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BEFORE THE PUBLIC SERVICE COMMISSION

070001-EI

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	Docket No. 050001-EI Dated: October 4, 2005

PROGRESS ENERGY FLORIDA'S RESPONSES TO STAFF'S FIFTH SET OF INTERROGATORIES (NO. 14-49)

Progress Energy Florida, Inc. (PEF), pursuant to Fla. Admin. Code R. 28-106.206, Fla. R. Civ. P.1.340, and the Order Establishing Procedure in this proceeding, hereby serves the following responses to Staff's Fifth Set of Interrogatories (Nos. 14-49):

GENERAL OBJECTIONS

1. PEF objects to each interrogatory and instruction to the extent it would require PEF to divulge information that is exempt from discovery under the attorney-client privilege, the attorney work product privilege, or any other applicable privilege.

2. PEF objects to each interrogatory and instruction to the extent it would require PEF to divulge proprietary confidential business information without protective measures necessary to prevent disclosure.

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SPECIFIC OBJECTIONS & RESPONSES MK 5/2/07 (Entire DN)

14. Please refer to PEF's response to Interrogatory No. 8 from Staff's Second Set of Interrogatories.

A. Please describe the circumstances which led PEF to overpay the qualifying facilities identified in this response by $6.1 million from August 2003 through August 2004.

B. How did PEF ascertain that these circumstances would not be repeated?

This docketed notice of intent was filed with Confidential Document No. 09450-05 The document has been placed in confidential storage pending timely receipt of a request for confidentiality.

Response:
A. PEF discovered a data error used in the calculation of the hourly as-available rates from August 2003 through August 2004. This data error caused incorrect loads to be entered into the hourly production cost model. These loads were artificially inflated and resulted in as-available prices that were too high. As a result, the monthly payments made to Qualifying Facilities (QFs) during that 13-month period were higher than they should have been.

B. The calculation of the as-available prices and the resulting QF payments is a very complex and time-consuming process. During the 13 month period, previous monthly audit procedures did not reveal the invalid loads due to escalating fuel prices masking the higher as-available rates. PEF has implemented new audit procedures to review the inputs to the production cost model. A key component of this procedure is a detailed look at a specific random hour to review the as-available rate calculation and all of the inputs to the production cost model, which is being done on a quarterly basis. This data review is a lengthy process that takes more than a week to complete. The procedure was successfully completed for 1st Quarter, 2005. To date, no data errors have been found.

Furthermore, PEF's Audit Services Department (ASD) has examined and approved this data review process in conjunction with PEF's compliance to the Sarbanes-Oxley Act. ASD will continue to inspect PEF's entire QF payment process which includes the Sarbanes Oxley testing to be included in PEF's annual SEC 10K filing in March of 2006.

15. Please complete the following table for each planned maintenance outage since September 1, 2004:

Summary of PEF's Planned Maintenance Outages since September 1, 2004				
Unit	**MW**	**Estimated Outage Dates**	**Actual Outage Dates**	**Key Maintenance Tasks Completed**

Response: The outages listed below were "planned" outages of nuclear, fossil, and combined cycle generators in accordance with NERC GADS nomenclature. Additional outages for these types of units occurred during the period due to emergent maintenance needs for which the opportunity to conduct pre-outage planning was either limited or non-existent ("maintenance" outages and "forced" outages).

PEF's Planned Maintenance Outages since September 1, 2004

Unit	MW	Planned Start	Planned End	Actual Start	Actual End	Key Maintenance Tasks Completed
ANCLO 2	535	11/6/2004	11/20/2004	11/6/2004	11/20/2004	Boiler outage
BARTO 1	130	4/16/2005	4/30/2005	4/16/2005	4/30/2005	Boiler outage
BARTO 2	127	4/2/2005	4/16/2005	4/2/2005	4/16/2005	Boiler outage
CRYSTR 4	755	11/17/2004	11/22/2004	11/17/2004	11/22/2004	Repair precipitator
CRYSTR 4	755	3/4/2005	3/26/2005	3/4/2005	3/28/2005	Boiler outage, boiler feed pump turbine inspection and repair, turbine valve rebuild, precipitator repairs
CRYSTR 5	765	3/27/2005	4/8/2005	3/30/2005	4/8/2005	Boiler outage
HINES1	534	10/18/2004	11/22/2004	10/18/2004	11/23/2004	Major outage on CT1A & ST
HINES1	534	4/22/2005	5/9/2005	4/30/2005	5/13/2005	1B combustor inspection and BOP outage
HINES2	572	10/10/2004	10/17/2004	10/10/2004	10/17/2004	Combustor inspection and BOP outage
HINES2	572	4/1/2005	4/18/2005	4/9/2005	4/25/2005	2B combustor inspection and BOP outage
SUWAN 1	35	12/17/2004	12/31/2004	12/17/2004	12/31/2004	BOP repairs
SUWAN 2	34	12/17/2004	12/20/2004	12/17/2004	12/20/2004	BOP repairs
SUWAN 3	84	9/15/2004	10/29/2004	9/15/2004	10/29/2004	Economizer replacement
SUWAN 3	85	2/11/2005	3/5/2005	2/12/2005	3/18/2005	Turbine and boiler outage
TIG BAY	220	4/22/2005	4/30/2005	n/a	n/a	Combustor inspection and BOP outage

16. For each instance in the response to Interrogatory No. 15 in which the number of planned outage days was greater than the estimated outage days, please provide the reason(s) for the variance.

Response: Records indicate that three of the outages above ran longer than originally planned durations. In some cases, the outage dates were changed to optimize system economics and ensure system reliability, but the durations were not longer than originally planned.

1. The 2005 Crystal River 4 outage was extended 2 days due to the additional repairs needed in the reheater pendant section of the boiler and the moving of resources (manpower) from the outage to support emergency repairs on Crystal River Unit 2, which had a forced outage due to a tube leak during this period.

2. Return of Hines 1 from their 2004 outage was deferred due to low load conditions.

3. The 2005 Suwannee 3 outage was extended due to the opportunity to do additional work while the unit was not in economic demand due to mild weather.

Also, note that the Tiger Bay outage work was completed over the course of several reserve shutdown periods of mild weather such that the planned outage was unnecessary.

17. **For each year from 2000 through 2004, what was the number of PEF personnel who planned, scheduled, designed, implemented, performed, evaluated, or reviewed the necessary tasks for a planned outage?**

Objection: PEF must object to this interrogatory on grounds that it is overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Furthermore the interrogatory is vague and ambiguous because the term "necessary tasks" is undefined and subject to multiple interpretations. PEF units experienced numerous planned outages of varying lengths during the time period in question. Depending upon the planned outage in question, virtually all plant personnel may have been involved in some fashion. It is not practicable to identify all such personnel within the required time-frame.

18. **For each year from 2000 through 2004, what was the number of outside contractors who planned, scheduled, designed, implemented, performed, evaluated, or reviewed the necessary tasks for a planned outage?**

Objection: PEF must object to this interrogatory on grounds that it is overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Furthermore the interrogatory is vague and ambiguous because the term "necessary tasks" is undefined and subject to multiple interpretations. PEF units experienced numerous planned outages of varying lengths during the time period in question. It is not practicable to identify every such contractor involved in each such outage within the required time-frame.

19. **Please describe the PEF-sponsored training that the employees and outside contractors referenced in Interrogatory Nos. 17 and 18 receive relevant to their respective tasks in completing a planned outage.**

Objection: PEF must object to this interrogatory on grounds that it is overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. PEF units experienced numerous planned outages of varying lengths during the time period in question. It is not practicable to identify all employees and contractors involved with each outage within the required time-frame, much less the training that each employee or contractor received. Furthermore, the types and degree of training vary depending upon the employee or contractor in question and the tasks they are assigned to perform.

20. Please describe how PEF defines a successful planned outage, both qualitatively and quantitatively.

Objection: PEF must object to this interrogatory on grounds that it is vague and ambiguous, overly broad and not reasonably calculated to lead to the discovery of admissible evidence.

21. Please refer to Michael Jacobs' direct testimony in Docket No. 040001-EI, prefiled September 9, 2004. Mr. Jacob indicated that PEF had a planned outage scheduled for Crystal River Unit 4 from March 5 through 25, 2005. From that planned outage's initial planning to its post-mortem analysis, please provide a timeline which indicates the following information:

A. Number of PEF personnel and outside contractors involved
B. Decisions made
C. Resources committed
D. Actions taken
E. Unexpected events occurring
F. Lessons learned

Objection: PEF must object to this interrogatory on grounds that it is vague and ambiguous, overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. At some point in the outage in question, virtually all plant personnel may have been involved. It is not practicable to identify all such personnel or contractors within the required time-frame. Furthermore, the interrogatory is vague and ambiguous because the terms "decisions made," "actions taken," "unexpected events" or "lessons learned" are undefined and subject to multiple interpretations. It is not practicable or even possible to identify all "decisions made," "actions taken," "unexpected events" or "lessons learned" within the required time-frame.

Interrogatory Nos. 22-25 do not refer to any specific generating unit, but should be responded to on a generic basis:

22. What factors impact a unit's equivalent availability factor?

Response: A unit's equivalent availability factor is impacted by planned outage hours, forced outage hours, maintenance outage hours, partial forced outage hours and partial maintenance outage hours.

23. What factors does PEF consider when setting a unit's optimal equivalent availability factor?

Response: PEF does not set an optimal equivalent availability factor for GPIF purposes. In its GPIF Targets filing, PEF identifies a target equivalent availability factor for each GPIF unit based on actual historic performance data for the four individual unplanned outages rates (i.e., forced, maintenance, partial forced and partial maintenance outage hours) and the current projection for planned outage hours, as set forth in the Company's GPIF methodology in Section 4 of the GPIF Implementation Manual issued by FPSC.

24. What factors impact a unit's heat rate?

Response: GPIF is based on an average net operating heat rate which measures the efficiency of a generating unit as calculated by the total heat value of fuel burned (BTU) divided by the net generation (kWh) produced during a given period of time. The heat rate varies with the operating level of the unit as measured by the net output factor, which is based on the amount of kWh generated, the number of service hours, and the unit's net capability rating. Other factors that affect heat rate can be any changes to the unit that affect its efficiency or changes in the fuel burned.

25. What factors does PEF consider when setting a unit's optimal heat rate?

Response: PEF does not set an optimal heat rate for GPIF purposes. In its GPIF Targets filing, PEF identifies a target average net operating heat rate for each GPIF unit based on actual historic data for average net operating heat rate and net output factor, as set forth in the Company's GPIF methodology in Section 4 of the GPIF Implementation Manual issued by FPSC.

26. Please complete the following table:

Comparing PEF's Actual & Budgeted Expenses for Planned & Unplanned Outages: 2000-2004							
		Planned Outages			**Unplanned Outages**		
Year		**Actual**	**Budget**	**% Diff**	**Actual**	**Budget**	**% Diff**
2000							
2001							
2002							
2003							
2004							

Objection: PEF must object to this interrogatory because it is it is overly broad, not reasonably calculated to lead to the discovery of admissible evidence, and it seeks information that is not relevant to the issues in the proceeding. Budget information is not relevant because capital and O&M expenditures are not recovered through the fuel cost recovery clause except in limited circumstances pursuant to PSC Order No. 14546.

27. For each year in which planned outage's actual expenses were greater than budgeted expenses by 10 percent or more, please explain the reason(s) for the variance.

Objection: PEF must object to this interrogatory because it is it is overly broad, not reasonably calculated to lead to the discovery of admissible evidence, and it seeks information that is not relevant to the issues in the proceeding. Budget information is not relevant because capital and O&M expenditures are not recovered through the fuel cost recovery clause except in limited circumstances pursuant to PSC Order No. 14546.

28. For each year in which unplanned outage's actual expenses were greater than budgeted expenses by 10 percent or more, please explain the reason(s) for the variance.

Objection: PEF must object to this interrogatory because it is it is overly broad, not reasonably calculated to lead to the discovery of admissible evidence, and it seeks information that is not relevant to the issues in the proceeding. Budget information is not relevant because capital and O&M expenditures are not recovered through the fuel cost recovery clause except in limited circumstances pursuant to PSC Order No. 14546.

29. On September 6, 2004, PEF experienced unplanned and planned outages of 3,804 MW. For each unplanned outage occurring on that date, please complete the following table:

PEF's Unplanned Outages on September 6, 2004				
Unit	**MW**	**Outage Dates**	**Cause**	**Outcome**

Response: The table below lists "Unplanned" outages that were considered in the development of the total of 3,804 MW of unavailable generation that was experienced on Hour Ending 13 of September 6, 2004. Please note that additional outages and derates that are not considered "unplanned" occurred during this period. Those additional outages are not considered "unplanned" because they involved deliberate forethought to

support system reliability and economics based on the best information available at the time.

PEF's Unplanned Outages on September 6, 2004

Unit	MW	Start	End	Cause	Outcome
Crystal River 3	876	9/6/2004 12:00	9/11/2004 21:00	Weather - Hurricane Frances	Unit returned to service following repair of reactor coolant line
Crystal River 4	750	9/6/2004 12:00	9/7/2004 9:00	PT failure in switchboard during Hurricane Frances	Unit returned to service after repair
Crystal River 5	745	9/7/2004 11:00	9/8/2004 9:00	Unit tripped due to weather conditions during Hurricane Frances	Unit returned to service as soon as possible after the hurricane passed
Bartow P2	46	9/6/2004 12:30	9/6/2004 18:30	Lube oil pump motor ground	Repaired and returned to service same day
Turner P3	61	9/6/2004 12:00	9/10/2004 16:00	A/C lube oil pump motor bad. Motor being rewound.	Unit returned to service follow rewind of lube oil motor.
Turner P4	59	9/6/2004 12:00	9/10/2004 16:00	A/C lube oil pump motor bad. Motor being rewound.	Unit returned to service follow rewind of lube oil motor.

30. On January 27, 2005, PEF experienced unplanned and planned outages of 3,365 MW. For each unplanned outage occurring on that date, please complete the following table:

PEF's Unplanned Outages on January 27, 2005				
Unit	**MW**	**Outage Dates**	**Cause**	**Outcome**

Response: Please note that additional outages and derates that are not considered "unplanned" occurred during Hour Ending 24 of January 27, 2005. Those additional outages are not considered "unplanned" because they involved deliberate forethought to support system reliability and economics based on the best information available at the time.

PEF's Unplanned Outages on January 27, 2005

Unit	MW	Start	End	Cause	Outcome
Hines 2	57	1/7/2005 9:00	3/1/2005 1:00	Limited to 90% loading to stay within compliance on heat input curve.	Derate related to emissions compliance. Air permit modified to allow full load operation.
Bartow 3	22	1/17/2005 7:00	2/5/2005 15:00	#7 Turbine control valve separated from stem. Requires offline repair.	Repaired during forced outage.

Anclote 2	135	1/24/2005 11:00	2/3/2005 11:30	2A Condensate pump motor failed.	Motor and clutch removed, repaired, and returned to service.
Turner P4	74	1/26/2005 12:00	2/2/2005 17:00	Foreign metal found in the exhaust stack during stack inspection. Turbine Maintenance Crew borescoping and inspecting the unit to determine where the metal came from.	Material found to be turbine seal pins. Unit returned to service with increased frequency of inspections.
Crystal River 2	510	1/27/2005 23:00	2/1/2005 18:00	Boiler Tube Leak	Superheat tube leak repaired and unit returned to service.

31. On April 19, 2005, PEF experienced unplanned and planned outages of 3,408 MW. For each unplanned outage occurring on that date, please complete the following table:

PEF's Unplanned Outages on April 19, 2005				
Unit	**MW**	**Outage Dates**	**Cause**	**Outcome**

Response: Please note that additional outages and derates that are not considered "unplanned" occurred during Hour Ending 5 of April 19, 2005. Those additional outages are not considered "unplanned" because they involved deliberate forethought to support system reliability and economics based on the best information available at the time.

PEF's Unplanned Outages on April 19, 2005

Unit	MW	Start	End	Cause	Outcome
SUWANA 1	35	4/14/2005 20:00	4/21/2005 10:10	Outside vendor repairs required for 3 of 4 water injection system lines.	Unit repaired and returned to service.

32. For each year from 2000 through 2004, what was the number of PEF personnel who planned, scheduled, designed, implemented, performed, evaluated, or reviewed the necessary tasks to return a unit to commercial service after an unplanned outage occurred?

Objection: PEF must object to this interrogatory on grounds that it is overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Furthermore the interrogatory is vague and ambiguous because the term "necessary tasks" is undefined and subject to multiple interpretations. PEF units experienced numerous unplanned outages of varying lengths and degrees during the time period in question. It is not practicable to identify all personnel involved with each outage within the required time-frame.

33. **For each year from 2000 through 2004, what was the number of outside contractors who planned, scheduled, designed, implemented, performed, evaluated, or reviewed the necessary tasks to return a unit to commercial service after an unplanned outage occurred?**

Objection: PEF must object to this interrogatory on grounds that it is overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Furthermore the interrogatory is vague and ambiguous because the term "necessary tasks" is undefined and subject to multiple interpretations. PEF units experienced numerous unplanned outages of varying lengths and degrees during the time period in question. It is not practicable to identify all contractors involved with each outage within the required time-frame.

34. **Please describe the PEF-sponsored training that the employees and outside contractors referenced in Interrogatory Nos. 32 and 33 receive relevant to their respective tasks in completing an unplanned outage.**

Objection: PEF must object to this interrogatory on grounds that it is overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. PEF units experienced numerous unplanned outages of varying lengths during the time period in question. It is not practicable to identify all employees and contractors involved with each unplanned outage within the required time-frame, much less the training that each such employee or contractor received. Furthermore, the types and degree of training vary depending upon the employee or contractor in question and the tasks they are assigned to perform.

35. **Please describe how PEF defines a successful unplanned outage, both qualitatively and quantitatively.**

Objection: PEF must object to this interrogatory on grounds that it is vague and ambiguous, overly broad, and not reasonably calculated to lead to the discovery of admissible evidence.

36. **Please provide a timeline from the beginning of the unplanned outage to the post-mortem analysis which indicates the following information for the unplanned outage with the longest duration since January 1, 2004:**
A. Number of PEF personnel and outside contractors involved
B. Decisions made
C. Resources committed
D. Actions taken

E. Unexpected events occurring
F. Lessons learned

Objection: PEF must object to this interrogatory on grounds that it is vague and ambiguous, overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. It is not practicable to identify all such personnel or contractors that may have been involved within the required time-frame. Furthermore, the interrogatory is vague and ambiguous because the terms "decisions made," "actions taken," "unexpected events" or "lessons learned" are undefined and subject to multiple interpretations. It is not practicable or even possible to identify all "decisions made," "actions taken," "unexpected events" or "lessons learned" within the required time-frame.

37. What are PEF's year-to-date hedging results?

A. Natural Gas
B. Fuel Oil
C. Purchased Power

Response:
A. Natural Gas

YTD Natural Gas Hedge Performance as of 9-21-05				
Month	Volume (MMBtu)		Savings/(Cost) on Hedge	
Jan-05	3,661,689	$	2,987,920	
Feb-05	3,307,332	$	2,854,713	
Mar-05	3,506,689	$	2,979,349	
Apr-05	1,443,570	$	4,159,458	
May-05	4,126,689	$	5,404,527	
Jun-05	5,493,570	$	2,952,389	
Jul-05	5,986,689	$	8,197,718	
Aug-05	6,451,689	$	12,926,694	**does not reflect curtailments from suppliers due to Hurricane Katrina*
Sep-05	5,343,570	$	29,666,481	**does not reflect curtailments from suppliers due to Hurricanes Katrina and Rita*
Total	39,321,487	$	72,129,247	

B. Fuel Oil

YTD No.6 Fuel Oil Hedge Performance as of 9-21-05				
Month	Volume (bbls)		Savings/(Cost) on Hedge	
Jan-05	360,000	$	(577,580)	
Feb-05	300,000	$	(34,200)	
Mar-05	300,000	$	1,227,800	
Apr-05	375,000	$	3,261,750	
May-05	600,000	$	5,282,850	
Jun-05	760,000	$	7,716,090	
Jul-05	890,000	$	9,118,260	
Aug-05	920,000	$	11,850,640	
Sep-05	810,000	$	13,612,790	*estimate
Total	5,315,000	$	51,458,400	

C. Purchased Power

2005 YTD Economy Energy Purchases Savings for PEF	
Jan-05	397,317
Feb-05	35,941
Mar-05	443,023
Apr-05	355,114
May-05	1,595,651
Jun-05	5,239,925
Jul-05	10,359,548
Aug-05	16,982,525
YTD Total	35,409,044

38. With the most recent data available, what is PEF's mark-to-market position for its hedging positions to be offset during the remainder of 2005?

Response: The mark-to-market positions for natural gas and No. 6 fuel oil for the remainder of 2005 are in the tables below.

PEF Natural Gas Hedging Positions as of 9-21-05		
Month	Total Position (MMBtu)	Total Undiscounted Mark-to-Market Value
Oct-05	3,661,689	$26,818,470
Nov-05	2,043,570	$15,573,973
Dec-05	3,041,689	$24,309,641
Total	8,746,948	$66,702,084

PEF No.6 Fuel Oil Hedging Positions as of 9-21-05		
Month	Total Position (bbls)	Total Undiscounted Mark-to-Market Value
Oct-05	495,000	$6,641,178
Nov-05	440,000	$5,891,014
Dec-05	320,000	$5,004,660
Total	1,255,000	$17,536,852

39. With the most recent data available, what is PEF's mark-to-market position for its hedging positions to be offset during 2006?

Response: The mark-to-market positions for natural gas and No. 6 fuel oil for 2006 are in the tables below.

PEF Natural Gas Hedging Positions as of 9-21-05

Month	Total Position (MMBtu)	Total Undiscounted Mark-to-Market Value
Jan-06	3,506,689	$29,277,151
Feb-06	3,167,332	$26,039,652
Mar-06	3,196,689	$24,936,645
Apr-06	1,443,570	$8,347,450
May-06	4,281,689	$21,054,691
Jun-06	4,743,570	$23,440,641
Jul-06	4,901,689	$24,432,768
Aug-06	4,901,689	$24,653,344
Sep-06	4,743,570	$23,744,229
Oct-06	3,971,689	$20,674,764
Nov-06	1,443,570	$8,212,765
Dec-06	2,421,689	$12,916,225
Total	42,723,435	$247,730,325

PEF No.6 Fuel Oil Hedging Positions as of 9-21-05

Month	Total Position (bbls)	Total Undiscounted Mark-to-Market Value
Jan-06	345,000	$4,549,961
Feb-06	305,000	$4,509,078
Mar-06	305,000	$4,538,535
Apr-06	300,000	$6,201,820
May-06	450,000	$9,196,150
Jun-06	530,000	$9,305,712
Jul-06	560,000	$9,659,054
Aug-06	560,000	$9,573,895
Sep-06	540,000	$9,457,143
Oct-06	385,000	$4,720,641
Nov-06	235,000	$1,674,047
Dec-06	235,000	$1,630,364
Total	4,750,000	$75,016,399

40. If PEF forecasts that fuel prices will generally be rising during the forecast period, what type of hedging decisions does PEF generally make?

Response: See the response to No. 42 below.

41. If PEF forecasts that fuel prices will generally be falling during the forecast period, what type of hedging decisions does PEF generally make?

Response: See the response to No. 42 below.

42. If PEF forecasts that fuel prices will generally be stable during the forecast period, what type of hedging decisions does PEF generally make?

Response: PEF's hedging strategy for natural gas and No. 6 fuel oil is to "buy through the curve" in a phased hedging approach in order to spread price risk over multiple trades and time periods. For example, locking in prices over a period of time will aid in mitigating the impact of price volatility for PEF's customers. PEF's strategy is to use various approved physical and/or financial products to hedge our forward gas and oil supply requirements in order to maintain a diverse portfolio of volumes and prices. By layering in certain approved physical and/or financial products to hedge purchases over

various time periods, day-to-day exposure to price volatility will be smoothed out to avoid total price spikes that will most likely occur in the marketplace. As a result, spreading hedged purchases throughout the current plus four (4) year period should yield a varied portfolio mix that reflects the constantly changing market dynamics.

43. What is the status of the International Marine Terminal (IMT) due to the effects from Hurricane Katrina?

Response: IMT did not have any major structural damage to their unloading and conveyor systems. However, the terminal experienced flooding and a storm surge that sunk river barges and IMT's two tug boats. IMT is not currently able to unload from ship to ground storage because its electrical power was not restored until 9/17/05. Until IMT has fully tested its motors and conveyors, a process which has just begun, it will not know what items may need replacing. This process was interrupted by Hurricane Rita and a completion date is unknown at this time. Progress Fuels Corporation (PFC) does have a self unloading import vessel scheduled for direct discharge into Dixie Fuels Limited (DFL) gulf barges on 9/29/05. Because there is shoaling at the main ship dock due to Katrina, the transfer will occur at another portion of IMT's dock system.

44. What actions has PEF taken to replace coal planned for shipment through IMT that was disrupted by Hurricane Katrina?

Response: PFC has not replaced any coal as a result of Hurricane Katrina. PFC purchased two additional import coal vessels, diverted two vessels to Tampa and adjusted the delivery schedule for several other vessels. These delivery schedule changes were done because of PFC's inability to retrieve coal from its IMT inventories and to maintain deliveries to Crystal River.

The diversions to Tampa were expedited by the fact that under PFC's IMT contract, PEF was able to establish rates with the Kinder Morgan facility in Tampa. Coal was placed on the ground and will be re-loaded into DFL's gulf barges for delivery to Crystal River. MEMCO, PFC's river barge supplier, had approximately 45 barges which contained PFC's domestic coal headed for IMT. MEMCO sent these barges to its various fleeting areas well upriver to prevent them from being impacted by Hurricane Katrina.

45. What is the expected schedule for IMT to return to the pre-Hurricane Katrina level of operation?

Response: As explained in the response to No. 43 above, IMT has just begun to test its motors and conveyor, which was subsequently interrupted by Hurricane Rita. Once testing is complete, IMT may be able to begin transferring coal directly from ship to

ground storage. However, it is not currently known when IMT will be restored to pre-Katrina status. Some operations may be available by mid to late October.

46. Did PEF's shippers lose any coal in transit due to Hurricane Katrina?

Response: No.

47. Did Hurricane Katrina impact the quality of coal PEF has received?

Response: Hurricane Katrina has not impacted any of the quality of the coal shipped to Crystal River. PFC has been able to conduct limited quality testing of its IMT inventories. The results of this testing indicate no degradation or cross contamination with other coals.

48. What was the number of tons of coal planned for use at the Crystal River Plant that was at IMT at the end of each month from January 2004 to present?

Response:

Coal Inventory at IMT (including Freight)

	TONS
Jan-04	98,449.19
Feb-04	58,756.85
Mar-04	92,368.95
Apr-04	121,098.01
May-04	107,925.66
Jun-04	114,558.12
Jul-04	160,891.68
Aug-04	183,813.14
Sep-04	355,750.82
Oct-04	342,910.89
Nov-04	275,479.11
Dec-04	259,219.08
Jan-05	220,438.65
Feb-05	225,044.47
Mar-05	350,470.34
Apr-05	361,261.60
May-05	369,108.58
Jun-05	404,246.42
Jul-05	314,373.37

49. What is the system for monitoring that the number of tons of coal received at IMT is the same as the number of tons received from IMT at Crystal River?

Response: PEF is only charged for tons delivered to Crystal River by PFC. However, PFC does have controls in place to ensure that the tons purchased are the tons received at IMT. All river barges loaded at origin are draft surveyed at origin by independent surveyors. The same is true for import vessels. These origin weights are used by PFC, as well as IMT, for stockpile inventory accounting. The draft survey weights for river barges loaded directly to Gulf barges are added to determine the gulf barge tonnage. This number is compared to PEF's independent marine surveyor's weight at Crystal River for any discrepancies.

Coal put into IMT's stockyard is placed into various piles. Over time, each stockpile is deliberately "zeroed out," adjustments if any are made, and a new pile is started.

DATED this 4th day of October, 2005.

HOPPING GREEN & SAMS, P.A.

By: Virginia C Dailey
FOR Gary V. Perko
Virginia C. Dailey
123 South Calhoun Street
Tallahassee, FL 32301
(850) 222-7500

Attorneys for Progress Energy Florida, Inc.

STATE OF FLORIDA)

COUNTY OF PINELLAS)

I hereby certify that on this 4th day of October 2005, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared, Javier J. Portuondo, who is personally known to me, and he acknowledged before me that the answers to interrogatory numbers 14, 22 through 25, and 37c from the Florida Public Service Commission Staff ("Staff") in Docket No(s). 050001-EI were provided from the following individuals:

Interrogatories 14 and 37c:	Javier J. Portuondo
Interrogatories 22 through 25:	Michael F. Jacob

And, that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 4th day of October, 2005.

Javier Portuondo

Notary

SUZANNE H. MILLER
MY COMMISSION # DD 411455
EXPIRES: March 27, 2009
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

Before me, the undersigned authority, personally appeared ROBERT MARK OLIVER, who

(✓) is personally known to me, or

( ) produced _____ as identification and who, being duly sworn, deposes and says that the foregoing answers to Interrogatory Nos. 15, 16, 29, 30 and 31 of Staff's Fifth Set of Interrogatories to Progress Energy Florida, Inc., in Docket No. 050001-EI are true and correct to the best of his knowledge, information and belief.

Robert Mark Oliver

MANAGER, PORTFOLIO MANAGEMENT
Title

Linda L. Norberg
Notary Public
State of North Carolina

My commission Expires: 3-11-2007

AFFIDAVIT

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

Before me, the undersigned authority, personally appeared PAMELA R. MURPHY, who

(✓) is personally known to me, or

( ) produced _____ as identification and who, being duly sworn, deposes and says that the foregoing answers to Interrogatory Nos. 37A, 37B and 38 through 42 of Staff's Fifth Set of Interrogatories to Progress Energy Florida, Inc., in Docket No. 050001-EI are true and correct to the best of his knowledge, information and belief.

Pamela R. Murphy
Pamela R. Murphy

Director Gas & Oil Trading
Title

Linda L. Norberg
Notary Public
State of North Carolina

My commission Expires: 3-11-07

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

Before me, the undersigned authority, on this 3rd day of October, 2005, personally appeared ALBERT W. PITCHER, who is personally known to me, and who, being duly sworn, deposes and says that the foregoing answers to Interrogatory Nos. 43 through 47 and 49 of Staff's Fifth Set of Interrogatories to Progress Energy Florida, Inc., in Docket No. 050001-EI are true and correct to the best of his knowledge, information and belief.

Albert W. Pitcher

Vice President—Coal Procurement
Title

Roberta A. Ott
Notary Public
State of Florida

My commission Expires: July 27, 2006

ROBERTA A. OTT
MY COMMISSION EXPIRES
July 27, 2006
#DD 103837
Bonded thru
Notary Public Underwriters
NOTARY PUBLIC, STATE OF FLORIDA

AFFIDAVIT

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

Before me, the undersigned authority, personally appeared DONNA M. DAVIS, who

( ) is personally known to me, or

(✓) produced Progress Energy ID badge as identification and who, being duly sworn, deposes and says that the foregoing answers to Interrogatory No. 48 of Staff's Fifth Set of Interrogatories to Progress Energy Florida, Inc., in Docket No. 050001-EI are true and correct to the best of his knowledge, information and belief.

Donna M. Davis
Donna M. Davis

Controller - Coal Accounting & Regulatory Services
Title

Linda L. Norberg
Notary Public
State of North Carolina

My commission Expires: 3-11-2007