				
E,H,&S				
GASOPS				
MIS				
PFC03002				
PRST				
SYNOPT				
VPFIN				
COMM - MISC DIFF				
COM - ACCR L DIFF				
Regulated Group:				
REG COMMON				
MISC - BONUS FICA				
PEN				
TOTAL PAYROLL				
CHECK				

Report Period: 08/2003

PROGRESS FUELS CORPORATION
COMPANY DETAIL REPORT

(1)

Current month load: 7.66 %

	WAGES	FICA	LOADING	TOTAL
LBM COAL RESERV (DUL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
MARMET SYNFUEL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
MARMET SYNFUELS	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
MESA HYDROCARBON	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
MURPHY LAND (DULCIM	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PEC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PROG. SYN-FUEL HOLDIN	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
RIVERSIDE SYNFUELS, LI	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
SOLID ENERGY	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
SOLID FUELS	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
WESTCHESTER GAS CO., I	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
WGC HOLDING COL, LLC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>RAILCAR REPAIR UNIT</u>				
F M INDUSTRIES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PROG. RAIL SERVICE	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>REGULATED UNIT</u>				
DO NOT USE - REG. LAB	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
REG. COMMON	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>UNALLOCATED CORPORATE UNIT</u>				
COAL MGMT PROJECT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
ENVIR. SERVICES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
OFF. SERVICES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
UNALLOC ACQ	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
UNALLOC COMMON	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL PAYROLL:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

TONS PURCHASED
KRT D SYN FUEL

	TONS	RATE	ORIGINALLY BOOKED	
			EPC	NFPC
Jan-02	40,131.97	[REDACTED]	[REDACTED]	[REDACTED]
Jul-02	56,125.20	[REDACTED]	[REDACTED]	[REDACTED]
Aug-02	53,816.34	[REDACTED]	[REDACTED]	[REDACTED]
Sep-02	66,723.22	[REDACTED]	[REDACTED]	[REDACTED]
Oct-02	47,607.58	[REDACTED]	[REDACTED]	[REDACTED]
Nov-02	38,165.69	[REDACTED]	[REDACTED]	[REDACTED]
Dec-02	59,348.01	[REDACTED]	[REDACTED]	[REDACTED]
	<u>361,918.01</u>		[REDACTED]	[REDACTED]

① looked to see original in Dec-02 402-12/07
 entry made in 3/03 to correct
 and book to requested.

WATERBORNE TRANSPORTATION CONTRACTS

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

Term - January 1, 2002 through December 31, 2003

Services Provided:

Ohio River Rail facility - Ceredo Dock

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

Kanawha River Truck Facilities

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

Big Sandy River Truck Facility

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

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

KRT Ceredo Dock - Direct transloading rates:

Without Thaw Shed Services [redacted] - With Thaw Shed Services [redacted]

KRT Kanawha River Docks

Truck, transfer and storage from Elk Run Mines [redacted]

Revised to [redacted] per letter Feb. 5, 2002

Straight transloading and storage [redacted]

KRT Big Sandy River Dock

Truck, transfer and storage from Martin County [redacted]

Straight transloading and storage [redacted]

for Scanned current contracts. Same as in 2002

AEP MEMCO LLC and Electric Fuels Corporation (now PCF)

Term - August 1, 2001 - July 31, 2004

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

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

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

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

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

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

<u>Rates</u>	<u>Origin</u>	<u>Milepoint</u>
[REDACTED]	<u>Kanawha river</u>	
[REDACTED]	Kanawha River Terminals	69.0
[REDACTED]	Amherst	74.0
[REDACTED]	Hughes Creek	81.5
[REDACTED]	Cannelton	84.3
[REDACTED]	Eagle/Hawks Nest	87.1
[REDACTED]	<u>Big Sandy River</u>	
[REDACTED]	All docks	
[REDACTED]	<u>Ohio River</u>	
[REDACTED]	ORC Huntington	306.5
[REDACTED]	Ceredo	315.0
[REDACTED]	TTI	406.0
[REDACTED]	Louisville & Jefferson Riverport	618.5
[REDACTED]	CBT Cincinnati	471.8

The initial base price for raw fuel is [REDACTED] per gallon, excluding any applicable taxes. The Initial

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

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

Dixie Fuels Limited and Progress Fuels Corporation

Term - April 1, 2002 - March 31, 2005

This contract replaces prior contract dated December 2, 1977.

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

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

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

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

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

International Marine Terminals Partnership (Terminal) and Electric Fuels Corporation (PFC)

Term - January 1, 2002 - October 31, 2004

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

Rates Per Net Ton of Coal - Storage [REDACTED]

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

Terminal crane discharge through storage:

Rate includes all services including barging and associated barge charges.

Terminal crane discharge through storage:

Rate includes all services except barge chartering/handling/fleeting/shifting.

CONFIDENTIAL

Dixie Fuels
Exhibit B

Operator shall transport such cargo, subject to the capacity of three (3) Tows or, when Shipper declares its requirement for a fourth Tow as provided herein, four (4) Tows.

- b. Declaring Tonnage. Shipper will declare its planned tonnage requirements in six-month Shipping Periods in accordance with Section 8 hereof beginning January 1 and ending June 30 and beginning July 1 and ending December 31. Shipper will declare its first tonnage requirement for the initial abbreviated Shipping Period beginning April 1, 2002 and ending June 30, 2002 by March 31, 2002. Thereafter, Shipper will declare its tonnage requirements by October 1 of the year preceding for the Shipping Period beginning January 1 and will declare its tonnage by April 1 for the following Shipping Period beginning July 1. Coincident with declaration of tonnage requirements, Shipper will also declare whether it requires that Operator employ a fourth Tow in Shipper's service transporting DBF cargo for such Shipping Period. In the event Shipper declares or tenders tonnage in excess of [REDACTED] ST in any Shipping Period it shall be deemed that Shipper required that Operator employ a fourth Tow in Shipper's service for such Shipping Period.
- c. Payment for Quantity Declared. Shipper will pay freight at the applicable rate on the greater of (i) ninety percent [REDACTED] of all DBF cargo declared for each Shipping Period whether said DBF cargo is tendered to Operator for transportation hereunder or not (but subject to Sections 8 and 16 hereof), or (ii) all DBF cargo actually tendered in such Shipping Period.

α

[REDACTED]

70
42
P.

PBC

66 1084



CONFIDENTIAL

[Redacted text block]

[Redacted text block]

[Redacted text block]

- a. [Redacted text]
- b. [Redacted text]
- c. [Redacted text]
- d. [Redacted text]

PBC

(67) 2027

CONFIDENTIAL

[REDACTED]

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

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

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

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

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

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



PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
IMT VESSEL FEES
12 MONTHS ENDED 12/31/03

Aug 23/15
3/26

IMT

ATTACHMENT III

Agreement No. 02EFC01

VESSEL FEES

ARTICLE I
TERMS OF AGREEMENT

The following sets forth the vessel fees under which International Marine Terminals, hereinafter "Terminal," will invoice to Electric Fuels Corporation, hereinafter Shipper, for shipments of coal in Gulf barges. Import vessels will be charged the standard vessel fees and billed to the vessel's account. The fees listed below are in effect as of January 1, 2001: 70 42 p.5

ARTICLE II

Dockage

[REDACTED]

Tug Assistance

[REDACTED]

Line Handling

[REDACTED]

Shifting

[REDACTED]

Holding

[REDACTED]

Delays (tug standby)

[REDACTED]

Reporting

[REDACTED]

Bunkers

[REDACTED]

Lube

[REDACTED]

Deslop

[REDACTED]

Fresh Water

[REDACTED]



20
20

70

SOURCE: IMT Contract

WP 42-3

**Progress Fuels Coal Agreements
(Waterborne Transportation)**

Drummond Coal sales, Inc.

Letter dated June 13, 2003 for purchase of one (1) ocean barge of approximately 17,000 tons of coal. Price is [REDACTED] Coal Terminal. Guarantee of 11,700 Btu/LB, premium/penalty computed at the rate of [REDACTED] per 100 Btu.

Emerald International Corporation

Letter dated February 28, 2003 for purchase of 35,000 tons of coal, to be delivered during late February to early April. [REDACTED] Terminals (IMT) 55-57 AHP. Coal will be shipped from Emerald stockpiles at IMT. Guarantee of 13,000 Btu/LB, premium/penalty computed at the rate of [REDACTED]

Letter dated March 26, 2003 for purchase of one barge (approximately 1,500 tons) of coal. Price is [REDACTED] Guarantee of 11,720 Btu/LB, premium/penalty computed at the rate of [REDACTED]

Letter dated April 2, 2003 for purchase of 140,000 tons of coal, to be delivered during April to December 31, 2003. Price is [REDACTED] International Marine Terminals (IMT) 55-57 AHP. Coal will be shipped from Emerald stockpiles at IMT. Guarantee of 12,800 Btu/LB, premium/penalty computed at the rate of [REDACTED]

Letter dated April 2, 2003 for purchase of 80,000 tons of coal, to be delivered during April to December 31, 2003. [REDACTED] 55-57 AHP. Coal will be shipped from Emerald stockpiles at IMT. Guarantee of 12,100 Btu/LB, premium/penalty computed at the rate of [REDACTED]

Guasare Coal International, n.v.

Term – January 2002 through December 31, 2002, extended to June 2003. Monthly letters to November 2003 for additional purchases.

Koch Carbon LLC

Term – July 1, 2003 to December 31, 2003 for 120,000 tons at [REDACTED]. FOB Big sandy Freight District, KY. Guarantee of 12,800 Btu/LB.

Kanawha River Terminals, Inc. – Affiliate of PFC

Letter dated November 24, 2003 for purchase of 20,000 tons of “compliance” coal for delivery during the period November 1, through December 31, 2003. [REDACTED] e, Marmet Pool, Kanawha River and includes [REDACTED] for trucking and transloading costs. Guarantee of 12,000 Btu/LB, premium/penalty computed at the rate of [REDACTED]

Letter dated November 25, 2003 for purchase of 10,000 tons of “compliance” coal for delivery during the period November 1, through December 31, 2003. [REDACTED] barge, Marmet Pool, Kanawha River and includes [REDACTED] costs. Guarantee of 12,200 Btu/LB, premium/penalty computed at the rate of [REDACTED]

Letter dated January 9, 2003 for purchase of 40,000 tons of “compliance” spot coal for delivery during the period November 1, through April of 2003. [REDACTED] Marmet terminals. Guarantee of 12,500 Btu/LB, premium/penalty computed at the rate [REDACTED] 100 Btu.

Black Hawk Synfuel LLC as Agent for New River Synfuel LLC

Letter dated January 10, 2003 for purchase up to 950,000 tons of crushed run of mine coal (CROM) synfuel for delivery during the period May 1, 2002 through October 31, 2003. [REDACTED] f.o.b. barge, KRT’s Marmet or Quincy Dock. Guarantee of 12,500 Btu/LB.

Marmet Synfuel LLC as Agent for Calla Synfuel LLC

Letter dated January 10, 2003 for purchase up to 950,000 tons of CROM synfuel for delivery during the period May 1, 2002 through October 31, 2003. [REDACTED] barge, KRT’s Marmet or Quincy Dock. Guarantee of 12,500 Btu/LB.

Letter dated March 15, 2002, and January 7, 2003 for purchase of 33,000 tons of 1.2 LB “compliance” synfuel per month for delivery during the period May 1, 2002 through December 31, 2003. Price is [REDACTED] Marmet or Quincy Terminals on the Kanawha River. Guarantee of 13,200 Btu/LB, premium/penalty computed at the rate of [REDACTED]
By letter dated February 27, 2003 PFC desired to have approximately 30.0 percent of the 33,000 tons per month of synfuel be shipped as CROM.

Riverside Synfuel LLC, as Agent for RC Sybfuel LLC

Approximately six barges or 10,000 tons of 1.2 lb “compliance” synfuel during February – March 2003. [REDACTED] net f.o.b. barge, Ceredo Terminal. Guarantee of 12,500 Btu/Lb, premium/penalty computed at the rate of [REDACTED]

From 42-4

JUN 3/22
JUL 2/26

**PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
RIVERSIDE SYNFUEL SPECIFICATIONS
12 MONTHS ENDED 12/31/03**

3-24-2004 03:55pm From-ENERGY SUPPLY SVCS.

727-826-4242

T-409 P.003/003 F-416

Coker Doc



March 6, 2003

Mr. Dayton Eisel
Director—Coal Sales
Riverside Synfuel LLC,
As agent for RC Synfuel LLC
410 South Wilmington Street, 333-3
Raleigh, North Carolina 27601

Dear Mr. Eisel:

This letter will confirm our communications of March 3, 2003, wherein Progress Fuels Corporation (PFC) agreed to purchase approximately six barges or 10,000 tons of 1.2 LB "compliance" synfuel during February—March of 2003 with ~~unilateral~~ *mutual* option to extend for an additional three months.

To 42-4

mutual Doc

The price on these synfuels will be ~~_____~~ per net ton f.o.b. barge, Ceredo Terminal, and will be based on a guarantee of 12,500 Btu/LB. Premium/penalty, if any, will be computed from the guarantee at the rate of ~~_____~~ per 100 Btu on a weighted shipment basis. Invoices, *reflecting premium/penalty calculations*, are payable fifteen (15) days from receipt and should be sent to the attention of Mr. Bill Traywick, Controller, at 5625 Dillard Drive, Cary, North Carolina 27511-9227.

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

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

SPECIFICATION	REQUIREMENT
SIZE	2"x0" MAXIMUM
<1/4"	50% MAXIMUM
SO ₂	1.2 LB PER MILLION BTU MAXIMUM
ASH	12.0% MAXIMUM
MOISTURE	8.0% MAXIMUM
ASH SOFTENING TEMPERATURE	2600 DEGREES FAHRENHEIT MINIMUM
VOLATILE	31.0% MINIMUM
BTU	12,500/LB MINIMUM
GRIND	42 MINIMUM

PBC

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

73

SOURCE: *Contract letter*

W/P *42-4*
1

**Progress Fuels Coal Agreements
(Rail/ Truck Transportation)**

Quaker Coal Company B For CR Units 1&2 Entered into Nov. 3, 2000. Agreement commence on Jan. 2001 for 12 months. Purchaser has option to renew for additional 12 month terms. Initial quantity of coal 240,000 tons. Base price f.o.b. Sellers mine loading site at Damron Fork.

Renewed on Jan. 1, 2002 for a period of 36 months. Quantity to be delivered 480,000 tons per calendar year. Base price per ton of coal f.o.b. Sellers mine loading site is [REDACTED] adjusted monthly for quality of coal, for cc shipped during 2003.

For Units 4&5 Entered into Dec. 1998. Agreement commence on Jan. 1, 1999 for a period of 36 months (amended to 72 months). Initial quantity of coal for 1999 shall be 400,000 tons, 450,000 tons in 2003. Base price per ton of coal is f.o.b. Sellers mine loading site, loaded in the railcar or truck. New base price negotiated for subsequent years. Base price for coal shipped during 2003 will be [REDACTED]

Company became AEP Energy Services in 2002.

Letter of understanding, dated January 16, 2003, wherein PFC agreed to purchase approximately 120,000 tons of 1.2 IB "compliance" spot coal during February 2003 through January 2004. The price is [REDACTED] per ton f.o. the mine.

Letter dated October 28, 2003 to purchase 10,000 tons delivered by train at [REDACTED] per ton FOB railcar loading facility located on the CSX Railroad in Scott's Branch loadout.

Alliance Coal Sales Corp. (MC Mining) - For CR 4&5

Term - April 1, 2001 to December 31, 2003, extended to December 31, 2004.

Base price for 2003 is approximately 116,400 tons at FOB mine loading site, loaded in the railcar or truck, at price of [REDACTED] per ton. Coal will be shipped by rail from Seller's unit train loading facilities at its MC Mini mine operations to destinations specified by purchaser. Purchaser shall have the option to ship the coal by truck or rail to river docks for movement on the American inland waterway system. Purchaser shall pay all freight and other charges. Also, 60,000 tons @ [REDACTED]

AMVEST Coal Sales, Inc. as agent for Nicholas-Clay Company, LLC

Term - May 1, 2002 to December 31, 2003, may be extended to December 31, 2004.

Base price for 2003 is 212,500 tons at [REDACTED] per ton FOB the railcar, from the Fola Coal Company loadout. Coal will be shipped by rail from Seller's unit train loading facilities located on Twentymile Creek in Nicol County, West Virginia. Purchaser shall pay all freight charges for movement from the point of delivery.

Consol of Kentucky Inc. and Consol Sales Company – For CR 1&2

Term – January 1, 2002 to December 31, 2004, may be extended for an additional 24 months.

Base Price – Effective January 1, 2002 through June 30, 2003, the base price per ton of coal, f.o.b. Seller's mine loading site shall be [REDACTED] per ton for 1,000,000 tons per calendar year. Upon completion of shipments for the first 1.5 million tons, the Base Price will become [REDACTED] per net ton f.o.b. mine for the next 1.5 million tons. Purchaser will provide railcars at the mine's loading point.

Massey Coal Sales Company, Inc.

Term – (Initial) May 1, 2002 to October 31, 2003, may be extended for an additional 18 months.

Price – During the Initial Term of the Agreement (May, 2002 – October, 2003), the price per ton, f.o.b. Seller mine loading site shall be [REDACTED] per ton for 950,000 tons. Seller shall receive a per ton premium of [REDACTED] BTU for coal shipments with BTU levels above 12,500 and pay a per ton penalty of [REDACTED] BTU for coal shipments with BTU levels below 12,500. Purchaser will provide trucks at the mines.

In letter dated February 5, 2002, EFC and Massey agree that for tons shipped in January and until such time the West Virginia trucking weights are legally increased, EFC will pay [REDACTED] per ton for the trucking the coal to the Kanawha River docks.)

Panther Mining LLC

Term – January 1, 2002 to December 31, 2003

Contract Price is [REDACTED]. Quincy Dock for 400,000 tons per year. Title to the coal shall transfer from Seller to Buyer as it is offloaded at the Delivery Point.

Marshall Resources, Inc.

Letter dated February 6, 2003 to purchase 10,000 tons (one unit train) of 1.2 LB "compliance" spot coal [REDACTED] per ton FOB railcar at loading facility located on the #50513 CSXT, Clinchfield District. Guarantee 12,500 Btu/LB, premium/penalty computed at the rate of [REDACTED] per 100 Btu and a [REDACTED] per 1 percent a greater than the guarantee of 11.0 percent.

Massey Coal Co. – For CR 1&2

Original Agreement entered into beginning July 1, 1999 for 18 months can be renewed for an additional 18 months. Initial term is for 1,050,000 tons at [REDACTED] per ton f.o.b. railcar at train loading facilities at Goff (CSX 84191).

Renewal term began January 1, 2001 for 12 months, for 720,000 tons at [REDACTED] per ton f.o.b. Seller's mine loading site.

Second renewal term began April 1, 2002 for a period of 18 months through September 30, 2003. For 900,000 tons at [REDACTED] f.o.b. Seller's mine loading site. BTU 12,500, adjusted [REDACTED]/penalty per 100 Btu/LB.

Third renewal term October 1, 2003 through March 31, 2005. Quantity 900,000 tons at [REDACTED] seller mine loading site. BTU 12,500, adjusted [REDACTED] per 100 Btu/LB.

Massey Bandmill

Term – March 1, 2002 through August 31, 2003 (18 months), for 900,000 tons at [REDACTED] per ton f.o.b. Seller mine loading site. BTU 12,100, [REDACTED]/penalty per 100 Btu/LB.

Agreement term extended through December 31, 2004. Quantity 320,000 tons at [REDACTED] railcar CS Kanawha District. BTU 12,000, adjusted [REDACTED]/penalty per 100 Btu/lb.

Diamond May Coal Company

Purchase 4 trains or approximately 40,000 tons of 1.2 LB SO2 compliance coal for delivery in August or September 2003 at [REDACTED] per ton f.o.b. railcar. Guarantee of 12,800 Btu per Lb, premium/penalty [REDACTED] 100 LB Btu

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: AVERAGE COAL & TRANSPORTATION CHARGES TO PEF
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: A5-423 RECON.123
 SHEET: AVG COSTS

WJR/25
4/29

Determine average coal and water transportation costs

	Tons to CR From IMT	Average Coal Cost Per Ton	Total Coal Cost	Average Transp Cost Per Ton	Average Transp Cost	Barge Frght @ \$9.39	Total Water Transp Cost	Per PFC Inc Stmt	Difference
January CR 1&2	211,341 5,545							2A+B	(0)
February	124,260								(0)
March	180,170								489
April	165,611								0
May	214,787								0
June	132,364								0
July	98,124								(0)
August	197,924								(0)
September	212,200								288
October	181,760								0
Frm McDu	16,703								
CR 1&2	12,277								
November	157,948								0
December	169,482								(0)
Totals	2,080,495								776 pass
		Avg Coal Cost							
		Avg Transp Cost							
		Avg Total Cost to PEF							

77
 WIP 44-2

03/25/2004 09:45 FAX
 Progress Fuels Corporation
 Regulated (FPC) Business
 Inventory Accrual
 April 2003

003

02-May-03
 12:14 PM

CRYSTAL RIVER 4 AND 5

* denotes UC

COST OF COAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A	CBT/S to KCT			0.00		
A	CBT/Replace to KCT			0.00		
A	CBT/S to KCT			0.00		
AA	KMay/S to KCT			0.00		
B	Sandy River/S to Cyrus Dock			0.00		
B	Peabody/S to Rvr Eagle			0.00		
BB	KMay/S to KCT Dock			0.00		
C	DMay/S to KCT			0.00		
CC	Sandy Rvr(Pen) to Cyrus Dock			0.00		
D	Pen to Pen Dock			0.00	0.00	0.00
E	Pen to Placer Dock			0.00		
E	Coal New/S to WhiteCreek			0.00		
F	Massey to Canada			0.00	0.00	0.00
G	Mapco/S to Canada			0.00		
G	Franklin to Canada			0.00		
G	Quaker to Canada			0.00		
H	Riverside/S to Canada	10,204.57				
I	KRT/Spot to Canada	1,931.00				
J	BlkHawk(KRT R#2) to Marmet				12,135.57	
J	Marmet/Eagle to Marmet	32,921.67				
K	KRT/Spot to Quincy/Marmet	14,721.38				
K	BlkHawk(KRT R#2) to Quincy-D coal			0.00		
K	BlkHawk to KRT/Quincy #8			0.00		
K	BlkHawk(KRT R#2) to Quincy-Symfurel			0.00		
L	Massey(KRT) to KRT/Quincy			0.00		
L	Massey(TRK) to KRT/Quincy	53,511.33			101,154.38	
S	Emerald/S to IMT	9,414.18				
S	Emerald/S to IMT			0.00	5,414.18	
T	Guasare/S to IMT			0.00		
		119,704.13			119,704.13	
	Average Rate					

RIVER TERMINAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	CBT/S to KCT			0.00		
M	KMay/S to KCT			0.00		
M	Sandy River/S to Cyrus Dock			0.00		
M	KMay/S to KCT Dock			0.00		
M	DMay/S to KCT			0.00		
M	Sandy Rvr(Pen) to Cyrus Dock			0.00		
N	Pen to Pen Dock			0.00	0.00	0.00
N	Pen to Placer Dock			0.00		
N	Massey to Canada			0.00	0.00	0.00
O	Mapco/S to Canada			0.00		
O	Franklin to Canada			0.00		
O	Quaker to Canada			0.00		
O	Riverside/S to Canada	10,204.57				
O	KRT/Spot to Canada	1,931.00				
P	Marmet/EHS to KRT/Marmet	32,921.67			12,135.57	0.00
P	KRT/Spot to KRT/Quincy	14,721.38				
P	BlkHawk/KRT-Spot to KRT/Quincy			0.00		
P	Massey to KRT/Quincy	53,511.33	43		101,154.38	0.00
		113,289.95	0.00	0.00	113,289.95	0.00
	Average Rate					

RIVER FREIGHT		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	From KCT/Cyrus Memo			0.00		
M	From KCT/Rvr Eagle ACBUS			0.00		
M	From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N	From Pen/Whitark on ACBUS			0.00		
N	From Pen/Placer on Memco			0.00		
N	From Pen/Whitark on OHRV/S			0.00	0.00	0.00
O	From Canada on Memco	12,135.57				
O	From Canada on OHRV/S			0.00		
O	From Canada on ACBUS			0.00	12,135.57	0.00
P	From KRT/Quincy on OHRV/S			0.00		
P	From KRT/Quincy/Marmet on Memco	93,904.49				
P	From Kanawha on ACBUS			0.00	93,904.49	0.00
		106,040.06	43	0.00	106,040.06	0.00
	Average Rate					

GULF TERMINAL - IMT		Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	
Q	From KCT DK/Cyrus Dock			0.00	R	From KCT Dock
Q	From Pen Dock/Placer Dk				R	From Pen Dock
Q	From Canada/Ohio Rvr Dk	17,827.64			R	From Canada/Ohio Rvr Dk
Q	From KRT/Quincy/Marmet	180,402.81			R	From KRT/Quincy/Marmet
Q	From Emerald/S	7,903.36			R	From Emerald/S
Q	From Guasare/S				R	From InterAmerica
		208,133.80	43			
	Average Rate					
					0.00	#DIV/0!
						Average Rate

GULF FREIGHT		Tons	Cost/Ton	Dollars
V	From IMT	198,810.99	0.00	0.00
W	From Electro-Coal & Other		0.00	0.00
			0.00	0.00
		198,810.99	43	0.00
	Average Rate			

GULF FREIGHT		Tons	Cost/Ton	Dollars
	Tons delivered-IMT	185,810.89	43	0.00
	Tons delivered-Electra & Other			0.00
		185,810.89		0.00
	Average Rate			

PBC

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03/25/2004 09:46 FAX

004

Crystal Corporation
 (FPC) Business
 Inventory Actual
 July 2003

04-Aug-03
 11:21 AM

CRYSTAL RIVER 4 AND 5

* denotes I/C

COST OF COAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A	CBT/S to KCT			0.00		
A	CBT/Repleca to KCT			0.00		
A	CBT/S to KCT			0.00		
AA	KMay/S to KCT			0.00		
B	Sandy River/S to Cyrus Dock			0.00		
B	Peabody/S to Rvr Eagle			0.00		
BB	KMay/S to KCT Dock			0.00		
C	DMay/S to KCT			0.00		
CC	Sandy Rvr(Pen) to Cyrus Dock			0.00		
D	Pen to Pen Dock			0.00	0.00	0.00
E	Pen to Placer Dock			0.00		
E	Coal Net/S to WhiteCreek			0.00		
F	Massey to Carado			0.00	0.00	0.00
G	Mapco/S to Carado			0.00		
G	Franklin to Carado			0.00		
G	Quaker to Carado			0.00		
H	Riverside/S to Carado			0.00		
I	KRT/Spot to Carado			0.00		
J	Marmet(KRT R#2) to Marmet			0.00	0.00	0.00
J	Marmet/Eagle to Marmet	33,965.08				
K	KRT/Spot to Quincy/Marmet			0.00		
K	BlkHawk(KRT R#2) to Quincy-D coal	43,067.20				
K	Black Hawk to KRT/Quincy #6			0.00		
K	BlkHawk(KRT R#2) to Quincy-Synfuel			0.00		
L	Massey(KRT) to KRT/Quincy			0.00		
L	Massey(TRK) to KRT/Quincy			0.00		
S	Emerald/S #4 to IMT			0.00	77,032.26	
S	Emerald/S #6 to IMT			0.00		
T	Gusere/S to IMT	43,276.20			0.00	0.00
T	Gusere/S to IMT			0.00		
U	Drummond/S to McDuffie			0.00	43,276.20	
		120,308.48			0.00	
			Average Rate		120,308.48	

RIVER TERMINAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	CBT/S to KCT			0.00		
M	KMay/S to KCT			0.00		
M	Sandy River/S to Cyrus Dock			0.00		
M	KMay/S to KCT Dock			0.00		
M	DMay/S to KCT			0.00		
M	Sandy Rvr(Pen) to Cyrus Dock			0.00		
N	Pen to Pen Dock			0.00	0.00	0.00
N	Pen to Placer Dock			0.00		
N	Massey to Carado			0.00	0.00	0.00
O	Mapco/S to Carado			0.00		
O	Franklin to Carado			0.00		
O	Quaker to Carado			0.00		
O	Riverside/S to Carado			0.00		
O	KRT/Spot to Carado			0.00		
P	Marmet/BHS to KRT/Marmet	33,965.08			0.00	0.00
P	KRT/Spot to KRT/Quincy			0.00		
P	BlkHawk(KRT R#2) to KRT/Quincy	43,067.20				
P	Massey to KRT/Quincy			0.00		
		77,032.28	0.00		77,032.26	0.00
			Average Rate	0.00	77,032.26	0.00

RIVER FREIGHT		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	From KCT/Cyrus Memco			0.00		
M	From KCT/Rvr Eagle ACBL/S			0.00		
M	From KCT/Rvr Eagle OHRV/S			0.00		
N	From Pen/Whitck on ACBL/S			0.00	0.00	0.00
N	From Pen/Placer on Memco			0.00		
N	From Pen/Whitck on OHRV/S			0.00		
O	From Carado on Memco			0.00	0.00	0.00
O	From Carado on OHRV/S			0.00		
O	From Carado on ACBL/S			0.00		
P	From KRT/Quincy on OHRV/S			0.00	0.00	0.00
P	From KRT/Quincy/Marmet on Memco	77,032.28				
P	From Kanawha on ACBL/S			0.00		
		77,032.26	0.00		77,032.26	0.00
			Average Rate	0.00	77,032.26	0.00

GULF TERMINAL - IMT		Tons	Cost/Ton	Dollars	GULF TERM - MCDUFFIE	
Q	From KCT OK/Cyrus Dock			0.00	R From KCT Dock	0.00
Q	From Pen Dock/Placer Dk			0.00	R From Pen Dock	0.00
Q	From Carado/Ohio Rvr Dk			0.00	R From Carado/Ohio Rvr Dk	0.00
Q	From KRT/Quincy/Marmet	88,380.35			R From KRT/Quincy/Marmet	0.00
Q	From Emerald/S			0.00	R From Emerald/S	0.00
Q	From Gusere/S			0.00	R From Drummond/S	0.00
		88,380.36				
			Average Rate			0.00
						#DIV/0!
						Average Rate

GULF FREIGHT		Tons	Cost/Ton	Dollars
V	From IMT	131,094.15	0.00	0.00
W	From McDuffie & Other		0.00	0.00
			0.00	0.00
		131,094.15	0.00	0.00
			Average Rate	0.00

GULF FREIGHT		Tons	Cost/Ton	Dollars
	Tons delivered-IMT	98,123.71		
	Tons delivered-McDuffie & Other			0.00
				0.00
		98,123.71		0.00
			Average Rate	

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03/25/2004 09:46 FAX

Progress Fuels Corporation
Regulated (FPC) Business
Inventory Accrual
October 2003

04-Nov-03
02:17 PM

CRYSTAL RIVER 4 AND 5

* denotes I/C

COST OF COAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A	CBT/S to KCT			0.00		
A	CBT/Replace to KCT			0.00		
A	CBT/S to KCT			0.00		
AA	KMay/S to KCT			0.00		
B	Sandy River/S to Cyrus Dock			0.00		
B	Peabody/S to Rvr Eagle			0.00		
BB	KMay/S to KCT Dock			0.00		
C	DMay/S to KCT			0.00		
CC	Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
D	Pen to Pen Dock			0.00		
E	Pen to Placer Dock			0.00		
E	Coal Net/S to WhiteCreek			0.00	0.00	0.00
F	Massey to Carado			0.00		
G	Mapco/S to Carado			0.00		
G	Franklin to Carado			0.00		
G	Quaker to Carado			0.00		
H	Riverside/S to Carado			0.00		
I	KRT/Spot to Carado			0.00	0.00	0.00
J	Marmet(KRT R#2) to Marmet			0.00		
J	Marmet/Eagle to Marmet	33,088.54				
K	KRT/Spot to Quincy/Marmet					
K	BlkHawk(KRT R#2) to Quincy-D coal	49,723.77				
K	Black Hawk to KRT/Quincy #6			0.00		
K	BlkHawk(KRT R#2) to Quincy-Synfuel			0.00		
L	Massey(KRT) to KRT/Quincy			0.00		
L	Massey(TRK) to KRT/Quincy			0.00	82,812.31	
S	Emerald/S #4 to IMT	32,389.89			32,389.89	
S	Emerald/S #5 to IMT					
T	Guesars/S to IMT	43,285.81			43,285.81	
T	Guesars/S to IMT					
U	Drummond/S to McDuffie	18,703.23			18,703.23	
		<u>175,201.04</u>			<u>175,201.04</u>	
	Average Rate					

RIVER TERMINAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	CBT/S to KCT			0.00		
M	KMay/S to KCT			0.00		
M	Sandy River/S to Cyrus Dock			0.00		
M	KMay/S to KCT Dock			0.00		
M	DMay/S to KCT			0.00		
M	Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N	Pen to Pen Dock			0.00		
N	Pen to Placer Dock			0.00	0.00	0.00
N	Massey to Carado			0.00		
O	Mapco/S to Carado			0.00		
O	Franklin to Carado			0.00		
O	Quaker to Carado			0.00		
O	Riverside/S to Carado			0.00		
O	KRT/Spot to Carado			0.00	0.00	0.00
P	Marmet/S/S to KRT/Marmet	33,088.54				
P	KRT/Spot to KRT/Quincy			0.00		
P	BlkHawk(KRT R#2) to KRT/Quincy	49,723.77				
P	Massey to KRT/Quincy			0.00	82,812.31	0.00
		<u>82,812.31</u>	0.00	0.00	<u>82,812.31</u>	<u>0.00</u>
	Average Rate					

RIVER FREIGHT		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	From KCT/Cyrus Memco			0.00		
M	From KCT/Rvr Eagle ACBL/S			0.00		
M	From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N	From Pen/Whitark on ACBL/S			0.00		
N	From Pen/Placer on Memco			0.00		
N	From Pen/Whitark on OHRV/S			0.00	0.00	0.00
O	From Carado on Memco			0.00		
O	From Carado on OHRV/S			0.00		
O	From Carado on ACBL/S			0.00	0.00	0.00
P	From KRT/Quincy on OHRV/S			0.00		
P	From KRT/Quincy/Marmet on Memco	82,812.31				
P	From Kanawha on ACBL/S			0.00	82,812.31	0.00
		<u>82,812.31</u>	0.00	0.00	<u>82,812.31</u>	<u>0.00</u>
	Average Rate					

GULF TERMINAL - IMT		Tons	Cost/Ton	Dollars	GULF TERM - MCDUFFIE		
					Tons	Cost/Ton	Dollars
Q	From KCT DKO/Cyrus Dock			0.00	R	From KCT Dock	0.00
Q	From Pen Dock/Placer Dk			0.00	R	From Pen Dock	0.00
Q	From Carado/Ohio Rvr Dk			0.00	R	From Carado/Ohio Rvr Dk	0.00
Q	From KRT/Quincy, Marmet	84,181.43		1,850,209.54	R	From KRT/Quincy, Marmet	0.00
Q	From Emerald/S	32,389.89		163,519.44	R	From Emerald/S	0.00
Q	From Guesars/S	43,285.81		218,592.33	R	From Drummond/S	16,703.23
		<u>159,857.13</u>		<u>2,032,421.31</u>		<u>16,703.23</u>	
	Average Rate						

GULF FREIGHT		Tons	Cost/Ton	Dollars
V	From IMT	214,747.46	0.00	0.00
W	From McDuffie & Other	18,703.23	0.00	0.00
		<u>233,450.69</u>	0.00	0.00
	Average Rate			

GULF FREIGHT		Tons	Cost/Ton	Dollars
	Tons delivered-IMT	181,780.08		
	Tons delivered-McDuffie & Other	16,703.23		
		<u>198,483.31</u>		
	Average Rate			

PBC

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005

03/25/2004 09:46 FAX

006

Progress Fuels Corporation
 Regulated (FPC) Business
 Inventory Actual
 December 2003

05-Jan-04
 02:19 PM

CRYSTAL RIVER 4 AND 5

* denotes I/C

COST OF COAL					
	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A	CBT/S to KCT		0.00		
A	CBT/Replace to KCT		0.00		
A	CBT/S to KCT		0.00		
AA	KMay/S to KCT		0.00		
B	Sandy River/S to Cyrus Dock		0.00		
B	Peabody/S to Rvr Eagle		0.00		
BB	KMay/S to KCT Dock		0.00		
C	DMay/S to KCT		0.00		
CC	Sandy Rvr(Pen) to Cyrus Dock		0.00		
D	Pen to Pen Dock		0.00	0.00	0.00
E	Pen to Placer Dock		0.00		
E	Coal Nat/S to White Creek		0.00	0.00	0.00
F	Massey to Carado		0.00		
G	Mapco/S to Carado		0.00		
G	Franklin to Carado		0.00		
G	Quaker to Carado		0.00		
H	Riverside/S to Carado		0.00		
I	KRT/Spot to Carado		0.00		
J	Marmet(KRT R#2) to Marmet		0.00	0.00	0.00
J	Marmet/Eagle to Marmet	25,837.42			
K	KRT/Spot to KRT/Minired	21,127.31			
K	BlkHawk(KRT R#2) to Quincy-D coal		0.00		
K	Black Hawk to KRT/Quincy #8		0.00		
K	BlkHawk(KRT R#2) to Quincy-Synfuel		0.00		
L	Massey(KRT) to KRT/Quincy		0.00		
L	Massey(TRK) to KRT/Quincy		0.00		
S	Emerald/S #4 to IMT	27,303.31		48,964.73	
S	Emerald/S #5 to IMT				
T	Gussars/S to IMT	43,930.77		27,303.31	
T	Gussars/S to IMT		0.00	43,930.77	
U	Drummond/S to McDuffie		0.00	0.00	
	118,198.81			118,198.81	
		Average Rate			

RIVER TERMINAL					
	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	CBT/S to KCT		0.00		
M	KMay/S to KCT		0.00		
M	Sandy River/S to Cyrus Dock		0.00		
M	KMay/S to KCT Dock		0.00		
M	DMay/S to KCT		0.00		
M	Sandy Rvr(Pen) to Cyrus Dock		0.00	0.00	0.00
N	Pen to Pen Dock		0.00		
N	Pen to Placer Dock		0.00	0.00	0.00
N	Massey to Carado		0.00		
O	Mapco/S to Carado		0.00		
O	Frldn to Carado		0.00		
O	Quaker to Carado		0.00		
O	Riverside/S to Carado		0.00		
O	KRT/Spot to Carado		0.00	0.00	0.00
P	Marmet/BHS to KRT/Marmet	25,837.42			
P	KRT/Spot to KRT/Minired	21,127.31			
P	BlkHawk(KRT R#2) to KRT/Quincy		0.00		
P	Massey to KRT/Quincy		0.00		
	48,964.73	0.00	0.00	48,964.73	0.00
		Average Rate			

RIVER FREIGHT					
	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	From KCT/Cyrus Memco		0.00		
M	From KCT/Rvr Eagle ACBL/S		0.00		
M	From KCT/Rvr Eagle OHRV/S		0.00	0.00	0.00
N	From Pen/Whitark on ACBL/S		0.00		
N	From Pen/Whitark on OHRV/S		0.00		
O	From Carado on Memco		0.00	0.00	0.00
O	From Carado on OHRV/S		0.00		
O	From Carado on ACBL/S		0.00		
P	From KRT/Quincy on OHRV/S		0.00	0.00	0.00
P	From KRT/Quincy, Marmet on Memco	48,964.73			
P	From Kanawha on ACBL/S		0.00		
	48,964.73	0.00	0.00	48,964.73	0.00
		Average Rate			

GULF TERMINAL - IMT				GULF TERM - MCDUFFIE			
	Tons	Cost/Ton	Dollars		Tons	Cost/Ton	Dollars
Q	From KCT DK/Cyrus Dock		0.00	R	From KCT Dock		0.00
Q	From Pen Dock/Placer Dk		0.00	R	From Pen Dock		0.00
Q	From Carado/Ohio Rvr Dk		0.00	R	From Carado/Ohio Rvr Dk		0.00
Q	From KRT/Quincy, Marmet	13,885.14		R	From KRT/Quincy, Marmet		0.00
Q	From Emerald/S	27,303.31		R	From Emerald/S		0.00
Q	From Gussars/S	43,930.77		R	From Drummond/S		0.00
	85,219.22					0.00	
		Average Rate				Average Rate	

GULF FREIGHT					
	Tons	Cost/Ton	Dollars		
V	From IMT	184,870.12	0.00		0.00
W	From McDuffie & Other		0.00		0.00
	184,870.12	0.00	0.00		
		Average Rate			

GULF FREIGHT					
	Tons	Cost/Ton	Dollars		
	Tons delivered-IMT	189,481.79			
	Tons delivered-McDuffie & Other				
	189,481.79				
		Average Rate			



82 softs

**PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
SUMMARY COAL AND TRANSPORTATION
12 MONTHS ENDED 12/31/03**

App 3/26
Feb 3/29

Cost to PFC - Transportation [redacted] (DR 11)

- Upriver - KRT
- River barge - MEMCO
- Gulf Terminal - IMT
- Cross Gulf - Dixie

From 45-2

[redacted] } confid

not confidential

OK public dmed

[redacted] to tal OK

Coal (Waterborne) - tons 1,666,913: \$63,514,610 (FAC DR 6) [redacted]

Coal - ⁴⁵⁻¹ 1,210,978 tons cost [redacted]
Synfuel - 455,935 tons cost [redacted]

45-1

[redacted] conf

OK

⁴⁵⁻¹ \$63,514,610

Cost to PEF - Transportation [redacted] (PFC Inc Stmt)

conf

conf

Coal (Waterborne) - 2,089,495 tons cost \$79,274,156

Coal - ⁴⁵⁻³ 1,680,525 tons cost [redacted] (Verbally from Marcia)
Synfuel - 408,970 tons cost [redacted] conf

\$79,274,156

Delivered - Coal ⁴⁵⁻³ 5,473,821 tons [redacted] OK
Synfuel ⁴⁵⁻³ 408,970 tons 28,668,762

avg [redacted] OK public not confidential

Per PEF A-5 ⁴⁴⁻¹ 5,882,791 \$346,478,838
⁴⁴⁻¹ 5,909,931 347,142,835

Difference (27,140) (663,997) pass on differences

Difference ÷ Auditor Percent .0046 .0019
Case. (46/100 of 1%) (19/100 of 1%)

SOURCE: As Referenced

83 W/P 45

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: AVERAGE COAL COSTS
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER *12/3/20*

Coal:	Tcns	Wtd Avg Price	Avg Cost
Massey Coal	<i>45-1</i> 231,077	<i>45-1</i> [REDACTED]	[REDACTED]
Massey Coal - Kanawha	248,072	[REDACTED]	[REDACTED]
Guasare Coal Sales	277,493	[REDACTED]	[REDACTED]
Emerald International Corp.	252,026	[REDACTED]	[REDACTED]
Kanawha River Terminal	164,480	[REDACTED]	[REDACTED]
Kanawha River Terminal	21,127	[REDACTED]	[REDACTED]
Drummond Coal Sales	16,703	[REDACTED]	[REDACTED]
	<hr/> 1,210,978 <i>To 45</i>		<hr/> <i>To 45</i>

Synfuel:	Tcns	Wtd Avg Price	Avg Cost
Marmet Synfuel	<i>45-1</i> 394,997	<i>45-1</i> [REDACTED]	[REDACTED]
Kanawha River Terminal	40,715	[REDACTED]	[REDACTED]
Riverside Synfuel	20,223	[REDACTED]	[REDACTED]
	<hr/> 455,935 <i>To 45</i>		<hr/> <i>To 45</i>
Total for Year	1,666,913		<i>To 45</i>

Conclusion: Represents average PFC coal cost at IMT

SOURCE: As Noted

**PROGRESS ENERGY FLORIDA
 WATERBORNE TRANSPORTATION AUDIT
 PFC AVERAGE COAL PRICE
 12 MONTHS ENDED 12/31/03**

W/P 3/26
 85 3/29

Progress Energy Florida
 EPSC Fuel Clause Audit
 Response to Audit Request No. 6

	2003	
	Tons	Wtd Avg Price
Coal:		
A.T. Massey Coal Company	231,077	\$
A.T. Massey Coal Con Kanawha F	248,072	\$
Guasare Coal Sales	277,493	\$
Emerald International Corp.	252,026	\$
Kanawha River Terminal	164,480	\$
Kanawha River Terminal	21,127	\$
Drummond Coal Sales	16,703	\$
Synfuel:		
Marmet Synfuel	394,997	\$
Kanawha River Terminal	40,715	\$
Riverside Synfuel	20,223	\$

To 45-1 To 45-1

(Vertical redaction marks)



Note(s): Price reflects known quality adjustments as of December 31, 2003.
 Price reflects known quality adjustments as of December 31, 2003.

SOURCE: Response to PFC Audit DR

85 W/P 45-1
 1

**PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
CHARGES BY TRANSPORTATION COMPONENTS
12 MONTHS ENDED 12/31/03**

Dup 3/26
Set 3/29

CONFIDENTIAL

**WEIGHTED AVERAGE CONTRACTUAL COST PER TON COAL SHIPPED
BY WATER FROM THE MINE TO CRYSTAL RIVER PLANT - 2003**

	Tons	\$/Ton	Amount
UPRIVER 1) FOB MINE	21,127.31	\$ [REDACTED] KRT-Marmet	\$ [REDACTED]
	164,480.41	Spot 45 [REDACTED] T,S,T-Puincy	[REDACTED]
	20,222.45	CSX [REDACTED] -Riverside-Ceredo	[REDACTED]
	301,819.51	45 [REDACTED] -Truck,Transf,storage-	[REDACTED]
	166,349.72	[REDACTED] -KRT-GKRm	[REDACTED]
	TOTAL UPRIVER	673,999.40	\$ [REDACTED]
RIVER BARGE 2) MEMCO	1,092,150.69	[REDACTED] Kanawha	[REDACTED]
	20,222.45	[REDACTED] Ceredo	[REDACTED]
	TOTAL RIVER BARGE	\$ [REDACTED]	[REDACTED] To 45
		0.11 Demurrage	\$ 121,800.00
GULF TERMINAL 3) IMT	816,849.33	[REDACTED] Direct	\$ [REDACTED]
	332,216.55	[REDACTED] Storage	[REDACTED]
	146,317.94	[REDACTED] Conveyor	[REDACTED]
	131,174.48	[REDACTED] Full Sue	[REDACTED]
	250,536.88	[REDACTED] Same direct Gulf (Foreign)	[REDACTED]
	TOTAL GULF TERMINAL	\$ [REDACTED] 1.97	[REDACTED] To 45
		- Demurrage	\$ -
		0.01 Port Fees	10,362.75
		0.09 Line Handling	151,200.00
		0.06 Dockage	102,377.02
		\$ 263,939.77	
CROSS-GULF 4) DIXIE	2,080,494.85	\$ [REDACTED] Transport CR	[REDACTED]
		- Demurrage 02	\$ 6,588.47
		0.36 Demurrage 03	750,000.00
		0.03 Port Fees	61,107.51
		0.16 Insurance/Labor	335,000.00
		0.03 Customs	71,147.86
	TOTAL CROSS-GULF	\$ [REDACTED] 4.84	[REDACTED] To 45
OTHER 5)	2,080,494.85	\$ [REDACTED] Dixie Rebel (Assist Tug)	\$ [REDACTED]
		\$ - Other	\$ 438.27
	TOTAL OTHER	\$ [REDACTED]	[REDACTED] To 45
TOTAL	\$ [REDACTED]	[REDACTED]	

** This demurrage was foreign coal not included in interrogatory for 2002 paid in 2003

Note: \$/Ton were checked to contracts - OK

RCE: Response to DR #3A (86) W/P 45-2

**PROGRESS ENERGY FLORIDA
 WATERBORNE TRANSPORTATION AUDIT
 PEF AVERAGE COAL AND DELIVERED PRICE
 12 MONTHS ENDED 12/31/03**

*Jul 23/26
 Feb 3/29*

**Progress Fuels Corporation
 Regulated Financial Statistics**

Delivered Price -

Year	Total	Tons	Dollars
Synfuel			
2002	65.31		
2003	70.10	$408,969.50$	$= 28,668,761.95$
Non-Synfuel			
2002	55.76		
2003	58.06	$5,473,821.50$	$= 317,810,076.29$

PBC

For documentation please refer to Document Request No. 1,
 Transportation Audit from Joe Rohrbacher

03/26/2004 12:38 FAX

**Progress Fuels Corporation
 Regulated Financial Statistics**

3/26/2004 12:35
 3/26/2004 12:35

Delivered Price -

Year	Tons	Coal
Synfuel		
2003	408,969.50	\times [REDACTED] = [REDACTED]
Non-Synfuel		
2003	5,473,821.50	\times [REDACTED] = [REDACTED]

PBC

SOURCE: Response to DR in FAC audit
 and verbal from Auditor

(87)

W/P 45-3

PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
KRT TRANSPORTATION ADJUSTMENT
12 MONTHS ENDED 12/31/03

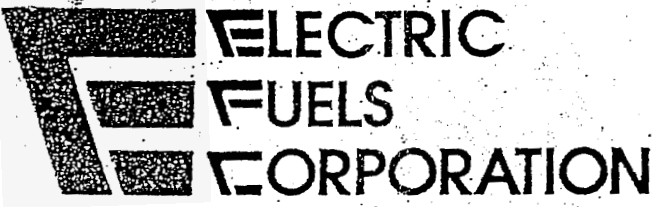
Sup 3/26
JEA 3/29

03/03/2004 12:00 FAX (278240004

PROGRESS FUELS

0003

EFC Doc



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

February 5, 2002

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

Dear Mr. Gatens:

This letter will memorialize our agreement regarding trucking costs for the Elk Run, Kanawha River docks coals to be shipped to Electric Fuels Corporation (EFC) under our *Coal Transshipment Agreement* effective January 1, 2002.

Specifically, Kanawha River Terminals, Inc. (KRT) and EFC agree that until such time as the West Virginia trucking weights are legally increased, EFC will pay KRT an additional ~~_____~~ for truck, transfer, and storage from Elk Run mines for a total rate of ~~_____~~. This increases the current rate of ~~_____~~ reflected in Appendix A of the contract. This rate will be adjusted downward reflecting any increase in legal trucking weights over 80,000 pounds when any such change occurs.

to
From 45-7

If the above accurately reflects your understanding of our agreement, please indicate so by signing in the signature block provided below and returning one original to me for our files.

Sincerely,

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

FML/ro

Agreed to and accepted this the 28 day of February 2002.

KANAWHA RIVER TERMINALS, INC.

By: *Michael Gatens*
Michael Gatens, Vice President



A Progress Energy Company

88

SOURCE: PBC - Invoice File	W/P 45.4
----------------------------	----------

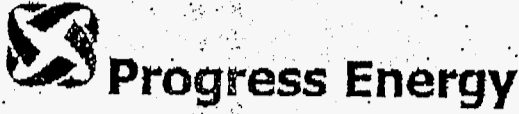
PROGRESS ENERGY-FLORIDA
WATERBORNE TRANSPORTATION AUDIT
KRT TRANSPORTATION FEE
12 MONTHS ENDED 12/31/03

WP 3/26
3/29

03/25/2004 10:50 FAX 7278246604

PROGRESS FUELS

002



End Dr
id 1-12-04
Xc: CAL

January 8, 2004

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

Dear Mr. Gatens:

This letter is to confirm our recent conversations wherein spot coal bids submitted to Progress Fuels Corporation from the Quincy and Marmet docks for calendar year 2004 include a trucking, storage, and transfer fee of ~~_____~~ (transportation fee). Therefore, if one deducts this transportation fee from the spot bid price, one derives an equivalent f.o.b. mine price.

To 45-2

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

Sincerely,

A. W. Fitcher
Vice President—Coal Procurement

AWP/ro

cc: F. M. Lelak
D. M. Davis

Agreed to and accepted this the 12 day of Jan, 2004.

Kanawha River Terminals, Inc.

By: Michael Gatens
Michael Gatens, Senior Vice President



Progress Fuels Corporation
308 Central Avenue
S. Petersburg, FL 33701

89

SOURCE: PBC-Invoice File

W/P 45-5

PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
KRT TRANSPORTATION FEE
12 MONTHS ENDED 12/31/03

3/29

Open Dr



January 6, 2003

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

Dear Mr. Gatens:

To 45-2

This letter is to confirm our recent conversations wherein spot coal bids submitted to Progress Fuels Corporation from the Quincy and Marmet docks for calendar year 2003 include a trucking, storage, and transfer fee of [redacted] (transportation fee). Therefore, if one deducts this transportation fee from the spot bid price, one derives an equivalent f.o.b. mine price.

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

Sincerely,

F. Michael Lelak

F. Michael Lelak
Manager, CSX/Barge Transportation

FML/ro

cc: A. W. Pitcher
D. M. Davis

Agreed to and accepted this the 10 day of Jan, 2003.

Kanawha River Terminals, Inc.

By: *Michael Gatens*
Michael Gatens, Senior Vice President

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



90

RCF: PBC-Invoice File

W/P 45-6

JUN 23/26

**PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
OTHER COSTS - PFC A/C 5310-100
12 MONTHS ENDED 12/31/03**

Additionally, PFC does not want to set a price in by providing records for non-regulated activities.

3. Lori was to answer questions and get me a copy of the contract between PFC and PEF. Please see if she did.

Response:

See attached copy of contract between PFC and PEF. *Returned to Company*

Below are the answers to the following questions:

1. PFC account 5310-100 COGS - Other Costs on PFC's Income Statement is used to book miscellaneous transactions related to cost of goods sold. In 2003, PFC booked an adjustment relative to the Massey/KRT synfuel coal price adjustment of [REDACTED] for tons purchased from 6/02-12/02 in this account. See Tons Purchased worksheet.

TONS PURCHASED
KRT D SYN FUEL \$37.50

	TONS	RATE	ORIGINALLY BOOKED FPC	NFPC
Jun-02	40,131.97	[REDACTED]	[REDACTED]	[REDACTED]
Jul-02	56,125.20	[REDACTED]	[REDACTED]	[REDACTED]
Aug-02	53,816.34	[REDACTED]	[REDACTED]	[REDACTED]
Sep-02	66,723.22	[REDACTED]	[REDACTED]	[REDACTED]
Oct-02	47,607.58	[REDACTED]	[REDACTED]	[REDACTED]
Nov-02	38,165.69	[REDACTED]	[REDACTED]	[REDACTED]
Dec-02	59,348.01	[REDACTED]	[REDACTED]	[REDACTED]
	<u>361,918.01</u>		[REDACTED]	[REDACTED]

954

PBC

① Booked to non-regulated in error 6/02-12/02.
Error made in 3/03 to correct
and book to regulated.

PFC Inc Stmt
A/C # 5310-100

Form 2A
100 100
200 200
300 300

Form 2B
100 100
200 200
300 300

000

91

SOURCE: Response to DR 12

W/P 45-7

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: INVOICE TESTING - SUMMARY
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: INVOICE TEST.123
 SHEET: SUMMARY TESTING

JWR 3/25
Feb 3/26

Company	Tons Purch PFC	Avg Cos (FAC DR 6)	Dollars	Tons Tested	% Total	Dollars tested	% Total
Massey	231,077 248,072	[REDACTED]	[REDACTED]	[REDACTED]	42.60%	[REDACTED]	41.53%
	479,149						
Guasare	277,493	[REDACTED]	[REDACTED]	[REDACTED]	52.73%	[REDACTED]	52.79%
Emerald	252,026	[REDACTED]	[REDACTED]	[REDACTED]	15.48%	[REDACTED]	16.55%
KRT	164,480 21,127 40,715	[REDACTED]	[REDACTED]	[REDACTED]	32.29%	[REDACTED]	35.51%
	226,322						
Drummond	16,703	[REDACTED]	[REDACTED]	0		0	
Marmet	394,997	[REDACTED]	[REDACTED]	[REDACTED]	32.23%	[REDACTED]	32.34%
Riverside	20,223	[REDACTED]	[REDACTED]	[REDACTED]	50.46%	[REDACTED]	56.91%
	1,666,913		63,514,610				
		38.10	Avg per ton				
				Total Coal Purch (WB)		23,582,294	37.13% Tested

Transportation

KRT	673,999	[REDACTED]	[REDACTED]	[REDACTED]	32.75%	[REDACTED]	
MEMCO	1,112,373	[REDACTED]	[REDACTED]	[REDACTED]	27.86%	[REDACTED]	
IMT	1,677,095	[REDACTED]	[REDACTED]	[REDACTED]	32.81%	[REDACTED]	
Dixie	2,080,495	[REDACTED]	[REDACTED]	[REDACTED]	16.86%	[REDACTED]	
							25.12% Tested

Conclusion: Invoices tested were judgementally selected and agreed to contracts

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: INVOICE TESTING - TRANSPORTATION
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: INVOICE TEST.123
 SHEET: PFC TRANSP INVOICES

pur 3/02
4/26

Inv #	Inv Date	Amount	Vendor	Contract Amount	Invoice Amount	Difference	Comments
International Marine Terminal (IMT)							
8920	12/18/02	[REDACTED]	Direct Transfer 36,645.60 tons @ [REDACTED] Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
8921	12/18/02	[REDACTED]	Storage 11,833.01 tons @ [REDACTED] Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
8985	01/03/03	[REDACTED]	Dockage @ [REDACTED] per GRT per 12 HRS Line Handling	[REDACTED]	[REDACTED]	-0.0075	Billing error, corrected on check #91020684
9099	01/31/03	[REDACTED]	Despatch Calculations 1/1-12/31/02	[REDACTED]	[REDACTED]		
9314	04/02/03	[REDACTED]	Dockage @ [REDACTED] GRT per 12 HRS Line Handling	[REDACTED]	[REDACTED]		
9382	04/18/03	[REDACTED]	Direct Transfer 57,284.77 tons Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
9383	04/18/03	[REDACTED]	Storage 74,186.47 tons Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
9643	06/14/03	[REDACTED]	Storage for Guasare Coal 51,487.24 @ [REDACTED]	[REDACTED]	[REDACTED]		Import of foreign coal
9826	08/05/03	[REDACTED]	Storage for Guasare Coal, 43,276.20 ton Parish Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		For import vessels
9828	08/07/03	[REDACTED]	Dockage @ [REDACTED] per GRT per 12 HRS Line Handling	[REDACTED]	[REDACTED]		
9860	08/18/03	[REDACTED]	Storage for Guasare Coal, 43,276.20 ton Parish Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
9862	08/19/03	[REDACTED]	Direct transfer 40,173.18 tons Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
9863	08/19/03	[REDACTED]	Storage 5,981.40 tons Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
10049	09/25/03	[REDACTED]	Storage Guasare Coal "Full Service Pkg" Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
10190	10/31/03	[REDACTED]	Storage Guasare Coal "Full Service Pkg" Plaquemines Harbor Fee @ [REDACTED]	[REDACTED]	[REDACTED]		
Kanawha River Terminals							
10002732	01/06/03	[REDACTED]	51,904.03 tons @ [REDACTED]	[REDACTED]	[REDACTED]		Massey by truck, Load origin-Cline Res- Qncy WV
10002774	03/07/03	[REDACTED]	10221.34 tons @ [REDACTED]	[REDACTED]	[REDACTED]		KRT-Massey, Load origin KRT,WV
10002843	05/05/03	[REDACTED]	46261.344 tons @ [REDACTED]	[REDACTED]	[REDACTED]		KRT- Massey, Load origin KRT,WV
10002875	07/03/03	[REDACTED]	45,597.52 tons @ [REDACTED] 10,802.79 tons @ [REDACTED]	[REDACTED]	[REDACTED]		See W/P 46-4
10002912	10/03/03	[REDACTED]	875.16 tons @ [REDACTED] 25,778.83 tons @ [REDACTED]	[REDACTED]	[REDACTED]		
MEMCO BARGE LINE, INC.							
0058801	12/17/02	[REDACTED]	70,725.62 tons @ [REDACTED]	[REDACTED]	[REDACTED]	0.34	(1) Freight KRT to IMT Coal Dock 12/1-15
0061425	02/05/03	[REDACTED]	Adjustment on shipment from Ceredo, WV	[REDACTED]	[REDACTED]		Overcharged on prior invoice
0061565	02/07/03	[REDACTED]	Demurrage - 154 days @ [REDACTED]	[REDACTED]	[REDACTED]		
0062036	02/18/03	[REDACTED]	56,108.08 tons @ [REDACTED] 1,630.42 tons @ [REDACTED]	[REDACTED]	[REDACTED]	0.34	(1) Freight KRT to IMT Coal Dock 1/31-2/15 KRT Ceredo Rvr Dck to IMT
0064968	04/16/03	[REDACTED]	67,875.46 tons @ [REDACTED] 12,135.57 tons @ [REDACTED]	[REDACTED]	[REDACTED]	-0.34	(1) Freight KRT to IMT Coal Dock 4/1-15
0068828	07/08/03	[REDACTED]	Demurrage - 282 days @ [REDACTED]	[REDACTED]	[REDACTED]	-0.28	(1) KRT Ceredo Rvr Dck to IMT
0069307	07/17/03	[REDACTED]	40,204.93 tons @ [REDACTED]	[REDACTED]	[REDACTED]	0	Freight KRT to IMT Coal Dock 7/1-15
0075207	11/05/03	[REDACTED]	56,629.19 tons @ [REDACTED]	[REDACTED]	[REDACTED]	0	Freight KRT to IMT Coal Dock 10/16-31

(1) Per contract, quarterly adjustment for fuel and other cost

Conclusion: Invoices tested agreed to contract rates

SOURCE: Invoices and Contracts

93 W/P 46-1
1082

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: INVOICE TESTING - TRANSPORTATION
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: INVOICE TEST.123
 SHEET: PFC TRANSP INVOICES

3/23/03
3/26

Inv #	Inv Date	Amount	Vendor	Contract Amount	Invoice Amount	Difference	Comments
		<i>T046</i>	Dixie Fuels Limited				
F0103-06	01/01/03	[REDACTED]	Charter of tug Rebel 1/1-1/15	[REDACTED]	[REDACTED]		
F1202-12	12/31/02	[REDACTED]	Gulf charges 16,079.91 tons	[REDACTED]	[REDACTED]		(1)
F0103-05	01/15/03	[REDACTED]	30,888.31 tons @ [REDACTED]	[REDACTED]	[REDACTED]		(1)
F0203-07	02/15/03	[REDACTED]	31,069.02 tons @ [REDACTED]	[REDACTED]	[REDACTED]		(1)
F0303-12	03/31/03	[REDACTED]	Charter of tug Rebel 3/16-3/31	[REDACTED]	[REDACTED]		
F0403-05	04/11/03	[REDACTED]	Labor cost adjustment Insurance cost adjustment	<i>46</i>	[REDACTED]		
F0503-03	05/07/03	[REDACTED]	1st quarter 2002 demurrage	<i>82</i>	[REDACTED]		
F0703-07	07/15/03	[REDACTED]	33126.81 tons @ [REDACTED]	<i>46</i>	[REDACTED]		(1)
F0903-05	09/15/03	[REDACTED]	Charter of tug Rebel 9/1-9/15	[REDACTED]	[REDACTED]		
F1003-15	10/31/03	[REDACTED]	16,782.40 tons @ [REDACTED]	[REDACTED]	[REDACTED]		(1)
F1103-10	11/30/03	[REDACTED]	92,552.32 tons @ [REDACTED]	[REDACTED]	[REDACTED]		(1)
F1203-01	12/05/03	[REDACTED]	15,542.58 tons @ [REDACTED] Adjustment to previous billings	[REDACTED]	[REDACTED]		(1)

SOURCE: Invoices and Contracts

(94)
W/P 46-1
2082

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: INVOICE TESTING - COAL PURCHASE
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: INVOICE TEST.123
 SHEET: PFC COAL PURCHASES

9/26
2/26

Inv #	Inv Date	Amount	Vendor	Load Origin	Number of Tons	Cost Per Ton	Total Charge	Contract Amount	Comments - Accounts Charged
10002756-E	02/06/03	<i>To 46</i>	KRT (Spot Purchases)	KRT-Marmt/Qncy (B) KRT-Quincy					
10002772	03/07/03		KRT (Spot Purchases)	KRT-Marmt/Qncy					
10002775	03/07/03		BTU Premium adjustment						
10002845	05/05/03		KRT (Spot Purchases)	KRT-Marmt/Qncy					
KC03435	07/25/03		Koch Carbon BTU Adjustment	Damron Fork, KY (R)					Adj for rounding
KC04461	10/27/03		Koch Carbon BTU Adjustment	Damron Fork, KY					
KC05003	12/12/03			Damron Fork, KY					
			Marmet Synfuel agent for Calls Synfuel						
51000144	01/03/03		2002 Deliveries BTU Adjustment	KRT-Marmt/Qncy (B)					Tons @ FPC 2006 Tons @ NFPC 200
51000159	01/28/03			KRT - Marmet					
51000195	03/07/03			KRT - Marmet					
10002842	05/05/03			KRT - Marmet					
7010115	06/02/03								Correct BTU adj, Inv #7010125
7010157	07/18/03			KRT - Quincy					
43001817	07/18/03			KRT - Quincy					
43001684	08/20/03			KRT - Quincy					
43001785	10/28/03								
43001835	12/05/03		BTU Adjustment	KRT - Quincy					
			Massay Coal Sales						
0013120	02/11/03			Hutchinson WV (R)					
0013173	02/12/03								
0013174	02/12/03								
0017867	04/21/03								
0017868	04/21/03								
13103	04/28/03			Elk Run WV (T)					
15332	04/15/03			KRT-Marmt-Qncy					
15988	03/28/03			KRT-Marmt-Qncy					
22803	04/28/03			Elk Run WV (T)					
33103	04/28/03			Elk Run WV					
0023717	07/07/03	<i>46-7</i>							
0024168	07/14/03			Hutchinson WV (R)					
0024249	07/15/03			Hutchinson WV					
0031503	10/23/03			Goff, KY (R)					
0031522	10/23/03			Goff, KY					
0031656	10/24/03			Goff, KY					

B=Barge
 R=Rail
 T=Truck

Conclusion: Invoices tested agreed to contracts

SOURCE: Invoices and Contracts

95 WIP 46-2
 1082

COMPANY: PROGRESS FUELS CORPORATION
 SUBJECT: INVOICE TESTING - COAL PURCHASE
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: INVOICE TEST.123
 SHEET: PFC COAL PURCHASES

To 46
 10/23/22
 10/23/26

Invoice #	Date	Description	Location	Quantity	Value
0048109	03/07/03	Alliance Coal (MC Mining)	Scotts Branch, K (R)		9,907.10
0050842	07/17/03	BTU Adjustment			9,996.40
0052452	10/22/03				9,337.30
54000053	04/10/03	Riverside Synfuel	Ceredo, WV (B)		10,204.57
		BTU Adjustment			
0330425	02/18/03	AEP Coal (Formerly Quaker Coal)	Damron Fork, KY (R)		20,389.35
		BTU Adjustment			
0331943	07/31/03				18,288.31
		BTU Adjustment			
0332896	12/18/03				9,798.52
		BTU Adjustment			
09012	02/10/03	Amvest Coal Sales, Inc.	Fola, WV (R)		8,923.75
09407	07/11/03				9,025.00
09427	07/18/03				9,552.15
A9428	07/18/03	BTU Adjustment			18,577.15
09760	12/03/03				9,236.05
A9770	12/04/03	BTU Adjustment			18,582.30
10002730	01/06/03	Blackhawk Synfuel Agent New Rvr Synf	KRT - Quincy (B)		33,028.87
10002731	01/08/03	Adj from inv 10002730			3,481.18 5,003.21
43001384	02/05/03	BTU Adjustment			7,889.94
43001384A	02/05/03	Adj invoice 43001384			
43001732	09/25/03				8,668.10
022433DI	04/02/03	CONSOL of Kentucky	Rapid Loader, K ERR		78,914.91
022443DI	04/02/03	BTU Adjustment			78,914.91
701000002	08/08/03				68,039.69
701000217	12/02/03				128,285.58
EE 6651	03/13/03	Emerald International	IMT (B)		8,010.00
EE 6658	04/11/03				5,031.13
EE 6677	08/04/03	BTU Adjustment			8,493.47
EE 6701	09/15/03				8,827.82
EE 6719	10/08/03	BTU Adjustment			8,774.93
EE 6750	12/10/03	BTU Adjustment			3,885.25
142B	06/27/03	Guasare Coal International			
		Customs Brokers Charges			
06-03-027	06/19/03	Adjust invoice 03-033			
03-033	08/10/03				51,497.24
03-052	08/10/03				51,554.50
03-074	10/19/03				43,285.61
11-03-064	11/07/03	BTU Adjustment			
168B	12/10/03	Customs Clearance Fees			

Tons @ \$ [redacted] to FPC 2006 448 = [redacted]
 Tons @ \$ [redacted] to NFPC 2006 448 = [redacted]

Deliveries from 2002
 Tons @ \$ [redacted] to FPC 2008 890 = [redacted]
 Tons @ \$ [redacted] to NFPC 2008 890 = [redacted]

Adjustment for volume purchased
 Tons @ \$ [redacted] to FPC 2020 100 = [redacted]
 Tons @ \$ [redacted] to NFPC 2020 500 = [redacted]
 Tons @ \$ [redacted] to FPC 2020 100 = [redacted]
 Tons @ \$ [redacted] to NFPC 2020 500 = [redacted]
 Tons @ \$ [redacted] to FPC 2020 100 = [redacted]
 Tons @ \$ [redacted] to NFPC 2020 500 = [redacted]
 Tons @ \$ [redacted] to FPC 2020 100 = [redacted]
 Tons @ \$ [redacted] to NFPC 2020 500 = [redacted]

Converted from metric to short tons (rounding)
 Converted from metric to short tons (rounding)
 Converted from metric to short tons (rounding)
 Adjust invoice 03-074

SOURCE: Invoices and Contracts

(96) WIP 46-2
 2082

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: INVOICE TESTING - COAL PURCHASE
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: INVOICE TEST.123
 SHEET: PEF COAL PURCHASES

Handwritten: 3/22
 3/26

Inv #	Inv Date	Amount	Delivery Period	Vendor	Transp Mode	Number of Tons	Cost Per Ton	Total Charge
EFC - 094	12/31/2002	11,001,098.80	Dec 16-30	Progress Energy - EFC (now PFC)	Barge Rail	108,420 77,096 185,516	[REDACTED]	[REDACTED]
EFC - 093	12/31/2002	12,227,311.36	Dec, 2002		Rail	229,664	[REDACTED]	[REDACTED]
EFC - 004	01/16/2003	7,143,214.26	Jan 1-15		Barge Rail	77,831 38,831 116,662	[REDACTED]	[REDACTED]
PFC - 007	02/03/2003	13,502,439.60	Jan 16-31		Barge Rail	133,510 87,010 220,520	[REDACTED]	[REDACTED]
PFC - 010	02/18/2003	9,440,039.14	Feb 1-15		Barge Rail	62,070 95,843 157,913	[REDACTED]	[REDACTED]
PFC - 011	03/03/2003	5,565,866.79	Feb		Rail	99,231	[REDACTED]	[REDACTED]
PFC - 012	03/03/2003	8,383,530.94	Feb 16-28		Barge Rail	62,191 78,032 140,223	[REDACTED]	[REDACTED]
PFC - 016	03/17/2003	86,274,382.48	Mar 1-15		Barge Rail	80,482 59,252 139,734	[REDACTED]	[REDACTED]
PFC - 018	04/01/2003	7,982,812.86	Mar		Rail	143,421	[REDACTED]	[REDACTED]
PFC - 019	04/01/2003	11,469,427.60	Mar 16-31		Barge Rail	99,689 86,141 185,830	[REDACTED]	[REDACTED]
PFC - 022	04/16/2003	8,376,634.50	Apr 1-15		Barge Rail	49,580 86,074 135,654	[REDACTED]	[REDACTED]
PFC - 024	05/01/2003	7,593,439.98	Apr		Rail	133,994	[REDACTED]	[REDACTED]
PFC - 025	05/01/2003	12,417,245.75	Apr 16-30		Barge Rail	116,032 85,057 201,089	[REDACTED]	[REDACTED]
PFC - 031	05/16/2003	9,684,861.12	May 1-15		Barge Rail	99,349 57,035 156,384	[REDACTED]	[REDACTED]
PFC - 032	06/02/2003	9,651,414.50	May		Rail	172,655	[REDACTED]	[REDACTED]
PFC - 033	06/02/2003	11,356,847.26	May 16-31		Barge Rail	115,439 67,943 183,382	[REDACTED]	[REDACTED]
PFC - 037	06/16/2003	8,805,461.70	Jun 1-15		Barge Rail	65,629 76,716 142,345	[REDACTED]	[REDACTED]
PFC - 038	07/01/2003	11,312,501.73	Jun		Rail	202,479	[REDACTED]	[REDACTED]
PFC03-039	07/01/2003	81,869,366.82	Jun 16-30		Barge Rail	66,736 65,601 132,337	[REDACTED]	[REDACTED]
PFC03-041	07/16/2003	7,116,443.00	Jul 1-15		Barge Rail	49,106 67,557 116,663	[REDACTED]	[REDACTED]
PFC03-047	08/01/2003	8,711,504.05	Jul		Rail	155,147	[REDACTED]	[REDACTED]
PFC03-048	08/01/2003	8,632,415.00	Jul 16-31		Barge Rail	49,017 92,498 141,515	[REDACTED]	[REDACTED]
PFC03-051	08/18/2003	11,275,144.92	Aug 1-15		Barge Rail	115,503 67,654 183,157	[REDACTED]	[REDACTED]
PFC03-053	09/02/2003	8,717,937.38	Aug		Rail	153,242	[REDACTED]	[REDACTED]
PFC03-054	09/02/2003	10,320,657.12	Aug 16-31		Barge Rail	82,421 85,231 167,652	[REDACTED]	[REDACTED]

Handwritten: 468

(97)

IP 46

1082

SOURCE: Progress Energy Invoices

COMPANY: PROGRESS ENERGY FLORIDA
 SUBJECT: INVOICE TESTING - COAL PURCHASE
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2003
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION
 FILE: INVOICE TEST.123
 SHEET: PEF INVOICES

W/P 3/22
JSA 3/26

Inv #	Inv Date	Amount	Delivery Period	Vendor	Transp Mode	Number of Tons	Cost Per Ton	Total Charge
PFC03-058	09/16/2003	10,170,101.76	Sep 1-15	Progress Energy - PFC	Barge	81,163		
					Rail	<u>84,366</u>		
						165,529		
PFC03-060	10/01/2003	10,220,419.44	Sep		Rail	184,351		
PFC03-061	10/01/2003	13,334,261.76	Sep 16-30		Barge	131,038		
					Rail	<u>85,991</u>		
						217,029		
PFC03-065	10/15/2003	10,013,085.54	Oct 1-15		Barge	80,864		
					Rail	84,205		
						165,069		
PFC03-068	11/03/2003	12,130,475.25	Oct		Barge	12,277		
					Rail	<u>216,298</u>		
						228,575		
PFC03-069	11/03/2003	11,299,562.82	Oct 16-31		Barge	117,552		
					Rail	<u>68,725</u>		
						186,277		
PFC03-071	11/17/2003	8,648,892.72	Nov 1-15		Barge	80,918		
					Rail	64,981		
						145,899		
PFC03-075	12/01/2003	10,197,049.20	Nov 16-30		Barge	77,029		
					Rail	<u>94,986</u>		
						172,015		
PFC03-074	12/01/2003	7,742,052.57	Nov		Rail	148,857		
PFC03-084	12/16/2003	8,508,575.25	Dec 1-15		Barge	76,903		
					Rail	<u>67,882</u>		
						144,785		

CR Dredging Project costs paid by Progress Fuels

Conclusion:

SOURCE: Progress Energy Invoices

W/P

(98)
 46-3
 20F2

08-01-2003 10:30 From-

T-991 P.003/005 F-841

EMIT TO:

KANAWHA RIVER TERMINALS, INC.
P. O. BOX 102256
ATLANTA GA 30368-2256

INVOICE NO.: 10002875

INVOICE DATE: 2003/07/03
NET DUE: 30 DAYS

SOLD TO: 90370

PROGRESS FUELS CORPORATION
P.O. BOX 15208
ATTN: CARRIE LEONARD
ST. PETERSBURG, FL 33733

SHIPPED TO: 73
ELECTRIC FUELS CORPORATION
ELK RUN COAL
ST. PETERSBURG, FL 33733

AMOUNT DUE: \$273,683.57

HAULER NAME	ORDER NO	TICKET DATE	TICKET NUMBER	TICKET REFERENCE	NET TONS	SALES PRICE	AMOUNT
-------------	----------	-------------	---------------	------------------	----------	-------------	--------

TOTAL TONS:

Ⓐ 56,400.30

TOTAL:

To 46-1 P1

PROGRESS FUELS CORP

VENDOR #: _____
 AMOUNT APPROVED: _____
 PAYMENT DATE: JE 8/11
 ACCTG PERIOD: _____
 APPROVED BY: [Signature]
 ACCTG APPROVAL: 07 8/7
 UNIT ACCT #: NAPC 2006 8751
 PROJECT #: _____
 DESCRIPTION (20) 56,400.30 6/1-30

TRAIN #: _____
 LOAD DATE: 6/2-30
 TONS: 56,400.30
 SUPPLIER: Kut D Sign Rkt D/C
 COAL TYPE: D
 DELIVERY MODE: Water
 INITIALS: gsl/4 7/28/03

Tens
 3 45,597.52
 10,802.78
 56,400.30 Ⓐ
 HDT

Tb 46-1 P2

CUSTOMER COPY



PAGE: 2

99 1043

10:30 From-
TO:

T-991 P.002/005 F-841

KANAWHA RIVER TERMINALS, INC.
P. O. BOX 102256
ATLANTA GA 30368-2256

INVOICE NO.: 10002875

INVOICE DATE: 2003/07/03
NET DUE: 30 DAYS

SOLD TO: 90370
PROGRESS FUELS CORPORATION
P.O. BOX 15208
ATTN: CARRIE LEONARD
ST. PETERSBURG, FL 33733

SHIPPED TO: 73
ELECTRIC FUELS CORPORATION
ELK RUN COAL
ST. PETERSBURG, FL 33733

AMOUNT DUE: \$273,683.57

HAULER NAME	ORDER NO	TICKET DATE	TICKET NUMBER	TICKET REFERENCE	NET TONS	SALES PRICE	AMOUNT
BLACK	700073	2003/06/30	200163	PRICEADJ	45,597.52		
BLACK	700073	2003/06/30	200168	WGHTADJ	45,597.52		
BLACK	700074	2003/06/02	70272433	MEM5092	1,983.20		
BLACK	700074	2003/06/03	70272470	PML1401B	1,886.42		
					1,804.20		
BLACK	700074	2003/06/30	70272866	IRTC108B	1,771.40		
BLACK	700074	2003/06/30	70272867	MEM2053	1,956.00		
BLACK	700074	2003/06/30	70272868	RF906B	1,949.60		



100 2013

JUNE 2003 M261

TOTAL NET TONS THAT WAS OVER 80,000 GROSS WEIGHT

(Used Daily Producer Reports for each day and added up loads that had gross weight over 80,000)

Date	Total Net Tons
1	
2	2458.59
3	2262.50
4	2543.42
5	2124.77
6	2365.29
7	0.00
8	0.00
9	3349.98
10	3441.96
11	2404.97
12	1387.29
13	892.30
14	0.00
15	0.00
16	2319.60
17	2973.25
18	1992.00
19	3065.67
20	2668.94
21	0.00
22	0.00
23	3250.04
24	2726.75
25	1468.10
26	1316.16
27	585.94
28	0.00
29	0.00
30	0.00
31	0.00

45,597.52 to pl

Backed 45,597.52 tons out of order 700074, which is [REDACTED] and put in order 700073, which is [REDACTED]

The purpose of this is to pay Massey [REDACTED] instead of [REDACTED] for loads that are over 80,000 gross weight.

PBC

101 3063

**PROGRESS ENERGY FLORIDA
 WATERBORNE TRANSPORTATION AUDIT
 DIXIE FUELS DEMURRAGE CALCULATION
 12 MONTHS ENDED 12/31/03**

*pur 3/23
 JEF 3/26*

Electric Fuels Demurrage
 First Quarter 2002

Demurrage rate: Full rate \$ [REDACTED] Half rate \$ [REDACTED]

Current Totals:

DFL Totals				
Full Rate		Half Rate		Total
IMT	CR	IMT	CR	
(70.89)	[REDACTED]	0.00	[REDACTED]	1,749.21
Full Rate	[REDACTED]	Half Rate	[REDACTED]	
Demurrage	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

EFC Totals				
Full Rate		Half Rate		Total
IMT	CR	IMT	CR	
(168.06)	[REDACTED]	0.00	[REDACTED]	[REDACTED]
Full Rate	[REDACTED]	Half Rate	[REDACTED]	
Demurrage	\$ [REDACTED]	[REDACTED]	[REDACTED]	\$ [REDACTED]

Agreed Settlement 5/6/03-Kan Bush, Al Pitcher, Mike Lelak:

Adjusted Totals				
Full Rate		Half Rate		Total
IMT	CR	IMT	CR	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Full Rate	[REDACTED]	Half Rate	[REDACTED]	
Demurrage	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

To 46-1 p2



5/7/03 8:41
 C:\ACCTG\Etc demurrage\2002\Settle 1st qtr 2002.xls\settlement

SOURCE: PBC-Verbal Request

(102)

W/P 465

PROGRESS ENERGY FLORIDA
WATERBORNE TRANSPORTATION AUDIT
UTILITY RESPONSE TO DIXIE FUEL QUESTION
12 MONTHS ENDED 12/31/03

APR 3/25
3/26

Dixie Fuels Limited
Labor Cost Adjustment
For the Period 4/1/02 - 3/31/03

W/P Asked to explain where numbers came from. PFC unable to see below

Actual regular wages for the period

04/11/03

G:\ACCTG\CLOSEMON\2003\2002_2003 Insur and Labor Cost Trueup.xls\labor mar03

These are Dixie #s. There is a true up calculation in the Dixie contract. The contract spells out how the true up between estimate + actual costs is calculated. PFC has no support for Dixie #s.

SOURCE: Response to Question

W/P 104 416-6

Muehlendyck, Virginia

From: Potter, Roy
Sent: Tuesday, July 08, 2003 3:53 PM
To: 'John Parker'
Cc: Pitcher, Al; Kuderick, Mary; Muehlendyck, Virginia
Subject: Bandmill train 15-K/F123

John,

In an effort to finalize this and work out the specifics on this contract swap, here is what I propose to simplify the transition and keep it under contract terms.

Basically, the train will be taken under the Goff A coal contract to Units 1&2. The price is [REDACTED] for the Goff A. There is a 10% penalty in the Goff contract for low sulfur shipments. We are waiving reject rights for the ash, vol, and Btu. Consequently, the base price would be [REDACTED] less a 10% penalty for sulfur of [REDACTED] a ton. The adjusted price for the application of premium penalty adjustments is [REDACTED]. Premium penalty is currently based on a 12500 guarantee (shipment was 12023 so the Btu penalty is \$ [REDACTED]).

There is also an additional consideration for the freight differential. Since this source is not the intended one, the ratepayer is looking at [REDACTED] difference in the Kanawha vs. Big Sandy freight. Consequently, this will need to be tacked on as an adjustment after the fact. These tons count in all respects toward the Goff A contract and not at all on the Bandmill contract. Consequently, it will lower the remaining Goff shipments and be as if it never happened on the Bandmill contract.

FYI, the final net price after all the adjustments is [REDACTED].

Mike Hood talked to Tim and ascertained this all stemmed from a rookie dozier operator getting into the wrong part of the pile, after being advised to stay out of it. This may be good to pass on to Tim so he can communicate to his people the dollar value impacts of what, on the surface, would seem to be a relatively small mistake. By my calcs, its about [REDACTED].

I regret you had this problem, however, I am confident that Tim will not let it happen again. This will likely cause some opacity issues for Unit 1 unless the coal is blended due to the high ash and low sulfur, so the plant is not likely to be very happy about it...regardless of price reductions. Consequently, there cannot be a repeat performance.

Let me know if this meets your expectations.

Roy F. Potter
Technical Services Manager
Progress Fuels Corporation
Work (727)-824-6684
Cell (727)-421-2938
email. roy.potter@progressfuels.com

PBC

105/1083

7/ 7/2003
Massey Coal Sales

Customer Invoice		
0023717INV	07/07/03	Page 2 of 2

PO Box 26765, Richmond, VA, 23261 Phone (804) 788-1800

Unit Number	Net Tons	Price	Amount
FLCX 195	113.025		
FLCX 199	112.950		
FLCX 200	113.225		
FLCX 201	113.175		
FLCX 207	113.025		
FLCX 210	113.000		
FLCX 212	113.300		
FLCX 213	113.400		
FLCX 218	113.075		
FLCX 219	113.225		
FLCX 222	113.375		
FLCX 226	113.225		
FLCX 227	113.100		
FLCX 231	113.000		
FLCX 232	85.100		
FLCX 233	113.150		
FLCX 236	113.675		
FLCX 237	113.400		
FLCX 241	112.950		
FLCX 251	113.375		
FLCX 254	113.625		
FLCX 257	112.925		
FLCX 258	113.350		
FLCX 263	113.025		
FLCX 265	326,290.42		
FLCX 268	113.975		
FLCX 270	113.150		
FLCX 271	112.800		
FLCX 274	113.050		
FLCX 279	112.825		
FLCX 283	113.100		
FLCX 98032	113.000		
FLCX 98070	113.175		
FLCX 98076	113.275		
FLCX 98081	113.250		
FLCX 98085	113.150		
FLCX 98122	113.200		
FLCX 98127	113.475		
FLCX 98144	113.500		
FLCX 98147	113.100		
FLCX 98157	113.325		
FLCX 98161	113.150		
FLCX 98172	113.125		
FLCX 98183	113.025		
FLCX 98191	113.075		
FLCX 98195	113.450		
FLCX 98196	113.325		
FLCX 98211	112.975		
FLCX 98217	113.200		
FLCX 98226	113.075		
FLCX 98234	112.400		
FLCX 98261	113.125		
FLCX 98462	113.000		
FLCX 98619	112.875		
Total Coal Purchase >>	9,479.675		

RECEIVED
 JUL - 8 2003

PF ACCOUNTS PAYABLE

PROGRESS FUELS CORP

VENDOR #: _____
 AMOUNT APPROVED: 297,282.61
 PAYMENT DATE: 7/29
 ACCTG PERIOD: _____
 APPROVED BY: [Signature]
 ACCTG APPROVAL: CX 7/18
 UNIT/ACCT #: FPC 2020 100 326,290.42
 PROJECT #: FPC 2020 200 (13,176.75)
 DESCRIPTION: (26) 9479.68 7/6

IRMS 5310 110 (15,831.06)

TRAIN #:	<u>F123</u>
LOAD DATE:	<u>7/6/03</u>
TONS:	<u>9479.62</u>
SUPPLIER:	<u>Massey/C</u>
COAL TYPE:	<u>A</u>
DELIVERY MODE:	<u>Roach</u>
INITIALS:	<u>[Signature]</u>

Total Invoice Amount >> \$364,967.49



BTH Penalty pay

(106)

D COAL TRAIN OUT OF SPEC - APPLY TO A COAL CONTRACT

15K - F123

MASSEY
PREMIUM/PENALTY CALCULATION

COAL COST		[REDACTED]
10% PENALTY		[REDACTED]
COAL COST		[REDACTED]
BTU GUARANTEE		[REDACTED]
PER 100 BTU	\$	[REDACTED] 4 ÷ B
Shipment BTU	+	[REDACTED]
Contract Base BTU	-	[REDACTED]
Quality Deviation	=	[REDACTED]
Quality Deviation Div. by 100	/	[REDACTED]
Coal Cost Per 100 BTU	X	[REDACTED]
Per Ton Adjustment	=	[REDACTED]
Per Ton Adjustment		[REDACTED]
TOTAL TONS	X	[REDACTED]
PREM/PEN BTU ADJUSTMENT	=	[REDACTED]
COST WITH 10% PENALTY	\$	[REDACTED]
FREIGHT DIFFERENTIAL	-	[REDACTED]
ADJUSTED COAL COST	\$	[REDACTED]
TONS	X	[REDACTED]
COAL	= \$	[REDACTED]
TOTAL COAL AND PREM/PEN	\$	[REDACTED] P2

PFC:mjk
7/21/03

Smel



CRYSTAL RIVER 4 AND 5	APR ESTIMATE
TONS	358,200
BTU'S	12,580
CPT	\$61.75
CENTS/MBTU	\$245.00

SUPPLIERS TONS:

IMT-D	176,000	x
AEP(QKER)	38,100	x
AEP/S	9,600	x
ALLIANCE	29,200	x
ALLIANCE/OPT	9,600	x
PMJV	0	x
AMVEST	27,700	x
AEI	0	x
MASSEY	58,400	x
DYNEGY-1	0	x
DYNEGY-2	0	x
MARSH/S	9,600	x
TOTAL	358,200	



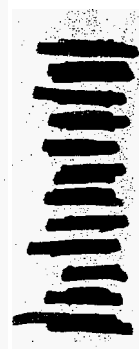
59.36 COGS
TOP 2

SUPPLIERS %:

IMT-D	49%
AEP(QKER)	11%
AEP/S	3%
ALLIANCE	8%
ALLIANCE/OPT	3%
PMJV	0%
AMVEST	8%
AEI	0%
MASSEY	16%
DYNEGY-1	0%
DYNEGY-2	0%
MARSH/S	3%
TOTAL	100%

SUPPLIERS COGS:

IMT-D	
AEP(QKER)	
AEP/S	
ALLIANCE	
ALLIANCE/OPT	
PMJV	
AMVEST	
AEI	
MASSEY	
DYNEGY-1	
DYNEGY-2	
MARSH/S	



SUPPLIERS BTU'S:

IMT-D	12,560
AEP(QKER)	12,586
AEP/S	12,817
ALLIANCE	12,805
ALLIANCE/OPT	12,810
PMJV	0
AMVEST	12,667
AEI	0
MASSEY	12,419
DYNEGY-1	0
DYNEGY-2	0
MARSH/S	12,500

PBC

108

1082

**PROGRESS ENERGY FLORIDA
 WATERBORNE TRANSPORTATION AUDIT
 UTILITY CALCULATION OF WATERBORNE TRANSPORTATION RATE
 12 MONTHS ENDED 12/31/03**

AUR 3/25
 Feb 3/29

PROGRESS FUELS CORPORATION
 Average Indices - FPC Waterborne Rate
 2003 Rate

CONFIDENTIAL

Waterborne rate estimated based upon YTD average indices.

	AVERAGE												WATER RATE					
	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	2002	2001	% CHG	2002	2003	Variance
FIXED																		
CPI-U	177.1	177.8	178.8	179.8	171.8	171.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	177.0	1.84%			
RCAF-U			95.7			95.7						99.6	97.1	97.1	0.72%			
PPI-ALL COMMODITIES	128.5	128.6	129.9	131.0	131.0	131.1	131.2	131.5	132.0	133.1	133.2	133.0	131.2	134.1	-2.18%			
AHE-TOTAL PRIVATE	14.6	14.6	14.7	14.7	14.7	14.8	14.8	14.8	14.9	14.9	14.9	15.0	11.1	14.3	3.21%			
PPI-#2 DIESEL FUEL	59.2	59.8	69.4	77.9	74.2	73.3	77.4	80.4	91.9	99.0	31.0	31.9	7	83.9	-7.03%			
TOTAL WEIGHTED AVERAGE PERCENT CHANGE																		
Waterway User Tax													0.23	0.23				
Total Waterborne rate																		
Offshore rate - 51.2%																		

Note: 2003 Rate calculation is based on 2002 YTD Average Indices.

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109

SOURCE: PBC from Fuel Audit

W/P 47