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October 26, 2005

Gary V. Perko, Esq. Hopping, Green & Sams, P.A. 123 South Calhoun Street Tallahassee, Florida 32301

In re: Fuel and purchased power Re: cost recovery factor, etc.

Dear Mr. Perko:

Enclosed is your copy of the deposition of Albert W. Pitcher taken in the above matter on October 21, 2005.

Since reading and signing was not waived, we are enclosing an errata sheet and request that your office make arrangements with the witness to read the deposition and make any corrections on the errata sheet.

Please forward the original completed errata sheet to Joseph A. McGlothlin for attachment to the original transcript and a copy to Jane Faurot at the Commission. You should also attach a copy to your transcript so that it will be complete.

Thank you for your cooperation in this matter. It was a pleasure working with you.

Sincerely,

Mary a. hul

Mary A. Neel

/mn

Joseph A. McGlothlin, Esq. CC: Jane Faurot

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION DOCKET NO. 050001-EI In re: Fuel and purchased power cost recovery clause with generating performance incentive COPY factor. CONFIDENTIAL TRANSCRIPT DEPOSITION OF: ALBERT W. PITCHER TAKEN AT THE INSTANCE OF: Office of Public Counsel October 21, 2005 DATE: TIME: Commenced at 9:15 a.m. Concluded at 12.26 p.m. LOCATION: 123 South Calhoun Street Tallahassee, Florida MARY ALLEN NEEL, RPR REPORTED BY: Notary Public, State of Florida at Large ACCURATE STENOTYPE REPORTERS, INC. 2894 REMINGTON GREEN LANE TALLAHASSEE, FLORIDA 32308 (850) 878-2221 CONFIDENTIAL

APPEARANCES:

REPRESENTING PROGRESS ENERGY FLORIDA, INC.:

GARY V. PERKO, ESQUIRE Hopping, Green & Sams, P.A. 123 South Calhoun Street Tallahassee, Florida 32301

REPRESENTING THE CITIZENS OF THE STATE OF FLORIDA:

JOSEPH A. McGLOTHLIN, ESQUIRE Office of Public Counsel 111 West Madison Street, Suite 812 Tallahassee, Florida 32399-1400

REPRESENTING THE FPSC STAFF:

JENNIFER RODAN, ESQUIRE Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

ALSO PRESENT:

RALPH VONFOSSEN EARL POUCHER

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1	STIPULATIONS
2	The following deposition was taken on oral
3	examination, pursuant to notice, for purposes of
4	discovery, for use as evidence, and for such other
5	uses and purposes as may be permitted by the
6	applicable and governing rules. Reading and signing
7	of the deposition transcript by the witness is not
8	waived.
9	* * *
10	Thereupon,
11	ALBERT W. PITCHER
12	the witness herein, having been first duly sworn, was
13	examined and testified as follows:
14	DIRECT EXAMINATION
15	BY MR. MCGLOTHLIN:
16	Q. Please state your name for the record, sir.
17	A. My name is Albert W. Pitcher, One Progress
18	Plaza, St. Petersburg, Florida.
19	Q. Mr. Pitcher, have you been deposed before?
20	A. Yes.
21	Q. Approximately how many times?
22	A. One.
23	Q. You're familiar with the routine, but let me
24	just explain to you that I will be asking you a series
25	of questions. And so that we can have a clear
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1 transcript after the fact, if at any point you don't 2 understand a question or you want me to repeat or 3 clarify the question, please stop me and ask me to 4 work on the pending question so that we're both clear 5 as to what's being asked and what's being answered. Is that satisfactory with you, sir? 6

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Yes, it is. Ά.

Let's note for the record the conversation 8 Ο. 9 between Mr. Perko and myself prior to the beginning of 10 the deposition. It will be necessary during the 11 course of the deposition for me to either refer to or 12 use some numerical values that Progress Energy Florida has designated as confidential, and we have an 13 14 understanding that this transcript will be treated as 15 confidential pending the appropriate filings by the 16 company with respect to its request for continued shielding of that information. Is that satisfactory? 17 18

Α. Yes.

19 Mr. Pitcher, let's begin with some basic 0. 20 information about your background. What are your job 21 responsibilities with Progress Fuels?

22 Α. I'm Vice President of Coal Procurement. My 23 responsibilities are procuring and transporting the coal that is necessary for Crystal Rivers 1 and 2 and 24 25 4 and 5.

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1	Q. Would you provide us with some information
2	about your education and professional background prior
3	to your present position?
4	A. I have a bachelor's degree in accounting. I
5	started my career with Arthur Andersen, worked for
6	Synergy, and have been with Progress Fuels, or been
7	with Florida Power or Progress Fuels for the last 30
8	years, and I was in as a controller. I served as
9	Vice President of Sales, and I'm now Vice President of
10	Coal Procurement.
11	Q. To whom do you report at Progress Fuels?
12	A. I report to Paula Simms.
13	Q. And what is Ms. Simms' position?
14	A. Vice President, Regulated Fuels.
15	Q. Where is your office?
16	A. In St. Petersburg.
17	Q. Do you share, or does Progress Fuels share
18	space within Progress Energy Florida's headquarters?
19	A. No. We're across the street.
20	Q. Let's talk about the organization of
21	Progress Fuels, the number of employees and how
22	Progress Fuels is organized.
23	A. I really don't know the number of employees.
24	The portion that I'm in has responsibility for the
25	fuel procurement. There are other sections that are

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1 handle coal mining operations, but I don't know the 2 number of employees. Okay. With respect to the coal procurement 3 0. function, how is that section organized? 4 5 Α. I'm the head of that group. I have a manager of transportation, a manager of quality. 6 Ι 7 have an administrative assistant. And then each of 8 those gentlemen have staff underneath them. 9 0. The documents that were provided to us for 10 review in response to the request to produce 11 identified several corporate entities that I would 12 like to ask you about. For instance, Diamond May 13 Company, who is Diamond May Company? 14 Α. It is a coal company that is owned by 15 Progress Fuels. And does Diamond May Company own coal 16 0. 17 properties, or does Diamond May Company purchase from 18 other mining companies? 19 Α. They mine coal, and they purchase as well. 20 Where is their coal property? Ο. 21 Α. In Kentucky. 22 Does Progress Fuels own 100 percent of Q. 23 Diamond May? I really don't know the answer to that. 24 Α. 25 Q. Kentucky May, who is Kentucky May?

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1 It's a coal mining company underneath Α. 2 Progress Fuels. Does Progress Fuels own all of Kentucky May? 3 Q. 4 Α. I'm not aware of the ownership. Kanawa River Terminals, who is Kanawa River 5 Q. 6 Terminals? It's a terminal operation, and they have 7 Α. operations on the Kanawa River in West Virginia. 8 9 Q. Does Progress Fuels have an ownership 10 position with Kanawa River Terminals? 11 Α. They do have an ownership position. 12 Q. Who is Powell Mountain? It's a mining operation in southwest 13 **A**. 14 Virginia. Does Progress Fuels have an ownership 15 0. interest in Powell Mountain? 16 I really don't know if they have an 17 Α. 18 ownership interest in that operation or not. Massey Coal Company, who is Massey Coal 19 Q. 20 Company? Massey Coal Company is a coal supplier. 21 Α. 22 They mine coal. Does Progress Fuels have an ownership 23 0. 24 interest in Massey Coal Company? 25 Α. No, we do not.

1	Q.	What about Sequoia Coal Company?
2	А.	They're a mining company in eastern
3	Kentucky,	and we do not have an ownership interest.
4	Q.	How about Consolidated Coal Company?
5	А.	They're a mining company.
6	Q.	Does Progress Fuels have an ownership
7	interest	in Consolidated?
8	A.	No.
9	Q.	Does Progress Fuels Corporation have an
10	ownership	interest in Alliance Coal Company?
11	А.	No, they do not.
12	Q.	There are references to the IMT terminal in
13	New Orlea	ns. Is IMT the proper name of that entity?
14	A.	International Marine Terminals is the proper
15	name.	
16	Q.	And what business are they in?
17	А.	The transloading of products on the lower
18	Mississip	pi River.
19	Q. .	Does Progress Fuels own IMT?
20	А.	No, they do not.
21	Q.	Does Progress Fuels have any ownership
22	interest?	
23	А.	No, they do not.
24	Q.	Drummond Coal Company?
25	А.	They're an Alabama mining company, and they

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also mine coal in Colombia. 1 2 Does Progress Fuels own or have an ownership Q. 3 interest in Drummond? 4 Α. We do not. 5 Has Progress Fuels purchased coal from Q. 6 Diamond May? 7 Α. Yes, we have. And is Diamond May currently one of your 8 Q. 9 suppliers? Yes, it is. 10 Α. 11 Has Progress Fuels purchased coal from Q. 12 Kentucky May? 13 I'm not sure if they have -- I mean, in the Α. past they have, but --14 15 Q. You don't know whether they're currently 16 providing ---17 Α. Oh, they're not currently providing. We 18 have no contract with Kentucky May. 19 Has Progress Fuels purchased coal from Q. 20 Powell Mountain? 21 Α. In the past they have. 22 Does Powell Mountain provide any portion of Q. 23 the current supply of coal? 24 Α. It does not. 25 Do I understand correctly that Kanawa River Q.

Terminals is not in the business of mining or selling 1 2 coal, that it's limited to a loading or transloading 3 function? I'm not sure of the organizational structure 4 Α. of how -- if they're selling coal. I believe they 5 transload coal, and they also under the marketing and 6 7 trading group sell coal. 8 Q. Mr. Pitcher, I'm going to ask Mr. Poucher to provide you a copy of a document and ask you to review 9 10 it for a moment. 11 Α. Okay. MR. McGLOTHLIN: I'm going to have this 12 marked as Exhibit 1 to the deposition. 13 (Deposition Exhibit Number 1 was marked for 14 identification.) 15 16 BY MR. McGLOTHLIN: This document is captioned "Progress Energy 17 0. Florida's Responses to Citizens' Second Set of 18 Interrogatories, Nos. 6 through 14." I ask you to 19 20 review interrogatory number 6 and the response. MR. PERKO: Just for the record, that 21 22 includes confidential information. The first page I have here says number 13, 23 Α. Progress Energy to Citizens' Fifth Request to Produce 24 25 Documents, No. 13.

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1	MR. McGLOTHLIN: You gave him a request to
2	produce. I'm looking for the interrogatory.
3	MR. PERKO: I believe it's underneath.
4	THE WITNESS: I've got it.
5	BY MR. McGLOTHLIN:
6	Q. Let me know when you've had an adequate
7	chance to look that over, Mr. Pitcher.
8	A. Yes.
9	Q. Do you recognize this as a response that you
10	prepared as an answer to OPC's interrogatory number 6?
11	A. Ido.
12	Q. And is the response accurate to the best of
13	your knowledge?
14	A. It is.
15	Q. I'm going to refer to the first paragraph of
16	the response. In that response you state that in
17	April 2004, PEF issued a request for proposals. Would
18	that request for proposals have been issued by PEF or
19	by Progress Fuels on PEF's behalf?
20	A. By Progress Fuels.
21	Q. And when you state that PEF issued the RFP,
22	in what way was that done? For instance, to whom was
23	the RFP sent, and how was it communicated to potential
24	providers?
25	A. We have a master bidders list. The request

for proposal was sent to each one on our master bidders list. In addition, we also forwarded the request for proposal to various coal publications who usually write articles about our desire for coal, and it gives us a reach into the marketplace that lets everybody know that we're looking for coal. How many bidders are on your master bidders Ο. list, if you know? I don't know. I could get that for you, but Α. I don't remember the number we have on the master bidders list. Is the master bidders list something that Ο. you could provide as a late-filed exhibit to this deposition? Α. It is. MR. McGLOTHLIN: Could we have that identified as Exhibit 2, late-filed. We'll just caption it "Master Bidders List." (Late-filed Deposition Exhibit Number 2 was identified.) BY MR. MCGLOTHLIN: And I imagine the RFP would identify 0. quantities of coal and quality parameters? Α. It would.

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Q. The next sentence says, "The results of this

1 RFP resulted in the purchase of 4.3 million tons of 2 coal for both Crystal River Units 1 and 2 and 4 and 3 5." You group Crystal River Units 1 and 2, and you 4 group 4 and 5. Why is that? 5 Crystal River 1 and 2 and 4 and 5 burn Α. 6 different qualities of coal. 7 0. Would you elaborate on that? What is the 8 difference in the coals that are burned? 9 Crystal River 1 and 2 is a noncompliant A. 10 unit, burns noncompliance coal, and Crystal River 4 11 and 5 burn compliance coal, compliance coal defined as 12 1.2-pound SO2. 13 That's 1.2 pounds per million Btu? 0. 14 Α. Yes, of SO2. It's basically new source 15 performance standards coal. 16 And what is the corresponding value for the 0. 17 noncompliance coal that 1 and 2 burn? 18 Α. It's 1.5 pounds to a 2.1-pound SO2. 19 As a practical matter, does this mean that Q. 20 the entities who have coal that would be responsive to 21 the needs of Crystal River Units 1 and 2 would not 22 also bid for the requirements for 3 and 4, or is it 23 possible that the same mining company can either mine 24 or blend coal that would meet the requirements of 25 either?

1	A. It is possible that they could meet the
2	requirements of either one.
3	Q. The same sentence, resulted in the purchase
4	of 4.3 million tons of coal for both Crystal River
5	Units 1 and 2 and 4 and 5, is that 4.3 million tons,
6	or is that 4.3 million tons for 1 and 2 and another
7	4.3 for 4 and 5?
8	A. That's a total.
9	Q. And how many bidders responded to the RFP,
10	if you know?
11	A. I don't have a count on it. We could
12	provide that for you.
13	MR. McGLOTHLIN: Late-filed Exhibit 3 would
14	be "List of Bidders Who Responded to April 2004
15	RFP."
16	(Late-filed Deposition Exhibit Number 3 was
17	identified.)
18	BY MR. MCGLOTHLIN:
19	Q. Now, is Progress Fuels Corporation in the
20	business of mining coal or purchasing coal for resale?
21	A. It is.
22	Q. Would Progress Fuels Corporation ever be in
23	a position of offering coal in response to an RFP like
24	this on its own behalf?
25	A. It would.

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Did Progress Fuels respond to this 1 0. 2 particular RFP? 3 Ά. They did. In its own behalf? Ο. 4 5 A. In its own behalf, yes, sir. Well, in such a situation, who scores the 6 0. bids? Who evaluates the responses? 7 I do, along with my staff. 8 Α. Okay. So you've got a number of bids that 9 Q. 10 are responsive to the RFP, including Progress Energy, 11 Progress Fuels Corporation, and you and your staff 12 review the responses and award, or decide who among 13 the bidders, including Progress Fuels, should get the 14 contract? 15 Α. That's correct. What criteria does Progress Fuels 16 0. 17 Corporation use to decide who gets the contract? We evaluate it on cents per million 18 Α. delivered to the plant and purchase the lowest priced 19 20 coal. Is the RFP set up to require simultaneous 21 Q. bids, or does Progress Fuels Corporation have 22 knowledge of the other bidders' submissions at the 23 time it makes it own? 24 They have no knowledge of -- there's no 25 A.

1	cross-information associated with the bids. They bid
2	as any other coal supplier would bid.
3	Q. Who prepares the bid for Progress Fuels
4	Corporation?
5	A. The coal bid clarify that. The coal bid
6	that came in to me in response to the RFP?
7	Q. Yes.
8	A. The marketing and trading group did. I
9	don't know who prepared it.
10	Q. Well, you mentioned a marketing and trading
11	group. Is that organized to be separate and apart
12	from your procurement group?
13	A. Oh, yes.
14	Q. Where is the marketing and trading group
15	located physically?
16	A. Raleigh.
17	Q. Procedurally, are there any measures in
18	place to ensure that the persons or the departments of
19	Progress Fuels Corporation that are interested in
20	responding to the RFP are walled apart from the
21	persons or departments within Progress Fuels
22	Corporation who evaluate responses and award
23	contracts?
24	A. That is correct. There is a very thick wall
25	between those entities.

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1	Q. Well, describe how one accomplishes that.
2	A. Well, we're in separate locations, for one.
3	There's rules within the company that there is no
4	exchange of information between the regulated group
5	and what I consider the commercial operation groups.
6	Q. Are those rules in written form?
7	A. I don't know if they're written or not.
8	Q. Well, as vice president, you would be in a
9	position to know if there are any written rules, would
10	you not?
11	A. I know we do not communicate between the
12	unregulated and the regulated group, and I know that
13	we've all gone through training, various training
14	sessions associated with what is considered walled and
15	what is not walled and who can talk to whom.
16	Q. You mentioned regulated and unregulated
17	groups, but Progress Fuels Corporation is not a
18	regulated entity, is it?
19	A. Within Progress Fuels, the group that I'm in
20	charge of has the responsibility for we're the fuel
21	procurement arm on behalf of Progress Energy Florida,
22	so it's an entity within an entity.
23	Q. You stated that the award of contracts is
24	based on the lowest delivered price. Are there any
25	steps or calculations that are necessary after one

1 receives the bids to translate that into a lowest 2 delivered price, or is that reflected on the bids themselves? 3

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The bids that are submitted are for the coal **A**. cost only, and we have to add transportation costs to that, basically all the costs associated with getting it to Crystal River. And we put that on a spreadsheet and calculate it on a cents per million Btu basis.

And the costs of transportation are known 0. 10 and available from the railroad and the barge lines, and so that is a known value, known both to Progress Fuels and to the bidders; is that correct?

13 Α. It is not known to the bidders. It is known 14 to Progress Fuels.

To whom did you award the contracts for the 0. 4.3 million tons of coal?

We -- I'm going from memory. If I could, I 17 Α. 18 would rather get you a late exhibit of who we awarded 19 it to. I can go down and give you some of the tons 20 and the people. Just off the top of my head, I don't 21 have all of them in my head.

MR. McGLOTHLIN: Okay. The next late-filed exhibit will be what? Number 3?

THE REPORTER: Four.

MR. McGLOTHLIN: Late-filed Exhibit Number 4

1	would be bidders to whom Progress Fuels awarded
2	4.3 million tons of coal contracts.
3	(Late-filed Deposition Exhibit Number 4 was
4	identified.)
5	BY MR. MCGLOTHLIN:
6	Q. Was Progress Fuels Corporation one of the
7	entities that was awarded a contract?
8	A. They were.
9	Q. Let's revert to Late-filed Exhibit Number 4.
10	In addition to the list of bidders, will you show the
11	quantities of coal awarded for each bidder and the
12	price per ton for each bidder?
13	A. Yes.
14	Q. Further, in this response, you state that
15	after this purchase, PEF had an open position, that
16	is, additional coal needed, for water delivered coal
17	\cdot totaling 600,000 tons for 2005 and 550,000 tons for
18	2006. Do you see that statement?
19	A. I do.
20	Q. How does PEF determine the portion of its
21	coal supply that needs to be delivered by water versus
22	rail?
23	A. We had operating during the time period
24	which we were discussing four gulf barges. Those gulf
25	barges have a defined capacity of how much they can

carry, and then the residual rolls over to the rail. 1 2 Ο. When you say we have four barges, are you 3 talking about Progress Fuels Corporation or Progress 4 Energy? 5 They're under contract. Α. Under contract. We, "we" meaning Progress Fuels Corporation, we have a 6 7 contract with Dixie Fuels, Ltd. to move coal from New 8 Orleans, Louisiana, and/or Mobile to Crystal River. 9 So is the nature of those contractual terms 0. 10 such that you have to maximize the use of the barge 11 for it to be economical? 12 Α. No. It's just a matter of how much they can 13 carry. As a result of the CSX negotiations this year, 14 the water delivered coal is the cheapest form, and we 15 are maximizing the cheapest form of delivery. 16 It isn't clear to me what you mean then when 0. 17 you say PEF had a need for water delivered coal in the 18 quantity of 600,000 tons. How did PEF determine that 19 it had a need for coal that had to be delivered by 20 water? 21 Α.

A. We evaluate the coals that we have purchased, we evaluate the mode by which they're going to be transported, and the residual is a fallout of a shortfall, if you will, that is, the coal that needs to be purchased to meet the burn requirements at the

1 Crystal River facilities. So it's nothing more than 2 what coal we have under contract and what coal the 3 plant needs, and the difference is the open position.

I understand the concept of the total burn 4 0. needs, and I understand that the 4.3 million tons fell 5 short of the total requirement. I gather that the 6 shortfall was 600,000 tons. But what I don't 7 understand yet is why there's a need for water 8 delivered coal as opposed to coal delivered by water 9 or rail. Your statement says that the need is for 10 water delivered coal. Can you explain why that is the 11 12.case?

A. The gulf barges have a capacity of carrying around 2.5 million tons of coal. They are the lowest form, lowest cost transportation. We had not purchased enough coal that would allow us to maximize the movement of the lowest cost form of transportation.

Q. I think I understand now. The shortfall in
the total burn requirement is 600,000 tons, and
because you had not maximized the use of the barge,
which was at the time the lower cost transportation
mode, it was desirable to deliver that quantity by
barge.

A. That's correct.

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1	Q. Do I have it right now?
2	A. You do.
3	Q. You state that PEF decided to re-enter the
4	marketplace to close out its 2005 and 2006 open
5	positions, and in the next sentence you state that PEF
6	received three bids from reliable barge suppliers.
7	First of all, when PEF decided to re-enter the
8	marketplace, did it issue another RFP?
9	A. It did not issue a formal RFP. It did an
10	informal RFP via telephone calls.
11	Q. And who made those calls?
12	A. I did.
13	Q. Whom did you contact?
14	A. I contacted Drummond Coal Company, I
15	contacted CMC Coal Sales, which is a Colombian coal
16	operation, and Progress Fuels.
17	Q. Anyone else?
18	A. There's one other. I'm drawing a blank. I
19	contacted four people. I'm drawing a blank right now
20	on the fourth one.
21	Q. Did you contact Guasare?
22	A. Guasare, yes. I'm sorry. The Venezuelan
23	coal. I'm sorry.
24	Q. Is that the fourth person that you
25	contacted?

A. Yes.

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Q. Why did you not contact everybody on the master bidders list for this 600,000-ton need?

Α. At the time that this was occurring, as I've 4 5 described somewhat in my answers, there were -- the prices were beginning to climb very dramatically. 6 7 There were major utilities that were out in the 8 marketplace. And we felt that at the time, rather than issuing a formal RFP that would add additional 9 10 stress to the pricing, we would make calls to known 11 suppliers who could provide the coal that we were 12 looking for.

Q. How would the issuance of a formal RFP addstress to the pricing?

15 I think if you come out in the marketplace Α. 16 and start saying we're out for X number of million 17 tons of coals or hundreds of thousands of tons of 18 coal, it adds more fuel to the marketplace. It's an 19 example of -- during this period of time, TVA was out 20 for bid for large tonnage, South Carolina Public 21 Service was out for large tonnage, and that has a 22 tendency to put additional price pressure on the 23 market.

24 **Q.** That seems counterintuitive to me. Wouldn't 25 the knowledge that there's a RFP that has been issued

1 to multiple providers tell each potential bidder that 2 there's competition, and the bidders should bear that 3 in mind when responding?

4 Α. That has not been my experience in the 5 marketplace.

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Well, what led you to contact these four 0. particular entities as opposed to others you could have contacted? 8

Progress Fuels Corporation's operations, 9 Α. 10 they're one of the largest suppliers of compliance 11 coal on the river system. Guasare and Drummond were 12 existing contractors that supply us with coal. And 13 CMC was someone who we had not done business with 14 before, and they were unsuccessful in a previous RFP, 15 and I wanted to see if they had any coal available.

16 0. Were there any suppliers who were awarded 17 some portion of the 4.3-million-ton RFP, but who were not contacted for this additional requirement? 18

19 Α. There were people who were not contacted 20 simply because they're rail delivery. Remember, we 21 take coal both by water and rail. So we wouldn't have 22 contacted any of our rail suppliers. The water 23 suppliers we called. During that RFP, we purchased a 24 lot of imported coal. That's why we were contacting 25 the import suppliers.

1 I think we may be talking past each other on 0. 2 this one. 3 Α. Okay. I'm interested in knowing whether there were 4 Ο. 5 any -- and I'll limit this to suppliers who had the 6 capability of delivering by barge -- who were awarded 7 a portion of 4.3-million-ton requirement, but who were 8 not contacted to see if they wanted to respond to the 9 600,000-ton additional requirement. 10 A. Over the period of time that we're talking 11 about, I had conducted phone conversations -- you 12 know, I'm not operating in a vacuum with this. I'm 13 basically in contact with the marketplace on a very 14 regular basis. Current suppliers who we purchased 15 coal from from the previous RFP did not -- there were 16 a couple of them who did not have coal. We got that 17 from talking to them prior to us making this decision, 18 prior to going out for this informal RFP. Central 19 Coal was one of them. Central Coal was awarded coal 20 under the previous RFP, and they did not have any 21 additional coal. 22 Is that why you didn't contact them? Q. 23 Again, I just got that from conversations in Α. 24 talking to these people.

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Q. Did you get that from talking to Central

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1 Coal or somebody else? 2 Α. Talking to Central Coal. 3 0. Okay. Were there any other suppliers who 4 participated in the April 2004 RFP and who can deliver 5 by barge but were not contacted for this additional 6 requirement? 7 Α. I would have to go back and look at who 8 responded to the RFP on the water side to let you know 9 that. 10 All right. Now, you're going to give us a Q. 11 list of the bidders in an earlier exhibit. Can you 12 designate on that list those that can deliver by barge 13 and those that can deliver by rail and those that can 14 deliver by barge or rail? 15 Α. Sure. 16 I think that will give us the information. Q. You contacted four potential suppliers. Did 17 18 you simply call and get a price, or did you tell them 19 to submit a bid for comparison to other bids? 20 **A**./ I asked them to respond via either e-mail or 21 a written letter, and it came in both forms. So we 22 had received bids from them with the qualities of coal 23 and the quantities of coal and the price so that we 24 could do our normal evaluation. 25 And what information did you give each of Q.

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these four entitles whom you contacted by telephone?

A. We asked them if they had any coal available for the '05-06 window, told them we were thinking about buying additional coal, did not commit that we were going to buy any, and that if they had any available for sale, to please respond.

Q. By a time certain?

A. This took place over literally a three-week
window where I was placing calls and talking, and then
they needed to go back. They said, "We don't know if
we have anything available. Let us go check with our
mining people." So it was not a time certain, but I
told them that we were interested in doing something
before the middle of September, end of September.

15 Q. I gather then these bids were not submitted
16 simultaneously.

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A. They were not.

Q. Were they evaluated simultaneously, or were
they awarded some portion based upon the information
contained in only the individual bid?

A. They were awarded at the same time. They were evaluated over this month period or three-week period that I'm talking about, but there were no awards made until all the bids were in and were evaluated and we could compare them side by side.

1	Q. Well, did these four entities submit bids
2	let me do a better job of that. Did any or all of the
3	four entities propose to meet the full 600,000-ton
4	requirement?
5	A. No.
6	Q. In your earlier response, you indicated that
7	Progress Fuels Corporation was one of the larger
8	providers on the river, I think, to paraphrase your
9	answer. Does Progress Fuels Corporation provide coal
10	to entities other than Progress Energy Florida?
11	A. Yes, they do.
12	Q. Does Progress Fuels Corporation own coal
13	properties, or is it in the business of purchasing and
14	reselling?
15	A. They do both.
16	Q. Where is its coal property?
17	A. In eastern Kentucky.
18	Q. In your answer, you state that PFC provided
19	the lowest bid, and consequently PEF awarded a
20	two-year contract to PFC for a total of 480,000 tons.
21	I won't finish the rest of the sentence because
22	there's a confidential number there that we don't need
23	to insert here, but then you say the other contract
24	was for a total of 450,000 tons. Who received the
25	award for the balance of the 600,000 tons?

We did not close out that whole position. 1 **A**. I see. Well, who was the second of the two 2 Q. entities who were awarded some portion of that need? 3 Who are the two entities? 4 Α. 5 0. Yes. Other than Progress Fuels, who was 6 awarded a contract? QMC, which is a Colombian coal producer. 7 A. 8 Now, in that this particular purchasing 0. exercise was performed after the 2004 PEF RFP and for 9 10 lesser quantities, do you regard this as an additional 11 long-term purchase, or do you regard this as a spot 12 purchase? 13 This would be a mid-term contract. It goes Α. for two years, so I think I would classify it as a 14 15 mid-term. How do you define a spot purchase? 16 Q. Usually for coal that you're going to buy 17 A. 18 for less than a year. In the last sentence of that answer, you 19 Q. state that Central Coal Company and Massey were 20 21 purchased at an earlier time period when prices were much lower than the market in which PFC coal was 22 purchased. Do you refer there to the April 2000 RFP 23 24 or to some different purchase? That was in the April 2004 RFP. 25 A.

Q. Mr. Pitcher, you said in an earlier response that you decided to place these phone calls in lieu of a more formal RFP to avoid putting additional pricing stress on the commodity. I'm trying to understand that concept. If RFPs have the effect of increasing prices, why would one ever issue an RFP?

A. There were two factors that were operating.
I'll answer it in two parts. One, an RFP is issued if
you're going to take a look at buying very large
quantities of coal, we which did in the April 2004.
We had originally anticipated replacing that open
position with spot purchases in the ensuing periods,
'05 and '06.

There was not only price pressure on the 14 15 marketplace, but there was a very limited quantity of 16 coal, as we found out when we started making phone 17 calls. And it is very difficult if you put an RFP out and everybody in the business is chasing the same 18 19 tonnage. And we wanted to make sure that we were able 20 to go out and -- make sure that we were competitive 21 and were purchasing competitively priced coals, but we 22 did it on a very low-key basis as opposed to an RFP.

Q. This particular purchase for what is
described as an open position, is that typical or
atypical of the manner in which Progress Fuels

ACCURATE STENOTYPE REPORTERS, INC.

Corporation typically goes about acquiring coal for 1 2 Progress Energy Florida?

Α.

I'm not sure I understand the question. 3 Well, generally speaking, does Progress 4 0. Fuels Corporation more typically use an RFP or this 5 alternative individual phone call methodology for 6 securing coal? 7

We use a combination of several methods. We 8 Α. use the RFP process. We use the monthly purchases or 9 We receive bids that come in 10 quarterly purchases. 11 monthly sometimes. We log those in and record them 12 and evaluate them, and if we need coal during that period of time -- so those are unsolicited bids. And 13 we use this third forum of an unofficial RFP process. 14 So we use all of those. 15

This question is designed to enable us to 16 0. understand better the relationship between the 17 contracts that Progress Fuels Corporation executes in 18 19 its role of procuring coal for Progress Energy on the one hand and the values that we see on the 423 forms 20 21 that are eventually submitted to the Commission. For instance, one of the companies that you purchase from 22 is Kentucky May. And I can't recall if you said 23 they're a current provider or that they provided coal 24 25 in the past. Which was it?

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2 Q. Well, let's take them as an example. Let's 3 assume there's a contract between Progress Fuels 4 Corporation and Kentucky May. Is the price that's 5 specified in the contract the same cost that we see 6 reported on the 423 form, or is there some translation 7 or modification for any reason?

A. I really don't know. I don't do the Form423s. I couldn't respond to that.

10 Q. Okay. We'll save that for somebody else. 11 But I believe you said you do take part in the actual 12 negotiation or the procurement function itself when 13 Progress Fuels Corporation deals with these other 14 suppliers; is that right?

A. That's correct.

Q. With whom would you deal or negotiate at
Kentucky May if you were to contact Kentucky May
either through an RFP or through one of these phone
call solicitations?

A. Well, in the marketing and trading group that I mentioned, there's a salesman who handles Florida as well as part of the South. At the time, it was Joe Jefferson that submitted the bid. And that's who I would negotiate the terms with, just like I would do so with Massey or Causseaux or whoever their

1 salesperson is.

Q. So the person with whom Progress Fuels
Corporation negotiates if it wants coal from Kentucky
May is someone in Progress Fuels Corporation's
marketing and trading group?

A. That's who markets -- as I understand,
that's who markets all of the coals. The coals are
being marketed out of a marketing and trading group.

9 Q. And that marketing and trading group, which 10 is an organization or department within Progress Fuels 11 Corporation, represents not only Progress Fuels 12 Corporation in its own capacity, but also Kentucky May 13 and others in which Progress Fuels has an ownership 14 interest?

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A. That is correct.

16 Okay. Let's assume hypothetically that 0. 17 Progress Energy Florida requires coal, that it doesn't have the full burn requirement and it's going into the 18 19 market to acquire more. It turns to you as its chief 20 procurement person and identifies a quantity needed, 21 and you're going to contact potential suppliers, who 22 include Progress Fuels Corporation and Kentucky May 23 and Diamond May Company, in all of which companies 24 Progress Fuels Corporation has an ownership interest. 25 Does the same person in this marketing and trading

1	group represent each of those entities in its
2	responses to the RFP or the solicitation?
3	A. The marketing and trading group represent
4	the coals from the mining operations that Progress
5	Fuels has an ownership interest in through other
6	subsidiaries. They also purchase coal, as I mentioned
7	before. And it would be the marketing and trading
8	group, one individual in that marketing and trading
9	group who would submit a bid to me based upon the
10	qualities that they would have available and the
11	qualities I need.
12	Q. Are these companies in competition with each
13	other to receive the contract award?
14	A. I'm not really sure how they're organized.
15	I'm not part of that group.
16	Q. Well, I don't think you have to know the
17	organization to know whether when Progress Energy
18	issues an RFP or solicitation, whether Diamond May,
19	Kentucky May, Powell Mountain, and Progress Fuels
20	Corporation are vying with each other in efforts to
21	secure some or all of that award.
22	A. I would say the marketing and trading group,
23	who is responsible for selling the coal for those
24	entities, will provide coal from their operations
25	based upon the quality of coal that we would be

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looking for. I don't know the qualities of coal from
 those mining operations.

Q. Well, they would be providing coal based upon the quality of coal, but they would also be competing on price, would they not?

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6 Α. I don't know how they're structured. Ι 7 don't know how they operate. I simply receive bids 8 from them based upon what coal they want to offer, no 9 different than Massey Coal. Massey Coal has multiple 10 mining operations. Under your assumption, I would 11 assume that they're all in competition with each 12 other. But their sales group submits the bid based 13 upon the quality of coal that a particular group is 14 looking for.

Q. Well, one difference is that Massey Coal
doesn't go through the marketing and trading
department of Progress Fuels Corporation in order to
submit a bid, does it?

A. I'm sorry. I don't see the point.

20 **Q.** Well, I don't know if it's a point yet, but 21 it's a question. I'm trying to establish whether the 22 same person or the same department within Progress 23 Fuels Corporation is representing the interests of 24 companies which conceptually are competing with each 25 other when those companies submit bids to secure a

1	portion of the coal needs of Progress Energy Florida.
2	MR. PERKO: I'm going to object to the form.
3	MR. McGLOTHLIN: What's the objection?
4	MR. PERKO: You haven't established that
5	they conceptually are in competition with one
6	another.
7	MR. McGLOTHLIN: Well, that's the question.
8	BY MR. MCGLOTHLIN:
9	Q. The question is, are those companies in
10	competition with each other? Do you know?
11	A. I do not know.
12	Q. Progress Fuels Corporation has an ownership
13	interest in the companies I've identified; is that
14	correct?
15	A. That's correct.
16	Q. Are you an officer in any of those
17	companies?
18	A. I am not.
19	Q. Is there anyone within Progress Fuels
20	Corporation who is an officer of the other companies?
21	A. I don't know the answer to that.
22	Q. Well, Diamond May Company is well, let me
23	ask it this way. Does Diamond May Company provide
24	coal to entities other than Progress Energy Florida?
25	A. Absolutely.

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1	Q. And does Kentucky May Company provide coal
2	to entities other than Progress Energy Florida?
3	A. Yes.
4	Q. Let's say that Utility B, someone other than
5	Progress Energy Florida, issues an RFP. Is it
6	possible that Diamond May or Kentucky May would submit
7	bids to Utility B?
8	A. It's possible.
9	Q. In that situation, would they be in
10	competition with each other?
11	A. I don't know who would submit the bid.
12	That's why I'm having trouble with whether Kentucky
13	May submits a bid on its own, or Diamond May. The way
14	you're couching the question is, does Diamond May send
15	a bid out and does Kentucky May send a bid out, and
16	that's not how I receive bids. How I receive bids is
17	a bid from the Progress Fuels marketing and trading
18	group, and it may name a certain mine, or it may not.
19	Q. Who would know the answer to that question?
20	Who would know whether Diamond May and Kentucky May
21	submit bids or whether the bid is formulated by
22	someone within the marketing and trading group of
23	Progress Fuels Corporation?
24	A. It would be somebody in the marketing and
25	trading group. Right now David Crews is the head

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Mr. Pitcher,	
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2 But is it your testimony today, 0. 3 that you don't know whether the several co in whom Progress Fuels Corporation has an 4 5 interest compete for the opportunity to provide their coal, their respective coals to Progress Energy 6 Florida? 7 8 Α. That is my testimony. 9 MR. McGLOTHLIN: Can we take about a five-10 or ten-minute break while I shuffle some papers 11 here? 12 MR. PERKO: Sure. 13 (Short recess.) 14 BY MR. McGLOTHLIN: 15 Mr. Pitcher, in response to a series of 0. 16 questions, you described the existing arrangements 17 between Progress Fuels Corporation and Progress Energy 18 Florida pursuant to which Progress Fuels is the 19 procurement function for Progress Energy. Among the 20 documents that we reviewed in preparation for this 21 deposition is a letter providing notice of the 22 termination of the existing contract between Progress 23 Energy Florida and Progress Fuels Corporation. Would 24 you describe the manner in which this procurement 25 function will take place in the future after the

of marketing and trading right now.

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1 termination of that existing arrangement, as you 2 understand it?

 A. As I understand it, we're in the process of merging the group, what is currently done in Progress
 Fuels into the Raleigh group under Progress Energy
 Carolinas, and they will act on behalf of Progress
 Energy Florida in purchasing coal. So it will be under Progress Energy's regulated group in Carolina.

9 Q. So this function will become part of what 10 is, in essence, an in-house operation of Progress 11 Energy Carolinas, and that department will procure 12 coal for both the Carolina utility and Progress Energy 13 Florida?

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A. That's correct.

Q. When that occurs, will Progress Energy
Carolinas continue to have an office in Florida, or
will all of that occur out of Raleigh? I'm referring
to the procurement function.

A. It will all be in Raleigh.

20 **Q.** After this transition, will the procurement 21 function performed by Progress Energy Carolinas be 22 pursuant to a contract with Progress Energy Florida or 23 some other arrangement?

A. I'm not really sure how they're going to beorganized in that regard.

Q. After the transition, will Progress Fuels
 Corporation continue to participate in the mining and
 selling of coal to the Progress Energy utilities and
 others?

5 A. If they're successful bidders on it,
6 certainly.

Q. So far the questions have been specific to
the procurement of the coal commodity. Will there be
any changes with respect to the manner in which
Progress Energy Florida arranges for the
transportation of coal to its Crystal River sites?

A. There are currently contracts that are in place, and those contracts will remain in place, and they will be -- and I'm not sure exactly legally how they're going to adopt contracts, the legal aspects of it, but the transportation contracts are in existence.

Q. Will Progress Energy Carolinas be responsible for the transportation aspect of coal deliveries as well as the procurement of the commodity?

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A. Yes, sir.

Q. And it's your understanding that the
existing contracts will be assigned, or in some manner
Progress Energy Carolinas will become the entity
responsible for administering the existing

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A. I'm not sure if they'll assign them or not.I don't know what the arrangements will be.

Q. I'm going to ask Mr. Poucher to provide you another exhibit. Please take a couple of minutes to look it over.

A. Okay.

MR. McGLOTHLIN: And I suspect that Progress Energy will regard this as containing confidential information.

MR. PERKO: I would ask for Mr. Pitcher's confirmation, but I believe so.

13THE WITNESS: Yes, that is correct.14BY MR. McGLOTHLIN:

15 Mr. Pitcher, we have provided you with a 0. 16 document captioned "Progress Energy Ballpark Transport Costs for Coal," and as you can see, this is designed 17 18 to be a rough conceptual diagram of the manner in which coal travels to Crystal River units and is 19 delivered there. And to the left of the diagram we 20 21 have listed those companies which, as we understand 22 it, provide coal that is delivered by river barge, and 23 to the right we've listed those companies which, as we 24 understand it, typically deliver coal by rail. And I'll ask you first to either confirm that 25

understanding or correct our understanding in that
 regard. Do Central, Keystone, Emerald, Massey, and
 Progress deliver coal by the barge route?

A. These companies, Central, Keystone, Emerald,
and Progress, do deliver coal by water as you've laid
out. Massey has the ability to either be part of that
water delivery, or if you'll notice, they're over on
the right side of your thing, and they can do it
directly by rail.

Q. All right. Is the list on the right-hand
side then accurate? Do Consolidated, Sequoia, Massey,
B&W, Alliance, and Progress Fuels have the capability
of delivering by rail? I should add Central to that
list, I guess.

A. And I'll answer that Consolidated, Sequoia,
Massey, B&W, Alliance, and Progress are rail
deliverers. Central, they're a water delivered
product. I would have to look and see. They load out
of a river facility. So I'm not -- that doesn't look
right to me.

21 Q. And as I understand it, depending on the 22 location of the particular provider, the coal is 23 delivered to barge transport, which then travels the 24 Ohio and Mississippi Rivers until it arrives at the 25 IMT terminal in New Orleans. Is that correct?

1	A. Can you rephrase that for me, please?
2	Q. I'll try. As I understand it, with respect
3	to those companies who deliver coal that follows the
4	river route, that typically is delivered to barges
5	that travel the Ohio and Mississippi Rivers until it
6	arrives at the IMT terminal in New Orleans.
7	A. That is correct.
8	Q. And depending on the location, some
9	companies may use the Kanawa River loading terminal in
10	that process?
11	A. Yes, that's correct.
12	Q. And is it true that all of the coal that is
13	shipped by river barge is then transloaded onto
14	oceangoing vessels at the IMT terminal for transit
15	across the Gulf?
16 ·	A. Yes, sir.
17	Q. And again, as I understand it, the coal that
18	arrives from South America also is delivered first to
19	the IMT terminal in New Orleans.
20	A. They come either to IMT or to Mobile. We
21	purchase Colombian coal out of both IMT and Mobile.
22	MR. POUCHER: Could we go off the record for
23	just a second?
24	MR. McGLOTHLIN: Let's go off the record.
25	(Discussion off the record.)

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1 BY MR. McGLOTHLIN:

Q. Based upon a conversation held off the
record, Mr. Pitcher, is there a clarification that you
need to make?

A. Yes. The rail delivered coals listed as
Central, that is a rail delivered product, Central
Appalachian Mining Company.

8 Q. And that's a different entity than the one
9 listed on the left-hand side of the diagram; is that
10 correct?

A. That is correct.

Q. All right. In the middle of the diagram,
there's a reference to Drummond Coal. Where is
Drummond located, and how do they deliver their coal?

15 A. We purchase Colombian coal from Drummond FOB16 the gulf barge in Mobile.

Q. Now, following the waterborne route, you'll
see on this diagram a numerical value associated with
the Mississippi River barge. Can you confirm that
that's either exactly or approximately the current
rate for delivery by barge to the IMT terminal? And
this is for the June 2005 period.

A. I would have to check. It looks in theballpark.

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Q. Okay. And ballpark may be sufficient for

today's purposes. 1 Now, there's a numerical value shown for the 2 3 IMT terminal function. Do you see that? 4 Α. I do. 5 And does that look to be approximately the 0. 6 current cost of transloading from the IMT terminal? 7 Ά. For certain transfers, yes. And there's also a numerical value shown for 8 0. delivery by gulf barge once it has been transloaded. 9 10 Is that approximately the current cost for that 11 segment? 12 **A**. That's a close approximation. 13 0. There's also a numerical value shown for the 14 cost of delivering by rail to Crystal River. And 15 currently would this be the approximate cost per ton? 16 It's a ballpark figure, yes. Α. 17 Okay. There are also numerical values for Q. the cost per ton of the commodity from each of the 18 19 coal mining companies shown. If you know, would these 20 be accurate currently? 21 Without seeing the individual contracts, I Α. 22 don't think I could tell that you they're accurate. 23 Ballparkwise, they look about right, without going 24 back and checking the individual prices. 25 Okay. Well, we have those contracts here in Q.

1	the room, so perhaps during the break if you need to
2	refer to the contracts to verify that these are the
3	correct numerical values, we'll ask you to do that.
4	A. Sure.
5	MR. McGLOTHLIN: Let's assign an exhibit
6	number to this. The Ballpark Transport Costs for
7	Coal document it will be Exhibit 5.
8	(Deposition Exhibit Number 5 was marked for
9	identification.)
10	MR. McGLOTHLIN: We've now provided you
11	another document, which will become Exhibit
12	Number 6.
13	(Deposition Exhibit Number 6 was marked for
14	identification.)
15	BY MR. McGLOTHLIN:
16	Q. And again, this contains information that
17	Progress Energy Florida has designated as
18	confidential. This one is captioned "Progress Energy
19	Coal Contracts." I'll give you a moment to look that
20	over before I ask you a couple of questions about it.
21	A. Okay.
22	Q. Mr. Pitcher, the document that we've marked
23	as Exhibit 6 is a list of the sources of coal and some
24	information regarding the terms of the contracts
25	between Progress Energy and the individual companies

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1	listed that have been taken from the contracts. And
2	based upon your earlier response, I suspect you'll
3	want a chance to compare these to the contract
4	documents that are in the room to verify that this
5	excerpt that we've presented in tabular form
6	accurately reflects the terms of the contracts that
7	were provided, so we'll just add that to the to-do
8	list during the break.
9	A. Okay.
10	MR. McGLOTHLIN: This will be Exhibit 7.
11	(Deposition Exhibit Number 7 was marked for
12	identification.)
13	BY MR. MCGLOTHLIN:
14	Q. We have provided to you another document
15	which is Exhibit 7, and this one is captioned "FPSC
16	Form 423-1," and it shows a reporting month of
17	01/2005, or January 2005. Do you have that before
18	you?
19	A. I do.
20	Q. Please turn to, at least in my copy, the
21	third page of this multipage document. And this is a
22	confidential page, and it's captioned "Monthly Report
23	of Cost and Quality of Coal for Electric Plants,
24	Origin, Tonnage, Delivered Price, and As Received
25	Quantity." Are you there?

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A. Yes, I am.

Q. And I understand that you're not the person primarily responsible for preparing the 423s, but do you have a working familiarity with these documents?

5 A. Other than seeing the suppliers and the 6 prices there, that's all. I have nothing to do with 7 the Form 423s.

8 Well, I'll represent to you that this Ο. 9 document was one of several that were provided by Progress Energy in response to a request to see the 10 11 unredacted 423s. And if you will notice, on the 12 left-hand side, the names of the providing entities 13 are listed, and in the columns to the right, there's 14 information regarding the mine location, the purchase 15 type, mode of transportation, quantity in tons, 16 effective purchase price, total transportation cost, 17 and FOB plant price. Do you see those?

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A. I do.

19 I want to focus on the fact that Progress Q. 20 Fuels Corporation is one of the entities shown as a 21 supplier during the month of January, and I'll point 22 you to the effective purchase price in terms of 23 dollars per ton. The value there -- and we need to 24 talk about this, so I am going to get specific. In 25 that month, Progress Fuels Corporation provided coal

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1	at an effective purchase price of 🐲 per ton. Do you
2	see that?
3	A. I do.
4	Q. And would you agree that the coal from
5	Progress Fuels Corporation is significantly more
6	expensive than any of the other coals delivered that
7	month?
8	A. How do you define significantly?
9	Q. Well, the next higher cost is . Do you
10	agree with that?
11	A. Yes.
12	Q. And the range is from to by Would
13	you agree with that?
14	A. Yes.
15	Q. I don't think I need to do any more than
16	provide that information for the record.
17	Under the column called "Purchase Type,"
18	there are several described as MTC. Would you know
19	what MIC stands for?
20	A. Mid-term contract.
21	Q. And STC would be what?
22	A. Short-term. I assume it's short-term.
23	Q. And would S be a spot purchase?
24	A. Spot.
25	Q. The first question I have is whether these

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particular purchases were pursuant to the 2005 phone
 call solicitation that you described in earlier
 responses.

A. Which one are you referring to?
Q. I'm talking about the sales by Progress
Fuels Corporation of 29,765 tons and 10,325 tons at a
price of **See** per ton.

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A. The price is what that contract is. I don't know about the others, as far as quality is concerned.It looks like that's the unofficial or informal RFP.

Q. Now, earlier I think you described that
informal RFP as an medium-term arrangement because it
was for a two-year period.

A. Let me qualify something. Actually, I was incorrect in what I said. I believe -- and I'm going to have to check to see. We made some spot purchases by rail, and I don't know what these -- if these are the spot purchases we made by rail or if they're the contract.

Yes, they are rail. I know they were rail, but the question is -- I know we did make some spot purchases by rail, so those were not part of the informal RFP.

24 **Q.** Okay. So far you've described the manner in 25 which Progress Fuels goes about securing coal under

medium-term contracts through formal or informal
 solicitations. What is the process that Progress
 Fuels follows when it's looking for spot purchases?

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A. We receive bids from various suppliers on a monthly basis. Those bids are recorded and evaluated.
 And if coal is needed, we will purchase the lowest price coal available in any given month.

8 Q. You say that you receive bids monthly. Is 9 that an ongoing routine under which either your master 10 bidders or some subset of them know that you're 11 looking for information regarding the price under 12 which they would provide spot quantities in a given 13 month?

A. They're basically categorized as unsolicited bids. These are people who have trains that they want to sell in any given month or quarter, and they either send by mail or e-mail the quantities that they have available. And some months we get none, and other months we get quite a few.

Q. Well, in the month of January 2005, do you
know how many proposals or bids you got for spot coal?
A. I do not.

Q. Do you know whether Progress Fuels
Corporation made any effort to contact potential
suppliers and communicate a need or a desire to

1	purchase on a spot basis? Is that ever done when
2	you're looking for spot coal?
3	A. It is done. I don't know that we did it in
4	this time period that you're talking about.
5	Q. Would you have any information or
6	documentation that would demonstrate whether providers
7	other than Progress Fuels Corporation submitted bids
8	or offers to provide spot coal during January 2005?
9	A. We have all those records, yes.
10	Q. Okay. Would you provide that information by
11	a late-filed exhibit?
12	A. Yes.
13	MR. McGLOTHLIN: Late-filed Exhibit Number 8
14	would be "Bids for Spot Coal, January 2005."
15	(Late-filed Deposition Exhibit Number 8 was
16	identified.)
17	THE WITNESS: Can we go off the record a
18	minute, please?
19	(Discussion off the record.)
20	THE WITNESS: I would like to clarify
21	something on this discussion that we were having
22	on this Form 243, where you talked about the two
23	spot purchases of 🐖 made in January of 2005 and
24	you characterized them as significantly different
25	from what was purchased from Progress Fuels. I

would like to point out that the purchases made
on all the others were made in different time
frames, and some as far back as 2003. So the
time frames are not compatible with what you're
looking at on this spot buy.

BY MR. McGLOTHLIN:

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Q. What were the time frames, if you know,
8 for --

A. B&W and Sequoia -- I can give you some of 9 10 B&W and Sequoia were part of the April 2004 them. Consolidated Coal, those were carryover tonnages 11 RFP. 12 from a previous contract from last year. Massey Coal 13 Sales likewise was carryover tonnage from a previous contract. The date of that contract might have been 14 15 2003. I think we would need to check that for you. 16 But they were significantly different time periods 17 than the purchase from Progress Fuels.

Q. Okay. What efforts would you have made,
either you individually or Progress Fuels Corporation
in its capacity of procuring fuels for Progress
Energy, to ascertain that **1** reflected the market
price for coal in January of 2005?

A. As I described before, if we received bids, as we receive bids in, we log them in and we evaluate them. We will compare them with each other. We will also take a look at the various publications that are
issued. United Coal, Evolution, Handbook for Global
Energy, all three of those post daily prices for coal
for any given period of time, short-term as well as
out in the future, and we will peg to see if the coals
that are being offered to us are also within a market
range.

9 Q. In response to the interrogatory that we 9 looked at earlier, you indicated that with the 10 addition of the quantities of coal associated with the 11 informal RFP, Progress Energy closed out its open 12 position for 2005-2006. Do I recall that statement 13 accurately?

14

A. Yes.

Q. If it had closed out its need for 2005-2006
through medium-term contracts, what leads to the need
to purchase on a spot basis in January 2005?

18 A. During 2004, there were two tropical storms
19 and four hurricanes that effectively shut down the
20 Gulf of Mexico and shut down the rail delivery system
21 on different occasions from early August to the end of
22 September.

23 **Q.** I want to focus on the column showing the 24 total transportation cost in dollars per ton. Earlier 25 you indicated that the value shown on what we marked

1	as Exhibit 5 was the approximate or ballpark current
2	cost of delivering by rail. In the form for January
3	of 2005, the rail cost is I'll use this term,
4	significantly higher than the one shown on the
5	ballpark figure. Is there a reason for the
6	difference, if you know?
7	A. I really don't know. I have no idea where
8	those numbers came from.
9	MR. McGLOTHLIN: Okay. Let's look at
10	February 2005 for a moment. Have you provided
11	that to him already?
12	MR. POUCHER: No.
13	(Deposition Exhibit Number 9 was marked for
14	identification.)
15	BY MR. McGLOTHLIN:
16	Q. This is Exhibit 9, which has been marked as
17	confidential and treated as such. If you'll turn to
18	the page that is the counterpart to the one we looked
19	at earlier, which I think is about the fifth one
20	A. The one that lists Drummond Coal Sales?
21	Q. No.
22	A. The fifth one I've got says Drummond Coal
23	Sales. The sixth one says transfer, IMT facility.
24	Q. Well, let me re-count. How about the sixth
25	page?

1 Α. Okay. Sixth page. I was still talking in ballpark figures when 2 0. 3 I said five. 4 This page is captioned, as was the other 5 one, "Monthly Report of Cost and Quality of Coal for 6 Electric Plants," and again the providers on the 7 left-hand column include Progress Fuels Corporation, 8 and again, the selective purchase price per ton 9 shown for Progress Fuels is the highest of any for the 10 month. And only one of these entries is shown as a 11 spot purchase, and it is not the \$ value. Do I 12 understand correctly that these short-term contract 13 purchases would be part of the informal RFP that you 14 described earlier? 15 Α. For Progress Fuels Corporation? 16 Q. Yes. That is correct. Well, let me qualify that. 17 **A**. 18 Short-term, number 4, on line number 4, that would be the informal RFP. 19 20 **Q**. All right. What about number 5? 21 Α. Number 5 is a small tonnage. I'm not sure 22 where that -- that's an awful small tonnage, so I'm 23 not sure where that tonnage would come from. And it 24 shows barge, so it's one barge. It may be from the 25 short-term.

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1 Number 6 is a different contract. 2 Which contract is that? 0. 3 Α. Without looking at the contract and 4 checking, the price doesn't look familiar to me, so 5 I'm not sure. 6 And number 7 we were on. 7 Number 8, the \$ was another RFP, and So those are a different time --8 there's two 9 again, the qualification I make on this is that you 10 have the two \$ prices, but then you have other 11 prices that are lower, but they were solicited and 12 purchased in different time frames. As an example, 13 the Guasare was purchased in 2003. 14 Well, I believe you said that the first of Q. 15 entries was the informal RFP; is that correct? 16 Without checking, I couldn't answer to tell Α. 17 you what contract that came from. I know the price of 18 is what we discussed, but without checking the 19 contract, I don't see how I could tell you it 20 definitely came from that specific contract. Do you know whether \$ is the price that 21 0. 22 was bid and accepted in the course of the informal 23 RFP? 24 It is. Α. 25 Okay. And did I understand you to say Q.

1	
1	earlier that Progress Fuels Corporation was the lower
2	cost of the two submissions to the informal RFP?
3	A. That is correct. There were three
4	submissions to the informal RFP, two purchased. One
5	was exceptionally high, and we just disregarded it.
6	Q. Is the second winner of that RFP listed
7	here?
8	A. It is not.
9	Q. There were no purchases from that provider
10	for February?
11	A. For February, apparently not, if it's not
12	listed here.
13	Q. But that 🗱 is not a spot purchase in this
14	instance?
15	A. It is not.
16	Q. A few minutes ago you said that the Guasare
17	transaction related back to 2003. But the purchase
18	type shown for the Guasare for February 2005 is that
19	it was a spot transaction, is it not?
20	A. I'll have to verify that for you. I'm not
21	really sure. You know, I may have misstated. We have
22	a contract with Guasare, and we've also bought spot
23	coal from them, so I would have to check the records.
24	Q. There are two entries for Progress Fuels
25	Corporation, both having a price of second .
	1

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1 Yes, sir. **A**. One is shown as a spot purchase and the 2 Ο. 3 other a short-term contract. Can you elaborate on the nature of those particular purchases? 4 5 Α. No. I didn't prepare this Form 423, so I 6 can't -- you know, these purchase types, I'm not sure 7 if they're accurate or not. 8 All right. Do you know whether the market 0. 9 price for spot coal in February 2005 was materially 10 different than the spot price for coal in 11 January 2005? 12 Α. Say that one more time, please. 13 If you know, was the market price for coal 0. 14 bought on a spot basis in February 2005 materially 15 different than the market price for coal bought on a 16 spot basis in January 2005, a month earlier? 17 Α. Without checking, I would not be able to 18 comment on that. All right. Well, I'll change subjects for 19 Q. 20 the next series of questions. For the purpose of 21 several questions, would you describe what is meant by 22 the term "synfuel"? 23 Synfuel is a process where they -- well, you Α. 24 know what? I don't think I'm one to give you what 25 synfuel is. I'm not in a position to describe to you

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1 what synfuel is or isn't.

2 **Q.** Well, for purposes of several general 3 questions, would you agree that synfuel is coal that 4 has been treated in a way that is designed to modify 5 its burning characteristics so as to meet the 6 requirements of tax credit provisions made available 7 by the IRS?

8 **A.** No, I'm not going to be able to do that for 9 you.

Q. Okay. Do you know whether Progress Fuels
Corporation procures and provides synfuel to Progress
Energy Florida?

A. At the present time, they do not.

14 **Q.** Do you know whether Progress Energy Florida 15 intends to burn any synfuel in 2005 or 2006?

A. They do not.

Q. With respect to the contractual
arrangements, the existing contractual arrangements
between Progress Fuels Corporation and Progress Energy
Florida, how does Progress Fuels recover its operating
costs from Progress Energy Florida?

A. I'm not -- I think you need to talk to
somebody in the accounting area as to how we recover
the operating costs.

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Q. You don't know?

1	A. I do not know.
2	Q. Are you familiar with the terms of the
3	existing contractual arrangement between Progress
4	Energy Florida and Progress Fuels?
5	A. Iam.
6	Q. Are you aware that at least at one point,
7	the contract specified that Progress Fuels Corporation
8	would receive a return equivalent to the regulated
9	return authorized for Progress Energy Florida?
10	A. I'm aware that it says that in the contract,
11	yes.
12	Q. In terms of implementing the contract, what
13	return does Progress Fuels Corporation receive through
14	the contract currently?
15	A. I have no idea.
16	MR. McGLOTHLIN: Gary, is that particular
17	contract considered confidential?
18	MR. PERKO: Yes, I believe it is.
19	MR. McGLOTHLIN: Well, I suggest we take a
20	break that will allow you to do whatever
21	reference to the contracts you need to do to
22	verify our summary, and at the same time, I'll
23	see if I can cull some questions and bring this
24	thing to a close here.
25	(Short recess.)

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1	MR. McGLOTHLIN: Gary, I'll reiterate for
2	the record the conversation we had off the
3	record. I acknowledge that our request to see
4	the contracts was less than exhaustive, but I
5	will ask Progress Energy to provide, not as a
6	late-filed to the deposition, but to provide us
7	for review as a supplement to the document
8	request any of the contracts between Progress
9	Fuels Corporation and providers for delivery in
10	2005 that were not provided earlier. And I
11	understand you're going to take that under
12	advisement while you consult with your client.
13	And I believe with that, we've asked all our
14	questions today. Thank you for your indulgence
15	today.
16	MR. PERKO: Jennifer, how long do you think
17	you have?
18	MS. RODAN: About 30 minutes. And we need
19	to take a couple of minutes.
20	(Short recess.)
21	CROSS-EXAMINATION
22	BY MS. RODAN:
23	Q. It's almost good afternoon, Mr. Pitcher.
24	Again, I'm Jennifer Rodan on behalf of the Florida
25	PSC.

1	I hate to start off asking for a late-filed
2	exhibit, but can you please provide us a late-filed
3	deposition exhibit listing the contracts in effect,
4	the foreign and domestic coal contracts in effect in
5	2004, just listing the party that the contract is with
6	and just whether it's FOB barge or FOB mine. This is
7	a lesser request than what OPC had requested. And to
8	the extent this information is included in what you
9	provide to OPC, then this would not be needed.
10	MR. PERKO: You're asking for 2004?
11	MS. RODAN: Contracts in effect in 2004, so
12	it may be a 2003 contract that's still in effect
13	in 2004. Are we on Number 10?
14	THE REPORTER: Ten.
15	(Late-filed Deposition Exhibit Number 10 was
16	identified.)
17	BY MS. RODAN:
18	Q. Please look at the February 2005 423 form
19	that OPC has already passed out, and also the exhibit
20	on ballpark transportation costs, which is Exhibit 5.
21	It's already marked. Go to pages 5 and 6 of the 423
22	form.
23	A. Just a minute.
24	Q. It's the February 2005.
25	A. February. Here it is. I'm sorry. What

Γ

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Q. Okay. First let's go to page 5. And on -I'm sorry. First let's go to page 6. At line 10,
Guasare Coal Sales, and going to column 8, under total
transportation cost, it shows \$ Does that \$
represent transloading?

A. I really don't know what it involves. I'm
not sure where the transportation numbers -- I stated
earlier that I'm not sure where these transportation
numbers came from.

11 Q. So if I were to ask you the same question 12 regarding page 5 for Drummond Coal, your answer would 13 be the same, the **Second** transportation cost for 14 Drummond?

15A. That is correct. The answer would be the16same.

Q. Okay. What's the difference between the
contract terms "FOB mine" and "FOB gulf barge"
regarding which party is responsible for transloading
costs?

A. Say that one more time for me.

Q. What is the difference between the contract
terms "FOB mine" and "FOB gulf barge" regarding which
party is responsible for transloading costs?

A. FOB barge, if I were to purchase coal on an

1	FOB barge basis, that would mean the transloading
2	would be embedded in the commodity price.
3	Q. Please define the contract term CIFIMT, if
4	you can.
5	A. I don't know exactly what the CIF means.
6	I'm sorry.
7	\mathbf{Q} . Would you know what transloading is involved
8	in that contract term, more specifically, which party
9	would be responsible for the cost of transloading?
10	A. Can you give me a specific example of what
11	contract you're talking about?
12	Q. No. We'll move on to the next question.
13	What's the usual number of days to transport
14	coal from Mobile or IMT to Crystal River?
15	A. A one-way trip from Mobile would be four
16	days, four and a half days.
17	Q. Do you have your testimony in front of you?
18	A. No.
19	Q. I want to refer you to your Exhibit AWP-1
20	which was included in your prefiled testimony filed
21	March 1, 2005. Did the supply of coal at Crystal
22	River ever go below 15 days in 2004?
23	A. Without looking at additional records beyond
24	this period of time, I really couldn't I don't
25	recall.

1 Q. Okay. What would have been the consequence 2 of running out of coal in the summer of 2004 due to 3 disruptions caused by the hurricanes? 4 **A**. I'm not sure I'm qualified to answer what 5 the consequences would be. Okay. I'm going to provide you with --6 0. 7 Do you want this back? **A**. 8 I'm going to provide you with page 3 0. Yes. 9 of your March 1, 2005 prefiled testimony. Please refer to lines 17 through 22. To ease the strain on 10 11 coal supplies, Progress Energy Florida implemented 12 coal conservation during the 2004 hurricanes leading 13 to uneconomic dispatch; is that correct? 14 Α. Including what kind of dispatch? 15 Uneconomic dispatch. 0. 16 **A**. It says non-economic. That is correct. 17 Had Progress not taken these coal 0. 18 conservation measures, do you believe coal supplies at 19 Crystal River would have been completely depleted? 20 Α. I really -- I don't know. I'm not involved 21 with the economic dispatch of the plants. 22 Do you know if any coal suppliers had 0. 23 problems meeting their contractual obligations to 24 Progress Energy Florida during the 2004 hurricanes? 25 Coal suppliers that had problems? Ά.

1 Yes, coal suppliers. Q. 2 A. Not coal suppliers, no. 3 To your knowledge, was there a constraint on Q. 4 coal deliveries by river barge to IMT during the 2004 5 hurricane season? 6 MR. PERKO: Would you read that back, 7 please? 8 (Preceding question read by the reporter.) 9 I don't recall if there were delays on the Α. 10 river barge side of the delivery system. 11 Q. Do you know how much coal storage Progress 12 Energy had at IMT at the end of June 2004? 13 No, not off the top of my head I don't. Α. 14 Okay. Can you provide a late-filed Q. 15 deposition exhibit indicating how much coal storage 16 Progress Energy Florida had at IMT at the end of June, 17 at the end of July, and also August and September of 18 2004? 19 Α. Yes. 20 MS. RODAN: So again, that's June, July, 21 August, and September, and I believe that would 22 be Number 11. 23 (Late-filed Deposition Exhibit Number 11 was 24 identified.) 25 BY MS. RODAN:

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1	Q. Why was it necessary to purchase additional
2	spot coal at higher prices in the summer of 2004?
3	A. We had two tropical storms and four
4	hurricanes that disrupted the water delivered coal as
5	well as the rail delivered coal. Those coals were not
6	delivered in the time frame because of the hurricanes,
7	and the suppliers in most cases could not make them
8	up. I mean, you lose a period of time. They were not
9	able to make them up, and we had to go out and buy
10	additional coal in order to make up for the missed
11	deliveries that we had during that period of time.
12	Q. Now, please take a look at Progress Energy's
13	response
14	A. Now, this is yours.
15	Q. Thank you. Please take a look at Progress's
16	response to staff's interrogatory number 63. And let
17	me know when you've read that response.
18	A. Give me a second, please. Okay.
19	Q. Your response states that Progress Energy
20	believes that shipping coal to the East Coast for
21	ocean barge delivery to Crystal River would be about
22	200 percent more costly than direct rail shipment from
23	the mine. What is the basis for that statement?
24	A. I got quotes from the CSX Railroad and
25	quotes from the barge suppliers and compared that to

1 the current cost to deliver coal to Crystal River via 2 Mobile and New Orleans. 3 I'm now going to hand you an excerpt 0. Okav. from the Federal Energy Regulatory Commission 423 form 4 5 for December 2004. 6 A. Are you ready for this one back? 7 0. You can hold on to that. 8 Are you aware that JEA purchases 9 Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to 10 11 JEA? 12 Α. No, I'm not. 13 0. From a review of this form, would you agree 14 that the delivered price for the first transaction 15 listed on the form, which represents the Pennsylvania 16 to Baltimore to Jacksonville route, has a lower delivered price than all transactions river barged 17 18 from West Virginia to IMT? 19 It has a lower delivered price. However, I Α. might add that the coals that you're comparing are 20 completely different qualities of coal than are burned 21 22 at Crystal River. These are Pennsylvania coals, as 23 you mentioned, and they're -- I see in one case 6-1/2percent sulfur, 3.7 percent sulfur, and 2.6 percent 24 25 So I would say the coal price probably would sulfur.

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1 play a great deal in that. 2 And then there's an additional cross-gulf 0. 3 trip from IMT to Crystal River; is that correct? 4 **A**. Say that one more time. 5 Q. There's an additional cross-gulf trip from 6 IMT to Crystal River; is that correct? 7 A. We bring coal from IMT to Crystal River, 8 that is correct. 9 Okay. Across the Gulf? Q. 10 **A**. Across the Gulf, that is correct. 11 Okay. Ο. 12 **A**. I also might add in reference to your 13 question before that two of these purchases on the JEA are from Texas. These are pet coke purchases. 14 15 They're not coal purchases, at least from what I can 16 see on the quality. And I have no idea of the pricing 17 on pet coke, but we're comparing apples and oranges 18 here. 19. Q. Would you agree that the additional cost of 20 shipping from Jacksonville to Crystal River on a barge 21 from an East Coast terminal would be about the same as 22 the shipping costs from New Orleans to Crystal River? 23 Α. Say that one more time. 24 Would you agree that the additional cost of Q. 25 shipping from Jacksonville to Crystal River on a barge

1	from an East Coast terminal would be about the same as						
2	the shipping costs from New Orleans to Crystal River?						
3	A. I would not.						
4	Q. No? Okay. Would you say that the cost						
5	would be slightly more?						
6	A. No. I would say that it would be						
7	significantly more. As I said, I received quotes the						
8	barge companies as well as the CSX Railroad for						
9	delivery of Central Ap coal through the Port of						
10	Baltimore or Norfolk, and it was the 200 percent or						
11	close to 200 percent that I indicated in my testimony.						
12	Q. Okay. Is there a written document, or was						
13	it through verbal conversations?						
14	A. Verbal conversations with CSX and the barge						
15	companies.						
16	MS. RODAN: Okay. Let me go ahead and ask						
17	that that FERC 423 form be labeled as Exhibit						
18	Number 12.						
19	(Deposition Exhibit Number 12 was marked for						
20	identification.)						
21	BY MS. RODAN:						
22	Q. Please take a look at Progress's answer to						
23	staff's interrogatory number 65. What is the basis						
24	A. Give me a minute to read it, please.						
25	Q. I'm sorry.						

1 Α. Okay. 2 What is the basis for the statement that 0. 3 Drummond cannot load barges at its Tampa terminal? The fact that we took coal into the Drummond 4 Α. facility -- as noted in the first paragraph of this 5 6 answer, we had to offload 6,000 tons because of the .7 shallow draft in Tampa. We went to the Drummond 8 facility, and we asked them if we would then reload it 9 to a barge on a lighter basis and take it back. The 10 answer was no, so we had to truck coal to the 11 TampaPlex facility. Does that mean that Drummond cannot load 12 0. 13 barges directly from an ocean vessel? 14 A. We were told by Drummond that they could not 15 do that, that they can put it on the ground, but 16 cannot take it out. 17 Do you know what the channel depth of the Q. 18 Drummond coal terminal in Tampa is? 19 Α. I do not know the exact depth of the 20 Drummond channel. 21 What is the differential cost of shipping Q. 22 coal from South America to Tampa in a Panamax versus a 23 Handy vessel? 24 Α. I do not know. Market rates for vessels 25 fluctuate. I don't know what the differentials would

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1	be at any given time. A Panamax vessel could not go						
2	into the Port of Tampa because of the draft.						
3	Q. So you wouldn't be able to comment on if the						
4	cost is less than the cost of shipping from New						
5	Orleans to Tampa?						
6	A. What cost is that that you're referring to?						
7	Q. We're going to move on. Has Progress Energy						
8	explored the possibility of having Drummond or						
9	TampaPlex blend coal for the company as IMT does?						
10	A. As a result of Hurricane Katrina, we brought						
11	the coal into Tampa as I described. The TampaPlex						
12	facility has very limited storage, and blending was						
13	not an option. Likewise, the Drummond facility can						
14	only put coal on the ground, but can't take it back						
15	out, so blending would be of no value to us.						
16	Q. Okay. Would the two Tampa coal terminals be						
17	willing to enter into long-term contracts to blend						
18	coal?						
19	A. I don't know the answer to that.						
20	Q. Please take a look at Progress Energy's						
21	response to staff interrogatory number 64. In						
22	subsection 3, what is the basis for the statement that						
23	one Colombian coal supplier can ship to Mobile at a						
24	lower cost than to Tampa?						
25	A. When we went out for bid and purchased coal						

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from the coal supplier that is mentioned in this, the economics were less expensive or the cheaper form going into Mobile, because they take in 5 million tons of coal into the Port of Mobile. I don't know the quantity they bring into the Port of Tampa, but it's 5 million tons going into one port, so their shipping rates were lower.

Likewise, I'll qualify it by saying you've 8 9 got the same issue with the Port of Tampa. You can't 10 reload out of the Drummond facility. And the 11 TampaPlex facility, the last barge I unloaded at the 12 -- or loaded, I'm sorry. I took my coal out of there, 13 and it took me three days to load my vessel. They're 14 not capable of handling on an efficient basis large 15 quantities of coal.

Q. Okay. In Progress Energy's response to
staff interrogatories 64 and 65, the response outlines
the company's perceived shortcomings of the two Tampa
coal terminals, Drummond and TampaPlex. Was this
information derived through discussions with the
facilities or actual experience?

A. It was actual experience.
Q. Has the company met with these facilities to
determine if they can provide options for future coal
deliveries to Tampa?

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1	A. The TampaPlex facility is a Kinder Morgan						
2	facility. I have a contract with Kinder Morgan, which						
3	is they own IMT. I have rates in my current						
4	contract that allow me to bring coal into the Port of						
5	Tampa. We did so during Katrina. As a result of that						
6	experience, we efficiently cannot move coal in and out						
7	of that facility. It was a stopgap measure because of						
8	the hurricane.						
9	Q. To your knowledge, are these facilities						
10	planning expansions to become major coal terminals?						
11	A. I have no knowledge of it.						
12	MS. RODAN: I have no further questions.						
13	MR. PERKO: If I could just have five						
14	minutes to review my notes.						
15	(Short recess.)						
16	CROSS-EXAMINATION						
17	BY MR. PERKO:						
18	Q. Just a few questions, Mr. Pitcher. Let me						
19	refer you to Exhibit Number 5 that was introduced into						
20	the record by Mr. McGlothlin. And I just want to						
21	clarify. Have you been able to verify the prices for						
22	the various coal suppliers that are indicated on that						
23	exhibit?						
24	A. I have not been able to verify all of them,						
25	no.						

1	Q. And I believe your testimony was that for						
2	all the components of the transportation, you felt						
3	like those were good ballpark numbers, but you						
4	couldn't verify the accuracy?						
5	A. That is correct.						
6	Q. And I would also like to have you take look						
7	at Exhibit Number 6 and ask you the same question.						
8	Have you been able to verify the information on that						
9	exhibit?						
10	A. No, not specifically, no.						
11	Q. Mr. McGlothlin introduced as Exhibit Number						
12	1 Progress Energy's answers to various discovery						
13	requests, and he discussed the answer to interrogatory						
14	number 6 at length earlier in the deposition. And you						
15	referred to an April 2004 RFP which resulted in the						
16	purchase of 4.3 million tons of coal; is that correct?						
17	A. That's correct.						
18	Q. And what were the prices for those coals at						
19	that time?						
20	A. In the high to mid to mid						
21	Q. Let me show you the 423-2 report from May						
22	2002 and ask you if that refreshes your recollection.						
23	MR. McGLOTHLIN: Did you say May 2002?						
24	MR. PERKO: I'm sorry. May 2005.						
25	A. Yes. Do you want me to clarify it?						

1 Q. Yes, if you could go over the prices. 2 Central Coal was \$ and that was purchased Ά. during that RFP. Keystone was spot. Massey Coal 3 4 Sales, the \$ was the same time frame. 5 Now, you also answered some questions about **Q**. when PFC closed out in a later time period. 6 7 Α. Yes. 8 And the interrogatory response refers to two 0. 9 contracts. One was let to PFC at \$ per million 10 The other was at \$ per million Btu. Btu. The 11 PFC contract -- and again, this is confidential, but 12 what does that price per million Btu equate to in 13 dollars per ton? 14 The that I mention there and that Α. 15 I mention there are delivered to the plant. They 16 relate to a coal price of \$ for the coal. 17 0. And what was the cost per ton for the second 18 bidder? 19 Α. S 20 Do you recall what the cost per ton for the 0. third bidder was? 21 22 for the coal. A. S 23 What happened in the marketplace between the Q. time you went out for the April '04 RFP and entered 24 25 into these contracts with PFC and the other suppliers?

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1	A. There was a continued ratcheting up of the								
2	coal prices. For many reasons, prices went from the								
3	high to the may, up into the may and may.								
4	MR. PERKO: Thank you. I have no further								
5	questions.								
6	MR. McGLOTHLIN: Then I think we're through.								
7	(Deposition concluded at 12:26 p.m.)								
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1								
2	CERTIFICATE OF ADMINISTERING OATH							
3								
4	STATE OF FLORIDA:							
5	COUNTY OF LEON:							
6	I, MARY ALLEN NEEL, Registered Professional							
7	Reporter and Notary Public in and for the State of							
8	Florida at Large:							
9	DO HEREBY CERTIFY that on the date and							
10	place indicated on the title page of this transcript,							
11	an oath was duly administered by me to the designated							
12	witness before testimony was taken.							
13	DATED THIS 25th day of October, 2005.							
14								
15	Mary Allen Need ha							
16	MY COMMISSION # DD154437 EXPIRES: October 10, 2006 Bonded Thru Troy Fain Insurance MARY ALLEN NEEL, RPR							
17	2894-A Remington Green Lane Tallahassee, Florida 32308							
18	(850) 878-2221							
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1 2 CERTIFICATE OF REPORTER 3 4 STATE OF FLORIDA: 5 COUNTY OF LEON: 6 I, MARY ALLEN NEEL, Registered Professional 7 Reporter, do hereby certify that the foregoing 8 proceedings were taken before me at the time and place 9 therein designated; that my shorthand notes were 10 thereafter translated under my supervision; and that 11 the foregoing pages numbered 1 through 79 are a true 12 and correct record of the aforesaid proceedings. 13 I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, 14 15 nor relative or employee of such attorney or counsel, 16 or financially interested in the foregoing action. 17 DATED THIS 25th day of October, 2005. 18 19 20 NEEL, 2894-A Remington Green Lane 21 Tallahassee, Florida 32308 (850) 878-2221 22 23 24 25

ACCURATE STENOTYPE REPORTERS, INC.

ERRATA SHEET

I have read the transcript for my deposition, pages 1 through 81, and hereby subscribe to same, including any corrections and/or amendments listed below.

<u>28/05</u>

۲ ALBERT W. PITCHER

Page	Line	Correction or Amendment	Reason for Change
6	6	Cinergy vs Synergy	Misspelling
6	12	Sims vs Simms	Misspelling
6	13	Sims vs Simms	Misspelling
8	5	Kanawha vs Kanawa	Misspelling
8	8	Kanawha vs Kanawa	Misspelling
8	10	Kanawha vs Kanawa	Misspelling
10	25	Kanawha vs Kanawa	Misspelling
33	25	Guasare vs Causseaux	Misspelling
44	9	Kanawha vs kanawa	Misspelling
55	2	Henwood vs Handbook	Misspelling
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Deposition taken on 10/21/05, Docket No. 050001-EI



October 26, 2005

Gary V. Perko, Esq. Hopping, Green & Sams, P.A. 123 South Calhoun Street Tallahassee, Florida 32301

In re: Fuel and purchased power Re: cost recovery factor, etc.

Dear Mr. Perko:

Enclosed is your copy of the deposition of Albert W. Pitcher taken in the above matter on October 21, 2005.

Since reading and signing was not waived, we are enclosing an errata sheet and request that your office make arrangements with the witness to read the deposition and make any corrections on the errata sheet.

Please forward the original completed errata sheet to Joseph A. McGlothlin for attachment to the original transcript and a copy to Jane Faurot at the Commission. You should also attach a copy to your transcript so that it will be complete.

Thank you for your cooperation in this matter. It was a pleasure working with you.

Sincerely.

Mary a. hel

Mary A. Neel

/mn Joseph A. McGlothlin, Esq. CC: **Jane Faurot**

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BEF0	RE THE		INDEX	
	ERVICE COMMISSION	WITH		AGE
	DOCKET NO. 050001-EI	ALBI	RT W. PITCHER	
In re: Fuel and purchased cost recovery clause with generating performance inc factor.	•	Cros	ect Examination by Mr. McGlothlin ss-Examination by Ms. Rodan ss-Examination by Mr. Perko	4 63 76
CONFIDENTIA	L TRANSCRIPT	123	PEF Discovery Responses (Late-filed) Master Bidders List (Late-filed) List of Bidders Who Responded to April 2004 RFP (Late-filed) Bidders to Whom Progress	11 13 15 20
DEPOSITION OF:	ALBERT W. PITCHER		Fuels Awarded 4.3 Million Tons of Coal Contracts	
TAKEN AT THE INSTANCE OF:	Office of Public Counsel	5	Ballpark Transport Costs for Coal Transport	47
DATE:	October 21, 2005	7	List of Progress Energy Coal Contracts January 2005 Forms 423 (Late-filed) Bids for Spot Coal, January	47 48 53
TIME:	Commenced at 9:15 a.m. Concluded at 12.26 p.m.	9	2005 February 2005 Forms 423	56
LOCATION:	123 South Calhoun Street	10	(Late-filed) Coal Contracts in Effect in 2004	64
REPORTED BY:	Tallahassee, Florida MARY ALLEN NEEL, RPR		(Late-filed) Amount of Storage at IMT at End of June, July, August and September 2004	68
	Notary Public, State of Florida at Large	12	December 2004 FERC Form 423	72
			TIFICATE OF OATH	80
			TIFICATE OF REPORTER	81
2894 REMING	YPE REPORTERS, INC. TON GREEN LANE			
TALLAHASSEE, (850)	FLORIDA 32308 878-2221			
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		1	STIPULATIONS	
APPEARANCES:		2	The following deposition was taken on oral	
PEPPESENTING PROGRES	S ENERGY FLORIDA. INC.:	3	examination, pursuant to notice, for purposes of	
GARY V. PERKO,	· · · · · · · · · · · · · · · · · · ·	4	discovery, for use as evidence, and for such other uses and purposes as may be permitted by the	
Hopping, Green 123 South Calho	& Sams, P.A. un Street	6	applicable and governing rules. Reading and signing	
Tallahassee, Flo	orida 32301	7	of the deposition transcript by the witness is not	
REPRESENTING THE CIT	IZENS OF THE STATE	8	waived.	
JOSEPH A. McGLO	THLIN, ESQUIRE	9	* * *	
Office of Public 111 West Madiso	c Counsel n Street, Suite 812	10 11	Thereupon, ALBERT W. PITCHER	
Tallahassee, Fl	orida 32399-1400	12	the witness herein, having been first duly sworn, was	;
REPRESENTING THE FPS	C STAFF:	13	examined and testified as follows:	
JENNIFER RODAN, Florida Public	ESQUIRE Service Commission	14	DIRECT EXAMINATION	
2540 Shumard Va	k Boulevard orida 32399-0850	15	BY MR. McGLOTHLIN:	
		16 17	 Q. Please state your name for the record, sir. A. My name is Albert W. Pitcher, One Progress 	
ALSO PRESENT: RALPH VONFOSSEN		18	Plaza, St. Petersburg, Florida.	
EARL POUCHER		19	Q. Mr. Pitcher, have you been deposed before?	
		20	A. Yes.	
		21	Q. Approximately how many times?	
		22	A. One.	
		23	Q. You're familiar with the routine, but let me just explain to you that I will be asking you a series	
		25	of questions. And so that we can have a clear	
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SHEET	2
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1 transcript after the fact, if at any point you don't 1 handle coal mining operations, but I don't know the 2 2 understand a question or you want me to repeat or number of employees. 3 clarify the question, please stop me and ask me to 3 Q. Okay. With respect to the coal procurement 4 function, how is that section organized? 4 work on the pending question so that we're both clear 5 5 as to what's being asked and what's being answered. A. I'm the head of that group. I have a 6 6 Is that satisfactory with you, sir? manager of transportation, a manager of quality. I 7 A. Yes, it is. 7 have an administrative assistant. And then each of 8 8 those gentlemen have staff underneath them. Q. Let's note for the record the conversation 9 9 O. The documents that were provided to us for between Mr. Perko and myself prior to the beginning of 10 10 the deposition. It will be necessary during the review in response to the request to produce course of the deposition for me to either refer to or 11 identified several corporate entities that I would 11 12 12 use some numerical values that Progress Energy Florida like to ask you about. For instance, Diamond May 13 **Company, who is Diamond May Company?** 13 has designated as confidential, and we have an 14 14 understanding that this transcript will be treated as A. It is a coal company that is owned by 15 confidential pending the appropriate filings by the 15 **Progress Fuels.** company with respect to its request for continued 16 Q. And does Diamond May Company own coal 16 17 · shielding of that information. Is that satisfactory? 17 properties, or does Diamond May Company purchase from 18 A. Yes. 18 other mining companies? 19 **Q.** Mr. Pitcher, let's begin with some basic 19 A. They mine coal, and they purchase as well. 20 information about your background. What are your job Q. Where is their coal property? 20 21 21 responsibilities with Progress Fuels? A. In Kentucky. 22 Q. Does Progress Fuels own 100 percent of 22 A. I'm Vice President of Coal Procurement. My 23 23 responsibilities are procuring and transporting the Diamond May? 24 24 A. I really don't know the answer to that. coal that is necessary for Crystal Rivers 1 and 2 and 25 25 4 and 5. Q. Kentucky May, who is Kentucky May?

5

1 Q. Would you provide us with some information 1 A. It's a coal mining company underneath 2 2 about your education and professional background prior **Progress Fuels.** 3 3 to your present position? Q. Does Progress Fuels own all of Kentucky May? 4 4 A. I have a bachelor's degree in accounting. I A. I'm not aware of the ownership. 5 5 Q. Kanawa River Terminals, who is Kanawa River started my career with Arthur Andersen, worked for 6 6 Synergy, and have been with Progress Fuels, or been **Terminals?** with Florida Power or Progress Fuels for the last 30 7 A. It's a terminal operation, and they have 7 8 years, and I was in -- as a controller. I served as 8 operations on the Kanawa River in West Virginia. Vice President of Sales, and I'm now Vice President of 9 Q. Does Progress Fuels have an ownership 9 10 10 position with Kanawa River Terminals? Coal Procurement. 11 11 O. To whom do you report at Progress Fuels? A. They do have an ownership position. 12 Q. Who is Powell Mountain? 12 A. I report to Paula Simms. 13 13 Q. And what is Ms. Simms' position? A. It's a mining operation in southwest 14 Virginia. 14 A. Vice President, Regulated Fuels. 15 Q. Where is your office? 15 Q. Does Progress Fuels have an ownership 16 A. In St. Petersburg. 16 interest in Powell Mountain? 17 17 Q. Do you share, or does Progress Fuels share A. I really don't know if they have an 18 18 space within Progress Energy Florida's headquarters? ownership interest in that operation or not. 19 19 A. No. We're across the street. Q. Massey Coal Company, who is Massey Coal 20 20 O. Let's talk about the organization of Company? 21 21 Progress Fuels, the number of employees and how A. Massey Coal Company is a coal supplier. 22 22 Progress Fuels is organized. They mine coal. 23 23 A. I really don't know the number of employees. Q. Does Progress Fuels have an ownership 24 24 The portion that I'm in has responsibility for the interest in Massey Coal Company? 25 fuel procurement. There are other sections that are 25 A. No, we do not.

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1 2	9 Q. What about Sequoia Coal Company?		11
2	•		
	A They dre a mining company is eactors	1	Terminals is not in the business of mining or selling
	A. They're a mining company in eastern	2	coal, that it's limited to a loading or transloading
3 K	Centucky, and we do not have an ownership interest.	3	function?
4	Q. How about Consolidated Coal Company?	4	A. I'm not sure of the organizational structure
5	A. They're a mining company.	5	of how if they're selling coal. I believe they
6	Q. Does Progress Fuels have an ownership	6	transload coal, and they also under the marketing and
7 i	nterest in Consolidated?	7	trading group sell coal.
8	A. No.	8	Q. Mr. Pitcher, I'm going to ask Mr. Poucher to
9	Q. Does Progress Fuels Corporation have an	9	provide you a copy of a document and ask you to review
10 c	ownership interest in Alliance Coal Company?	10	it for a moment.
11	A. No, they do not.	11	A. Okay.
12	Q. There are references to the IMT terminal in	12	MR. McGLOTHLIN: I'm going to have this
13	New Orleans. Is IMT the proper name of that entity?	13	marked as Exhibit 1 to the deposition.
14	A. International Marine Terminals is the proper	14	(Deposition Exhibit Number 1 was marked for
15 r	name.	15	identification.)
16	Q. And what business are they in?	16	BY MR. McGLOTHLIN:
17	A. The transloading of products on the lower	17	Q. This document is captioned "Progress Energy
18 1	Mississippi River.	18	Florida's Responses to Citizens' Second Set of
19	Q. Does Progress Fuels own IMT?	19	Interrogatories, Nos. 6 through 14." I ask you to
20	A. No, they do not.	20	review interrogatory number 6 and the response.
21	Q. Does Progress Fuels have any ownership	21	MR. PERKO: Just for the record, that
22 i	interest?	22	includes confidential information.
23	A. No, they do not.	23	A. The first page I have here says number 13,
24	Q. Drummond Coal Company?	24	Progress Energy to Citizens' Fifth Request to Produce
25	A. They're an Alabama mining company, and they	25	Documents, No. 13.

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10		12
also mine coal in Colombia.	1	MR. McGLOTHLIN: You gave him a request to
Q. Does Progress Fuels own or have an ownership	2	produce. I'm looking for the interrogatory.
interest in Drummond?	3	MR. PERKO: I believe it's underneath.
A. We do not.	4	THE WITNESS: I've got it.
Q. Has Progress Fuels purchased coal from	5	BY MR. McGLOTHLIN:
Diamond May?	6	Q. Let me know when you've had an adequate
A. Yes, we have.	7	chance to look that over, Mr. Pitcher.
Q. And is Diamond May currently one of your	8	A. Yes.
suppliers?	9	Q. Do you recognize this as a response that you
A. Yes, it is.	10	prepared as an answer to OPC's interrogatory number 6?
Q. Has Progress Fuels purchased coal from	11	A. I do.
Kentucky May?	12	Q. And is the response accurate to the best of
A. I'm not sure if they have I mean, in the	13	your knowledge?
past they have, but	14	A. It is.
Q. You don't know whether they're currently	15	Q. I'm going to refer to the first paragraph of
providing	16	the response. In that response you state that in
A. Oh, they're not currently providing. We	17	April 2004, PEF issued a request for proposals. Would
have no contract with Kentucky May.	18	that request for proposals have been issued by PEF or
Q. Has Progress Fuels purchased coal from	19	by Progress Fuels on PEF's behalf?
Powell Mountain?	20	A. By Progress Fuels.
A. In the past they have.	21	Q. And when you state that PEF issued the RFP,
Q. Does Powell Mountain provide any portion of	22	in what way was that done? For instance, to whom was
the current supply of coal?	23	the RFP sent, and how was it communicated to potential
A. It does not.	24	providers?
Q. Do I understand correctly that Kanawa River	25	A. We have a master bidders list. The request

SHEET 4	1
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1	for proposal was sent to each one on our master	1 A. It is possible that they could meet the
2	bidders list. In addition, we also forwarded the	2 requirements of either one.
3	request for proposal to various coal publications who	3 Q. The same sentence, resulted in the purchase
4	usually write articles about our desire for coal, and	4 of 4.3 million tons of coal for both Crystal River
5	it gives us a reach into the marketplace that lets	5 Units 1 and 2 and 4 and 5, is that 4.3 million tons,
6	everybody know that we're looking for coal.	6 or is that 4.3 million tons for 1 and 2 and another
7	Q. How many bidders are on your master bidders	7 4.3 for 4 and 5?
8	list, if you know?	8 A. That's a total.
9	A. I don't know. I could get that for you, but	9 Q. And how many bidders responded to the RFP,
10	I don't remember the number we have on the master	10 if you know?
11	bidders list.	11 A. I don't have a count on it. We could
12	Q. Is the master bidders list something that	12 provide that for you.
13	you could provide as a late-filed exhibit to this	13 MR. McGLOTHLIN: Late-filed Exhibit 3 would
14	deposition?	14 be "List of Bidders Who Responded to April 2004
15	A. It is.	15 RFP."
16	MR. McGLOTHLIN: Could we have that	16 (Late-filed Deposition Exhibit Number 3 was
17	identified as Exhibit 2, late-filed. We'll just	17 identified.)
18	caption it "Master Bidders List."	18 BY MR. McGLOTHLIN:
19	(Late-filed Deposition Exhibit Number 2 was	19 Q. Now, is Progress Fuels Corporation in the
20	identified.)	20 business of mining coal or purchasing coal for resale?
21	BY MR. McGLOTHLIN:	21 A. It is.
22	Q. And I imagine the RFP would identify	22 Q. Would Progress Fuels Corporation ever be in
23	quantities of coal and quality parameters?	23 a position of offering coal in response to an RFP like
24	A. It would.	24 this on its own behalf?
25	Q. The next sentence says, "The results of this	25 A. It would.

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14	

	14		16
1	RFP resulted in the purchase of 4.3 million tons of	1	Q. Did Progress Fuels respond to this
2	coal for both Crystal River Units 1 and 2 and 4 and	2	particular RFP?
3	5." You group Crystal River Units 1 and 2, and you	3	A. They did.
4	group 4 and 5. Why is that?	4	Q. In its own behalf?
5	A. Crystal River 1 and 2 and 4 and 5 burn	5	A. In its own behalf, yes, sir.
6	different qualities of coal.	6	Q. Well, in such a situation, who scores the
7	Q. Would you elaborate on that? What is the	7	bids? Who evaluates the responses?
8	difference in the coals that are burned?	8	A. I do, along with my staff.
9	A. Crystal River 1 and 2 is a noncompliant	9	Q. Okay. So you've got a number of bids that
10	unit, burns noncompliance coal, and Crystal River 4	10	are responsive to the RFP, including Progress Energy,
11	and 5 burn compliance coal, compliance coal defined as	11	Progress Fuels Corporation, and you and your staff
12	1.2-pound SO2.	12	review the responses and award, or decide who among
13	Q. That's 1.2 pounds per million Btu?	13	the bidders, including Progress Fuels, should get the
14	A. Yes, of SO2. It's basically new source	14	contract?
15	performance standards coal.	15	A. That's correct.
16	Q. And what is the corresponding value for the	16	Q. What criteria does Progress Fuels
17	noncompliance coal that 1 and 2 burn?	17	Corporation use to decide who gets the contract?
18	A. It's 1.5 pounds to a 2.1-pound SO2.	18	A. We evaluate it on cents per million
19	Q. As a practical matter, does this mean that	19	delivered to the plant and purchase the lowest priced
20	the entities who have coal that would be responsive to	20	coal.
21	the needs of Crystal River Units 1 and 2 would not	21	Q. Is the RFP set up to require simultaneous
22	also bid for the requirements for 3 and 4, or is it	22	bids, or does Progress Fuels Corporation have
23	possible that the same mining company can either mine	23	knowledge of the other bidders' submissions at the
24	or blend coal that would meet the requirements of	24	time it makes it own?
25	either?	25	A. They have no knowledge of there's no

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	SHEET 5			
	17		1	٤9
1	cross-information associated with the bids. They bid	1	receives the bids to translate that into a lowest	
2	as any other coal supplier would bid.	2	delivered price, or is that reflected on the bids	
3	Q. Who prepares the bid for Progress Fuels	3	themselves?	
4	Corporation?	4	A. The bids that are submitted are for the coal	
5	A. The coal bid clarify that. The coal bid	5	cost only, and we have to add transportation costs to	
6	that came in to me in response to the RFP?	6	that, basically all the costs associated with getting	
7	Q. Yes.	7	it to Crystal River. And we put that on a spreadsheet	
8	A. The marketing and trading group did. I	8	and calculate it on a cents per million Btu basis.	
9	don't know who prepared it.	9	Q. And the costs of transportation are known	
10	Q. Well, you mentioned a marketing and trading	10	and available from the railroad and the barge lines,	
11	group. Is that organized to be separate and apart	11	and so that is a known value, known both to Progress	
12	from your procurement group?	12	Fuels and to the bidders; is that correct?	
13	A. Oh, yes.	13	A. It is not known to the bidders. It is known	
14	Q. Where is the marketing and trading group	14	to Progress Fuels.	
15	located physically?	15	Q. To whom did you award the contracts for the	
16	A. Raleigh.	16	4.3 million tons of coal?	
17	Q. Procedurally, are there any measures in	17	A. We I'm going from memory. If I could, I	
18	place to ensure that the persons or the departments of	18	would rather get you a late exhibit of who we awarded	
19	Progress Fuels Corporation that are interested in	19	it to. I can go down and give you some of the tons	
20	responding to the RFP are walled apart from the	20	and the people. Just off the top of my head, I don't	
21	persons or departments within Progress Fuels	21	have all of them in my head.	
22	Corporation who evaluate responses and award	22	MR. McGLOTHLIN: Okay. The next late-filed	
23	contracts?	23	exhibit will be what? Number 3?	
24	A. That is correct. There is a very thick wall	24	THE REPORTER: Four.	
25	between those entities.	25	MR. McGLOTHLIN: Late-filed Exhibit Number 4	
		 1		
	18		4	20
1	Q. Well, describe how one accomplishes that.	1	would be bidders to whom Progress Fuels awarded	
2	A. Well, we're in separate locations, for one.	2	4.3 million tons of coal contracts.	
3	There's rules within the company that there is no	3	(Late-filed Deposition Exhibit Number 4 was	
4	exchange of information between the regulated group	4	identified.)	
5	and what I consider the commercial operation groups.	5	BY MR. McGLOTHLIN:	
6	Q. Are those rules in written form?	6	Q. Was Progress Fuels Corporation one of the	
7	A. I don't know if they're written or not.	7	entities that was awarded a contract?	
8	Q. Well, as vice president, you would be in a	8	A. They were.	
9	position to know if there are any written rules, would	9	Q. Let's revert to Late-filed Exhibit Number 4.	
10	you not? A. I know we do not communicate between the	10	In addition to the list of bidders, will you show the	
11	unregulated and the regulated group, and I know that	11	quantities of coal awarded for each bidder and the	
12 13	we've all gone through training, various training	13	price per ton for each bidder? A. Yes.	
14	sessions associated with what is considered walled and	113	Q. Further, in this response, you state that	
15	what is not walled and who can talk to whom.	15	after this purchase, PEF had an open position, that	
16	Q. You mentioned regulated and unregulated	16	is, additional coal needed, for water delivered coal	
17	groups, but Progress Fuels Corporation is not a	17	totaling 600,000 tons for 2005 and 550,000 tons for	
18	regulated entity, is it?	18	2006. Do you see that statement?	
	· · · · · · · · · · · · · · · · · · ·	11	A. I do.	
114	A. Within Progress Fuels, the group that I'm in	1119		
19 20	A. Within Progress Fuels, the group that I'm in charge of has the responsibility for we're the fuel	19 20		
20	charge of has the responsibility for we're the fuel	20	Q. How does PEF determine the portion of its	
20 21	charge of has the responsibility for we're the fuel procurement arm on behalf of Progress Energy Florida,	20 21		
20	charge of has the responsibility for we're the fuel	20	Q. How does PEF determine the portion of its coal supply that needs to be delivered by water versus	

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based on the lowest delivered price. Are there any 25 steps or calculations that are necessary after one

- 24 which we were discussing four gulf barges. Those gulf
- 25 barges have a defined capacity of how much they can

1

carry, and then the residual rolls over to the rail.

1

Q. Do I have it right now?

2	Q. When you say we have four barges, are you	2	A. You do.
3	talking about Progress Fuels Corporation or Progress	3	Q. You state that PEF decided to re-enter the
4	Energy?	4	marketplace to close out its 2005 and 2006 open
5	A. Under contract. They're under contract.	5	positions, and in the next sentence you state that PEF
6	We, "we" meaning Progress Fuels Corporation, we have a	6	received three bids from reliable barge suppliers.
7	contract with Dixie Fuels, Ltd. to move coal from New	7	First of all, when PEF decided to re-enter the
8	Orleans, Louisiana, and/or Mobile to Crystal River.	8	marketplace, did it issue another RFP?
9	Q. So is the nature of those contractual terms	9	A. It did not issue a formal RFP. It did an
10	such that you have to maximize the use of the barge	10	informal RFP via telephone calls.
11	for it to be economical?	11	Q. And who made those calls?
12	A. No. It's just a matter of how much they can	12	A. I did.
13	carry. As a result of the CSX negotiations this year,	13	Q. Whom did you contact?
14	the water delivered coal is the cheapest form, and we	14	A. I contacted Drummond Coal Company, I
15	are maximizing the cheapest form of delivery.	15	contacted CMC Coal Sales, which is a Colombian coal
16	Q. It isn't clear to me what you mean then when	16	operation, and Progress Fuels.
17	you say PEF had a need for water delivered coal in the	17	Q. Anyone else?
18	quantity of 600,000 tons. How did PEF determine that	18	A. There's one other. I'm drawing a blank. I
19	it had a need for coal that had to be delivered by	19	contacted four people. I'm drawing a blank right now
20	water?	20	on the fourth one.
21	A. We evaluate the coals that we have	21	Q. Did you contact Guasare?
22	purchased, we evaluate the mode by which they're going	22	A. Guasare, yes. I'm sorry. The Venezuelan
23	to be transported, and the residual is a fallout of a	23	coal. I'm sorry.
24	shortfall, if you will, that is, the coal that needs	24	Q. Is that the fourth person that you
25	to be purchased to meet the burn requirements at the	25	contacted?
1	22	11	24
		11	
	Crystal River facilities So it's nothing more than	,	A Yes
1	Crystal River facilities. So it's nothing more than what coal we have under contract and what coal the	1	A. Yes. O. Why did you not contact everybody on the
2	what coal we have under contract and what coal the	2	Q. Why did you not contact everybody on the
2 3	what coal we have under contract and what coal the plant needs, and the difference is the open position.	2	Q. Why did you not contact everybody on the master bidders list for this 600,000-ton need?
2 3 4	what coal we have under contract and what coal the plant needs, and the difference is the open position. Q. I understand the concept of the total burn	2 3 4	 Q. Why did you not contact everybody on the master bidders list for this 600,000-ton need? A. At the time that this was occurring, as I've
2 3 4 5	what coal we have under contract and what coal the plant needs, and the difference is the open position. Q. I understand the concept of the total burn needs, and I understand that the 4.3 million tons fell	2	Q. Why did you not contact everybody on the master bidders list for this 600,000-ton need?
2 3 4	what coal we have under contract and what coal the plant needs, and the difference is the open position. Q. I understand the concept of the total burn needs, and I understand that the 4.3 million tons fell short of the total requirement. I gather that the	2 3 4 5	 Q. Why did you not contact everybody on the master bidders list for this 600,000-ton need? A. At the time that this was occurring, as I've described somewhat in my answers, there were the prices were beginning to climb very dramatically.
2 3 4 5 6 7	what coal we have under contract and what coal the plant needs, and the difference is the open position. Q. I understand the concept of the total burn needs, and I understand that the 4.3 million tons fell	2 3 4 5 6	 Q. Why did you not contact everybody on the master bidders list for this 600,000-ton need? A. At the time that this was occurring, as I've described somewhat in my answers, there were the
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1	to multiple providers tell each potential bidder that	1	Coal or somebody else?	
2	there's competition, and the bidders should bear that	2	A. Talking to Central Coal.	
3	in mind when responding?	3	Q. Okay. Were there any other suppliers who	
4	A. That has not been my experience in the	4	participated in the April 2004 RFP and who can deliver	
5	marketplace.	5	by barge but were not contacted for this additional	
6	Q. Well, what led you to contact these four	6	requirement?	
7	particular entities as opposed to others you could	7	A. I would have to go back and look at who	
8	have contacted?	8	responded to the RFP on the water side to let you know	
9	A. Progress Fuels Corporation's operations,	9	that.	
10	they're one of the largest suppliers of compliance	10	Q. All right. Now, you're going to give us a	
11	coal on the river system. Guasare and Drummond were	11	list of the bidders in an earlier exhibit. Can you	
12	existing contractors that supply us with coal. And	12	designate on that list those that can deliver by barge	
13	CMC was someone who we had not done business with	13	and those that can deliver by rail and those that can	
14	before, and they were unsuccessful in a previous RFP,	14	deliver by barge or rail?	
15	and I wanted to see if they had any coal available.	15	A. Sure.	
16	Q. Were there any suppliers who were awarded	16	Q. I think that will give us the information.	
17	some portion of the 4.3-million-ton RFP, but who were	17	You contacted four potential suppliers. Did	
18	not contacted for this additional requirement?	18	you simply call and get a price, or did you tell them	
19	A. There were people who were not contacted	19	to submit a bid for comparison to other bids?	
20	simply because they're rail delivery. Remember, we	20	A. I asked them to respond via either e-mail or	
21	take coal both by water and rail. So we wouldn't have	21	a written letter, and it came in both forms. So we	
22	contacted any of our rail suppliers. The water	22	had received bids from them with the qualities of coal	
23	suppliers we called. During that RFP, we purchased a	23	and the quantities of coal and the price so that we	
24	lot of imported coal. That's why we were contacting	24	could do our normal evaluation.	
25	the import suppliers.	25	Q. And what information did you give each of	
		,		
	26		2	8
.	O T think we may be talking what such a they are	.	these four optities whom you cantested by helesters?	
	Q. I think we may be talking past each other on		these four entitles whom you contacted by telephone?	
2	this one.	2	A. We asked them if they had any coal available for the '05-06 window, told them we were thinking	
3	 A. Okay. Q. I'm interested in knowing whether there were 	4	about buying additional coal, did not commit that we	
4	any and I'll limit this to suppliers who had the	5	were going to buy any, and that if they had any	
6	capability of delivering by barge who were awarded		available for sale, to please respond.	
10	capaning of delivering by barge who were dwarded	11 0		

- capability of delivering by barge -- who were awarded 7 a portion of 4.3-million-ton requirement, but who were
- 8 not contacted to see if they wanted to respond to the
- 9 600,000-ton additional requirement.
- 10 A. Over the period of time that we're talking
- about, I had conducted phone conversations -- you 11
- know, I'm not operating in a vacuum with this. I'm 12
- 13 basically in contact with the marketplace on a very
- 14 regular basis. Current suppliers who we purchased
- 15 coal from from the previous RFP did not -- there were 16 a couple of them who did not have coal. We got that
- 17 from talking to them prior to us making this decision,
- prior to going out for this informal RFP. Central 18
- 19 Coal was one of them. Central Coal was awarded coal
- 20 under the previous RFP, and they did not have any
- 21 additional coal.

25

- Q. Is that why you didn't contact them? 22
- 23 A. Again, I just got that from conversations in 24 talking to these people.
 - Q. Did you get that from talking to Central

- available for sale, to please respond. Q. By a time certain?
- 7 8 A. This took place over literally a three-week 9 window where I was placing calls and talking, and then
- 10 they needed to go back. They said, "We don't know if
 - we have anything available. Let us go check with our
- 11 12 mining people." So it was not a time certain, but I
- 13 told them that we were interested in doing something
- 14 before the middle of September, end of September.
- 15 Q. I gather then these bids were not submitted 16 simultaneously.
 - A. They were not.
- 18 Q. Were they evaluated simultaneously, or were 19 they awarded some portion based upon the information 20 contained in only the individual bid?
- 21 A. They were awarded at the same time. They 22 were evaluated over this month period or three-week 23 period that I'm talking about, but there were no
- 24 awards made until all the bids were in and were
- 25 evaluated and we could compare them side by side.

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1	Q. Well, did these four entities submit bids	1	Q. Mr. Pitcher, you said in an earlier response
2	let me do a better job of that. Did any or all of the	2	that you decided to place these phone calls in lieu of
3	four entities propose to meet the full 600,000-ton	3	a more formal RFP to avoid putting additional pricing
4	requirement?	4	stress on the commodity. I'm trying to understand
5	A. No.	5	that concept. If RFPs have the effect of increasing
6	Q. In your earlier response, you indicated that	6	prices, why would one ever issue an RFP?
7	Progress Fuels Corporation was one of the larger	7	A. There were two factors that were operating.
8	providers on the river, I think, to paraphrase your	8	I'll answer it in two parts. One, an RFP is issued if
9	answer. Does Progress Fuels Corporation provide coal	9	you're going to take a look at buying very large
10	to entities other than Progress Energy Florida?	10	quantities of coal, we which did in the April 2004.
11	A. Yes, they do.	11	We had originally anticipated replacing that open
12	Q. Does Progress Fuels Corporation own coal	12	position with spot purchases in the ensuing periods,
13	properties, or is it in the business of purchasing and	13	'05 and '06.
14	reselling?	14	There was not only price pressure on the
15	A. They do both.	15	marketplace, but there was a very limited quantity of
16	Q. Where is its coal property?	16	coal, as we found out when we started making phone
17	A. In eastern Kentucky.	17	calls. And it is very difficult if you put an RFP out
18	Q. In your answer, you state that PFC provided	18	and everybody in the business is chasing the same
19	the lowest bid, and consequently PEF awarded a	19	tonnage. And we wanted to make sure that we were able
20	two-year contract to PFC for a total of 480,000 tons.	20	to go out and make sure that we were competitive
21	I won't finish the rest of the sentence because	21	and were purchasing competitively priced coals, but we
22	there's a confidential number there that we don't need	22	did it on a very low-key basis as opposed to an RFP.
23	to insert here, but then you say the other contract	23	Q. This particular purchase for what is
24	was for a total of 450,000 tons. Who received the	24	described as an open position, is that typical or
25	award for the balance of the 600,000 tons?	25	atypical of the manner in which Progress Fuels
<u> </u>			-,,-
· · · · · ·		3	
1	30	11	32
	30		32
1	30 A. We did not close out that whole position.	1	32 Corporation typically goes about acquiring coal for
1	A. We did not close out that whole position.	1	
1 2 3		11	Corporation typically goes about acquiring coal for
2	A. We did not close out that whole position.Q. I see. Well, who was the second of the two	2	Corporation typically goes about acquiring coal for Progress Energy Florida?
2 3	 A. We did not close out that whole position. Q. I see. Well, who was the second of the two entities who were awarded some portion of that need? 	2	Corporation typically goes about acquiring coal for Progress Energy Florida? A. I'm not sure I understand the question.
2 3 4	 A. We did not close out that whole position. Q. I see. Well, who was the second of the two entities who were awarded some portion of that need? A. Who are the two entities? 	2 3 4	Corporation typically goes about acquiring coal for Progress Energy Florida? A. I'm not sure I understand the question. Q. Well, generally speaking, does Progress
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 A. We did not close out that whole position. Q. I see. Well, who was the second of the two entities who were awarded some portion of that need? A. Who are the two entities? Q. Yes. Other than Progress Fuels, who was awarded a contract? A. CMC, which is a Colombian coal producer. Q. Now, in that this particular purchasing exercise was performed after the 2004 PEF RFP and for lesser quantities, do you regard this as an additional long-term purchase, or do you regard this as a spot purchase? A. This would be a mid-term contract. It goes for two years, so I think I would classify it as a mid-term. Q. How do you define a spot purchase? A. Usually for coal that you're going to buy for less than a year. Q. In the last sentence of that answer, you state that Central Coal Company and Massey were 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 Corporation typically goes about acquiring coal for Progress Energy Florida? A. I'm not sure I understand the question. Q. Well, generally speaking, does Progress Fuels Corporation more typically use an RFP or this alternative individual phone call methodology for securing coal? A. We use a combination of several methods. We use the RFP process. We use the monthly purchases or quarterly purchases. We receive bids that come in monthly sometimes. We log those in and record them and evaluate them, and if we need coal during that period of time so those are unsolicited bids. And we use this third forum of an unofficial RFP process. So we use all of those. Q. This question is designed to enable us to understand better the relationship between the contracts that Progress Fuels Corporation executes in its role of procuring coal for Progress Energy on the one hand and the values that we see on the 423 forms
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 A. We did not close out that whole position. Q. I see. Well, who was the second of the two entities who were awarded some portion of that need? A. Who are the two entities? Q. Yes. Other than Progress Fuels, who was awarded a contract? A. CMC, which is a Colombian coal producer. Q. Now, in that this particular purchasing exercise was performed after the 2004 PEF RFP and for lesser quantities, do you regard this as an additional long-term purchase, or do you regard this as a spot purchase? A. This would be a mid-term contract. It goes for two years, so I think I would classify it as a mid-term. Q. How do you define a spot purchase? A. Usually for coal that you're going to buy for less than a year. Q. In the last sentence of that answer, you state that Central Coal Company and Massey were purchased at an earlier time period when prices were 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 Corporation typically goes about acquiring coal for Progress Energy Florida? A. I'm not sure I understand the question. Q. Well, generally speaking, does Progress Fuels Corporation more typically use an RFP or this alternative individual phone call methodology for securing coal? A. We use a combination of several methods. We use the RFP process. We use the monthly purchases or quarterly purchases. We receive bids that come in monthly sometimes. We log those in and record them and evaluate them, and if we need coal during that period of time so those are unsolicited bids. And we use this third forum of an unofficial RFP process. So we use all of those. Q. This question is designed to enable us to understand better the relationship between the contracts that Progress Fuels Corporation executes in its role of procuring coal for Progress Energy on the one hand and the values that we see on the 423 forms that are eventually submitted to the Commission. For
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 A. We did not close out that whole position. Q. I see. Well, who was the second of the two entities who were awarded some portion of that need? A. Who are the two entities? Q. Yes. Other than Progress Fuels, who was awarded a contract? A. CMC, which is a Colombian coal producer. Q. Now, in that this particular purchasing exercise was performed after the 2004 PEF RFP and for lesser quantities, do you regard this as an additional long-term purchase, or do you regard this as a spot purchase? A. This would be a mid-term contract. It goes for two years, so I think I would classify it as a mid-term. Q. How do you define a spot purchase? A. Usually for coal that you're going to buy for less than a year. Q. In the last sentence of that answer, you state that Central Coal Company and Massey were purchased at an earlier time period when prices were much lower than the market in which PFC coal was 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 Corporation typically goes about acquiring coal for Progress Energy Florida? A. I'm not sure I understand the question. Q. Well, generally speaking, does Progress Fuels Corporation more typically use an RFP or this alternative individual phone call methodology for securing coal? A. We use a combination of several methods. We use the RFP process. We use the monthly purchases or quarterly purchases. We receive bids that come in monthly sometimes. We log those in and record them and evaluate them, and if we need coal during that period of time so those are unsolicited bids. And we use this third forum of an unofficial RFP process. So we use all of those. Q. This question is designed to enable us to understand better the relationship between the contracts that Progress Fuels Corporation executes in its role of procuring coal for Progress Energy on the one hand and the values that we see on the 423 forms that are eventually submitted to the Commission. For instance, one of the companies that you purchase from

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1A. In the past.1group represent each of those entities in its2Q. Well, let's take them as an example. Let's2responses to the RFP or the solicitation?	
2 Q. well, let's take them as an example. Let's 2 responses to the KFP or the solicitation?	
Lo a the state of the barrier Barrier Burley Loo A The analytic and the Barrier Ba	
3 assume there's a contract between Progress Fuels 3 A. The marketing and trading group rep	
4 Corporation and Kentucky May. Is the price that's 4 the coals from the mining operations that Pro	-
5 specified in the contract the same cost that we see 5 Fuels has an ownership interest in through o	
6 reported on the 423 form, or is there some translation 6 subsidiaries. They also purchase coal, as I m	
7 or modification for any reason? 7 before. And it would be the marketing and t	-
8 A. I really don't know. I don't do the Form 8 group, one individual in that marketing and t	
9 423s. I couldn't respond to that. 9 group who would submit a bid to me based u	
10Q. Okay. We'll save that for somebody else.10qualities that they would have available and	the
11 But I believe you said you do take part in the actual 11 qualities I need.	
12 negotiation or the procurement function itself when 12 Q. Are these companies in competition	with each
13 Progress Fuels Corporation deals with these other 13 other to receive the contract award?	
14 suppliers; is that right? 14 A. I'm not really sure how they're organ	nized.
15 A. That's correct. [15 I'm not part of that group.	
16 Q. With whom would you deal or negotiate at 16 Q. Well, I don't think you have to know	<i>i</i> the
17 Kentucky May if you were to contact Kentucky May 17 organization to know whether when Progre	ess Energy
18 either through an RFP or through one of these phone [18 issues an RFP or solicitation, whether Diam	ond May,
19 call solicitations? [19 Kentucky May, Powell Mountain, and Progre	ess Fuels
20 A. Well, in the marketing and trading group 20 Corporation are vying with each other in eff	forts to
21 that I mentioned, there's a salesman who handles 21 secure some or all of that award.	
22 Florida as well as part of the South. At the time, it 22 A. I would say the marketing and tradin	ng group,
23 was Joe Jefferson that submitted the bid. And that's 23 who is responsible for selling the coal for the	
24 who I would negotiate the terms with, just like I 24 entities, will provide coal from their operatio	
25 would do so with Massey or Causseaux or whoever their 25 based upon the quality of coal that we would	d be
34	36
1 salesperson is. 1 looking for. I don't know the qualities of coa	al from
2 Q. So the person with whom Progress Fuels 2 those mining operations.	
3 Corporation negotiates if it wants coal from Kentucky 3 Q. Well, they would be providing coal b	ased
4 May is someone in Progress Fuels Corporation's 4 upon the quality of coal, but they would also	
5 marketing and trading group? 5 competing on price, would they not?	
6 A. That's who markets as I understand, 6 A. I don't know how they're structured.	I
7 that's who markets all of the coals. The coals are 7 don't know how they operate. I simply rece	
8 being marketed out of a marketing and trading group. 8 from them based upon what coal they want	
9 0. And that marketing and trading group, which 1 9 different than Massey Coal. Massey Coal has	=
10 is an organization or department within Progress Fuels 10 mining operations. Under your assumption,	
10is an organization or department within Progress Fuels10mining operations. Under your assumption,11Corporation, represents not only Progress Fuels11assume that they're all in competition with e	Daseu
10is an organization or department within Progress Fuels10mining operations. Under your assumption,11Corporation, represents not only Progress Fuels10mining operations. Under your assumption,12Corporation in its own capacity, but also Kentucky May12other. But their sales group submits the bid	
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10is an organization or department within Progress Fuels10mining operations. Under your assumption,11Corporation, represents not only Progress Fuels11assume that they're all in competition with e12Corporation in its own capacity, but also Kentucky May11assume that they're all in competition with e13and others in which Progress Fuels has an ownership13upon the quality of coal that a particular gro14interest?14looking for.15A. That is correct.15Q. Well, one difference is that Massey C16Q. Okay. Let's assume hypothetically that16doesn't go through the marketing and tradin	up is Coal ng
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10is an organization or department within Progress Fuels11Corporation, represents not only Progress Fuels12Corporation in its own capacity, but also Kentucky May13and others in which Progress Fuels has an ownership14interest?15A. That is correct.16Q. Okay. Let's assume hypothetically that17Progress Energy Florida requires coal, that it doesn't18have the full burn requirement and it's going into the19market to acquire more. It turns to you as its chief20procurement person and identifies a quantity needed,21and you're going to contact potential suppliers, who22include Progress Fuels Corporation and Kentucky May	up is Coal ng n order to but her the n Progress
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- 3	SHEET 10		
	37		39
	portion of the coal needs of Progress Energy Florida.		of marketing and trading right now.
	MR. PERKO: I'm going to object to the form.	2	Q. But is it your testimony today, Mr. Pitcher,
}	MR. McGLOTHLIN: What's the objection?	3	that you don't know whether the several coal companies
ŀ	MR. PERKO: You haven't established that	4	in whom Progress Fuels Corporation has an ownership
;	they conceptually are in competition with one	5	interest compete for the opportunity to provide their
5	another.	6	coal, their respective coals to Progress Energy
,	MR. McGLOTHLIN: Well, that's the question.	7	Florida?
3	BY MR. McGLOTHLIN:	8	A. That is my testimony.
)	Q. The question is, are those companies in	9	MR. McGLOTHLIN: Can we take about a five-
)	competition with each other? Do you know?	10	or ten-minute break while I shuffle some papers
L	A. I do not know.	111	here?
2	Q. Progress Fuels Corporation has an ownership	12	MR. PERKO: Sure.
3	interest in the companies I've identified; is that	13	(Short recess.)
1	correct?	14	BY MR. McGLOTHLIN:
5	A. That's correct.	15	Q. Mr. Pitcher, in response to a series of
5	Q. Are you an officer in any of those	16	questions, you described the existing arrangements
7	companies?	17	between Progress Fuels Corporation and Progress Energy
3	A. I am not.	18	Florida pursuant to which Progress Fuels is the
)	Q. Is there anyone within Progress Fuels	19	procurement function for Progress Energy. Among the
)	Corporation who is an officer of the other companies?	20	documents that we reviewed in preparation for this
1	A. I don't know the answer to that.	21	deposition is a letter providing notice of the
2	Q. Well, Diamond May Company is well, let me	22	termination of the existing contract between Progress
3	ask it this way. Does Diamond May Company provide	23	Energy Florida and Progress Fuels Corporation. Would
4	coal to entities other than Progress Energy Florida?	24	you describe the manner in which this procurement
5	A. Absolutely.	25	function will take place in the future after the
	38	7	40
1	O And door Kontucky May Company provide cool	.	tormination of that aviating purposed and the

	1	
	1	termination of that existing arrangement, as you
to entities other than Progress Energy Florida?	2	understand it?
A. Yes.	3	A. As I understand it, we're in the process of
Q. Let's say that Utility B, someone other than	4	merging the group, what is currently done in Progress
Progress Energy Florida, issues an RFP. Is it	5	Fuels into the Raleigh group under Progress Energy
possible that Diamond May or Kentucky May would submit	6	Carolinas, and they will act on behalf of Progress
bids to Utility B?	7	Energy Florida in purchasing coal. So it will be
A. It's possible.	8	under Progress Energy's regulated group in Carolina.
Q. In that situation, would they be in	9	Q. So this function will become part of what
competition with each other?	10	is, in essence, an in-house operation of Progress
A. I don't know who would submit the bid.	11	Energy Carolinas, and that department will procure
That's why I'm having trouble with whether Kentucky	12	coal for both the Carolina utility and Progress Energy
May submits a bid on its own, or Diamond May. The way	13	Florida?
you're couching the question is, does Diamond May send	14	A. That's correct.
a bid out and does Kentucky May send a bid out, and	15	Q. When that occurs, will Progress Energy
that's not how I receive bids. How I receive bids is	16	Carolinas continue to have an office in Florida, or
a bid from the Progress Fuels marketing and trading	17	will all of that occur out of Raleigh? I'm referring
group, and it may name a certain mine, or it may not.	18	to the procurement function.
Q. Who would know the answer to that question?	19	A. It will all be in Raleigh.
Who would know whether Diamond May and Kentucky May	20	Q. After this transition, will the procurement
submit bids or whether the bid is formulated by	21	function performed by Progress Energy Carolinas be
someone within the marketing and trading group of	22	pursuant to a contract with Progress Energy Florida or
Progress Fuels Corporation?	23	some other arrangement?
A. It would be somebody in the marketing and	24	A. I'm not really sure how they're going to be
trading group. Right now David Crews is the head	25	organized in that regard.
	 Q. Let's say that Utility B, someone other than Progress Energy Florida, issues an RFP. Is it possible that Diamond May or Kentucky May would submit bids to Utility B? A. It's possible. Q. In that situation, would they be in competition with each other? A. I don't know who would submit the bid. That's why I'm having trouble with whether Kentucky May submits a bid on its own, or Diamond May send a bid out and does Kentucky May send a bid out, and that's not how I receive bids. How I receive bids is a bid from the Progress Fuels marketing and trading group, and it may name a certain mine, or it may not. Q. Who would know the answer to that question? Who would know whether Diamond May and Kentucky May submit bids or whether the bid is formulated by someone within the marketing and trading group of Progress Fuels Corporation? A. It would be somebody in the marketing and 	to entities other than Progress Energy Florida?2A. Yes.3Q. Let's say that Utility B, someone other than4Progress Energy Florida, issues an RFP. Is it5possible that Diamond May or Kentucky May would submit6bids to Utility B?7A. It's possible.8Q. In that situation, would they be in9competition with each other?10A. I don't know who would submit the bid.11That's why I'm having trouble with whether Kentucky12May submits a bid on its own, or Diamond May. The way13you're couching the question is, does Diamond May send14a bid out and does Kentucky May send a bid out, and15that's not how I receive bids. How I receive bids is16a bid from the Progress Fuels marketing and trading17group, and it may name a certain mine, or it may not.19Who would know whether Diamond May and Kentucky May20submit bids or whether the bid is formulated by21someone within the marketing and trading group of22Progress Fuels Corporation?23A. It would be somebody in the marketing and24

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1	Q. After the transition, will Progress Fuels	1	understanding or correct our understanding in that
2	Corporation continue to participate in the mining and	2	regard. Do Central, Keystone, Emerald, Massey, and
3	selling of coal to the Progress Energy utilities and	3	Progress deliver coal by the barge route?
4	others?	4	A. These companies, Central, Keystone, Emerald,
5	A. If they're successful bidders on it,	5	and Progress, do deliver coal by water as you've laid
6	certainly.	6	out. Massey has the ability to either be part of that
7	Q. So far the questions have been specific to	7	water delivery, or if you'll notice, they're over on
8	the procurement of the coal commodity. Will there be	8	the right side of your thing, and they can do it
9	any changes with respect to the manner in which	9	directly by rail.
10	Progress Energy Florida arranges for the	10	Q. All right. Is the list on the right-hand
11	transportation of coal to its Crystal River sites?	11	side then accurate? Do Consolidated, Sequoia, Massey,
12	A. There are currently contracts that are in	12	B&W, Alliance, and Progress Fuels have the capability
13	place, and those contracts will remain in place, and	13	of delivering by rail? I should add Central to that
14	they will be and I'm not sure exactly legally how	14	list, I guess.
15	they're going to adopt contracts, the legal aspects of	15	A. And I'll answer that Consolidated, Sequoia,
16	it, but the transportation contracts are in existence.	16	Massey, B&W, Alliance, and Progress are rail
17	Q. Will Progress Energy Carolinas be	17	deliverers. Central, they're a water delivered
18	responsible for the transportation aspect of coal	18	product. I would have to look and see. They load out
19	deliveries as well as the procurement of the	19	of a river facility. So I'm not that doesn't look
20	commodity?	20	right to me.
21	A. Yes, sir.	21	Q. And as I understand it, depending on the
22	Q. And it's your understanding that the	22	location of the particular provider, the coal is
23	existing contracts will be assigned, or in some manner	24	delivered to barge transport, which then travels the Ohio and Mississippi Rivers until it arrives at the
24 25	Progress Energy Carolinas will become the entity responsible for administering the existing	25	IMT terminal in New Orleans. Is that correct?
25		25	
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	arrangements?		A. Can you rephrase that for me. please?
1	arrangements? A. I'm not sure if they'll assign them or not.	1	 A. Can you rephrase that for me, please? O. I'll try. As I understand it, with respect
2	A. I'm not sure if they'll assign them or not.	2	Q. I'll try. As I understand it, with respect
	A. I'm not sure if they'll assign them or not. I don't know what the arrangements will be.	11	Q. I'll try. As I understand it, with respect to those companies who deliver coal that follows the
2 3	A. I'm not sure if they'll assign them or not.	2	Q. I'll try. As I understand it, with respect
2 3 4	 A. I'm not sure if they'll assign them or not. I don't know what the arrangements will be. Q. I'm going to ask Mr. Poucher to provide you 	2 3 4	Q. I'll try. As I understand it, with respect to those companies who deliver coal that follows the river route, that typically is delivered to barges
2 3 4 5	 A. I'm not sure if they'll assign them or not. I don't know what the arrangements will be. Q. I'm going to ask Mr. Poucher to provide you another exhibit. Please take a couple of minutes to 	2 3 4 5	Q. I'll try. As I understand it, with respect to those companies who deliver coal that follows the river route, that typically is delivered to barges that travel the Ohio and Mississippi Rivers until it
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1 BY MR. McGLOTHLIN: 1 2 2 Q. Based upon a conversation held off the 3 record, Mr. Pitcher, is there a clarification that you 3 4 4 need to make? 5 A. Yes. The rail delivered coals listed as 5 6 6 Central, that is a rail delivered product, Central 7 7 Appalachian Mining Company. 8 8 O. And that's a different entity than the one 9 9 listed on the left-hand side of the diagram; is that 10 10 correct? 11 11 A. That is correct. 12 12 Q. All right. In the middle of the diagram, 13 there's a reference to Drummond Coal. Where is 13 14 Drummond located, and how do they deliver their coal? 14 15 15 A. We purchase Colombian coal from Drummond FOB 16 16 the gulf barge in Mobile. 17 Q. Now, following the waterborne route, you'll 17 18 see on this diagram a numerical value associated with 18 the Mississippi River barge. Can you confirm that 19 19 that's either exactly or approximately the current 20 20 rate for delivery by barge to the IMT terminal? And 21 21 22 this is for the June 2005 period. 22 23 23 A. I would have to check. It looks in the 24 ballpark. 24 25 Q. Okay. And ballpark may be sufficient for 25

1 listed that have been taken from the contracts. And 1 today's purposes. 2 based upon your earlier response, I suspect you'll 2 Now, there's a numerical value shown for the 3 3 IMT terminal function. Do you see that? want a chance to compare these to the contract 4 A. I do. 4 documents that are in the room to verify that this 5 excerpt that we've presented in tabular form 5 O. And does that look to be approximately the current cost of transloading from the IMT terminal? 6 accurately reflects the terms of the contracts that 6 7 were provided, so we'll just add that to the to-do 7 A. For certain transfers, yes. 8 8 Q. And there's also a numerical value shown for list during the break. 9 A. Okay. delivery by gulf barge once it has been transloaded. 9 10 MR. McGLOTHLIN: This will be Exhibit 7. 10 Is that approximately the current cost for that 11 (Deposition Exhibit Number 7 was marked for segment? 11 12 identification.) 12 A. That's a close approximation. Q. There's also a numerical value shown for the 13 BY MR. McGLOTHLIN: 13 14 Q. We have provided to you another document cost of delivering by rail to Crystal River. And 14 15 which is Exhibit 7, and this one is captioned "FPSC 15 currently would this be the approximate cost per ton? A. It's a ballpark figure, yes. 16 Form 423-1," and it shows a reporting month of 16 Q. Okay. There are also numerical values for 17 01/2005, or January 2005. Do you have that before 17 18 the cost per ton of the commodity from each of the vou? 18 19 coal mining companies shown. If you know, would these 19 A. I do. 20 Q. Please turn to, at least in my copy, the 20 be accurate currently? 21 third page of this multipage document. And this is a 21 A. Without seeing the individual contracts, I 22 don't think I could tell that you they're accurate. confidential page, and it's captioned "Monthly Report 22 23 23 Ballparkwise, they look about right, without going of Cost and Quality of Coal for Electric Plants, 24 Origin, Tonnage, Delivered Price, and As Received 24 back and checking the individual prices. 25 Q. Okay. Well, we have those contracts here in 25 Quantity." Are you there?

the room, so perhaps during the break if you need to refer to the contracts to verify that these are the correct numerical values, we'll ask you to do that. A. Sure. MR. McGLOTHLIN: Let's assign an exhibit number to this. The Ballpark Transport Costs for Coal document it will be Exhibit 5. (Deposition Exhibit Number 5 was marked for identification.) MR. McGLOTHLIN: We've now provided you another document, which will become Exhibit Number 6. (Deposition Exhibit Number 6 was marked for identification.) BY MR. McGLOTHLIN: Q. And again, this contains information that Progress Energy Florida has designated as confidential. This one is captioned "Progress Energy Coal Contracts." I'll give you a moment to look that over before I ask you a couple of questions about it. A. Okay. Q. Mr. Pitcher, the document that we've marked as Exhibit 6 is a list of the sources of coal and some information regarding the terms of the contracts

between Progress Energy and the individual companies

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see that?

month?

A. I do.

A. Yes.

A. Yes.

A. I do.

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A. Yes, I am. 1 particular purchases were pursuant to the 2005 phone 2 Q. And I understand that you're not the person call solicitation that you described in earlier primarily responsible for preparing the 423s, but do 3 responses. 4 you have a working familiarity with these documents? A. Which one are you referring to? 5 A. Other than seeing the suppliers and the Q. I'm talking about the sales by Progress 6 prices there, that's all. I have nothing to do with Fuels Corporation of 29,765 tons and 10,325 tons at a the Form 423s. 7 price of **\$** per ton. 8 Q. Well, I'll represent to you that this A. The price is what that contract is. I don't 9 document was one of several that were provided by know about the others, as far as quality is concerned. 10 Progress Energy in response to a request to see the It looks like that's the unofficial or informal RFP. unredacted 423s. And if you will notice, on the 11 Q. Now, earlier I think you described that 12 left-hand side, the names of the providing entities informal RFP as an medium-term arrangement because it 13 are listed, and in the columns to the right, there's was for a two-year period. 14 information regarding the mine location, the purchase A. Let me qualify something. Actually, I was 15 incorrect in what I said. I believe - and I'm going type, mode of transportation, quantity in tons, 16 effective purchase price, total transportation cost, to have to check to see. We made some spot purchases 17 and FOB plant price. Do you see those? by rail, and I don't know what these --- if these are 18 the spot purchases we made by rail or if they're the 19 Q. I want to focus on the fact that Progress contract. 20 Fuels Corporation is one of the entities shown as a Yes, they are rail. I know they were rail, 21 supplier during the month of January, and I'll point but the guestion is -- I know we did make some spot 22 you to the effective purchase price in terms of purchases by rail, so those were not part of the dollars per ton. The value there -- and we need to 23 informal RFP. 24 talk about this, so I am going to get specific. In Q. Okay. So far you've described the manner in 25 that month, Progress Fuels Corporation provided coal which Progress Fuels goes about securing coal under 50 52 at an effective purchase price of **Sele**per ton. Do you 1 medium-term contracts through formal or informal 2 solicitations. What is the process that Progress 3 Fuels follows when it's looking for spot purchases? Q. And would you agree that the coal from 4 A. We receive bids from various suppliers on a 5 **Progress Fuels Corporation is significantly more** monthly basis. Those bids are recorded and evaluated. expensive than any of the other coals delivered that 6 And if coal is needed, we will purchase the lowest 7 price coal available in any given month. 8 A. How do you define significantly? Q. You say that you receive bids monthly. Is 9 Q. Well, the next higher cost is Do you that an ongoing routine under which either your master 10 agree with that? bidders or some subset of them know that you're 11 looking for information regarding the price under 12 Q. And the range is from Would Would which they would provide spot quantities in a given 13 you agree with that? month? 14 A. They're basically categorized as unsolicited Q. I don't think I need to do any more than 15 bids. These are people who have trains that they want 16 provide that information for the record. to sell in any given month or quarter, and they either Under the column called "Purchase Type," 17 send by mail or e-mail the quantities that they have 18 available. And some months we get none, and other

18 there are several described as MTC. Would you know 19 what MTC stands for?

- 20 A. Mid-term contract. 21 O. And STC would be what?
- 22 A. Short-term. I assume it's short-term.
- 23 Q. And would S be a spot purchase?
- 24 A. Spot.
- 25 Q. The first question I have is whether these
- Q. Do you know whether Progress Fuels

Q. Well, in the month of January 2005, do you

know how many proposals or bids you got for spot coal?

24 Corporation made any effort to contact potential

months we get quite a few.

A. I do not.

25 suppliers and communicate a need or a desire to

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as we receive bids in, we log them in and we evaluate

them. We will compare them with each other. We will

	SHEET 14		
\Box	53		55
1	purchase on a spot basis? Is that ever done when	1	also take a look at the various publications that are
2	you're looking for spot coal?	2	issued. United Coal, Evolution, Handbook for Global
3	A. It is done. I don't know that we did it in	3	Energy, all three of those post daily prices for coal
4	this time period that you're talking about.	4	for any given period of time, short-term as well as
5	Q. Would you have any information or	5	out in the future, and we will peg to see if the coals
6	documentation that would demonstrate whether providers	6	that are being offered to us are also within a market
7	other than Progress Fuels Corporation submitted bids	7	range.
8	or offers to provide spot coal during January 2005?	8	Q. In response to the interrogatory that we
9	A. We have all those records, yes.	9	looked at earlier, you indicated that with the
10	Q. Okay. Would you provide that information by	10	addition of the quantities of coal associated with the
11	a late-filed exhibit?	11	informal RFP, Progress Energy closed out its open
12	A. Yes.	12	position for 2005-2006. Do I recall that statement
13	MR. McGLOTHLIN: Late-filed Exhibit Number 8	13	accurately?
14	would be "Bids for Spot Coal, January 2005."	14	A. Yes.
15	(Late-filed Deposition Exhibit Number 8 was	15	Q. If it had closed out its need for 2005-2006
16	identified.)	16	through medium-term contracts, what leads to the need
17	THE WITNESS: Can we go off the record a	17	to purchase on a spot basis in January 2005?
18	minute, please?	18	A. During 2004, there were two tropical storms
19	(Discussion off the record.)	19	and four hurricanes that effectively shut down the
20	THE WITNESS: I would like to clarify	20	Gulf of Mexico and shut down the rail delivery system
21	something on this discussion that we were having	21	on different occasions from early August to the end of
22	on this Form 243, where you talked about the two	22	September.
23	spot purchases of \$ made in January of 2005 and	23	Q. I want to focus on the column showing the
24	you characterized them as significantly different	24	total transportation cost in dollars per ton. Earlier
25	from what was purchased from Progress Fuels. I	25	you indicated that the value shown on what we marked
	Ed	1	
	54		56
1	would like to point out that the purchases made	1	as Exhibit 5 was the approximate or ballpark current
2	on all the others were made in different time	2	cost of delivering by rail. In the form for January
3	frames, and some as far back as 2003. So the	3	of 2005, the rail cost is I'll use this term,
4	time frames are not compatible with what you're	4	significantly higher than the one shown on the
5	looking at on this spot buy.	5	ballpark figure. Is there a reason for the
6	BY MR. McGLOTHLIN:		difference, if you know?
7	Q. What were the time frames, if you know,		 A. I really don't know. I have no idea where those numbers came from.
8	for	8	
9	A. B&W and Sequoia I can give you some of them. B&W and Sequoia were part of the April 2004		MR. McGLOTHLIN: Okay. Let's look at February 2005 for a moment. Have you provided
10 11	RFP. Consolidated Coal, those were carryover tonnages		that to him already?
12	from a previous contract from last year. Massey Coal	12	MR. POUCHER: No.
13	Sales likewise was carryover tonnage from a previous	13	(Deposition Exhibit Number 9 was marked for
14	contract. The date of that contract might have been		identification.)
15	2003. I think we would need to check that for you.	15	BY MR. McGLOTHLIN:
16	But they were significantly different time periods	16	Q. This is Exhibit 9, which has been marked as
17	than the purchase from Progress Fuels.	17	confidential and treated as such. If you'll turn to
18	Q. Okay. What efforts would you have made,	18	the page that is the counterpart to the one we looked
19	either you individually or Progress Fuels Corporation	19	at earlier, which I think is about the fifth one
20	in its capacity of procuring fuels for Progress	20	A. The one that lists Drummond Coal Sales?
21	Energy, to ascertain that \$ reflected the market	21	.Q. No.
22	price for coal in January of 2005?	22	A. The fifth one I've got says Drummond Coal
23	A. As I described before, if we received bids,	23	Sales. The sixth one says transfer, IMT facility.
124	as we receive hids in we led them in and we evoluate	124	O Well let me re-count. How about the sixth

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page?

Q. Well, let me re-count. How about the sixth

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RFP?

A. It is.

Q. Okay. And did I understand you to say

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1	A. Okay. Sixth page.	1	earlier that Progress Fuels Corporation was the lower
2	Q. I was still talking in ballpark figures when	2	cost of the two submissions to the informal RFP?
3	I said five.	3	A. That is correct. There were three
4	This page is captioned, as was the other	4	submissions to the informal RFP, two purchased. One
5	one, "Monthly Report of Cost and Quality of Coal for	5	was exceptionally high, and we just disregarded it.
6	Electric Plants," and again the providers on the	6	Q. Is the second winner of that RFP listed
7	left-hand column include Progress Fuels Corporation,	7	here?
8	and again, the Sele effective purchase price per ton	8	A. It is not.
9	shown for Progress Fuels is the highest of any for the	9	Q. There were no purchases from that provider
10	month. And only one of these entries is shown as a	10	for February?
11	spot purchase, and it is not the \$ value. Do I	11	A. For February, apparently not, if it's not
12	understand correctly that these short-term contract	12	listed here.
13	purchases would be part of the informal RFP that you	13	Q. But that \$1 is not a spot purchase in this
14	described earlier?	14	instance?
15	A. For Progress Fuels Corporation?	15	A. It is not.
16	Q. Yes.	16	Q. A few minutes ago you said that the Guasare
17	A. That is correct. Well, let me qualify that.	17	transaction related back to 2003. But the purchase
18	Short-term, number 4, on line number 4, that would be	18	type shown for the Guasare for February 2005 is that
19	the informal RFP.	19	it was a spot transaction, is it not?
20	Q. All right. What about number 5?	20	A. I'll have to verify that for you. I'm not
21	A. Number 5 is a small tonnage. I'm not sure	21	really sure. You know, I may have misstated. We have
22	where that that's an awful small tonnage, so I'm	22	a contract with Guasare, and we've also bought spot
23	not sure where that tonnage would come from. And it	23	coal from them, so I would have to check the records.
24	shows barge, so it's one barge. It may be from the	24	Q. There are two entries for Progress Fuels
25	short-term.	25	Corporation, both having a price of
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	58		
	58 Number 6 is a different contract.		
1 2			60
	Number 6 is a different contract.		60 A. Yes, sir.
2	Number 6 is a different contract. Q. Which contract is that?	1 2	60 A. Yes, sir. Q. One is shown as a spot purchase and the
2 3	Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and	1 2 3	60 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the
2 3 4	Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and checking, the price doesn't look familiar to me, so	1 2 3 4	60 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the nature of those particular purchases?
2 3 4 5	Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and checking, the price doesn't look familiar to me, so I'm not sure.	1 2 3 4 5	60 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the nature of those particular purchases? A. No. I didn't prepare this Form 423, so I
2 3 4 5 6	Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and checking, the price doesn't look familiar to me, so I'm not sure. And number 7 we were on.	1 2 3 4 5 6	60 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the nature of those particular purchases? A. No. I didn't prepare this Form 423, so I can't you know, these purchase types, I'm not sure
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2 3 4 5 6 7 8 9	Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and checking, the price doesn't look familiar to me, so I'm not sure. And number 7 we were on. Number 8, the \$ was another RFP, and there's two So those are a different time again, the qualification I make on this is that you	1 2 3 4 5 6 7 8 9	60 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the nature of those particular purchases? A. No. I didn't prepare this Form 423, so I can't you know, these purchase types, I'm not sure if they're accurate or not. Q. All right. Do you know whether the market price for spot coal in February 2005 was materially
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2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and checking, the price doesn't look familiar to me, so I'm not sure. And number 7 we were on. Number 8, the \$ was another RFP, and there's two \$ So those are a different time again, the qualification I make on this is that you have the two \$ prices, but then you have other prices that are lower, but they were solicited and purchased in different time frames. As an example, the Guasare was purchased in 2003. Q. Well, I believe you said that the first of Sentries was the informal RFP; is that correct? A. Without checking, I couldn't answer to tell you what contract that came from. I know the price of S is what we discussed, but without checking the contract, I don't see how I could tell you it	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the nature of those particular purchases? A. No. I didn't prepare this Form 423, so I can't you know, these purchase types, I'm not sure if they're accurate or not. Q. All right. Do you know whether the market price for spot coal in February 2005 was materially different than the spot price for coal in January 2005? A. Say that one more time, please. Q. If you know, was the market price for coal bought on a spot basis in February 2005 materially different than the market price for coal bought on a spot basis in February 2005 materially different than the market price for coal bought on a spot basis in January 2005, a month earlier? A. Without checking, I would not be able to comment on that. Q. All right. Well, I'll change subjects for
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and checking, the price doesn't look familiar to me, so I'm not sure. And number 7 we were on. Number 8, the \$ was another RFP, and there's two \$ of those are a different time - again, the qualification I make on this is that you have the two \$ prices, but then you have other prices that are lower, but they were solicited and purchased in different time frames. As an example, the Guasare was purchased in 2003. Q. Well, I believe you said that the first of \$ entries was the informal RFP; is that correct? A. Without checking, I couldn't answer to tell you what contract that came from. I know the price of \$ is what we discussed, but without checking the contract, I don't see how I could tell you it definitely came from that specific contract. 	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the nature of those particular purchases? A. No. I didn't prepare this Form 423, so I can't you know, these purchase types, I'm not sure if they're accurate or not. Q. All right. Do you know whether the market price for spot coal in February 2005 was materially different than the spot price for coal in January 2005? A. Say that one more time, please. Q. If you know, was the market price for coal bought on a spot basis in February 2005 materially different than the market price for coal bought on a spot basis in January 2005, a month earlier? A. Without checking, I would not be able to comment on that. Q. All right. Well, I'll change subjects for the next series of questions. For the purpose of
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Number 6 is a different contract. Q. Which contract is that? A. Without looking at the contract and checking, the price doesn't look familiar to me, so I'm not sure. And number 7 we were on. Number 8, the \$ was another RFP, and there's two \$ So those are a different time again, the qualification I make on this is that you have the two \$ prices, but then you have other prices that are lower, but they were solicited and purchased in different time frames. As an example, the Guasare was purchased in 2003. Q. Well, I believe you said that the first of Sentries was the informal RFP; is that correct? A. Without checking, I couldn't answer to tell you what contract that came from. I know the price of S is what we discussed, but without checking the contract, I don't see how I could tell you it	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	 A. Yes, sir. Q. One is shown as a spot purchase and the other a short-term contract. Can you elaborate on the nature of those particular purchases? A. No. I didn't prepare this Form 423, so I can't you know, these purchase types, I'm not sure if they're accurate or not. Q. All right. Do you know whether the market price for spot coal in February 2005 was materially different than the spot price for coal in January 2005? A. Say that one more time, please. Q. If you know, was the market price for coal bought on a spot basis in February 2005 materially different than the market price for coal bought on a spot basis in February 2005 materially different than the market price for coal bought on a spot basis in January 2005, a month earlier? A. Without checking, I would not be able to comment on that. Q. All right. Well, I'll change subjects for

- A. Synfuel is a process where they -- well, you
- 24 know what? I don't think I'm one to give you what
- 25 synfuel is. I'm not in a position to describe to you

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verify our summary, and at the same time, I'll

see if I can cull some questions and bring this

thing to a close here.

(Short recess.)

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1	what synfuel is or isn't.	1	MR. McGLOTHLIN: Gary, I'll reiterate for
2	Q. Well, for purposes of several general	2	the record the conversation we had off the
3	questions, would you agree that synfuel is coal that	3	record. I acknowledge that our request to see
4	has been treated in a way that is designed to modify	4	the contracts was less than exhaustive, but I
5	its burning characteristics so as to meet the	5	will ask Progress Energy to provide, not as a
6	requirements of tax credit provisions made available	6	late-filed to the deposition, but to provide us
7	by the IRS?	7	for review as a supplement to the document
8	A. No, I'm not going to be able to do that for	8	request any of the contracts between Progress
		9	Fuels Corporation and providers for delivery in
9	you. Q. Okay. Do you know whether Progress Fuels	10	2005 that were not provided earlier. And I
10	• • • •	11	understand you're going to take that under
11	Corporation procures and provides synfuel to Progress	12	advisement while you consult with your client.
12	Energy Florida?	12	
13	A. At the present time, they do not.		And I believe with that, we've asked all our
14	Q. Do you know whether Progress Energy Florida	14	questions today. Thank you for your indulgence
15	intends to burn any synfuel in 2005 or 2006?	15	today.
16	A. They do not.	16	MR. PERKO: Jennifer, how long do you think
17	Q. With respect to the contractual	17	you have?
18	arrangements, the existing contractual arrangements	18	MS. RODAN: About 30 minutes. And we need
19	between Progress Fuels Corporation and Progress Energy	19	to take a couple of minutes.
20	Florida, how does Progress Fuels recover its operating	20	(Short recess.)
21	costs from Progress Energy Florida?	21	CROSS-EXAMINATION
22	A. I'm not I think you need to talk to	22	BY MS. RODAN:
23	somebody in the accounting area as to how we recover	23	Q. It's almost good afternoon, Mr. Pitcher.
24	the operating costs.	24	Again, I'm Jennifer Rodan on behalf of the Florida
25	Q. You don't know?	25	PSC.
<u> </u>	62		64
1	A. I do not know.		I hate to start off asking for a late-filed
2	Q. Are you familiar with the terms of the	2	exhibit, but can you please provide us a late-filed
3	existing contractual arrangement between Progress	3	deposition exhibit listing the contracts in effect,
4	Energy Florida and Progress Fuels?	4	the foreign and domestic coal contracts in effect in
5	A. Iam.	5	2004, just listing the party that the contract is with
6	Q. Are you aware that at least at one point,	6	and just whether it's FOB barge or FOB mine. This is
7	the contract specified that Progress Fuels Corporation		a lesser request than what OPC had requested. And to
8	would receive a return equivalent to the regulated	8	the extent this information is included in what you
9	return authorized for Progress Energy Florida?	9	provide to OPC, then this would not be needed.
10	 I'm aware that it says that in the contract, 	10	MR. PERKO: You're asking for 2004?
11	yes.	11	MS. RODAN: Contracts in effect in 2004, so
12	Q. In terms of implementing the contract, what	12	it may be a 2003 contract that's still in effect
13	return does Progress Fuels Corporation receive through	13	in 2004. Are we on Number 10?
14	the contract currently?	14	THE REPORTER: Ten.
15	A. I have no idea.	15	(Late-filed Deposition Exhibit Number 10 was
16	MR. McGLOTHLIN: Gary, is that particular	16	identified.)
17	contract considered confidential?	17	BY MS. RODAN:
18	MR. PERKO: Yes, I believe it is.	18	Q. Please look at the February 2005 423 form
19			
	MR. McGLOTHLIN: Well, I suggest we take a	19	that OPC has already passed out, and also the exhibit
20 21	MR. McGLOTHLIN: Well, I suggest we take a break that will allow you to do whatever reference to the contracts you need to do to		that OPC has already passed out, and also the exhibit on ballpark transportation costs, which is Exhibit 5. It's already marked. Go to pages 5 and 6 of the 423

- 22 form. 23
 - A. Just a minute.
 - Q. It's the February 2005.
 - A. February. Here it is. I'm sorry. What

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1	page?	1	Q. Okay. What would have been the consequence
2	Q. Okay. First let's go to page 5. And on	2	of running out of coal in the summer of 2004 due to
3	I'm sorry. First let's go to page 6. At line 10,	3	disruptions caused by the hurricanes?
4	Guasare Coal Sales, and going to column 8, under total	4	A. I'm not sure I'm qualified to answer what
5	transportation cost, it shows \$6000 Does that \$6000	5	the consequences would be.
6	represent transloading?	6	Q. Okay. I'm going to provide you with
7	A. I really don't know what it involves. I'm	7	A. Do you want this back?
8	not sure where the transportation numbers I stated	8	Q. Yes. I'm going to provide you with page 3
9	earlier that I'm not sure where these transportation	9	of your March 1, 2005 prefiled testimony. Please
10	numbers came from.	10	refer to lines 17 through 22. To ease the strain on
11	Q. So if I were to ask you the same question	11	coal supplies, Progress Energy Florida implemented
12	regarding page 5 for Drummond Coal, your answer would	12	coal conservation during the 2004 hurricanes leading
13	be the same, the state transportation cost for	13	to uneconomic dispatch; is that correct?
14	Drummond?	14	A. Including what kind of dispatch?
15	A. That is correct. The answer would be the	15	Q. Uneconomic dispatch.
16	same.	16	A. It says non-economic. That is correct.
17	Q. Okay. What's the difference between the	17	Q. Had Progress not taken these coal
18	contract terms "FOB mine" and "FOB gulf barge"	18	conservation measures, do you believe coal supplies at
19	regarding which party is responsible for transloading	19	Crystal River would have been completely depleted?
20	costs?	20	A. I really I don't know. I'm not involved
21	A. Say that one more time for me.	21	with the economic dispatch of the plants.
22	Q. What is the difference between the contract	22	Q. Do you know if any coal suppliers had
23	terms "FOB mine" and "FOB gulf barge" regarding which	23	problems meeting their contractual obligations to
24	party is responsible for transloading costs?	24	Progress Energy Florida during the 2004 hurricanes?
25	A. FOB barge, if I were to purchase coal on an	25	A. Coal suppliers that had problems?
	66	1	
	00		6
1	FOB barge basis, that would mean the transloading	1	Q. Yes, coal suppliers.
2	would be embedded in the commodity price.	2	A. Not coal suppliers, no.
3	Q. Please define the contract term CIFIMT, if	3	Q. To your knowledge, was there a constraint on
4	you can.	4	coal deliveries by river barge to IMT during the 2004
5	A. I don't know exactly what the CIF means.	5	hurricane season?
6	I'm sorry.	6	MR. PERKO: Would you read that back.

7 Q. Would you know what transloading is involved in that contract term, more specifically, which party 8 9 would be responsible for the cost of transloading? 10 A. Can you give me a specific example of what 11 contract you're talking about?

12 Q. No. We'll move on to the next question. What's the usual number of days to transport 13 14 coal from Mobile or IMT to Crystal River?

15 A. A one-way trip from Mobile would be four 16 days, four and a half days.

17 Q. Do you have your testimony in front of you? 18 A. No.

Q. I want to refer you to your Exhibit AWP-1

19 which was included in your prefiled testimony filed 20

March 1, 2005. Did the supply of coal at Crystal 21

- 22 River ever go below 15 days in 2004?
- 23 A. Without looking at additional records beyond 24 this period of time, I really couldn't -- I don't
- 25 recall.

7 please? 8 (Preceding question read by the reporter.) 9 A. I don't recall if there were delays on the 10 river barge side of the delivery system. 11 Q. Do you know how much coal storage Progress 12 Energy had at IMT at the end of June 2004? 13 A. No, not off the top of my head I don't. 14 Q. Okay. Can you provide a late-filed 15 deposition exhibit indicating how much coal storage 16 Progress Energy Florida had at IMT at the end of June, 17 at the end of July, and also August and September of 18 2004? 19 A. Yes. 20 MS. RODAN: So again, that's June, July, 21 August, and September, and I believe that would

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22 be Number 11.

23 (Late-filed Deposition Exhibit Number 11 was

- 24 identified.)
- 25 BY MS. RODAN:

1	Q. Why was it necessary to purchase additional	1	play a great deal in that.
2	spot coal at higher prices in the summer of 2004?	2	Q. And then there's an additional cross-gulf
3	A. We had two tropical storms and four	3	trip from IMT to Crystal River; is that correct?
4	hurricanes that disrupted the water delivered coal as	4	A. Say that one more time.
5	well as the rail delivered coal. Those coals were not	5	Q. There's an additional cross-gulf trip from
6	delivered in the time frame because of the hurricanes,	6	IMT to Crystal River; is that correct?
7	and the suppliers in most cases could not make them	7	A. We bring coal from IMT to Crystal River,
8	up. I mean, you lose a period of time. They were not	8	that is correct.
9	able to make them up, and we had to go out and buy	9	Q. Okay. Across the Gulf?
10	additional coal in order to make up for the missed	10	 Across the Gulf, that is correct.
11	deliveries that we had during that period of time.	11	Q. Okay.
12	Q. Now, please take a look at Progress Energy's	12	A. I also might add in reference to your
13	response	13	question before that two of these purchases on the JEA
14	A. Now, this is yours.	14	are from Texas. These are pet coke purchases.
15	Q. Thank you. Please take a look at Progress's	15	They're not coal purchases, at least from what I can
16	response to staff's interrogatory number 63. And let	16	see on the quality. And I have no idea of the pricing
17	me know when you've read that response.	17	on pet coke, but we're comparing apples and oranges
18	A. Give me a second, please. Okay.	18	here.
19	Q. Your response states that Progress Energy	19	Q. Would you agree that the additional cost of
20	believes that shipping coal to the East Coast for	20	shipping from Jacksonville to Crystal River on a barge
21	ocean barge delivery to Crystal River would be about	21	from an East Coast terminal would be about the same as
22	200 percent more costly than direct rail shipment from	22	the shipping costs from New Orleans to Crystal River?
23	the mine. What is the basis for that statement?	23	A. Say that one more time.
24	A. I got quotes from the CSX Railroad and	24	Q. Would you agree that the additional cost of
25	quotes from the barge suppliers and compared that to	25	shipping from Jacksonville to Crystal River on a barge
		J	
Γ	70		72
[70		72
1	70 the current cost to deliver coal to Crystal River via	1	72 from an East Coast terminal would be about the same as
1 2		1 2	
	the current cost to deliver coal to Crystal River via Mobile and New Orleans.	11	from an East Coast terminal would be about the same as
2	the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt	2	from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not.
2 3	the current cost to deliver coal to Crystal River via Mobile and New Orleans.	2 3	from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost
2 3 4	the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004.	2 3 4	from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not.
2 3 4 5	the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form	2 3 4 5	from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more?
2 3 4 5 6 7	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? 	2 3 4 5 6	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the
2 3 4 5 6	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. 	2 3 4 5 6 7	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be
2 3 4 5 6 7 8	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases 	2 3 4 5 6 7 8	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for
2 3 4 5 6 7 8 9	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by 	2 3 4 5 6 7 8 9	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of
2 3 4 5 6 7 8 9 10	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to 	2 3 4 5 6 7 8 9 10	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of Baltimore or Norfolk, and it was the 200 percent or
2 3 4 5 6 7 8 9 10 11	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to JEA? 	2 3 4 5 6 7 8 9 10 11	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of Baltimore or Norfolk, and it was the 200 percent or close to 200 percent that I indicated in my testimony.
2 3 4 5 6 7 8 9 10 11 12	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to JEA? A. No, I'm not. 	2 3 4 5 6 7 8 9 10 11 12	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of Baltimore or Norfolk, and it was the 200 percent or close to 200 percent that I indicated in my testimony. Q. Okay. Is there a written document, or was
2 3 4 5 6 7 8 9 10 11 12 13	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to JEA? A. No, I'm not. Q. From a review of this form, would you agree 	2 3 4 5 6 7 8 9 10 11 12 13	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of Baltimore or Norfolk, and it was the 200 percent or close to 200 percent that I indicated in my testimony. Q. Okay. Is there a written document, or was it through verbal conversations?
2 3 4 5 6 7 8 9 10 11 12 13 14 15	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to JEA? A. No, I'm not. Q. From a review of this form, would you agree that the delivered price for the first transaction 	2 3 4 5 6 7 8 9 10 11 12 13 14	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of Baltimore or Norfolk, and it was the 200 percent or close to 200 percent that I indicated in my testimony. Q. Okay. Is there a written document, or was it through verbal conversations? A. Verbal conversations with CSX and the barge
2 3 4 5 6 7 8 9 10 11 12 13 14	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to JEA? A. No, I'm not. Q. From a review of this form, would you agree that the delivered price for the first transaction listed on the form, which represents the Pennsylvania 	2 3 4 5 6 7 8 9 10 11 12 13 14 15	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of Baltimore or Norfolk, and it was the 200 percent or close to 200 percent that I indicated in my testimony. Q. Okay. Is there a written document, or was it through verbal conversations? A. Verbal conversations with CSX and the barge companies.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	 the current cost to deliver coal to Crystal River via Mobile and New Orleans. Q. Okay. I'm now going to hand you an excerpt from the Federal Energy Regulatory Commission 423 form for December 2004. A. Are you ready for this one back? Q. You can hold on to that. Are you aware that JEA purchases Pennsylvania coal which is shipped to Baltimore by rail, then transloaded to ocean barges and shipped to JEA? A. No, I'm not. Q. From a review of this form, would you agree that the delivered price for the first transaction listed on the form, which represents the Pennsylvania to Baltimore to Jacksonville route, has a lower 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	 from an East Coast terminal would be about the same as the shipping costs from New Orleans to Crystal River? A. I would not. Q. No? Okay. Would you say that the cost would be slightly more? A. No. I would say that it would be significantly more. As I said, I received quotes the barge companies as well as the CSX Railroad for delivery of Central Ap coal through the Port of Baltimore or Norfolk, and it was the 200 percent or close to 200 percent that I indicated in my testimony. Q. Okay. Is there a written document, or was it through verbal conversations? A. Verbal conversations with CSX and the barge companies. MS. RODAN: Okay. Let me go ahead and ask
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1	A. Okay.	1	from the coal supplier that is mentioned in this, the
2	Q. What is the basis for the statement that	2	economics were less expensive or the cheaper form
3	Drummond cannot load barges at its Tampa terminal?	3	going into Mobile, because they take in 5 million tons
4	A. The fact that we took coal into the Drummond	4	of coal into the Port of Mobile. I don't know the
5	facility as noted in the first paragraph of this	5	quantity they bring into the Port of Tampa, but it's
6	answer, we had to offload 6,000 tons because of the	6	5 million tons going into one port, so their shipping
7	shallow draft in Tampa. We went to the Drummond	7	rates were lower.
8	facility, and we asked them if we would then reload it	8	Likewise, I'll qualify it by saying you've
9	to a barge on a lighter basis and take it back. The	9	got the same issue with the Port of Tampa. You can't
10	answer was no, so we had to truck coal to the	10	reload out of the Drummond facility. And the
11	TampaPlex facility.	11	TampaPlex facility, the last barge I unloaded at the
12	Q. Does that mean that Drummond cannot load	12	or loaded, I'm sorry. I took my coal out of there,
13	barges directly from an ocean vessel?	13	and it took me three days to load my vessel. They're
14	A. We were told by Drummond that they could not	14	not capable of handling on an efficient basis large
15	do that, that they can put it on the ground, but	15	quantities of coal.
16	cannot take it out.	16	Q. Okay. In Progress Energy's response to
17	Q. Do you know what the channel depth of the	17	staff interrogatories 64 and 65, the response outlines
18	Drummond coal terminal in Tampa is?	18	the company's perceived shortcomings of the two Tampa
19	A. I do not know the exact depth of the	19	coal terminals, Drummond and TampaPlex. Was this
20	Drummond channel.	20	information derived through discussions with the
21	Q. What is the differential cost of shipping	21	facilities or actual experience?
22	coal from South America to Tampa in a Panamax versus a	22	A. It was actual experience.
23	Handy vessel?	23	Q. Has the company met with these facilities to
24	A. I do not know. Market rates for vessels	24	determine if they can provide options for future coal
25	fluctuate. I don't know what the differentials would	25	deliveries to Tampa?
	74		76
1	be at any given time. A Panamax vessel could not go	1	A. The TampaPlex facility is a Kinder Morgan
2	be at any given time. A Panamax vessel could not go into the Port of Tampa because of the draft.	2	A. The TampaPlex facility is a Kinder Morgan facility. I have a contract with Kinder Morgan, which
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	77		,	79
1	Q. And I believe your testimony was that for	1	A. There was a continued ratcheting up of the	
2	all the components of the transportation, you felt	2	coal prices. For many reasons, prices went from the	
3	like those were good ballpark numbers, but you	3	high 📻 to the 🌉 up into the 🌑 and 🜑	
4	couldn't verify the accuracy?	4	MR. PERKO: Thank you. I have no further	
5	A. That is correct.	5	questions.	
6	Q. And I would also like to have you take look	6	MR. McGLOTHLIN: Then I think we're through.	
7	at Exhibit Number 6 and ask you the same question.	7	(Deposition concluded at 12:26 p.m.)	
8	Have you been able to verify the information on that	8		
9	exhibit?	9		
10	A. No, not specifically, no.	10		
11	Q. Mr. McGlothlin introduced as Exhibit Number	11		
12	1 Progress Energy's answers to various discovery	12		
13	requests, and he discussed the answer to interrogatory	13		
14	number 6 at length earlier in the deposition. And you	14		
15	referred to an April 2004 RFP which resulted in the	15		
16	purchase of 4.3 million tons of coal; is that correct?	16		
17	A. That's correct.	17		
18	Q. And what were the prices for those coals at	18		
19	that time?	19		
20	A. In the high 🛑 low to mid 🛑	20		
21	Q. Let me show you the 423-2 report from May	21		
22	2002 and ask you if that refreshes your recollection.	22		
23	MR. McGLOTHLIN: Did you say May 2002?	23		
24	MR. PERKO: I'm sorry. May 2005.	24		
25	A. Yes. Do you want me to clarify it?	25		_

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1 Q. Yes	s, if you could go over the prices.	1 1	•	
2 A. Cei	ntral Coal was 🚛 and that was purchased	2	CERTIFICATE OF ADMINISTERING OATH	
3 during that	t RFP. Keystone was spot. Massey Coal	3		
4 Sales, the	\$ was the same time frame.	4	STATE OF FLORIDA:	
5 Q. No	w, you also answered some questions about	5	COUNTY OF LEON:	
6 when PFC	closed out in a later time period.	6	I, MARY ALLEN NEEL, Registered Professional	
7 A. Ye	S.	7	Reporter and Notary Public in and for the State of	
8 Q. An	d the interrogatory response refers to two	8	Florida at Large:	
9 contracts.	One was let to PFC at \$	9	DO HEREBY CERTIFY that on the date and	
10 Btu. The c	other was at \$	10	place indicated on the title page of this transcript,	
11 PFC contra	act and again, this is confidential, but	11	an oath was duly administered by me to the designated	
12 what does	that price per million Btu equate to in	12	witness before testimony was taken.	
13 dollars per	r ton?	13	DATED THIS 25th day of October, 2005.	
14 A. Th	e 🛑 that I mention there and 🛑 that	14		
	there are delivered to the plant. They	15		
16 relate to a	coal price of \$ for the coal.	16		
17 Q. An	d what was the cost per ton for the second	17	MARY ALLEN NEEL, RPR 2894-A Remington Green Lane	
18 bidder?		18	Tallahassee, Florida 32308 (850) 878-2221	
19 A. \$		19		
20 Q. Do	you recall what the cost per ton for the	20		
21 third bidd	er was?	21		
	for the coal.	22		
-	hat happened in the marketplace between the	23		
1 .	went out for the April '04 RFP and entered	24		
25 into these	contracts with PFC and the other suppliers?	25	·	

1	
2	CERTIFICATE OF REPORTER
3	
4	STATE OF FLORIDA:
5	COUNTY OF LEON:
6	I, MARY ALLEN NEEL, Registered Professional
7	Reporter, do hereby certify that the foregoing
8	proceedings were taken before me at the time and place
9	therein designated; that my shorthand notes were
10	thereafter translated under my supervision; and that
11	the foregoing pages numbered 1 through 79 are a true
12	and correct record of the aforesaid proceedings.
13	I FURTHER CERTIFY that I am not a relative,
14	employee, attorney or counsel of any of the parties,
15	nor relative or employee of such attorney or counsel,
16	or financially interested in the foregoing action.
17	DATED THIS 25th day of October, 2005.
18	
19	
20	MARY ALLEN NEEL, RPR 2894-A Remington Green Lane
21	Tallahassee, Florida 32308 (850) 878-2221
22	
23	
24	
25	

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Sheet 9

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ACCURATE STENOTYPE REPORTERS, INC. - 850/878-2221

BEFORE THE PUBLIC SERVICE COMMISSION

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 RESPONSE TO CITIZENS' FIFTH REQUEST TO PRODUCE DOCUMENTS (NO. 13)

Progress Energy Florida, Inc. (PEF), pursuant to Fla. Admin. Code R. 28-

106.206, Fla. R. Civ. P.1.350, and the Order Establishing Procedure in this proceeding,

hereby serves the following response to Citizens' (Citizens or OPC) Fifth Request to

Produce Documents (Nos. 13):

13. Referring the company's FPSC Form No. 423-2, please provide a copy of all contracts relating to coal purchases that state the actual purchase price of coal that was purchased in 2005 from Central Coal Co., Progress Fuels Corporation, Keystone Coal Company, Emerald International Corp., Guasare Coal Sales and Massey Coal Co.

<u>RESPONSE</u>: Per discussions with counsel, responsive documents will be made available for inspection at the offices of Hopping Green & Sams, P.A., 123 S. Calhoun Street, Tallahassee, FL 32301, at a mutually agreed upon time and date, with the understanding that PEF will have the opportunity to obtain protection of confidential information in any such documents OPC may desire to copy by appropriate filing with the Commission.

DATED this 44h day of October, 2005.

HOPPING GREEN & SAMS, P.A.

irainia C. Dailer Bv: fer Gary V? Perko

Virginia C. Dailey 123 South Calhoun Street Tallahassee, FL 32301 (850) 222-7500

Attorneys for Progress Energy Florida, Inc.

EXHIBIT
1
10/21/05 MN

#230869.2

BEFORE THE PUBLIC SERVICE COMMISSION

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 RESPONSE TO CITIZENS' FIFTH REQUEST TO PRODUCE DOCUMENTS (NO. 13)

Progress Energy Florida, Inc. (PEF), pursuant to Fla. Admin. Code R. 28-

106.206, Fla. R. Civ. P.1.350, and the Order Establishing Procedure in this proceeding,

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DATED this <u>4</u>th day of October, 2005.

HOPPING GREEN & SAMS, P.A.

inia C. Dailey By: for Gary V? Perko

Virginia C. Dailey 123 South Calhoun Street Tallahassee, FL 32301 (850) 222-7500

Attorneys for Progress Energy Florida, Inc.

#230869.2

BEFORE THE PUBLIC SERVICE COMMISSION

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

Dated: October 4, 2005

PROGRESS ENERGY FLORIDA'S RESPONSES TO CITIZEN'S SECOND SET OF INTERROGATORIES (NOS. 6 - 14)

PROGRESS ENERGY FLORIDA, INC. ("PEF"), pursuant to Rule 28-106.206, Florida Administrative Code, Rule 1.340, Florida Rules of Civil Procedure, and the Order Establishing Procedure in this matter, hereby responds to Citizen's Second Set of Interrogatories (Nos. 6-14):

GENERAL OBJECTIONS

1. PEF objects to any definitions or instructions in OPC's Second Set of Interrogatories (Nos. 6-14) that are inconsistent with PEF's discovery obligations under applicable rules. PEF will comply with applicable rules and not with any of OPC's definitions or instructions that are inconsistent with those rules.

2. 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.

3. 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.

RESPONSES

Referring to FPSC FORM NO. 423-2, May 2005, please explain, justify, and 6. support the F.O.B. Plant Price for IMT fuel purchased from Progress Fuels Corporation. In your answer, please refer specifically to contract terms, characteristics of the fuel, and prices paid for fuel from sources other than Progress Fuels Corporation in the same time frame. Identify and explain all

PROGRESS ENERGY FLORIDA'S RESPONSES TO CITIZEN'S SECOND SET OF INTERROGATORIES (NOS. 6 -14) DOCKET NO. 050001-EI PAGE 2

factors the Company deems relevant that bear on the differences in prices from the different sources.

Response: In April 2004, PEF issued a Request for Proposal (RFP). The results of this RFP resulted in the purchase of 4.3 million tons of coal for both Crystal River Units 1&2 and 4&5. The contracts issued were for two years and the delivery methods were both water and rail. After this purchase, PEF had an open position (additional coal needed) for water delivered coal totaling 600,000 tons for 2005 and 550,000 tons for 2006. From April to September 2004, coal market pricing remained extremely strong and multiple utilities entered the marketplace for coal thus placing additional stress on the market. PEF decided to re-enter the marketplace to "close out" its 2005 and 2006 open positions.

During the period noted above, PEF received three bids from reliable barge suppliers. These bids were evaluated and resulted in the purchase from the two lowest cost suppliers. PFC provided the lowest bid, and consequently PEF awarded a two year contract to PFC for a total of 480,000 tons delivered to Crystal River at total of 12500 BTU/11.0% Ash/1.2# SO2. The other contract was for a total of 450,000 tons, 150,000 tons in year one and 300,000 tons in year two, delivered to Crystal River at total of 450,000 tons in year one and 300,000 tons in year two, delivered to Crystal River at total of 450,000 tons in year one and 300,000 tons in year two, delivered to Crystal River at total of 450,000 tons in year one and 300,000 tons in year two, delivered to Crystal River at total quantity offered in this bid was originally 300,000 in each of the two years; however, PEF reduced the total quantity by the 150,000 tons simply based upon need and the fact that it purchased the most coal from the lowest cost supplier which was PFC.

Among many factors considered in the purchase of coal for Crystal River, the most important is the delivered price, on a cash basis, to the plant. This delivered price considers the price of coal and the cost of transportation. PEF also computes an evaluated cost which considers ash, sulfur, and BTU in relationship to the required plant specifications. In addition, PEF considers the reliability and financial stability of the supplier.

Central Coal Company and Massey were purchased in an earlier time period when prices were much lower than the market in which PFC coal was purchased.

7. Please state the average F.O.B. plant price and the total tons of coal purchased from Progress Fuels for the year 2005 to date and the projection for 2005 year end.

Response: The actual average F.O.B. plant price and total tons of coal purchased by PFC for delivery to PEF as reported on Form 423 to date (Jan-Jul) are **\$1000** and 3,680,930, 3 respectively. The projected average F.O.B. plant price and total tons to be purchased by PFC for PEF for 2005 year end (Aug-Dec) are **\$1000** and 2,859,000, respectively. 4

PROGRESS ENERGY FLORIDA'S RESPONSES TO CITIZEN'S SECOND SET OF INTERROGATORIES (NOS. 6 -14) DOCKET NO. 050001-EI PAGE 3

8. Please state the average F.O.B. plant price and the total tons of coal purchased from Central Coal Company, Drummond Coal and Guasare Coal sales, stated separately, for the year 2005 to date and the projection for 2005 year end.

Response: PFC purchased the following for PEF:

<u>Coal Company</u> Central	<u>Jan-Jul (Actual)</u> \$ 44999 188,670 tons	Aug-Dec (Projected) \$ 134,000 tons	1
Guasare	\$ 403,218 tons	\$ 47,000 tons	2
Drummond	\$	\$	3

448,179 tons

400,000 tons

January through July includes any Btu adjustments that have been invoiced and paid. Central Coal Co. for January through July includes two spot carryover orders.

9. Please describe the methodology and the contractual amount that the company has used to apply the transportation costs reflected in the FPSC Form No. 423-2 for 2005 and the methodology that the company will use when, and if, the FPSC approves the new waterborne transportation contracts that have been submitted for approval in this docket, utilizing the following format:

	OLD RATE	NEW RATE	
Mine to barge transport			
River transport			
Kanawa River			
Big Sandy			
Cora			
Terminal			
Storage			
Direct Transfer			
Cross Gulf			
IMT			
-McDuffie			

Response: In 2005, actual contractual costs have been charged by PFC to PEF for waterborne transportation. Purchases are FOB barge. The IMT and MEMCO contracts expired in 2004; therefore, there is no old rate. The Dixie Fuels Limited (DFL) stipulated rate was **Sector** There was no stipulated rate for EMI-Pa. Inc. (Express Marine).

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PROGRESS ENERGY FLORIDA'S RESPONSES TO CITIZEN'S SECOND SET OF INTERROGATORIES (NOS. 6-14) DOCKET NO. 050001-EI PAGE 4

Mine to barge transp NA	port	
River transport – Ka	anawha River (Marmet Pool/Myrtle Grove)	
Jan-Mar	Carryover tons \$	ł
Apr-Jun	Carryover tons \$ tons in excess \$	2
Jul-Sep	\$ MARKE	3
River transport – Bi	ig Sandy	
Jan-Mar	Carryover tons \$	4
Apr-Jun	Carryover tons \$ tons in excess \$	5
Jul-Sep	\$	6
River Transport – C	Cora	
Jan-Mar	Carryover tons \$	7
Apr-Jun	Carryover tons \$ tons in excess \$	+ 8 9
Jul-Sep	\$ 4400	9
Terminal-		
Storage: \$		10
Direct Transfer: \$		11
Gearless Vessel cra	ne discharge through storage: \$	12
	ne discharge through CBU direct to gulf barge: \$	13
	el self-discharge through storage: \$	14
	discharge through CBU direct to Gulf Barge: \$	15
-	Self discharge through inbound hopper through storage: S	16
Conveyor Vessel -	Self discharge direct to gulf barge: \$	17
Cross Gulf -		
IMT (Dixie) Effect		18
McDuffie (Dixie E	ffective 4/1/05) \$	19
IMT (EMI-PA) Jun	e \$ July-Sept \$ July-Sept	20
	A) June \$ July-Sept \$	21

10. Please state the effective date of new rates specified in the preceding interrogatory.

Response: The effective dates are: DFL - 04/01/05, EMI-Pa Inc. - 04/01/05, MEMCO - 01/01/05 and IMT-11/01/04.

11. Please state the methodology for calculating administrative expense associated with waterborne and rail transportation of fuel, and the amount of administrative expense that PEF has included for recovery in the 2005 fuel clause.

Response: Administrative Expense is based on direct and allocated charges. Salaries and employee benefits are allocated based upon the estimated percentage of time employees spend on regulated transactions. Other G&A expenses are charged based upon the specific nature of the work performed or are allocated based upon regulated payroll percentages. The total amount of administrative expense associated with procuring both coal and transportation in the fuel clause is \$1,775,505 through July 2005. The August through December 2005 forecast for SG&A is \$798,874.

12. Please state the total amount and the average cost per ton of waterborne transport and terminal services costs claimed by the Company for recovery in 2005 through the fuel clause under the stipulation with Public Counsel.

13. Please state the total amount of waterborne transport costs and the average cost per ton actually spent by the company in 2005 under the contracts that it has executed for waterborne transport and terminal services. Explain any difference between this amount and the amount provided in the answer to (12) above.

Response:

The total amount of waterborne transport costs and average cost per ton actually spent by PEF in 2005 (Jan-Jul) under the executed contracts are **Support** and **Support** ton, 3 respectively. The actual cost is lower than amount recovered through the fuel clause due to small adjustments and small differential in prices.

14. FPSC Form No. 423-2C for the month of April, 2005 reflects the purchase of low sulfur coal at the IMT from Guasare Coal Sales. Please state the total amount of coal purchased from Guasare Coal in 2005, the amount paid, and identify where those transactions are reflected in the 423 forms for the Crystal River coal plants.

Response: The following table shows the original amount paid Guasare Coal Sales, as reported on Form 423-2, and associated quality adjustments, as reported on Form 423-2C.

PROGRESS ENERGY FLORIDA'S RESPONSES TO CITIZEN'S SECOND SET OF INTERROGATORIES (NOS. 6 -14) DOCKET NO. 050001-EI PAGE 6

Originally			Quality	y		
Report	ed		Adjust	ment		
<u>(423-2</u>)		<u>423-2</u>	<u>C</u>		
Jan	Line 7	\$	Mar	Line 3	\$	1
Feb	Line 10	\$	Apr	Line 1	\$	2
Feb	Line 11	\$	Apr	Line 2	\$ 455 (1)	3
Mar	Line 8	\$	Apr	Line 4	S ame	4
Apr	Line 10	\$	May	Line 3	Sector P	5
Jun	Line 10	\$ Marine	Jul	Line 1	States	6
Jul	Line 6	\$				7
						1

(1) Quality Adjustments reported on Form 423-C for April, Line 1 and Line 2, were subsequently adjusted on Form 423-2C for June, Line 5 and Line 6, for \$ and \$ makes, respectively. These adjustments were made to account for supplier corrections.

Total tons purchased from Guasare Coal through July 2005 are 403,218.

DATED this HOctober, 2005

HOPPING GREEN & SAMS, P.A.

By: FckGary &. Perko

Virginia C. Dailey P.O. Box 6526 Tallahassee, FL 32301 (850) 425-2359

Attorneys for Progress Energy Florida, Inc.

#230893.2

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AFFIDAVIT

STATE OF FLORIDA COUNTY OF PINELLAS

Before me, the undersigned authority, on this 4th 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. 6 and 10 of Citizen's Second 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



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AFFIDAVIT

STATE OF NORTH CAROLINA)) COUNTY OF WAKE)

who

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

(\checkmark is personally known to me, or

() produced _______ as identification and who, being duly sworn, deposes and says that the foregoing answers to Interrogatory Nos. 7, 8, 9 and 11 through 14 of Citizen's Second 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

Continue Coal accounting & Regulatory Title

Kinda L. noslarg

State of North Carolina

My commission Expires: 3-11-07

Docket No. 050001-El Deposition: A.W. Pitcher October 21, 2005 Late-filed Exh. No. 2

Master Bidder's List

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MASTER BIDDERS LIST NON-COMPLIANCE COAL SOLICITATION-04/12/04 95 POTENTIAL SUPPLIERS & 4 INDUSTRY PUBLICATIONS

MR. FREDERICK J. MURRELL PRESIDENT ADARO ENVIROCOAL AMERICAS 1401 MANATEE AVENUE WEST, SUITE 910 BRADENTON, FLORIDA 34205 PHONE NO.: 941/747-2630 FAX NO.: 941/747-8081

MR. MICHAEL F. MORAN DIRECTOR - MARKETING AEP ENERGY SERVICES, INC. 11622 CHESTNUT HILL DRIVE MATTHEWS, NORTH CAROLINA 28105 PHONE NO.: 704/846-8248 FAX NO.: 704/844-0569

MR. JOHN W. TANNER VICE PRESIDENT, SALES ALLIANCE COAL SALES CORPORATION 5000 SAILWIND CIRCLE ORLANDO, FLORIDA 32810 PHONE NO.: 407/523-9797 FAX NO.: 407/523-7870

MR. L. ELLIS DUSENBURY VICE PRESIDENT ALPHA COAL SALES 9300 HARRIS CORNERS PARKWAY, SUITE 210 CHARLOTTE, NORTH CAROLINA 28269 UNITED STATES OF AMERICA PHONE NO.: 704/596-9253 FAX NO.: 704/598-8115

MR. ERNIE L. THRASHER PRESIDENT AMCI EXPORT CORPORATION ONE ENERGY PLACE, SUITE 2000 LATROBE, PENNSYLVANIA 15650 PHONE NO.: 724/537-2444 FAX NO.: 724/537-2382 MR. ANDREW W. COX VICE PRESIDENT AMVEST COAL SALES, INC. POST OFFICE BOX 5347 CHARLOTTESVILLE, VIRGINIA 22905 PHONE NO.: 434/972-7754 FAX NO.: 434/295-3203

MR. DAVID E. LONG PRESIDENT APEX COAL SALES SIX MOUNTAIN MEADOWS CHAPMANVILLE, WEST VIRGINIA 25508 UNITED STATES OF AMERICA PHONE NO.: 304/752-2365 FAX NO.; 304/752-5769

MR. JOHN C. SMITH PRESIDENT APPALACHIAN FUELS, LLC 1500 NORTH BIG RUN ROAD ASHLAND, KENTUCKY 41102 PHONE NO.: 606/923-5890 FAX NO.:

MR. KEN HODAK REGIONAL VICE PRESIDENT, SOUTHEAST ARCH COAL, INC. CITYPLACE ONE, SUITE 300 ST. LOUIS, MISSOURI 63141 PHONE NO.: 314/994-2842 FAX NO.: 314/994-2719

MR. VICTOR I. VALENZUELA MARKETING MANAGER - AMERICAS BHP BILLITON ENERGY COAL VESPUCIO SUR 100, PISO 7, LAS CONDES SANTIAGO, CHILE SOUTH AMERICA PHONE NO.: 011-56-2-330-5981 FAX NO.: 011-56-2-330-5418 MR. DAN HENDRICKSON BLACK GOLD, LLC 410 WINTERHAM DRIVE ABINGDON, VIRGINIA 24211 PHONE ND.: (276) 623-8336 FAX NO.: (276) 619-2499

MR. DON E. CAIN PRESIDENT C/C CHEMICAL & COKE COMPANY 3177 MARIA DRIVE LEXINGTON, KENTUCKY 40516 PHONE NO.: FAX NO.:

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MR. STEVE HERSHBERGER CENTRAL COAL AND COKE, INC. POST OFFICE BOX 80092 INDIANAPOLIS, INDIANA 46280 PHONE NO.: 317/841-7733 FAX NO.: 317/841-9180

MR. CLARK WISMAN DIRECTOR OF MARKETING & SALES CENTRAL COAL COMPANY 148 BRISTOL EAST ROAD BRISTOL, VIRGINIA 24202 UNITED STATES OF AMERICA PHONE NO.: 276/669-8599 FAX NO.: (276) 669-3543

MR. FRANCISCO J. GARCIA MARKETING MANAGER CMC - COAL MARKETING COMPANY LTD. CARRERA 54# 72-80, P.20 BARRANQUILLA, COLOMBIA SOUTH AMERICA PHONE NO.: 011-57-5-350-2123 FAX NO.: 011-57-5-350-2475 MR. GREG JORDAN VICE PRESIDENT, SALES COAL ENERGY RESOURCES INC. POST OFFICE BOX 2043 ABINGDON, VIRGINIA 24210 PHONE NO.: 540/676-3101 FAX NO.: 540/676-3068

MR. SAM BROVERMAN PRESIDENT COAL SOURCING AND SALES, INC. DRAWER 1878 LEWISBURG, WEST VIRGINIA 24901 UNITED STATES OF AMERICA PHONE NO.: 304/645-5950 FAX NO.: 304/645-5009

MR. ROBERT H. SCOTT COMMONWEALTH COAL SALES, L.C. 5413 PATTERSON ÁVENUE, SUITE 205 RICHMOND, VIRGINIA 23226 PHONE NO.: 804/282-9826 FAX NO.: 804/282-9836

MR. ALAN WEED COMPLIANCE HOLDING COMPANY, INC. POST OFFICE BOX 727 BENTON, ILLINOIS 62812 PHONE NO.: FAX NO.: 618/435-5676

MR. DENNIS P. DUFFY GENERAL SALES MANAGER CONSOL ENERGY INC. 3330 CUMBERLAND BOULEVARD, SUITE 440 ATLANTA, GA 30339 UNITED STATES OF AMERICA PHONE NO.: 770/951-2625 FAX NO.: 770/951-0601

MR. JOHN SEIBEL CONONA RESOURCES 176 BARNWOOD DRIVE EDGEWOOD, KENTUCKY 41017 PHONE NO.: 859/426-1375 FAX NO.: 859/426-7295

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MR. CHARLES R. REASOR VICE PRESIDENT, SALES CUMBERLAND RIVER ENERGIES, INC. 1659 OAK CREST COURT MARIETTA, GEORGIA 30066 PHONE NO.: 770/977-3177 FAX NO.: 770/977-3177

MR. D. TATE RICH VICE PRESIDENT DELTA COALS, INC. CAVALIER BUILDING, SUITE 404 95 WHITE BRIDGE ROAD NASHVILLE, TENNESSEE 37205 PHONE NO.: 615/352-5484 FAX NO.:

MR. DOUGLAS C. YOUNG SENIOR FUELS TRADER DOMINION ENERGY POST OFFICE BOX 25593 RICHMOND, VIRGINIA 23260 PHONE NO.: 804/787-5779 FAX NO.: 804/787-6482

MR. DENNIS J. STEUL DIRECTOR, NORTH AMERICAN SALES DRUMMOND COAL SALES, INC. 530 BEACON PKWY. W., STE. 800 BIRMINGHAM, ALABAMA 35209 PHONE NO.: 205/945-6411 FAX NO.: 205/945-6440

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MR. RONALD L. WHALEN EAST RIVER COAL COMPANY POST OFFICE BOX 1451 BLUEFIELD, WEST VIRGINIA 24701 PHONE NO.: 304/327-2596 FAX NO.: 304/325-3708 MR. STEVEN E. WEBER EMERALD INTERNATIONAL CORPORATION 6895 BURLINGTON PIKE FLORENCE, KENTUCKY 41042 PHONE NO.: 859/525-2522 FAX NO.: 859/525-4052

MS. ABBY CAPLAN ENERGY ARGUS 1012 14TH STREET, N.W., SUITE 1500 WASHINGTON, DC 20005 PHONE NO.: 202/775-0240 FAX NO.: 202/872-8045

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MR. CHRIS RATLIFF LANDMARK MINING COMPANY, INC. 159 MAIN STREET SHELBIANA, KENTUCKY 41562 PHONE NO.: 606/639-4346 FAX NO.: 606/639-9348

MR. STEVE MELTON DIRECTOR, UTILITY & INDUSTRIAL SALES LOGAN & KANAWHA COAL CO., INC. P.O. BOX 18370 SOUTH CHARLESTON, WEST VIRGINIA 25303 UNITED STATES OF AMERICA PHONE NO.: 304/746-4014 FAX NO.: 304/746-4470

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MR. JOHN R. BAKER, JR. MCWANE COAL SALES, INC. 1927 FIRST AVE. N., SUITE 900 BIRMINGHAM, ALABAMA 35203 PHONE NO.: 205/323-2400 FAX NO.:

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MR. JOSEPH B. JEFFERSON KANAWHA RIVER TERMINALS POST OFFICE BOX 308 CEREDO, WEST VIRGINIA 25507 UNITED STATES OF AMERICA PHONE NO.: 304/526-0757 FAX NO.: 304/453-6917

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MR. KEN STACY RAPOCA ENERGY COMPANY 2700 LEE HIGHWAY BRISTOL, VIRGINIA 24201 PHONE NO.: FAX NO.: MR. ROBERT CHADWELL RB COAL COMPANY PATHFORK, KENTUCKY 40863 PHONE NO.: FAX NO.:

MR. JIM LAFORCE RED RIVER COAL COMPANY, INC. POST OFFICE BOX 668 NORTON, VIRGINIA 24273 PHONE NO.: FAX NO.:

MR. DERON F. SAYLOR SAYLOR BROTHERS ENTERPRISES, INC. POST OFFICE BOX 127 COLDIRON, KENTUCKY 40819 PHONE NO.: 606/664-2961 FAX NO.:

MR. JERRY COOKSEY SIGMON COAL COMPANY, INC. 549 LONDONDERRY ROAD CUMBERLAND GAP, TENNESSEE 37724 PHONE NO.: FAX NO.:

MR. JOHN MCDONNELL VICE PRESIDENT, SALES SMOKY MOUNTAIN COAL CORP. 9725 COGDILL ROAD, SUITE 203 KNOXVILLE, TENNESSEE 37932 PHONE NO.: (865) 966-8222, EXT. 2003 FAX NO.: (865) 777-3633

MR. YURIY PIKSAYKIN RUSSIAN FAR EASTERN COAL TRADE COMPANY SOCRAT CO. LTD. 1309 MARSHALL STREET #406 REDWOOD CITY, CALIFORNIA 9406 PHONE NO.: 650/366-6930 FAX NO.: 650/366-6930 MR. FRED A. BOWMAN VICE PRESIDENT, SALES SOLAR SOURCES 6755 SOUTH GRAY ROAD POST OFFICE BOX 47068 INDIANAPOLIS, INDIANA 46247-7068 PHONE NO.: 317/788-0084 FAX NO.: 317/787-0592

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MR. PETE A. COFER VICE PRESIDENT SOUTHERN APPALACHIAN COAL SALES, INC. 9050B EXECUTIVE PARK DRIVE, SUITE 100 KNOXVILLE, TENNESSEE 37923-4616 PHONE NO.: 865/470-8595 FAX NO.: 865/470-8644

MR. MARK CANON SOUTHERN COMPANY ENERGY MARKETING 1155 PERIMETER CENTER WEST ATLANTA, GEORGIA 30338 PHONE NO.: FAX NO.:

MR. MARK JONES VICE PRESIDENT SSM PETOCKE LLC 10500 LITTLE PATUXENT PKWY., SUITE 510 9891 BROKENLAND PARKWAY COLUMBIA, MARYLAND 21044 PHONE NO.: 410/910-0634 FAX NO.: 410/910-0630

MR. JOHN STAFFORD PRESIDENT STAFFORD ENERGY, INC. 1301 GREENUP AVENUE ASHLAND, KENTUCKY 41101-7526 PHONE NO.: 606/324-2625 FAX NO.: 606/326-9142 MR. EDWARD L. BILLIPS MANAGER, CONTRACT ADMINISTRATION TECO COAL CORPORATION 200 ALLISON BOULEVARD CORBIN, KENTUCKY 40701 PHONE NO.: 606/523-4444 FAX NO.: 606/523-4490

MR. STEVE ISAACS THOROUGHBRED COAL COMPANY POST OFFICE BOX 11188 LEXINGTON, KENTUCKY 40574 PHONE NO.: 859/381-8200 FAX NO.: 859/225-3535

MR. KEVIN C. BURNS VICE PRESIDENT & GENERAL MANAGER TMT COAL COMPANY LLC 18800 WOODBURN ROAD LEESBURG, VIRGINIA 20175 PHONE NO.: 703/771-9191 FAX NO.: 703/779-2070

MR. BILL ANDREWS PRESIDENT TRAIL ENERGY, INC. POST OFFICE BOX 220 GREENBACK, TENNESSEE 37742 PHONE NO.: 865/856-2859 FAX NO.: 865/983-5319

MR. FRANK M. KOLOJESKI MANAGING DIRECTOR TRANSGLOBAL VENTURES CORPORATION 12000 LINCOLN DRIVE WEST, SUITE 108 MARLTON, NEW JERSEY 08053 PHONE NO.: 856/396-0808 FAX NO.: 856/396-0615

MR. KEITH G. KLEISER GENERAL MANAGER TRANSMAR COAL, INC. POST OFFICE BOX 119 100 L. J. KOCH BOULEVARD SANTA CLAUS, INDIANA 47579 PHONE NO.: 812/937-4536 FAX NO.: 812/937-4639 MR. ROBERT B. GABBARD VICE PRESIDENT TRITON COAL COMPANY, LLC ONE PARAGON CENTRE, SUITE 110 2525 HARRODSBURG ROAD LEXINGTON, KENTUCKY 40504 PHONE NO.: 859/223-8820 FAX NO.: 859/223-8744

MR. JOHN W. PIERCE MANAGER, COMMERCIAL SERVICES U. S. STEEL MINING COMPANY, LLC 600 GRANT STREET, SUITE 1880 PITTSBURGH, PENNSYLVANIA 15219-2749 PHONE NO.: 412/433-4611 FAX NO.: 412/433-5839

MR. TRAVIS HUTTON SALES AGENT UNITED COAL COMPANY 2700 LEE HIGHWAY BRISTOL, VIRGINIA 24202 PHONE NO.: 540/466-0014 FAX NO.: 540/669-2671

MR. DAN VAUGHN UNITED POWER, INC. 5801 LEDGESTONE DRIVE EVANSVILLE, INDIANA 47711 PHONE NO.: 812/473-5810 FAX NO.: 812/473-5813

MR. BRUCE L. WASHBURN USS COAL SALES LLC 520 MAN O WAR DRIVE SEYMOUR, TENNESSEE 37865 PHONE NO.: 865/573-9632 FAX NO.: 865/609-8828

MR. FRANK HURTADO VICE PRESIDENT VENRO PETROLEUM CORPORATION 45 ROCKEFELLER PLAZA, SUITE 1600 630 FIFTH AVENUE NEW YORK, NEW YORK 10111 PHONE NO.: 212/969-1722 FAX NO.: 212/969-1729

<u>.g</u>

MR. JOHN W. GARSIDE, JR. WOODRUFF COAL COMPANY POST OFFICE BOX 50190 KALAMAZOO, MICHIGAN 49005 PHONE NO.: 616/343-5531 FAX NO.: 616/343-0404

Docket No. 050001-El Deposition: A.W. Pitcher October 21, 2005 Late-filed Exh. No. 3

CONFIDENTIAL

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List of Responses to 4/04 Solicitation

Workpapers Only

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PROGRESS FUELS CORPORATION *CR 1 and 2 May 2004* Solicitation ALL BIDS

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Massey	05					封			Sector Sector	Moisture	Nol V	NHGI		Co. ((5/60) (60		Cost Sist	(COS) CAPIE	5. A.
	8	Cox BS	720	720	•	•	12.50%	1.27%	12,100	8.00%	31.00%	42	2 4 A				1977-F71-9817-102-02-02-02-02-02-02-02-02-02-02-02-02-0	-
B&W Resources	05-07	CSX Jellico	720	240	240	240	14 50%					*	- 2 2					- , `
Marshall	05-06	CSX Clinchfield	500						00c'71	%00.7	32.00%	4	2.00					~
Massey	05		8	DC7	250	•	13.00%	1.31%	12,500	7.00%	29.00%	20	2.10					(4)
	3	Cox Kan	220	720	•	•	12.50%	1.27%	12,100	8.00%	30.00%	C¥						4
Central App	02-07	CSX BS	720	240	240	240	12 00%					┢						
Black Gold	05-07	CSX Harlan	UUS	120			_		0.004	8.00%	32.00%	42	2.10					<u>u</u> ,
Horizon	05.07	1	8		240	240	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10					د.
	10-00	CSX-Evergreen	1500	500	500	500	13.00%	1.29%	12,300	8.00%	31,00%	45	010					<u>۲</u>
Central Coal Co	05-06	CSX-Kan	480	240	040				-		****		2					.
CMC	05	Colombia Matila			P	-	12.00%	0.99%	12,300	8.00%	32.00%	\$	1.60					ŝ
Onane Kanan		alloomercoop	004	400	•	•	9.20%	0.78% 1	11,600 1	12.30%	32.00%	45	1.34					0
BUMPHPUPUpupa	05-07	CSX Kan	1080	360	360	360	13 00%	1 000		<u> </u>		-						_
CMC	05	Colombia-ECT	007				-		00000	8.00%	30.00%	4	1.60					2
Peabody	0 10			₽₽ P₽	•	•	9.20% 0	0.78% 1	11,600 1	12.30%	32.00%	45	1.34					n
	10-50	CSX Kan	720	240	240	240	13.50% 1	1.28% 1	12.200 6	6.70%	30.00%	۰ ۲0						: 5
Horizon	05-07	CSX Haz- Typo	1500	200	200	202	_				2	+						1
Smokey Mtn	05				3	BR	13.00%	1.27% 1	12,100 8	8.00%	31.00%	42 2.	2.10					3
			240	240	0	•	13.00% 1	1.26% 1	12,000 8	8.00% 3	31.00%	42 2.	2.10					+
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ROGRESS FUELS CORPORATION CR Units 4 and 5 May 2004 Solicitation Solicitation May Paulon May 2004 May 2004 M		74 8.000	8,400 8,800	8,900 8,963	11,900	12,300	12,100 17 350	11,800	12,000 11 mm	12,400	13,000		12 100	12,300	CR 46 Economical Base Subhar Bhu No 6.775 12.000 6.	
ESS FUELS CORPO CR Units 4 and 5 May 2004 Solicitation Solicitation Bipp by Follow		2010 0.307	X15.0 X023	5.00% 0.27%	12.00% 0.72%	12.00% 0.74%	13.00% 0.73% 12.50% 0.74%	8.30% 0.71%	8.00% 0.00%		1/15 TOTA		12.00% 0.75%	19.00% 0.74%		
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PAGE 2

Docket No. 050001-El Deposition: A.W. Pitcher October 21, 2005 Late-filed Exh. No. 4

CONFIDENTIAL

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List of Coal Purchases from 4/04 Solicitation

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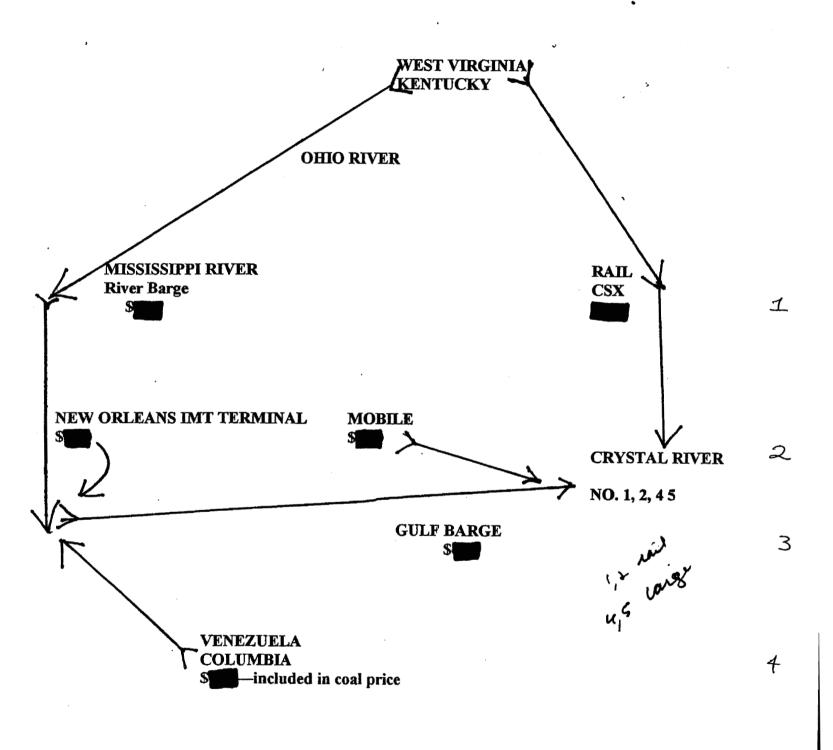
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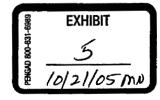
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	Central Coal Co.		Land				line in the second s					Number Strengy LLC	i		
in the	Central				2		Massey		Programs Flook	į		Bequola Er			
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month deal - 06' minimum ž Distant in the Ĩ 20.00 \$94.19 ALC: PARA 32.80% 42 2.80 \$1.01 2 42 2.16 944.00 \$16.02 \$2.00 12.69% 1.27% 12.100 8.60% 21.00% \$2.80 11.40% 1.20% 12,400 7.40% 240 340.56 \$16.68 3 871 151101012456 CEX Jellico 1018 BAW Res ŝ 0

CONFIDENTIAL PROGRESS ENERGY BALLPARK TRANSPORT COSTS FOR COAL TRANSPORT

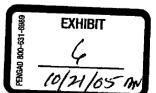




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A PRO				SCONFIDENT	TAL F	[- ^
SOURCE	B date	C TIME	D TONS	E price	TERMS	
EMERALD(NC)	5/12/05	05/05	9.4		FOB IMT	1
EMERALD(C)	5/03/05	05/05	2.0		FOB GULF BARGE	2
KEYSTONE(C)	4/28/05	04/05	10.0		FOB GULF BARGE	3
EMERALD(NC)	5/19/05	05/05	21.0		FOB IMT	4
MASSEY(C)	4/07/05	04/05-12/05	720		FOB RAILCAR	5
PFC(C)	2/03/05	01/05-02/05	23.5		FOB RIVER BARGE	6
PFC(NC)	1/07/05	12/041/05	3.6		FOB GULF BARGE	7
PFC(NC)	1/07/05	12/041/05	3.6		FOB GULF BARGE	8
CENTRAL(C)	9/13/04	1/05-12/06	300		FOB RIVER BARGE	9
MASSEY(NC)	9/08/04	1/05-12/05	720		FOB RAILCAR	10
MASSEY(C)	8/09/04	1/05-12/05	720		FOB MINE	17
					FOB RIVER BARGE	12
KEYSTONE(C)	2/04/04	3/04-12/04	100		FOB RIVER BARGE	13
CENTRAL(C)	1/16/04	12/04	77		FOB RIVER BARGE	14
CENTRAL(C)	1/27/04	03/04-12/04	225		FOB RIVER BARGE	15
PFC (C)	12/19/03	1/04-12/04	600		FOB RIVER BARGE	16
MASSEY(C)	9/08/03	10/03-03/05	600		FOB MINE	177 (1988)-15-100 (1997)
(1) Contract Revision	n (2) 2	2.10 sulfur?????		•		PENGAD 8



FFSC FORM 423-1

MONTHLY REPORT OF COST AND QUALITY OF FUEL FOR ELECTRIC PLANTS ORIOIN, VOLUME, DELIVERED PRICE AND AS RECEIVED QUALITY I. REPORTING MONTH: 01/2005

2. REPORTING COMPANY:

FLORIDA POWER CORPORATION

3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA SUBMITTED ON THIS FORM: DEBBIE PATTERSON, SBFA (919),346-4047

EMAIL 3/17/05 ma

4. SIGNATURE OF OFFICIAL SUBMITTED REPORT:

DONNA MASSENGILL

5. DATE COMPLETED: 3/16/2005

CONTROLLER, REGULATED COMMERCIAL OPERATIONS

1 15 17					DDI DICOV			SULFER	вти		DELIVERED
LINE			SHIPPING	PURCHASE	DELIVERY	DELIVERY	•••=		CONTENT	VOLUME	PRICE
NQ.	PLANT NAME	SUPPLIER NAME	POINT	TYPE	LOCATION	DATE	QIL	<u>(%)</u>	(Etu/gal)	(Bbls)	(\$/Bbh
(n)	(b)	(c)	(d)	(c)	(1)	(g)	(h)	(i)	(i)	(k)	(1)
ı	Anciore	NO DELIVERIES									
2	Aven Park Peakers	NO DELIVERIES									
3	Bartow Peakers	NO DELIVERIES							-		
4	Bartow Steam Plant	NO DELIVERIES									
5	Bartow Steam Plant	RIO Energy International, Inc	F- Rio Houston,TX	MTC	FOB TERMINAL	1/2005	F06	1.09	157,658	211,485	\$30.6520
6	Bartow Steam Plant	RIO Energy International, Inc	F- Rio Houston, TX	MTC	FOB TERMINAL	1/2005	PO6	1.15	157,591	468,511	\$30.2412
7	Bartow Steam Plant	RIO Energy International, Inc	P- Rio Houston, TX	MTC	FOB TERMINAL	1/2005	F06	1.18	156,233	228,653	\$29.7025
8	Bayboro Peakers	NO DELIVERIES									
9	Central Tampa Tank Farm	NO DELIVERIES									
10	Crystal River	NO DELIVERIES									
11	Debary Peakers	BP Amoco Oil	F- BP TsA.FL	MTC	FOB PLANT	1/2005	PO2	0.04	138,237	13,965	\$58.7600
12	Debary Peakers	NO DELIVERIES									
13	Higgins Peakers	NO DELIVERIES									
14	Hines Energy Complex	NO DELIVERIES									
15	Intercession City Peakers	NO DELIVERIES									
16	Rio Pinar Peakers	NO DELIVERIES									
17	Suwanne Peakers	Colonial Oil Industries, Inc.	P-Colonial Jacksonville, FL	MTC I	POB PLANT	1/2005	FO2	0.11	138,000	5,023	\$56.4900
18	Suwannee Steam Plant	Colonial Oil Industries, Inc.	F-Colonial Jacksonville, FL	MTC I	FOB PLANT	1/2005	FOG	1.96	150,747	6,882	\$34.8274
19	Suwannee Steam Plant	NO DELIVERIES							•		

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PAGE 1

FPSC FORM 423-1

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MONTHLY REPORT OF COST AND QUALITY OF FUEL FOR ELECTRIC PLANTS ORIGIN, VOLUME, DELIVERED PRICE AND AS RECEIVED QUALITY

NO DELIVERES

I. REPORTING MONTH: 01/2005

University of Florida

24

FLORIDA POWER CORPORATION 2. REPORTING COMPANY:

3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA

SUBMITTED ON THIS FORM: DEBBIE PATTERSON. SBPA (919)546-4047

4. SIGNATURE OF OFFICIAL SUBMITTED REPORT:

7/05 Arna/// adens DONNA MASSENGILL

5. DATE COMPLETED: 3/16/2005

CONTROLLER, REGULATED COMMERCIAL OPERATIONS

LINE NQ.	PLANT NAME	SUPPLIER NAME	SHIPPING <u>POINT</u>	PURCHASE <u>TYPE</u>	DELIVERY LOCATION	DELIVERY DATE	түре ОЩ	SULFER CONTENT (95)	BTU CONTENT (Biw/gal)	VOLUME	DELIVERED PRICE (S/Bbi)
(1)	(b)	(c)	. (d)	(e)	(n)	(g)	(h)	(i)	(j)	(k)	(1)
20	Suwannee Steam Plant	TransMontaigne Product	F- TransMont Terminals, FL	MTC	FOB PLANT	1/2005	F06	0.98	154,533	1,359	\$39.0071
21	Suwannee Steam Plant	TransMontaigne Product	P- TransMont Terminals, FL	MTC	FOB PLANT	1/2005	PO6	0.98	154,533	13,836	\$39.0068
22	Turner Peakers	BP Amoco Oil	F- BP Tañ,FL	MTC	FOB PLANT	1/2005	PO2	0.37	138,195	9,641	\$57.6200
23	Turner Peakers	NO DELIVERIES									

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 1 & 2

SPECIFIED CONFIDENTIAL

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

						Effective	Total Transpor-	F.O.B.	A	Received	Coal Qu	ality
Linė No.	Supplier Name	Mine Location	- Purchase Type	Franspor- tation Mode	Tons	Purchase · Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(1)	(j)	(k)	(1)	(m)
1	Consolidated Coal Sales	08, Ky, 119	MTC	UR	47,984 [,]			\$73.19	1.29	12,700	8.44	6.71
2	Consolidated Coal Sales	08, Ky, 133	MTC	UR	9,763 ·			\$73.60	1.13	12,934	7.69	6.18
3	Massey Coal Sales Company, Inc.	08, Ky, 195	MTC	UR	38,956			\$72.34	. 1.16	12,308	10.63	7.30
4	Massey Coal Sales Company, Inc.	08, Wv, 081	MTC	UR	9,554 ·			\$74.15	1.25	13,105	10.49	4.69
5	Progress Fuels Corporation	08, Ky, 193	S	UR	29,765			\$100.90	1.01	12,684	10.16	5.29
6	Progress Fuels Corporation	08, Ky, 193	S	UR	10,325 ·			\$100.01	0.94	12,287	10.53	6.82
7	B & W Resources, Inc.	08, Ky, 051	STC	UR	9,050			\$84.51	1.40	12,498	11.16	4.68
8	Sequola Energy, LLC	08, Ky, 095	STC	UR.	9,432			\$85.01	0.97	12,711	9.67	5.27
9	Transfer Facility	N/A	N/A	OB	34,554			\$51.94	0.85	11,966	7.83	11.62

FPSC FORM NO. 423-2A

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 1 & 2

SPECIFIED CONFIDENTIA

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

_ine No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Inc(Dec) (\$/Ton)	Base Price (\$/Ton)	Quality Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)
1.	Consolidated Coal Sales	08 , Ky , 119	MTC	47,984		\$0.00		\$0.00			
2	Consolidated Coal Sales	08, Ky, 133	MTC	9,763		\$0.00		\$0.00			
3	Massey Coal Sales Company, Inc.	08, Ky, 195	MTC	38,956 [°]		\$0.00		[·] \$0.00			
4	Massey Coal Sales Company, Inc.	08,Wv, 081	MTC	9,554		\$0.00		\$0.00			
5	Progress-Fuels Corporation	08 , Ky , 193	S	29,765		\$0.00		\$0.00			
6	Progress Fuels Corporation	08, Ky, 193	S	10,325		\$0.00		\$0.00			
7	B & W Resources, Inc.	08,Ky,051	STC	9,050		\$0.00		\$0.00			
8	Sequola Energy, LLC	08,Ky,095	STC	9,432		\$0.00		\$0.00			
9	Transfer Facility	N/A	N/A	34,554		\$0.00		\$0.00		ilinere e	hallburger

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FPSC FORM NO. 423-2B

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1, Report for: Mo. January 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 1 & 2

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donne M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

								Additional									
							Effective	Shorthaul		Other	River	Trans-	Ocean	Other	Other	Transpor-	F.O.B.
					Transpor-		Purchase	& Loading	Rail	Rall	Barge	loading	Barge	Water	Related	tation	Plant
	ine	•	Mine	Shipping	tation		Price	Charges	Rate	Charges	Rate	Rate	Rate	Charges	Charges	Charges	Price
ļ	0.	Supplier Name	Location	Point	Mode	Tons	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)
	(a)	(b)	(c)	(d)	(8)	(f)	(g)	(h)	(i)	(i)	(k)	(1)	(m)	(n)	(0)	(p)	(q)
	1	Consolidated Coal Sales	08,Ky,	119 Knott, Ky	UR	47,984		N/A		human	N/A	N/A	N/A	N/A	N/A		\$73.19
	2	Consolidated Coal Sales	08,Ky,	133 Letcher, Ky	UR	9,763	Honnand	N/A	Dogenood	hannasal	N/A	N/A	N/A	N/A	N/A	Personal States	\$73.60
	3	Massey Coal Sales Company, Inc.	08,Ky,	195 Pike, Ky	UR	38,956	GODINE	N/A	100000000	10000-	N/A	N/A	N/A	N/A ·	N/A	COOP CO.	\$72.34
	4	Massey Coal Sales Company, Inc.	08,Wv,	081 Pike, Ky	UR	9,554	Reconstruction	N/A	Danasaaa		N/A	N/A	N/A	N/A	N/A	инянные	\$74.15
	5	Progress Fuels Corporation	08,Ky,	193 Perry, Ky	UR	29,765		N/A	Hongonad	PRIMIPH	N/A	N/A	N/A	N/A	N/A		\$100.90
	6	Progress Fuels Corporation	08, Ky,	193 Perry, Ky	UR	10,325		N/A	hananara	1000	N/A	N/A	N/A	N/A	N/A	000000	\$100.01
	7	B & W Resources, Inc.	08, Ky,	051 · Perry, Ky	UR	9,050	1000000-0	N/A		10000040	N/A	N/A	N/A	N/A	N/A	Harapoort	\$84.51
	8	Sequola Energy, LLC	08, Ky,	095 Perry, Ky	UR	9,432	printing and	N/A		000000	N/A	N/A	N/A	N/A	N/A	a di face de la constante	\$85.01
	9	Transfer Facility	N/A	Plaquemines Parrish, La	OB	34,554		· N/A			N/A	N/A	N/A	N/A	N/A		\$51 . 94

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FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES

1. Report for: Mo. January 2005

2. Reporting Company: Florida Power Corporation

3. Plant Name: Crystal River 1 & 2

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- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

ine Io.	Month Reported	Form Plant Name	intended Generating Plant	Supplier	Original Line Number	Old Volume (tons)	Form No.	Column Title	Old Value	New Value	New F.O.B. Plant Price	Reason for Revision
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(1)	(m)
1	12/04	CR1&2	CR1&2	Consolidated Coal Sales	2	57,183	2A	(k) Quality Adjustments			\$ 52.41	Quality Adjustment
2	10/04	CR1&2	CR1&2	Consolidated Coal Sales	3	54,469	2A	(k) Quality Adjustments	Intrase		\$ 51.86	Quality Adjustment
3	05/04	CR1&2	CR1&2	Central Appalachian Mining, former	ty 1	44,588	2A	(k) Quality Adjustments	in the second	\$	\$ 55.08	Quality Adjustment
4	06/04	CR1&2	CR1&2	Central Appalachian Mining, former		38,935	2A	(k) Quality Adjustments	Distances -	5	\$ 55.46	Quality Adjustment
5	07/04 -	CR1&2	CR1&2	Central Appalachian Mining, former	-	86,612	2A	(k) Quality Adjustments		\$	\$ 54.58	Quality Adjustment
6	08/04	CR1&2	,CR1&2	Central Appalachian Mining, former	1, 1	73,613	2A	(k) Quality Adjustments	annound.	\$	\$ 55.16	Quality Adjustment
7	09/04	CR1&2	CR1&2	Central Appalachian Mining, former	ty 1	29,132	2A	(k) Quality Adjustments	and the set	S	\$ 56.17	Quality Adjustment
8	09/04	CR1&2	CR1&2	Central Appalachian Mining, former	1, 2	27,188	2A	(k) Quality Adjustments			\$ 83.67	Quality Adjustment
9	10/04	CR1&2	CR1&2	Central Appalachian Mining, former		29,589	2A	(k) Quality Adjustments		S Baardoore	\$ 54.40	Quality Adjustment
10	10/04	CR1&2	CR1&2	Central Appalachian Mining, former	ty 2	19,207	2A	(k) Quality Adjustments	Descent of		\$ 81.25	Quality Adjustment
11	11/04	CR1&2	CR1&2	Central Appalachian Mining, former	iy 1 -	60,072	2A	(k) Quality Adjustments	and an and a second second	\$	\$ 54.77	Quality Adjustment
12	11/04 ·	CR1&2	CR1&2	Central Appalachian Mining, former	1, 2	9,847	2A	(k) Quality Adjustments		\$ 	\$ 80.77	Quality Adjustment

PSC FORM NO. 423-2

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

. Report for: Mo. January 2005

- :. Reporting Company: Florida Power Corporation
- . Plant Name: Crystal River 4 & 5

SPECIFIED ONFIDENTIAL

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

						Effective	Total Transpor-	F.O.B.	A	Received	Coal Qu	ality
ne o.	Supplier Name	Mine Location	Purchase Type	Franspor- tation Mode	- Tons	Purchase Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	()	(k)	(1)	(m)
1	Central Appalachian Mining, formerly	08,Ky, 195	MTC	UR	39,225 ·		Juna Baracon	\$72.76	0.68	12,511	10.20	6.74
2	Massey Coal Sales	08, Wv, 005	MTC	UR	15,118 •			\$72.02	0.71	12,218	12.99	6.74
3	Progress Fuels Corporation	08,Ky, 119	STC	UR	18,948 ·	Powerser		\$87.87	0.73	12,558	9.68	6.07
4	Massey Coal Sales	08, Wv, 005	MTC	UR	15,420 -		10000000	\$84.77	. 0.69	12,296	12.54	6.53
5	Transfer Facility	N/A .	N/A	OB	117,625	Presettingunge		\$54.76	0.68	12,418	8.28	8.87
6	Transfer Facility	N/A	N/A	OB	15,062	and the second sec		\$44.77	0.60	11,764	4.74	11.85

FPSC FORM NO. 423-2A

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 4 & 5

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

_ine No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Inc(Dec) (\$/Ton)	Base Price (\$/Ton)	Quallty Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(C)	(d)	(8)	(f)	(g)	(h)	(i)	(j)	(k)	(I)
1	Central Appalachian Mining, formerly	08 , Ky , 195	MTC	39,225		\$0.00		\$0.00	Dissurger		
2	Massey Coal Sales	08,Wv, 005	MTC	15,118	hannond	\$0.00	bittanasana	\$0.00	Indogood		
3	Progress Fuels Corporation	08, Ky, 119	MTC	18,948	Burnant	\$0.00	Distance of the local	\$0.00	honometer		
4	Massey Coal Sales	08,Wv, 005	MTC	15,420	and the second second	\$0.00	Destinant.	\$0.00		tikitikan d	
5	Transfer Facility	N/A	N/A	117,625	Harmon	\$0.00		\$0.00		Conceptore and Concep	200000
6	Transfer Facility	N/A	N/A	15,062		\$0.00		\$0.00			

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. January 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 4 & 5

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

_ine No.	Supplier Name	Mine Location	Shipping Point	Transpor tation Mode	r- Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	, Rail	Olher Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans- ioading Rate (\$/Ton)	Barge Rete	Olher Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transpor- tation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(C)	(d)	(0)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)	(n)	(o)	(p)	(q)
1	Central Appalachian Mining, forme	08,Ky,	195 Pike, Ky	UR	39,225		N/A	daganan an		N/A	N/A	N/A	N/A	N/A		\$72.76
2	Massey Coal Sales	08,Wv,	005 Boone, Wv	UR	15,118	Danara	N/A		vacaaat	N/A	N/A	N/A	N/A	N/A		\$72.02
3	Progress Fuels Corporation	08, Ky,	119 Pike, Ky	UR	18,948		N/A	bananaot	Boomme	N/A	N/A	N/A	N/A	N/A		\$87.87
4	Massey Coal Sales	08,Wv,	005 [°] Boone, Wv	UR	15,420	Danmanner	N/A		00000000	N/A	N/A	N/A	N/A	N/A		\$84.77
5	Transfer Facility	N/A	Plaquemines, P	a OB	117,625		≦ N/A			N/A	N/A	N/A	N/A	N/A		\$54.76
6	Transfer Facility	, N/A	Mobile, Al	OB	15,062		N/A			N/A	N/A	N/A	N/A	N/A		\$44.77

FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES

- 1. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 4 & 5

SPECIFIED CONFIDENTIAL

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

ii \/(ne D.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier	Original Line Number	Old Volume (tons)	Form No.	Column Title	Old Value	New Value	New F.O.B. Plant Price	Reason for Revision	-
((a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	())	(k)	(I)	(m)	
	1	12/04	CR4&5	CR4&5	Asset Management Group	5	17,884	2A	(k) Quality Adjustments		5	\$ 63.69	Quality Adjustment	
	2	11/04	CR4&5	CR4&5	Alliance Coal Sales Corp.	2	47,125	2A	(k) Quality Adjustments		\$	\$ 53.44	Quality Adjustment	
	3	12/04	CR4&5	CR4&5	Virginia Power Marketing, Inc.	3	9,878	2A	(k) Quality Adjustments		\$	\$ 52.69	Quality Adjustment	
	4'	05/04	CR4&5	CR4&5	Central Appalachian Mining, former	ly 1	29,557	2A	(k) Quality Adjustments	-	\$ 	\$ 53.68	Quality Adjustment	
	5	06/04.	CR4&5	CR4&5	Central Appalachian Mining, former	iy 1	49,366	2A	(k) Quality Adjustments		\$	\$53.92	Quality Adjustment	
	6	07/04	CR4&5	CR4&5	Central Appalachian Mining, former	ly 1	29,184	2A	(k) Quality Adjustments		\$	\$ 52.98	Quality Adjustment	
	7	08/04	CR4&5	CR4&5	Central Appalachian Mining, former	ly 1	57,225	2A	(k) Quality Adjustments		\$	\$ 53.44	Quality Adjustment	
	8	09/04	CR4&5	CR4&5	Central Appalachian Mining, former	ly 1	19,462	2A	(k) Quality Adjustments		\$	\$ 54.25	Quality Adjustment	
	9	10/04	CR4&5	CR4&5	Central Appalachian Mining, former	ly 1	39,626	2A	(k) Quality Adjustments		S	\$ 52.74	Quality Adjustment	
	10	11/04	CR4&5	CR4&5	Central Appalachian Mining, former	ly 1	49,803	2A	(k) Quality Adjustments			\$ 52.96	Quality Adjustment	

FPSC FORM NO, 423-2

5

MONTHLY REPORT OF COST AND QUÀLITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

Donna M. Davis, Director - Regulatory & Adm. Service

						Effective	Total Transpor-	F.O.B.	As	Received	i Coal Qu	ality
ine lo.	Supplier Name	Mine Location	Purchase Type	Transpor- tation Mod e	Tons	Purchase Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)	(m)
1	Drummond Coal Sales, Inc.	25,IM, 999	S	GB	14,924 •			\$40.50	0.60	11,764	4.74	11.85

FPSC FORM NO. 423-2A

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. January 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffle Coal Terminal



- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

1

Donna M. Davis, Director - Regulatory & Adm. Services

.ine √o.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Increases (\$/Ton)	Base Price (\$/Ton)	Quality Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)	
1	Drummond Coal Sales, Inc.	25 . IM , 999	S	14,924		\$0.00		\$0.00				

FPSC FORM NO. 423-2B

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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- I. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
-). Plant Name: McDuffie Coal Terminal

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services 1~ 5

6. Date Completed: March 15, 2005

ne	· · ·	Mine	- Shipping	Transpor tation	-	Effective Purchase Price		l Rail	Other Rail Charges	Barge	loading	Ocean Barge	Water	Other Related	Transpor- tation Charges	F.O.B. Plant
).	Supplier Name	Location	Point	Mode	Tons				(\$/Ton)			(\$/Ton)	(\$/Ton)	(\$/Ton)	Charges (\$/Ton)	Price (\$/Ton)
3)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(!)	(m)	(n)	(0)	(p)	(q)
1	Drummond Coal Sales, Inc.	25, IM, 999	Cartagena, Col	GB	14,924		N/A	N/A	N/A	N/A		N/A	N/A	N/A	discount of	\$40.50

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FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES

1. Report for: Mo. January 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

SPECIFIED (727) & CONFIDENTIAL 5. Signat

 Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627 4

5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

Month Reported	Form Plant Name	Intended Generating Plant	Supplier	Original Line Number	Old Volume (tons)	Form No.	Column Title	Old Value	New Value	New F.O.B. Plant Price	Reason for Revision	-
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(I)	(m)	
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	Reported (b)	Month Plant Reported Name (b) (c)	Month Plant Generating Reported Name Plant (b) (c) (d)	Form Intended Month Plant Generating Reported Name Plant Supplier (b) (c) (d) (e)	FormIntendedOriginalMonthPlantGeneratingLineReportedNamePlantSupplierNumber(b)(c)(d)(e)(f)	Form Month ReportedIntended Generating PlantOriginal Line Volume (tons)(b)(c)(d)(e)(f)(g)	Month ReportedForm PlantIntended Generating PlantSupplierOriginal Line NumberOld Volume (tons)Form No.(b)(c)(d)(e)(f)(g)(h)	Month ReportedPlant Generating PlantSupplierOriginal Line NumberOld Volume (tons)Column Title(b)(c)(d)(e)(f)(g)(h)(i)	Form Nonth Intended Generating Original Supplier Old Line Volume (tons) Form No. Column Value (b) (c) (d) (e) (f) (g) (h) (i)	Month PlantIntended GeneratingOriginal SupplierOld 	Form Intended Generating Original Line Old Form Column Old New F.O.B. Reported Name Plant Supplier Number (tons) No. Title Value Value Price (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (j)	Form Intended Original Old F.O.B. Month Plant Generating Line Volume Form Oolumn Old New Plant Reason for Reported Name Plant Supplier Number (tons) No. Title Value Value Price Revision (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (i) (m)

FPSC FORM NO. 423-2

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility IMT

SPECIFIED CONFIDENTIAL

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

						Effective	Total Transpor-	F.O.B.	As	Received	Coal Qua	ality
.ine Io,	Supplier Name	Mine Location	٦ Purchase Type	ranspor- tation Mode	Tons	Purchase Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(1)	(m)
1	Central Coal Co.	08, Wv, 39	S	В	5,908 '			\$58.47	0.65	12,600	9.26	7.70
2	Central Coal Co.	08,Wv, 39	S	В	1,693 י		1,012,000,05	\$54.31	0.65	12,243	11.90	7.81
3	Central Coal Co.	08, Wv, 39	STC	B ·	1,762 /	7-0-5- C		\$62.25	0.64	12,571	10.26	6.98
4	Progress Fuels Corporation	08,Wv 39	S S	В	22,902	and a second		\$50.50	0.61	12,257	12.15	7.45
5	Progress Fuels Corporation	08,Wv, 39	_S	В	9,377	00000000	bonnon.d	\$51.00	0.61	12,257	12.15	7.45
6	Progress Fuels Corporation	08,Wv, 39	STC	В	11,576	booning		\$67.49	0.44	11,871	6.68	10.98 ⁻
7	Guasare Coal Sales	50, IM, 999	S	GB	47,561	modelegion		\$41.84	0.68	12,905	6.67	6.85
8	Emerald International Corp	10,IL, 055	S	GB	3,623			\$55.00	0.86	11,926	7.74	11.94

FPSC FORM NO. 423-2A

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. January 2005

2. Reporting Company: Florida Power Corporation

£

3. Plant Name: Transfer Facility - IMT

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

1	ne 5. Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Inc(Dec) (\$/Ton)	Base Price (\$/Ton)	Quality Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)
9	i) (b)	(C)	_ (d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)
	1 Central Coal Co.	08,W∨, 39	S	5,908 ·		\$0.00		\$0.00			
	2 Central Coal Co.	08, Wv, 39	S	1,693 •		\$0.00		\$0.00	R-manner B	harmon	370thubbourd
	3 Central Coal Co.	08,Wv, 39	STC	1,762 •	Bill Conserved	\$0.00		\$0.00	90000000		A DESCRIPTION OF THE PARTY OF T
	4 Progress Fuels Corporation	08, Wv, 39	S	22,902 '	Constitution of	\$0.00	e-cooceda	\$0.00		(PASTO PASTO	in the second
	5 Progress Fuels Corporation	08, Wv, 39	S	، 9,377	Places and a	\$0.00	SISTER BURGE	\$0.00	joettina _s fii	promo _{ran} e.	1933. Augusta
	3 Progress Fuels Corporation	08, Wv, 39	STC	11,576 [,]	Barroward	\$0.00	Direction (Spinsor	\$0.00	Descalations, 4		2000000
	7 Guasare Coal Sales PO	50, IM, 999	S	47,561		\$0.00		\$0.00	and the second sec	000004	000000
	Emerald International Corp	10, IL, 55	S	3,623		\$0.00	bellander.	\$0.00			

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FPSC FORM NO. 423-2B

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. January 2005

2. Reporting Company: Florida Power Corporation

3. Plant Name: Transfer Facility - IMT

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

ine 0.	Supplier Name	Mine Location	Shipping Point	Transpor- tation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthau! & Loading Charges (\$/Ton)	Rall Rate (\$/Ton)	Other Rall Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans- loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transpor- Ialion Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	_(k)	(1)	(m)	(n)	(D)	(p)	(q)
1	Central Coal Co.	08,Wv,	39 Kanawha,Wv	B	5,908		N/A	N/A	N/A	90000000		N/A	N/A	. N/A		\$58.47
2	Central Coal Co.	08, Wv,	39 Kanawha,Wv	В	1,693	-uppergraph	N/A	N/A	N/A			N/A	N/A	N/A		\$54.31
3	Central Coal Co.	08, Wv,	39 Kanawha,Wv	В	1,762	Discreto conve	N/A	N/A	N/A	9		N/A	N/A	N/A	pagare, (\$62.25
4	Progress Fuels Corporation	08 , Wv ,	39 Kanawha,Wv	В	22,902	1999999999	N/A	N/A	N/A		ftranna í	N/A	N/A	N/A		\$50.50
5	Progress Fuels Corporation	08, Wv,	39 Kanawha,Wv	8	9,377		N/A	N/A	N/A [·]			N/A	N/A	N/A	Decheskowyn _e , a	\$51.00
6	Progress Fuels Corporation	08, Wv,	39 Mt. Vernon, It	В	11,576		N/A	N/A	N/A	7-000sr.9		N/A	N/A	N/A	jundhan-1	\$67.49
7	Guasare Coal Sales	50, M, 9	99 Maracaibo, VZ	GB	47,561		N/A	N/A	N/A		04400-0	N/A	N/A	N/A		\$41.84
8	Emeraid international Corp	10, IL,	55 Maracaibo, VZ	GB	3,623		N/A	N/A	N/A			N/A	N/A	N/A		\$55.00

FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES

- 1. Report for: Mo. January 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility IMT



- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: March 15, 2005

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier	Original Line Number	Old Volume (tons)	Form No.	Column Title	Old Value	New Value	New F.O.B. Plant Price	Reason for Revision	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)	(m)	•
1 2 3 4 5 6 7	12/04 11/04 11/04 12/04 12/04 12/04 12/04	Transfer Transfer Transfer Transfer Transfer	Facility-IMT Facility-IMT Facility-IMT Facility-IMT Facility-IMT Facility-IMT Facility-IMT	Guasare Coal Sales Corp. Guasare Coal Sales Corp. Guasare Coal Sales Corp. Progress Fuels Corporation Progress Fuels Corporation Central Coal Co. Keystone Coal Company	8 7 8 6 7 1 4	46,990 9,879 135,592 31,916 5,973 9,005 9,236	2A 2A	 (k) Quality Adjustments 			 \$ 42.33 \$ 44.02 \$ 42.41 \$ 49.45 \$ 50.44 \$ 57.01 \$ 56.31 	Quality Adjustment Quality Adjustment Quality Adjustment Quality Adjustment Quality Adjustment Quality Adjustment Quality Adjustment	
8	07/04		Facility-IMT	Peabody Coal Trade	1	26,232		(k) New Value		3	\$ 30.61	Quality Adjustment	

Docket No. 050001-EI Deposition: A.W. Pitcher October 21, 2005 Late-filed Exh. No. 8

CONFIDENTIAL

Spot Bids and related documentation associated with spot purchase from PFC shown on Form 423 for January, 2005

MUNIFILT SPUT OFFERS 3rd Quarter 2004 Crystal River Units 1 & 2

			-							
A	B	C	D	PAGE 1 OF 1	<u> </u>	G	H	I.	<u>_</u>	
BID					TRANSP.		SPECS			
SUBMITTED	SUPPLIER	TERM	TONS	PRICE	MODE	Ash	SULFUR	Βτυ	ACTION TAKEN	
07/17/04	Giencore (Poland)	August/September 2004	50,000		CIF IMT	14%	.75%	11,800	Rejected	1
07/27/04	Emerald Coal	September-December 2004	170,000		FAS IMT	8.5%	1.05%	12,000	Rejected	2
07/27/04	Emerald Coal	September	50,000		FAS NOLA	7-9%	.78%	11,600	Russian Coal—Rejected	3
08/05/ 04	United Power, Inc.	OctoberDecember 2004	60,000		Rail	10%	1 %	12,500	Rejected. No Requirements.	4
08/05/04	United Power, Inc.	January—December 2005	240,000		Rail	10%	1%	12,500	Rejected due to uncertainty of market pricing.	50
08/17	Progress Fuels Corporation—M&T	January 2005— December 2006	15,000/Mo. (360,000)		River Barge	13.5%	2.0LB	12,000	Synfuel w/option to ship coal if required Rejected—Ash	7
08/27	Alliance Coal, LLC/GCC County Coal, LLC	January—December 2005	100,000		River Barge	7%	1.5LB	11,500	Rejected—Quality	8
09/01	Evolution Carbon	October & December 2004	70,000MT +/-10%		CIF IMT	10%	.9%	12,800	Rejected-Price	9
	Central Appalachian Mining LLC	September 2004	30,000		Railcar	12%	.9% Min 1.2% Max	12,500	Accepted	10
	Progress Fuels CorporationM&T	September 2004 March 2005	30,000/Mo. 210,000		Railcar	12%	1.6LB	12,200	Accepted	u
09/23	Emerald International Corporation	September 2004	32,000		FOB IMT	10%	2.0LB	11,800	Accepted	12
	Central Appalachian Mining LLC	October 2004	20,000		Railcar	12%	.9% Min 1.2% Max	12,500	Accepted	13

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	A	B	C	D	E	F										- 1 (). (* 1 Passart)	an a	The state	Date of the set	Water a Day of the		an or annes	1	
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	ubmission Date	All of the second se	There is	Ortoin	A TONE	teo.	850 S		Q: 13	2051	Suru	BEL	Moletin	T V61	iii G	802	Cost/st	Codes	Cost 1/st	CORF S/M	Cost Val	Cost SIM	ACTIONTAKEN	Notes and a second secon
٦ [07/30/04	Emerald	5ep 04	Russia	50,000		IMT	\$10.70		9.00%			11.00%		50	1,38	-\$0.30	SBM	\$88.70	3.823	\$88.40	\$3,61	Rejected -	
zĺ	07/30/04	Emeraid	sep-dec 04	IMT	42,500		IMT	\$10.70	\$0.00	8.50%	1.05%	12,000	11.50%	32.00%	45	1,75	-\$0.09	SM	\$68.20	2.842	\$68.11	\$2.84	Rejected	
31	06/17/04	United Power	0404-05	CSX Har	10,000		CSX	\$16.82	\$1.75	10.00%	1.05%	12,500	9.00%	30.00%	40	1.58	\$4.01	sv	\$80.57	3.223	\$84.58	\$3.38		Note SO2 terms
4	08/15/04	PFC	1/05-12/06	Big Sandy	15,000		Gulf	\$13.81	\$0.00	13,50%	1.20%	12,000	9.00%	31.00%	45	2.00	\$1.58	AS	\$89.56	2.898	\$71.14	\$2.96	Rejected	Aeh
5[08/27/04	Atliance	05	IN	8,000		Gulf	\$15.05	\$0.00	7.00%	0.85%	11,500	15.00%	32.20%	50	1.50	-\$0.23	SBM	\$64.05	2.785	\$63.82	\$2.77		Quality
6	09/01/04	Evolution	oct & nov 04	Russia/IMT	38,500		Guiff	\$10.70	\$0.00	10.00%	0.90%	12,800	8.00%		- 50	1,41	-\$1.22	5	\$92.80	3.625	\$91.58	\$3.58	Rejected	Price
7		PFC	Sep 04-Mar 05	CSX EKH	210k total		RL	\$18,02	\$1.75	10.00%			8.00%		42	1.64	-\$0.33	- <u>s</u>	\$81.77	3,351	\$81,44 \$82,07	\$3.34 \$3.28	Accepted	Purchased all available tons
8		GAN	Sep 04	Damron	30,000		RL	\$16,95	\$1.75	10.00%	1.00%	12,500	8.00%		42		-\$0.63		\$80.20	3,396	\$82.07	\$3.42	Accepted	FOB Dixle Barge - Check Freight
9	09/23/04	Emerald	Immediate	32k IMT	32,000		Gulf	\$10.70		10.00%	1			32.00%	45	1.69	\$0.47 -\$0.63	SM	\$82.05	3.282	\$81,42	\$3.25	Accepted	FOD Dure Dailye - Check Freight
10		CAM	Oct 04	Damron	20,008	1	RL	\$16,95	\$1.75	10.00%	1.00%	12,500	8,00%	34.00%	42	1.60	-90.03				-			
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PROGRESS FUELS CORPORATION

Monthly Spot Offer Analysis CR12 Quarter 3 - 2004

12500 12200 63.52459

CR 12 Economics Same Specifications Anh Sultur Btu Molet Vol HGI Nueva Latra State Latra 31.4% et

IFG2 Price \$359

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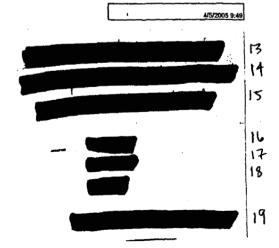
Relicar costs changed to 1.52 per email from DMD 1/16/04

62

SO2 costs raised to 215/lon for 04*

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Sept A Rail Bits (2 cm, 1 me) 11 12500 basis (2 cm, 1 me) 12 12200 basis (2 cm)



CENTRAL APPALACHIA MINING LLC

10 9-17-04 XC: RFP

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September 16, 2004

Mr. A.W. Pitcher Vice President – Coal Procurement Progress Fuels Corporation 200 Central Avenue St. Petersburg, FL 33701

RE: Amendment to January 1, 2002 (Alpha) Contract

Dear Mr. Pitcher:

In regards to our recent telephone conversations, it has been agreed upon that Central Appalachia Mining LLC (CAM) will ship (3) three additional spot trains to you the second half of September, 2004 (approximately 30,000 tons). The trains will be shipped from our Damron Fork CSX Operation and specifications, terms and conditions of the January 1, 2002 Alpha agreement will remain in effect for these (3) three trains.

The agreed upon price is **TFOB** Railcar and please let this letter serve as an official confirmation of this order. If you should have any questions or comments concerning this, please feel free to give me a call, or we can correspond by email.

Sincerely,

Mike Goff

Mike Goff V P Sales

> 116 Main St. – P.O. Box 1169 Tele 606/432-3900 ext 306 Fax 606/432-0031 Pikeville, KY 41502

•	•	United Po		. (Coal &	16-Sep-04 Emission			bicoal.com	•	<u>Coat Desk</u> Ian Taosail	@ 203-762-8	1493	Emissions Desk	240 9200		•
			Nymex loc	B	C	D	E	_		H	<u>T</u>	J	Tom Gibson @ 28	-340-8300 M		-
•		Delivery	Bid - Asl		Last	Date	•	CSX-BSK		- ··		7	PRB 5800		N	
	l Z	Oct]		ik Range	Last	Date		Bid - Ask Range	Last	Date 13-Aug	1
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	10	Sep-Dec	CSX	12000	1.2	Last	Date 22-Jul	ר	SO2 Spot	Bid	Ask		Nymex look-allke		an a	
	11	Nov-Mar	CSX	12500	1.2		12-Aug	1	NOx	1 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1			Q1 trades			
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	13	Q1 05 Sept	NS NS	12500	1.6		23-Aug	4.	2005					-		
	15	Q4 04	Mon Rvr	13000	4.0/5.0		20-Aug 1-Sep	{ .	2006			•	CSX Rail			
	16	Q4 04	MGA	13000	. 3.0/3.4		8-Sep	1	2007				Q3 05 trades 56.5) , , ,	•	
	17	CY 05	PRB 84	8400	0.8		24-Aug]. ·		ا می اور						. .
			Additional	Market Acth	vitv				÷		*			· · ·		
	·	Delivery	Origin	Btu	#\$02	Mo. Qnty	Bid	Ask	in the second				PRB 8800	·	•	l
	18	Sep	Nymex	12000	1.7	15k]		1 - F		Q1 6.25 / 6.65			
	19	Oct Oct/Q4	NS	12500	1.6	10k				÷.				i.		1
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		<u>Vaughn's Vi</u>				OVIDED DV U	inited to 92	isist in mari	ting coals to	<u>t market</u>						
ŝ,	1	PRB Coal Origin	15-Sep-04 Btu	#502	1	Prompt	PM + 1	PQ	PQ+1	PQ+2	PQ + 3	PQ + 4				
•	23	BNSF / UP	8800	0.8		Oct	Nov	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05	CYO	5 .CY 06	CY 07 .	ĺ
	24	BNSF / UP	8400	0.5					Ĉ							
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	ļ	Origin	Btu	#SO2		Oct	Nov	Q4 04	Q1 05	92.05	Q3 05	04.07	1			 1
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	26	Nym LAL	12000	1,6								Ê				
	27	CSX-BSK	12500	1.2												
	28	CSX-BSK	12500	1.6												k .
	29	NS-TIK	12500	1.2												1
	30	NS-T/K	12500	1.6	<u>ا</u>											
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	41	Origin	Btu	#502		Oct	Nov	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05	CYO	S CY DE	CY 07 .	i
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	35	L. OH Rvr	12000	2.0		Oct	Nov	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05	CYO	CY OF	CY 07 .	
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Evolution Express Price Report as of 09/16/04

Generated September 16, 2004, 4:59 pm for: al.pitcher@progressfuels.com source: http://www.evomarkets.com

Coal Markets as of 09/16/04 PRB8400 prices C K L NS <1% prices \mathcal{D} CSX <1% prices H E T T or Chiles "Citte CELE-باللنهدا أجا Water Street C. Cuit-le Sep'04 Sep'04 9/1/04 Sep'04 Q4704 8/4/04 Oct 04 Oct'04 23450 Cal'05 6/29/04 Q4'04 9/14/04 Q4'04 Cal'06 Q105-Q205 6/23/04 01'05 Q1'05 9/13/04 PRB8800 prices Q2'05 Q2'05 7/20/04 Q3'05 Conter's v - Elder (cut) of the state Q3'05-Q4'05 7/20/04 Q4'05 7 Q3'05 Sep'04 9/16/04 8/13/04 Cal'05 Oct'04 Q4'05 9/8/04 Cal'08 9 Cal'05 Q404 9/14/04 9/1/04 10 Cal'06 Cal'05 NS 1.2# prices 7/27/04 9/9/04 11 Cal'06-Cal'07 7/27/04 12 ALL STOL THE CSX 1.2# prices Cal'06 7/27/04 1311 Q4'04 Cal'07 7/27/04 and the state of the second Call05 Aug'04-Sep'04 NYMEX prices 2 IQuir≫ would 1 1 1 CEUS Sep'04 9/2/04 16 Oct'04 Q404 9/13/04 18 Q1'05-Q2'05 9/3/04 Q105 9/16/04 Q2'05 9/7/04 Q3'05-Q4'05 21 22 8/31/04 Q3'05 23425 Q4'05 Cal'05 9/3/04 Ca!'08 9/9/04 26 NAPP coal CAPP coal

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Evolution Markets LLC and its suppliers believe the information or data contained herein was obtained from reliable sources. Nevertheless, Evolution Markets LLC does not guarantee the securacy and/or the completeness of the information or data included herein, to you or to any other person or entity, and evolution Markets LLC shall have no lability for any errors or omissions with respect to such information or data, to the information or data included herein, by you or to any other person or entity, and expressly disclaimed and the antibies of the information or data included herein. Without limiting any of the foregoing, in no event shall Evolution Markets LLC have any lability for any server or omissions with respect to such information or data, without limiting any of the foregoing, in no event shall Evolution Markets LLC have any lability for any special, punitive, indirect, or consequential damages (including lost the following; (1) any information or data contributed directly by Evolution Markets LLC shall be identified as "Evolution Markets LLC have any lability for any special, punitive, indirect, or consequential damages (including lost the following; (1) any information or data contributed directly by Evolution Markets LLC shall be identified as "Evolution Markets data," and (2) any information or data contributed by a third party shall be identified as "Evolution Markets data," and (2) any information or data contributed by a third party shall be identified as "Evolution Markets data," and (2) any information or data contributed by a third party shall be identified as "Evolution Markets data," and (2) any information or data contributed by a third party shall be identified as "Evolution Markets data," and (2) any information or data contributed by a third party shall be identified as "Evolution Markets data," and (2) any information or data contributed by a third party shall be identified as "Evolution Markets data," and (2) any information or data contributed by a third party shall be identified as

EVOLUTION MARKETS LLC, 10 Bank Street, White Plains, NY 10606, Phone: (914) 323 0200, Fax: (914) 328 3701

Cont Type PRE High PRE Low PMMEXLAL Big Sandy River Low Blu Compliance CSX High Blu Low Sulfur NS High Blu Compliance NS	
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	Coal Type Btu / Lb	PRB High 8800	PRB Low 8400	NYMEX LAL 12000	[Big Sandy Riv	er Low Btu 12000	Compliance	CSX High Btu 1250		CSX Hig	h Btu Low Sulfur 12500	NS High Blu (1250		NS High Blu Lo 12500	
	LbSO2 / mmBtu	0.8	0.8	1.6			1.2		1.2			1.6	1.2	2	1.6	
	FOB	Rait	Rail	Barge			Barge		Rai	1		Rail	Rai	1	Rail	
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			Normem Appaig	achia		Illinois	Basin	Rocky Mo	untains
	Coal Type	Mon River Low Sulfur		Mon River High Sulfur	Ohio River			Colo High Btu	Colo Low Btu
	Btu / Lb	13000	13000	13000	12200	12000	12000	11900	11300
	LbSO2 / mmBtu	3.2	4.2	4.4	6	2.5	5	0.9	0.9
	FOB	Rail	Rail	Barge	Barge	Barge	Barge	Rail	Rail
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Coal Type	Mon River Low Sulfur	Mon River High Sulfur	Mon River High Sulfur	Ohio River	High Btu Low Sulfur	High Btu High Sulfur	Colo High Btu	Colo Low Blu
Btu / Lb	13000	13000	13000	12200	12000	12000	11900	11300
LbSO2 / mmBtu	3.2	4.2	4.4	6	2.5	5	0. 9	0.9
FOB	Rail	Rail	Barge	Barge	Barge	Barge	Rail	Rail
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M. P.N. Mob E-F-3 -3900 ŕl

RUN DATE: 9/13/2004

RUN TIME: 3:50:24 pm

FROM: 1/1/2004

FUELS MANAGEMENT SYSTEM PROGRESS FUELS CORPORATION

Page 1 of 29 **RPT-ID: MOPURCH**

PURCHASE SUMMARY BY SUPPLIER, MONTH, COAL TYPE

ТО: 9/13/2004

SUPPLIER NAME	MONTH	COAL TYPE	GULF	RAIL	TOTAL TONS PURCHASED	ACCUMULATED TONS PURCHASED	
AEP A Coal (Qker)	January	A	.00	46,860.61	46,860.61	46,860.61	
AEP A Coal (Qker)	February	Α	.00	29,533.91	29,533.91	76,394.52	
AEP A Coal (Qker)	March	Α	.00	27,220.89	27,220.89	103,615.41	
AEP A Coal (Qker)	April	Α	.00	28,971.14	28,971.14	132,586.55	
AEP A Coal (Qker)	May	Α	.00	44,587.84	44,587.84	177,174.39	
AEP A Coal (Qker)	June	Α	.00	38,934.61	38,934.61	216,109.00	
AEP A Coal (Qker)	July	Α	.00	86,612.17	86,612.17	302,721.17	
AEP A Coal (Qker)	August	Α	.00	73,612.72	73,612.72	376,333.89	
AEP A Coal (Qker)	September	A	.00	19,464.88	19,464.88 + 1 mo	395.798.77	

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Pitcher, Al (PFC)

From: Pitcher, AI (PFC)

Sent: Tuesday, October 19, 2004 11:43 AM

To: 'Mike Goff'

Subject: RE:

The market has slipped a little since last month. Current estimated market price per United and Henwood is approximately development. However, Evolution indicates a development price. Each of these is for a 1.6# SO2 coal. Your shipments usually are in the 1.60# SO2 ange. I would like to purchase the November train at the second second. Can this be done?

A. W. Pitcher /ice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C 3: Petersburg, FL 33701 Phone No. 727-824-6692 Fax No. 727-824-6691 -----Original Message---------Original Message-----From: Mike Goff [mailto:MGoff@centralappmining.com] Sent: Tuesday, October 19, 2004 8:49 AM To: Pitcher, Al (PFC) Subject:

Al, sorry it has taken me some time to get back to you, but it has been very hard getting some answers. Right now, I can offer you one more window trains at the same price of **Counter** to be shipped in November. There may be more and probably will be, but I have to go with what everybody has told me. Could you let me know if you want this please?

Thanks, Mike Goff

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Pitcher, AI (PFC)

From: Mike Goff [MGoff@centralappmining.com]

Sent: Tuesday, October 19, 2004 8:49 AM

To: Pitcher, AI (PFC)

Al, sorry it has taken me some time to get back to you, but it has been very hard getting some answers. Right now, I can offer you one a approx 1.1 more window trains at the same price **(and the set of t** to be shipped in November. There may be more and probably will be, but I have to

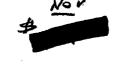
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Thanks, Mike Goff

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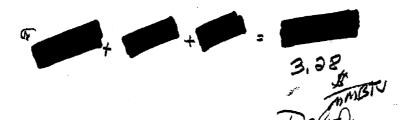


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Btu / Lb LbSO2 / mmBtu	8800 0.8	. 8400 0.8	1.6		1.2		1.2		1.6	1.2	1.6	
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Q3 05		-		13-Oct	1				24-Sep					17-Sep
Q4 05				13-Oct	1				15-Oct					17-Sep
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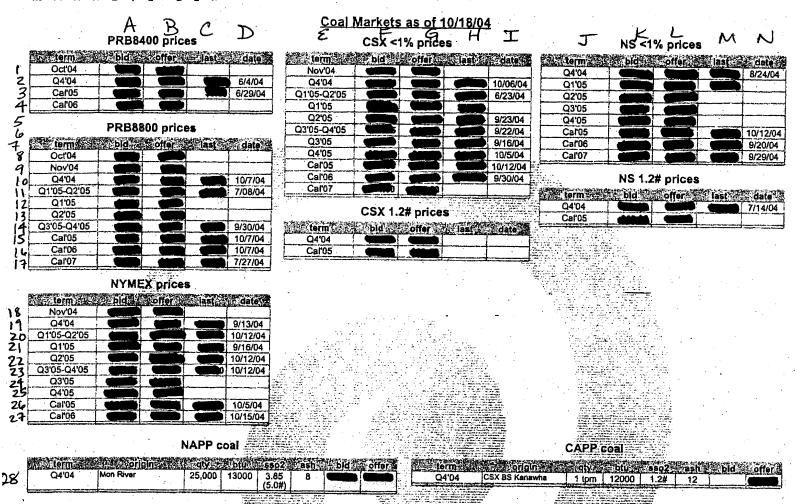
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Evolution Express Price Report as of 10/18/04

Generated October 18, 2004, 4:07 pm for: al.pitcher@progressfuels.com source: http://www.evomarkets.com



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Sent: Tuesday, October 19, 2004 10:43 AM To: Mike Goff Subject: RE:

The market has slipped a little since last month. Current estimated market price per United and Henwood is approximately \$62.10. However, Evolution indicates a \$5000 price. Each of these is for a 1.6# SO2 coal. Your shipments usually are in 1.60# SO2 range. I would like to purchase the November train at \$50000. Can this be done?

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A. W. Pitcher

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Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701 Phone No. 727-824-6692 Fax No. 727-824-6601 E-mail <u>al.pitcher@progressfuels.com</u> -----Original Message-----

From: Mike Goff [mailto:MGoff@centralappmining.com] Sent: Tuesday, October 19, 2004 8:49 AM To: Pitcher, Al (PFC) Subject:

Al, sorry it has taken me some time to get back to you, but it has been very hard getting some answers. Right now can offer you one more window trains at the same price of **Sectory** to be shipped in November. There may be mc and probably will be, but I have to go with what everybody has told me. Could you let me know if you want this please?

Thanks, Mike Goff



September 30, 2004

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Mr. Joseph B. Jefferson Director – Coal Sales Progress Fuels Corporation – Marketing & Trading Post Office Box 308 Ceredo, West Virginia 25507

ON ITS OWN BEHALF AND AS AgentFOR, DIAMOND MAY Coal Company; KANawha River Terminals, Inc.; Kentucky May Coal Company, Inc; and Powell Mountain Coal Company, Inc. (AD)

Dear Mr. Jefferson:

This letter will confirm Progress Fuels Corporation's (PFC) acceptance of your offer dated September 16, 2004, wherein PFC agrees to purchase approximately 210,000 tons (approximately 21 trains) of .9% to 1.2% "window" sulfur coal for ratable delivery during September 2004 through March 2005.

This coal 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" basis:

SPECIFICATION	GUARANTEE	REJECT
TONNAGE	210,000 Tons	
SIZE	2″ × 0″ 50% <¼″	>55%
<1/4" SO ₂	1.60#	>2.10#
SULFUR	.99%	10 59/
Ash	12.0%	>13.5%
MOISTURE	9.0%	<2350 DEGREES FAHRENHEIT
AFT (SOFTENING)	2550 DEGREES FAHRENHEIT MINIMUM – REDUCING	MINIMUM - REDUCING
	32.0%	<30.0%
VOLATILE BTU	12,200	<11,900

The price on this coal will be **Constitution** per ton f.o.b. railcar at Charlene, Kentucky (CSX Station 42886, EKII), and will be based on a guarantee of 12,200 Btu/LB. Premium or penalty, if any, will be computed from the guarantee at the rate of \$.508 per 100 Btu on a monthly weighted average basis. Invoices, *reflecting premium/penalty calculations*, are payable fifteen (15) days from receipt and should be sent to the attention of Mrs. Ginnie Muehlendyck at Progress Fuels Corporation, Post Office Box 15208, St. Petersburg, Florida, 33733.

These coals will be sampled via mechanical sampler taken at loading and analyzed by a mutually agreeable independent laboratory. These samples will govern payment.

Progress Fuels Corporation 200 Central Avenue St. Petersburg, FL 33701 Mr. Joseph B. Jefferson September 30, 2004 Page 2_____

This coal will be shipped by rail in PFC-owned or leased railcars. Coordination of these shipments will be made with PFC's Mrs. Tina McRoberts at 727/824-6682. Coordination of sampling related matters will be with PFC's Mr. Roy F. Potter at 727/824-6684.

If you are in agreement with this Letter Agreement and the attached Terms and Conditions, which constitutes our entire agreement, please indicate so by signing in the acceptance block on both documents and returning one original for our files.

Thank you for working with us on this order. If you have any questions, please do not hesitate to contact us.

Sincerely, A. W. Pitr

A. W. Plicher Vice President—Coal Procurement

2004

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AWP/ro

Attachment

cc/att: Mrs. D. M. Davis Mrs. A. B. Futrell Mrs. M. J. Kuderick Mr. F. M. Lelak Ms. C. A. Leonard Mrs. T. M. McRoberts Mrs. V. M. Muehlendyck Mr. R. F. Potter Mr. D. S. Williams

1) cambel day of _ Agreed to and accepted this the $_L'$

Progress Fyels Corporation – Manketing & Trading Progress Fuels Corporation By: Alexander (Sasha) Weintraub Its: Dir. - Coal Marketing & Trading

TERMS AND CONDITIONS MADE A PART OF LETTER AGREEMENT DATED SEPTEMBER 30, 2004

These Terms and Conditions shall be a part of, and incorporated in, the above-identified Letter Agreement. Commencement of deliveries by Seller shall constitute acceptance of all the terms stated in the Letter Agreement, as well as all of the following General Terms and Conditions even advance of Seller's signature.

All coal purchased hereunder shall be received subject to Purchaser's right of inspection and rejection. Rejected coal will be held at Seller's risk for a reasonable time and will be returned or disposed of according to Seller's instructions and at Seller's expense. The net proceeds of any such disposition will be credited to Seller's account. Payment in whole or in part by Purchaser for coal purchased hereunder shall not constitute an acceptance of coal, which is rightfully rejected.

Should Seller default in whole or in part as to quantity or quality of coal under this Letter Agreement, Purchaser shall have, in addition to any other rights it may have at law or in equity, the right to acquire suitable substitute or replacement coal. In such event, Seller shall reimburse Purchaser for the amount by which the cost of substitute or replacement coal exceeds the price of coal under the Letter Agreement. The quality analysis performed by an independent certified testing company selected by Purchaser would be final and binding as to all questions of quality.

If shipment is not made of coal to be supplied hereunder by the date specified on the front of the Letter Agreement and deferred shipment has not been approved by Purchaser, Purchaser shall not be required to accept delivery of such shipments or Purchaser may elect to accept such shipments without prejudice to its rights hereunder. If at any time, Seller has reason to believe that deliveries will not be made as scheduled, he shall immediately give written notice setting forth the cause of the anticipated delay. Seller shall be responsible for any demurrage as the result of this delay.

For purposes of these Terms and Conditions, a "shipment" shall mean the quantity actually received in any vessel, barge, or unit train. If the coal delivered hereunder in any single shipment fails to meet any of the specifications set out in the Letter Agreement other than sulfur content, Purchaser shall have each of the following options to be exercised in its sole discretion:

- Purchaser may notify Seller that Purchaser will accept such coal subject to and in accordance with the provisions set forth in the Letter Agreement; provided, however, that Purchaser's exercise of this option shall in no way constitute a waiver of Purchaser's right at any time thereafter to exercise any of the other options set forth herein with respect to subsequent deliveries of coal hereunder; or
- 2. Purchaser will have the option to reject any shipment which exceeds any of the minimum/maximum specifications listed in the Letter Agreement, and Purchaser may notify Seller to suspend further deliveries of coal hereunder until Seller demonstrates to Purchaser's sole satisfaction that it can deliver coal that will conform on a per shipment basis to the specifications set forth in Letter Agreement; provided, however, that

Purchaser's exercise of this option shall in no way constitute a waiver of Purchaser's right at any time thereafter to exercise any of the other options set forth herein with respect to subsequent deliveries of coal hereunder. If Seller fails to make the above demonstration to Purchaser's satisfaction within thirty (30) days after notice by Purchaser, Purchaser shall have the right to terminate or cancel this Agreement and, in addition, pursue every other remedy provided by law or equity. Should legal proceedings be instituted by Purchaser to recoup its losses or damage hereunder, it shall, in addition, be entitled to recover from Seller all court costs, reasonable attorney's fees and any expenses incurred by Purchaser, incident to such proceeding.

Should Seller become insolvent, or a voluntary or involuntary petition is filed as to Seller under the United States Bankruptcy Code, or a receivership or similar proceeding be filed as to Seller, the Purchaser may, at its option and in its sole discretion anytime thereafter upon giving written notice, terminate the Letter Agreement in whole or in part. The foregoing remedy of Purchaser is not to be considered exclusive, but shall be cumulative and be in addition to any other remedies of Purchaser as provided herein.

As used herein, the term "force majeure" shall mean any event beyond the control and without fault or negligence of the party affected thereby and which, by the exercise of reasonable diligence or the incurring of reasonable expense, such party is unable to prevent or overcome, regardless of whether such event was foreseeable, including, without limitation, act of God, act of public authorities (including courts and commissions of competent jurisdiction), act of the public enemy, insurrection, riot, labor dispute, labor or material shortage, fire, explosion, flood, breakdown of or damage to plant equipment or facilities (including emergency outages of equipment or facilities to make repairs to avoid breakdowns thereof or damage thereto), interruption to transportation or transportation delay, river freeze-up, embargo, order or act of civil or military authority, legislative, regulatory, permitting, judicial rule or order adopted, amended or newly interpreted subsequent to the date of the Letter Agreement and any other event of a similar or dissimilar nature which wholly or partially prevents the mining, hauling, handling, processing or loading of coal by Seller or the receiving, handling, transporting and/or delivering by Purchaser's carrier thereof or the accepting, handling, utilizing and/or unloading thereof by Purchaser or Purchaser's intended buyer, Progress Energy Florida (PEF).

In the event performance of Seller's obligations hereunder or Purchaser's obligations hereunder is made impossible, impractical or illegal by reason of force majeure (other than obligations to pay or expend money for or in connection with the performance of the transactions contemplated by the Letter Agreement) and such party promptly gives to each other party hereto written notice of the details thereof, then the obligations of the parties hereto shall be totally excused to the extent made necessary by such force majeure and during its continuance; provided, however, that such party giving such notice shall use its best efforts to eliminate such force majeure to the extent economically feasible to do so and with a minimum of delay. Any deficiencies in deliveries of coal hereunder as a result of force majeure shall not be made up except at the sole discretion of the Purchaser. In the event force majeure results in a partial reduction in the total quantity of coal Seller is obligated to deliver hereunder, the quantity of coal Seller shall be obligated to deliver to Purchaser hereunder during the continuance of such force majeure shall be limited to the amount of coal required to be delivered during such period but for this section multiplied by a fraction, the denominator of which is the production capacity of the Coal Property immediately prior to such force majeure and the numerator of which is the production capacity of the Coal Property during the continuance of such force majeure.

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In the event that restrictions are imposed during the term of the Letter Agreement by governmental bodies, agencies, entities, officials or courts which preclude or restrict PEF from burning coal of the specifications hereunder, such restriction shall be deemed to be an event of force majeure under the Letter Agreement unless its effect can be avoided in a lawful manner and will not, in PEF's sole judgment, result in unreasonable expense to PEF, the obligations of the parties hereto shall be totally excused during the continuance of such force majeure.

Seller shall not, without Purchaser's prior written consent, which consent will not unreasonably be withheld, (i) make any assignment or transfer of the Letter Agreement, by operation of law or otherwise, including without limitation any assignment, encumbrance or transfer as security for any obligation, or (ii) assign or transfer the right or duty to perform any obligation of Seller hereunder; provided, however, that Seller may assign the right to receive payments for coal sold hereunder directly from Purchaser to a lender as part of any accounts receivable financing or other revolving credit arrangement which Seller may have now or at any time during the term of the Letter Agreement. Seller may assign the Letter Agreement to an affiliate of Seller, or as part of a merger or consolidation, involving Seller, provided, however, that in the case of an assignment to an affiliate, Seller shall remain liable for the performance and for the obligations of the assignee.

The terms and provisions hereof shall be construed and enforced in accordance with the laws of the state of West Virginia.

Each party shall maintain the terms of the Letter Agreement and any information or data relating hereto, including site visits, in confidence and, except as may be required by law, shall not disclose such information or data or any other information concerning the performance or administration of the Letter Agreement to any other party other than a party's officers, directors, members, employees, contractors, agents, attorneys, accountants or financial advisers who have a need to have access thereto or as required by applicable law, regulation or judicial or governmental order. If either party is required to disclose any information required by this Section to be maintained as confidential in a judicial, administrative or governmental proceeding, such party shall give the other party at least ten (10) days prior written notice (unless less time is permitted by the applicable proceeding) before disclosing any such information in any such said proceeding and, in making such disclosure, the party required to disclose the information shall disclose only that portion thereof required to be disclosed and shall take all reasonable efforts to preserve the confidentiality thereof, including obtaining protective orders and supporting the other party in intervention. Nothing contained herein shall obligate either party to disclose to the other party any information that would be prohibited from disclosure under confidentiality agreements with third parties, including, without limitation, licenses; and any such information shall only be disclosed to the other party after appropriate confidentiality agreements have been entered into or appropriate consents obtained. The terms and provisions of this Section shall survive the termination of the Letter Agreement for a period of two (2) years.

The terms and conditions set forth herein constitute a complete and exclusive statement of agreement between the parties hereto, regardless of any terms contained in any order, acknowledgment or any other instrument. No statements or agreements, oral or written, not contained herein shall vary or modify the terms hereof. Neither party shall claim any amendments, modifications, or release from any provisions hereof unless the same is in writing signed by each of the parties hereto and specifically states the same is an amendment to the Letter Agreement. Waiver by either party hereto of any breach by the other party of the terms and conditions hereof shall not be construed as a waiver of any other breach.

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Seller, for itself and its successors and assigns, agrees to indemnify, defend and hold Purchaser and its affiliates and their respective directors, officers, employees and agents harmless from and against all (a) claims, demands, damages, actions and causes of actions, and costs and expenses in connection therewith or related thereto (including without limitation attorney's fees and court costs) arising from property damage, bodily injury or death of third parties, directly caused by Seller's unlawful or negligent performance under the Letter Agreement, and (b) all fines, penalties, costs, losses or expenses incurred by Purchaser by reason of Seller's violation of any applicable federal, state and local laws, ordinances or regulations directly related to producing, supplying, transporting, delivering or using coal under the Letter Agreement. Purchaser shall give Seller prompt written notice of any claim, demand or suit of which Purchaser receives notice arising out of or in connection with the Letter Agreement and covered by this indemnity. Purchaser shall have the right to reasonably participate in any defense provided by Seller, including the selection of local counsel. The indemnification provision shall survive the expiration or earlier termination of the Letter Agreement.

Seller agrees to conform to Purchaser's environmental, health, and safety standards as follows:

- 1. **Compliance and Indemnification.** Seller shall comply with all applicable EHS laws and shall indemnify Purchaser against any EHS claims and costs arising from Seller's performance under the Letter Agreement.
- 2. Audits. Purchaser may audit Seller's EHS compliance. Within thirty (30) days of Purchaser's request, Seller shall deliver to Purchaser (1) all records regarding (a) Seller's actual or alleged violations of EHS laws and (b) EHS claims asserted against Seller, in each case in the five year period preceding Purchaser's request and (2) any executed consent form(s) necessary for Purchaser to obtain from regulatory agencies and other third parties information regarding Seller's EHS compliance.
- 3. Definitions (as used in the Letter Agreement).
 - a. Claim means administrative, regulatory or judicial action, suite, dispute, liability, judgment, penalty, damages, directive, order or claim.
 - b. EHS means relating to the management of any material or the protection of human health, public safety, occupational/mine safety and health, the environment or natural resources.
 - c. Indemnify means to indemnify, defend, and reimburse the indemnitee and its successors and assigns on an after-tax basis.
 - d. Law means any binding authority, demand, or permitting requirement issued by a legislative, judicial, or executive governmental body.
 - e. Manage or management, with respect to any material, means the manufacture, disturbance, generation, use, transportation, emission, discharge, treatment, storage, disposal, release, or threatened release thereof.

Further (a) Notwithstanding any provision in the Letter Agreement to the contrary, neither party shall be liable hereunder for incidental, special, punitive, consequential or other indirect loss or damage, or for lost profits, business, tax credits or any other special or incidental loss or

damage. The parties further agree that the waivers and disclaimers of liability expressed in this Letter Agreement shall survive termination of the Letter Agreement, and shall apply whether in contract, equity, tort or otherwise, even in the event of the fault, negligence, including sole negligence, strict liability or breach of warranty of any party released or whose liabilities are waived or disclaimed. Except as otherwise provided, neither party makes any warranties or quarantees to the other, either express or implied, with respect to the subject matter of the Letter Agreement, and both parties disclaim and waive any implied warranties or warranties imposed by law, (b) Notwithstanding any provision of the Letter Agreement to the contrary, the parties recognize the Purchaser is a corporation formed under the laws of the State of Florida and the Seller is a company formed under the laws of the State of Florida and that no past, present or future shareholder, officer, director, member or manager of either party shall have any personal liability for any obligation whatsoever or howsoever arising (including under contract or in tort or equity) under or with respect to the Letter Agreement or the transaction contemplated hereby, or applicable law with respect thereto. Neither Purchaser nor Seller shall (i) assert or seek to assert any claim against, (ii) name in any civil action or proceeding or arbitration, or (iii) seek or obtain any judgment, order or decree against any member, manager, shareholder, officer, employee, agent or representative of Purchaser or Seller, with respect to Purchaser's or Seller's obligations under the Letter Agreement.

If Purchaser and Seller are each required to pay any amount to each other, then such amounts with respect to each other may be aggregated and the Purchaser and Seller may discharge their obligations to pay through netting, in which case the Purchaser or Seller, if any, owing the greater aggregate amount may pay to the other party the difference between the amounts owed. The Purchaser or Seller reserves to itself all rights, setoffs, counterclaims, and other remedies and defenses consistent with this Letter Agreement, to the extent not expressly herein waived or denied, which the Purchaser or Seller has or may be entitled to arising from or out of this Letter Agreement. The obligations to make payment under this Letter Agreement may be offset against each other, setoff or recouped there from. For the purpose of this section only, Purchaser and Seller shall also mean any affiliates, subsidiaries, or other related entities of Purchaser and Seller.

Additionally, Seller represents to and covenants with Purchaser that it has obtained and will maintain or cause to be maintained at its expense:

- 1. At a minimum, Automobile Liability Insurance applying to own, non-owned and hired vehicles with a limit of \$1 Million combined single limit coverage per occurrence. Additionally, Umbrella Liability coverage with a minimum of \$1 Million limit per occurrence is desired.
- 2. Workers' Compensation, Employees' Liability insurance with a minimum of \$500,000 Accident, \$500,000 Disease and \$500,000 Employee coverage.
- 3. Employers' Liability Insurance with a minimum of \$1 Million coverage per claim.

The Letter Agreement dated September 30, 2004, and these Terms and Conditions constitute the agreement in total between the parties. Neither party hereto shall claim any amendments, modifications, or release from any of the provisions hereof unless the same is in writing, signed by each of the parties hereto and specifically states the same is an amendment to the Letter Agreement and these Terms and Conditions. Waiver by either party of any part of the Letter Agreement or these Terms and Conditions shall not be construed as a waiver of any other breach. These Terms and Conditions may be executed in any number of counterparts, including by means of facsimile signatures, each of which shall be an original, but all of which together shall constitute one and the same instrument.

. . . . **.***

th Agreed to and accepted this $\frac{30}{20}$ _, 2004. _ day of $_$ otember "Seller" "Purchasek" Bv: B١ 102 **Progress Fuels Corporation** IN SV Its: Its: Atexander (Sasha) Weintraub Bal Procurement Dir. - Coal Marketing & Trading

Al Pitcher Progress Fuels Corporat	ion	FAX:	727-824-6601	
Deal Confirmation			Progres	s Energy
Seller:	Γ	Pro	ogress Fuels Corpora	tion
Buyer:	ſ	Pr	ogress Fuels Corpor	ation
Deal Price;	٦		Per Per	Ton
Deal Volume:	ſ		210,000	Tions
Delivery Point:	[······	FOB Railcar Cha	riene
Deal Term:	Ĩ	Sep	tember 2004 - March	2005
Payment Term:	ſ		Net 30	days
Quality Specification/Rejects:		Guarantee	Reject	
	Moist	10.00%		
• • • · · · · · · · · · · · · · · · · ·	Ash	12.00%	2.10#	
	SO2	1.60#	2.10#	- ∔{
	Sulfur	0.99%		
	BTU	12,200		
Quality Terms:	· · · ·		BTU pro	o-rata

This is sent to confirm only the commercial terms of the deal that has been transacted on 9/17/2004 between Joe Jefferson of (Progress Fuels Corporation) and Al Pitcher of (Progress Fuels Corporation). It may or may not include detailed quality terms nor General Terms & Conditions.

If any of this information is in error, please respond within 72 hours.

Lora Zerkle

Progress Fuels Corporation Confirmation Specialist PFC - Finance iora.zerkle@ponmail.com (919) 546-5911 phone (919) 546-3444 fax

J

Ott, Robin (PFC)

From:Pitcher, AI (PFC)Sent:Tuesday, September 21, 2004 3:49 PMTo:Ott, Robin (PFC); Potter, Roy (PFC)Subject:FW: Window Type Coal - Available for SaleImportance:High

Please record. Potter you have already evaluated, but this is a copy for your files. We accepted the offer.

A. W. Pitcher

Vice President-Coal Procurement Progress Fuels Corporation One Progess Plaza, BT10C St. Petersburg, FL 33701 Phone No. 727-824-6601 E-mail <u>al.pitcher@progressfuels.com</u> -----Original Message-----From: Jefferson, Joe (Sales) Sent: Tuesday, September 21, 2004 3:16 PM To: Pitcher, Al (PFC) Subject: Window Type Coal - Available for Sale Importance: High

Mr. Pitcher,

Please accept the attached as a proposal for coal available to ship to Crystal River during the next seven months. Your thoughts on this are appreciated.

Joe Jefferson Director - Coal Sales Progress Fuels Corporation Telephone: (304) 526-0757 Fax: (304) 453-6917

3

Progress Fuels Corporation P.O. Box 308 Ceredo, West Virginia 25507-0308

September 16, 2004

Mr. A. W. Pitcher Vice President – Coal Procurement Progress Fuels Corporation One Progress Plaza, Suite 600 St. Petersburg, Florida 33701

Mr. Pitcher:

We at Progress Fuels are pleased to be able to respond to your request for coal. The product as proposed will be shipped from Charlene, KY (CSX Station 42886, EKII). We wish to submit the following quality and volume for your consideration:

Quality:

On an "As Received" Basis / Per Shipment

BTU: Moisture: Ash: Sulfur Dioxide:

AFT (Softening):

Volatile Matter:

HGI:

12,200 Minimum 9.0% Typical 12.0% Maximum Less than 2.0 # SO₂/MM BTU Maximum 2350⁰ F. Minimum – Reducing 42 Typical 30 Minimum

Premium/Penalty

Tonnage:

Price:

Weights: Analysis: BTU Only – Monthly Weighted Average – on a pro-rated basis

Currently a total of 21 trains are available -3 trains per month, based on establishing a mutually agreeable schedule, shipped ratably starting in September, 2004 through March, 2005.

per ton FOB Railcar

Via Certified Batch Load Out

Via mechanical sample taken at loading and analyzed by a mutually agreeable commercial laboratory.

1

The tonnage proposed is subject to prior sale and availability (based on current projections). Additionally, this proposal is based on the execution of a mutually agreeable purchase order or contract, including but not limited to considerations of Force Majeure, the inclusion of suspension parameters and any additional monetary premiums or penalties between the parties.

Certain economic parameters are subject to negotiation and modification, when taken in concert with other considerations. We look forward to being able to discuss and fine-tune this proposal for your specific requirements, at your earliest convenience.

Joseph B. Jefferson

Director – Coal Sales Progress Fuels Corporation

PFC 1.0% Sulfor rail cool 2005-2006 33

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HGI: Volatile Matter: Reducing 42 Typical 30 Minimum

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Al Pitcher Prograss Fuels Corporati	ion	FAX: 72		
Deal Confirmation			Progres	s Energy
Seller:		Progr	ess Fuels Corpora	tion
Buyer:		Progr	ess Fuels Corpora	tion
Deal Price:			Per	Ton
Deal Volume:	_		210,000 T	ons
Delivery Point:			FOB Railcar Char	ene
Deal Term:		Septem	ber 2004 - March 2	005
Payment Term:			Net 30 c	ays
Quality Specification/Rejects:	Moist	Guarantee 10.00% 12.00%	Reject	
	SO2 Sulfur BTU	1.60# 0.99% 12,200	2.10#	
Quality Terms:			BTU pro-	rata
This is sent to confirm or on 9/17/2004 between Joo of (Progress Fuels Corpo- terms nor General Terms If any of this Information Lora Zerkle Progress Fuels Corporation Confirmation Specialist PFC - Finance <u>lora Zerkle@ponmell.com</u> (919) 548-5911 phone (919) 548-3444 fax	Jefferson of Jefferson of Jefferson of Aration). It makes the Aration of Aration of Aration of Aration of Aration of Aration of Aratic	of (Progress Fuels Co ay or may not include IS.	orporation) and Al e detailed quality	

Ott, Robin (PFC)

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Subject:	FW: Window Type Coal - Available for Sale
Importance:	High

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Joseph B. Jefferson

Director – Coal Sales Progress Fuels Corporation

FPSC FORM 423-1

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MONTHLY REPORT OF COST AND QUALITY OF FUEL FOR ELECTRIC PLANTS ORIGIN, VOLUME, DELIVERED PRICE AND AS RECEIVED QUALITY

I. REPORTING MONTH:

2. REPORTING COMPANY:

FLORIDA POWER CORPORATION

3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA

SUBMITTED ON THIS FORM: DEBBIE PATTERSON. SBFA (919) 546-4047

4. SIGNATURE OF OFFICIAL SUBMITTED REPORT:

DONNA MASSENGILL CONTROLLER, REGULATED COMMERCIAL OPERATIONS

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5. DATE COMPLETED: 4/8/2005
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LINE			SHIPPING	PURCHASE	DELIVERY	DELIVERY	туре	SULFER CONTENT	BTU	VOLUME	DELIVERED
NO.	PLANT NAME	SUPPLIER NAME	POINT	TYPE	LOCATION	DATE	OIL.	<u>(96)</u>	(Biu/gal)	(Bbls)	(\$/850
(2)	(b)	(c)	(d)	(c)	(f)	(g)	(h)	(i)	(j)	(k)	(1)
1	Anclote	NO DELIVERIES						0.00	0	0	\$0.0000
2	Avon Park Peakers	NO DELIVERIES						0.00	0	0	\$0.0000
3	Bartow Peakers	NO DELIVERIES						0.00	0	0	\$0.0900
4	Bartow Steam Plant	RIO Energy International, Inc	F- Rio Houston, TX	MTC	FOB TERMINAL	2/2005	F06	0.95	158,868	115,600	\$30.2900
5	Bartow Steam Plant	RIO Energy International, Inc	P- Rio Houston, TX	MTC	FOB TERMINAL	2/2005	F06	1.07	157,576	347,216	\$30.4300
6	Barlow Steam Plant	RIO Energy International, Inc	F- Rio Houston,TX	MTC	FOB TERMINAL	2/2005	F06	0.95	157,021	114,347	\$34.5900
7	Bayboro Peakers	NO DELIVERIES						0.00	0	0	\$0.0000
8	Central Tampa Tank Farm	NO DELIVERIES						0.00	0	0	\$0.0000
9	Crystal River	NO DELIVERIES						0.00	0	0	\$0.0000
10	Debary Peakers	NO DELIVERIES						0.00	0	0	\$0.0000
11	Higgins Peakers	NO DELIVERIES						0.00	0	0	\$0.0000
12	Hines Energy Complex	NO DELIVERIES						0.00	0	0	\$0.0000
13	Intercession City Peakers	NO DELIVERIES						0.00	0	0	\$0.0000
14	Rio Pinar Peakers	NO DELIVERIES			•			0.00	0	0	\$0.0000
15	Suwanne Peakers	NO DELIVERIES						0.00	0	0	\$0.0000
16	Suwannee Steam Plant	American General Oil Corp.	P-American General, AL	MTC	FOB PLANT	2/2005	P06	0.91	157,118	5,219	\$39.0900
17	Suwannee Steam Plant	Colonial Oil Industries, Inc.	P-Colonial Jacksonville,FL	MTC	FOB PLANT	2/2005	F06	2.11	150,137	5,876	\$33.2700
18	Suwannee Steam Plant	NO DELIVERIES						0.00	0	0	\$0.0000
19	Turner Peakers	NO DELIVERTES						0.00	0	• 0	\$0.0000

CONFIDENTIAL

EXHIBIT EXHIBIT 9 10/21/05 MN Ż.

FPSC FORM 423-1

MONTHLY REPORT OF COST AND QUALITY OF FUEL FOR ELECTRIC PLANTS ORIGIN, VOLUME, DELIVERED PRICE AND AS RECEIVED QUALITY

1. REPORTING MONTH:

2. REPORTING COMPANY: FLORIDA POWER CORPORATION 3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA

SUBMITTED ON THIS FORM: DEBBIE PATTERSON. SBFA (919) 546-4047

4. SIGNATURE OF OFFICIAL SUBMITTED REPORT:

DONNA MASSENGELL CONTROLLER, REGULATED COMMERCIAL OPERATIONS

5. DATE COMPLETED:	4/8/2005	

								SULFER	BTU		DELIVERED	
LINE			SHIPPINO	PURCHASE	DELIVERY	DELIVERY	TYPE	CONTENT	CONTENT	VOLUME	PRICE	
NO.	PLANT NAME	SUPPLIER NAME	POINT	TYPE	LOCATION	DATE	<u>OIL</u>	<u>(%)</u>	(Btu/gal)	(Bbls)	<u>(\$/Bbi)</u>	
(a)	(b)	(c)	(d)	(c)	(1)	(g)	(h)	۵	(i)	(k)	(1)	
(2)	(0)		N -7	(-)						()		
20	University of Plorida	NO DELIVERTES						0.00	0	0	\$0.0000	

FPSC FORM 423-1(a)

MONTHLY REPORT OF COST AND QUALITY OF FUEL FOR ELECTRIC PLANTS ORIGIN, VOLUME, DELIVERED PRICE AND AS RECEIVED QUALITY

I. REPORTING MONTH:

2. REPORTING COMPANY: FLORIDA POWER CORPORATION 3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA

SUBMITTED ON THIS FORM: DEBBIE PATTERSON. SBFA (919) 546-4047

4. SIGNATURE OF OFFICIAL SUBMITTED REPORT:

DONNA MASSENGILL

5. DATE COMPLETED: 4/8/2005

• CONTROLLER, REGULATED COMMERCIAL OPERATIONS

SPECIFIED CONFIDENTIAL

LIN	e plant name	<u>SUPPLIER NAME</u>	DELIVERY	DELIVERY	TYPE	VOLUME	INVOICE PRICE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT	NET PRICE	QUALITY ADJUST	PURCHASE PRICE	TERMINAL.	ADDITIONAL TRANSPORT	CHARGES	
NO		4.5	LOCATION	DATE	OL	<u>(86)</u>	<u>(\$/ВЫ)</u> (Ъ)	(<u>5</u>)	<u>(5)</u>	(k)	<u>(\$/Bbi)</u>	(<u>\$/Bbl</u>)	<u>(\$/8bi)</u>	<u>(\$/Bbi)</u>	<u>(\$/Bbl)</u>	<u>(\$/Bbi)</u>	(\$/Bbi)
(a)	(b)		(d)	(c)	(f)	(g)	(h)	(i)	(j)		(I)	(m)	(n)	(0)	(p)	(q)	(r)
1	Ancloie	NO DELIVERIES				0	\$0.00	\$0.00	•	\$0.0		•		•••••		\$0.00	\$0.00
2	Avon Park Peakers	NO DELIVERIES		•		0	\$0.00	\$0.00		\$0.00		• • • • •	• •	••••		\$0.00	\$0.00
3	Bartow Peakers	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.0) \$0.00	0.02	\$0.0	00.02 0	\$0.00	\$0.00	\$0.00
4	Bartow Steam Plant	RIO Energy International, Inc	FOB TERMINAL	L. 2/2005	PO6	115,600	\$30.29	\$3,501,902.06	i \$ 0.00	\$3,501,902.00	\$30.29	\$0.00	\$30.2	\$0.00	\$0.00	\$0.00	\$30.29
5	Bartow Steam Plant	RIO Energy International, Inc	FOB TERMINA	L. 2/2005	F06	. 347,216	\$30.43	\$10,564,677.94	\$0.00	\$10,564,677.94	\$30.43	\$0.00	\$30.4	\$0.00	\$0.00	\$0.00	\$30.43
6	Bartow Steam Plant	RIO Energy International, Inc	FOB TERMINA	L. 2/2005	PO6	114,347	\$34.59	\$3,955,818.53	\$0.00	\$3,955,818.53	\$34.59	\$0.00	\$34.5	\$0.00	\$0.00	\$0.00	\$34.59
7	Bayboro Peakers	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	50.00	\$0.0) \$0.00	\$0.00	\$0.00	\$0.00
8	Central Tampa Tank Farm	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0 0	\$0.00	\$0.0) \$0.00	\$0.00	\$0.00	\$0.00
9	Crystal River	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.02	\$0.0	0.0 2	\$0.00	\$0.00	\$0.00
10	Debary Peakers	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0) \$0.00	\$0.00	\$0.00	\$0.00
11	Higgins Peakers	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.00) ·\$0.00) \$0.00	\$0.0	\$0.00	\$0.00	\$0.00	\$0.02
12	Hines Energy Complex	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0) \$0.00	\$0.00	\$0.00	\$0.00
13	Intercession City Peakers	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0	\$0.00	\$0.00	\$0.00	\$0.00
14	Rio Pinar Peakers	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.0	\$0.00	\$0.00	.\$0.0	\$0.00	\$0.00	\$0.00	\$0.00
15	Suwanne Peakers	NO DELIVERIES				0	\$0.00	\$0.00	\$0.00	\$0.0	\$0.00	\$0.00	\$0.0	\$0.00	\$0.00	\$0.00	\$0.00
16	Suwannee Steam Plant	American General Oil Corp.	POB PLANT	2/2005	F06	5,219	\$39.09	\$204,021.15	\$0.00	\$204,021.15	\$39.0	9 \$0.0 0	\$39.0	\$0.00	\$0.00	\$0.00	\$39.09
•	Suwannee Steam Plant	Colonial Oil Industries, Inc.	FOB PLANT	2/2005	F06	5,876	\$33.27	\$195,477.28	\$0.00	\$195,477.2	\$ \$33.2	7 \$0.00	\$33.2	7 \$0.00	\$0.00	\$0.00	\$33.27
, u	Suwannee Steam Plant	NO DELIVERIES				٥	\$0.00	\$0.00	00.02	\$0.0	\$0.0	\$0.00	\$0.0	\$0.00	\$0.00	\$0.00	\$0.00

FPSC FORM 423-1(a) SPECIFIED CONFIDENTIAL MONTHLY REPORT OF COST AND QUALITY OF FUEL FOR ELECTRIC PLANTS ORIGIN, VOLUME, DELIVERED PRICE AND AS RECEIVED QUALITY 3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA SUBMITTED ON THIS FORM: DEBBIE PATTERSON. SBFA (919) 546-4047 FLORIDA POWER CORPORATION 2. REPORTING COMPANY: 4. SIGNATURE OF OFFICIAL SUBMITTED REPORT: DONNA MASSENGELL . CONTROLLER, REGULATED COMMERCIAL OPERATIONS 5. DATE COMPLETED: 4/8/2005

													EFFECTIVE	TRANSPORT			
							INVOICE	INVOICE		NET	NET	OUALITY	PURCHASE	то	ADDITIONAL	OTHER	DELIVERED
LINE	PLANT NAME	SUPPLIER NAME	DELIVERY	DELIVERY	TYPE	VOLUME	PRICE	AMOUNT	DISCOUNT	AMOUNT	PRICE	ADJUST	PRICE	TERMINAL	TRANSPORT	CHARGES	PRICE
NQ			LOCATION	DATE	OL	<u>(861)</u>	<u>(\$/Bbi)</u>	(5)	<u>(5)</u>	(\$)	(\$/Bbi)	<u>(\$/851)</u>	<u>(\$/8bi)</u>	(\$/Bbl)	<u>(\$/860</u>	(\$/ВЪП	<u>(\$/Bbl)</u>
.)	(b)	(c)	(d)	(c)	(f)	(g)	(h)	(i)	(i)	(k)	0	(m)	(n)	(o)	(p)	(p)	(r)
19	Turner Peakers	NO DELIVERIES				0	\$0.00	\$0.0	0 \$0.00	\$0.0	0 \$0.0 0) 5 0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20	University of Florida	NO DELIVERIES				0	\$0.00	\$0.0	0 \$0.00	\$0.0	0 \$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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FPSC FORM NO. 423-2

1.

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. February 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

SPECIFIED

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Dana M Danis

Donna M. Davis, Director - Regulatory & Adm, Services

6. Date Completed: April 15, 2005

				Total Effective Transpor- F.O.B.							As Received Coal Quality			
Line No.	Supplier Name	Mine Location	٦ Purchase Type	Franspor- tation Mode	Tons	Purchase Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)		
(a)	(b)	(c)	(d)	(e)	(f),	(g)	(h)	(i)	(i)	(k)	(I)	(m)		
1	Drummond Coal Sales, Inc.	25,IM, 999	S	GB	29,762			\$40.50	0.59	11,728	4.36	12.19		

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FPSC FORM NO. 423-2

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility IMT

SPECIFIED CONFIDENTIAL

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

anna M Davis

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: April 15, 2005

			Effec					F.O.B.	As Received Coal Quality					
Line No.	Supplier Name	Mine Location	Purchase Type	ranspor- tation Mode	Tons	Purchase Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)		
(a)	(b)	(C)	(d)	(e)	(f)	(g)	(h) ·	(i)	(i)	(k)	(I)	(m)		
1	Central Coal Co.	08,Wv, 39	STC	в	14,866			\$62.75	0.69	12,375	11.44	6.69		
2	Central Coal Co.	08, Wv, 39	STC	В	17,494			\$62.25	0.69	12,375	11.44	6.69		
3	Central Coal Co.	08, Wv, 39	S	B	2,045	Shootion R	ADD TO THE REAL PROPERTY OF	\$56.75	0.61	12,255	11.76	8.25		
4	Progress Fuels Corporation	08,Wv, 39	STC	B	5,664			\$74.25	0.60	12,112	12.42	8.22		
5	Progress Fuels Corporation	08,Wv, 39	STC	В	1,752		I DIRECTION OF	\$73.75	0.60	12,112	12.42	8.22		
6	Progress Fuels Corporation	08,Wv, 39	STC	В	12,050	manatalita		\$67.98	0.43	11,797	7.44	10.44		
7	Progress Fuels Corporation	08,Wv, 39	STC	В	12,192			\$67.60	0.43	11,797	7.44	10.44		
	Progress Fuels Corporation	08,Wv, 39	S	В	22,955			\$50.50	0.61	12,312	11.84	7.65		
. . .	Progress Fuels Corporation	08, Wv, 39	STC	B	7,840		anita para	\$51.00	0.61	12,312	11.84	7.65		
10	Guasare Coal Sales	50,IM, 999	S	GB	93,837		0000001	\$42.09	0.62	13,266	4.93	6.66		
11	Guasare Coal Sales	50,1M, 999	S	GB	7,481			\$40.54	0.62	13,266	4.93	6.66		

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FPSC FORM NO. 423-2

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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 1 & 2

SPECIFIED CONFIDENTIAL

 Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627 4

5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

Donna M. Davis, Director - Regulatory & Adm. Services からテ

6. Date Completed: April 15, 2005

						Effective	Total Transpor-	F.O.B.	As	Received	Coal Qua	ality
Line No.	Supplier Name	Mine Location	٦ Purchase Type	Transpor- tation Mode	Tons	Purchase Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b) '	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)
1 2 3	Consolidated Coal Sales Consolidated Coal Sales Massey Coal Sales Company, Inc.	08 , Ky , 119 08 , Ky , 133 08 , Ky , 195	MTC MTC MTC	UR UR UR	50,213 9,388 29,423			\$56.95 \$56.95 \$56.10	1.13 1.10 0.98	12,644 12,508 12,127	8.53 9.97 11.96	7.11 6.38 6.97
3 4 5	Progress Fuels Corporation B & W Resources, Inc.	08 , Ky , 193 08 , Ky , 051	S	UR UR	19,561 8,881		1000000	\$85.58 \$68.63	0.86 1.10	12,664 12,461	10.87 9.86	4.79 4.69

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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 4 & 5

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: April 15, 2005

						Effective	 Total Transpor- 	F.O.B.	As	Received	Coal Qua	ality
Line No.	Supplier Name	Mine Location	ا Purchase Type	ranspor- tation Mode	Tons	Purchase Price (\$/Ton)	tation Cost (\$/Ton)	Plant Price (\$/Ton)	Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)
1	Central Appalachian Mining, formerly	08 , Ky , 195	MTC	UR	49,067			\$57.00	0.69	12,552	10.05	6.75
2	Massey Coal Sales	08, Wv, 005	MTC	UR	47,149		wagagaga	\$68.96	0.72	12,519	11.40	6.03
3	Progress Fuels Corporation	08,Ky, 119	STC	UR	39,572			\$72.08	0.71	12,519	9.86	6.23
4	Alliance Coal Sales Corp	08,Ky, 195	MTC	UR	1,952			\$56.93	0.65	12,792	7.64	6.87
5	Alliance Coal Sales Corp	08,Ky, 195	MTC	UR	7,629		and a state of the	\$57.20	0.65	12,792	7.64	6.87
6	Transfer Facility	N/A	N/A	OB	138,334		Annoood	\$50.23	0.65	12,213	7.88	10.30
7	Transfer Facility	N/A	N/A	OB	29,650			\$59.91	0.59	11,728	4.36	12.19

FPSC FORM NO. 423-2A

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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. February 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

anos M Davis

Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: April 15, 2005

Line No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Increases (\$/Ton)	Base Price (\$/Ton)	Quality Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)
1	Drummond Coal Sales, Inc.	25 , IM , 999	S	29,762		\$0.00		\$0.00			

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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

2. Reporting Company: Florida Power Corporation

3. Plant Name: Transfer Facility - IMT

- SPECIFIED CONFIDENTIAL
- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

D-1 -

- M32
- 6. Date Completed: April 15, 2005

Line No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Inc(Dec) (\$/Ton)	Base Price (\$/Ton)	Quality Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(1)
1	Central Coal Co.	08,Wv, 39	STC	14,866	Transfer of the	\$0.00		\$0.00		Long to the second	
2	Central Coal Co.	08,Wv, 39	STC	17,494		\$0.00		\$0.00		ALESS CO.	BENCH PARTY
3	Central Coal Co.	08,Wv, 39	S	2,045		\$0.00		\$0.00	and the second		
4	Progress Fuels Corporation	08,Wv, 39	STC	5,664		\$0.00		\$0.00	and the second second	in the second	
5	Progress Fuels Corporation	08,Wv, 39	STC	1,752	-	\$0.00		\$0.00	being to a	anna.	
6	Progress Fuels Corporation	08,Wv, 39	STC	12,050	Interest or a	\$0.00		\$0.00	Durascroney.	Uniperat	and the second
7	Progress Fuels Corporation	08,Wv, 39	STC	12,192		\$0.00	Difference of	\$0.00			
	Progress Fuels Corporation	08,Wv, 39	S	22,955		\$0.00		\$0.00	thilling serve	diag to an	
ેને	Progress Fuels Corporation	08,Wv, 39	STC	7,840		\$0.00	and the second second	\$0.00	housen	hannand	The second
10	Guasare Coal Sales	50, IM, 999	S	93,837		\$0.00	and the second sec	\$0.00	the second second	Part of the second	
11	Guasare Coal Sales	50, IM, 999	S	7,481		\$0.00		\$0.00			

FPSC FORM NO. 423-2A

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 1 & 2

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Dana M Danie

Donna M. Davis, Director - Regulatory & Adm. Services パッテー

6. Date Completed: April 15, 2005

Line No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Inc(Dec) (\$/Ton)	Base Price (\$/Ton)	Quality Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(0)	(f)	(g)	(h)	(i)	(i)	(k)	(1)
1	Consolidated Coal Sales	08 , Ky , 119		50,213		\$0.00	processing	\$0.00	944-046-55-c	1-Denoted	10000000
2	Consolidated Coal Sales	08 , Ky , 133	MTC	9,388		\$0.00	Promotion A	\$0.00	a second second second	Butanan	
3	Massey Coal Sales Company, Inc.	08 , Ky , 195	_	29,423		\$0.00	144446884	\$0.00	monoga	ana	
4	Progress Fuels Corporation	08 , Ky , 193	S	19,56 <u>1</u>	Distant and the	\$0.00	25160.030	\$0.00	1000000000	- Constructed	Lumini i Anne
5	B & W Resources, Inc.	08,Ky, 051	STC	8,881		\$0.00		\$0.00			

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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. February 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 4 & 5

4 • • •

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

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Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: April 15, 2005

Line No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro- active Price Inc(Dec) (\$/Ton)	Base Price (\$/Ton)	Quality Adjust- ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(1)
1	Central Appalachian Mining, formerly	08 , Ky , 195	MTC	49,067		\$0.00		\$0.00			
2	Massey Coal Sales	08;Wv, 005	MTC	47,149		\$0.00		\$0.00			r di Richtere
3	Progress Fuels Corporation	08, Ky, 119	MTC	39,572	indedet.	\$0.00		\$0.00	Participation of the		16000000
4	Alliance Coal Sales Corp	08, Ky, 195	MTC	1,952		\$0.00		\$0.00		THE OWNER OF	
5	Alliance Coal Sales Corp	08 , Ky , 195	MTC	7,629		\$0.00		\$0.00			
6	Transfer Facility	N/A	N/A	138,334	a la constante de la constante	\$0.00		\$0.00	170 Participation		
7	Transfer Facility	N/A	N/A	29,650		\$0.00		\$0.00			

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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

2. Reporting Company: Florida Power Corporation

3. Plant Name: McDuffie Coal Terminal

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

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Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: April 15, 2005

						Effective	Additional		Other	River	Trans- (20000	Other	Other	Transpor-	F.O.B.
			٦	ranspor	•	Purchase			Rail		loading l			Related		Plant
_ine		Mine	Shipping	tation		Price	Charges	Rate	Charges				Charges	-	-	Price
No.	Supplier Name	Location	Point	Mode	Tons	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/10n)		\$/ I on)	(\$/10n)	(\$/Ton)	(\$/Ton)	(\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)	(n)	(o)	(p)	(q)
	Drummond Coal Sales, Inc.	25, IM, 999	Cartagena, Col	GB	29,762		N/A	N/A	N/A	N/A		N/A	N/A	N/A		\$40.50

FPSC FORM NO. 423-2B

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

2. Reporting Company: Florida Power Corporation

3. Plant Name: Transfer Facility - IMT

.

SPECIFIED CONFIDENTIAL

- Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

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Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: April 15, 2005

							Additional									
						Effective	Shorthaul		Other	River	Trans-	Ocean	Other	Other	Transpor-	F.O.B.
				Transpor	•	Purchase	& Loading	Rail	Rail	Barge	loading	Barge	Water	Related	tation	Plant
Line		Mine	Shipping	tation		Price	Charges	Rate	Charges	Rate	Rate	Rate	Charges	Charges	Charges	Price
No.	Supplier Name	Location	Point	Mode	Tons	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton]
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(I)	(m)	(n)	(0)	(p)	(q)
1	Central Coal Co.	08,Wv,	39 Kanawha,Wv	В	14,866		N/A	N/A	N/A			N/A	N/A	N/A	Distance of the	\$62.7
2	Central Coal Co.	08,Wv,	39 Kanawha,Wv	В	17,494	bootoon	N/A	N/A	N/A	0000000	hanaa	N/A	N/A	N/A		\$62.2
3	Central Coal Co.	08,Wv,	39 Kanawha,Wv	в	2,045		N/A	N/A	N/A			N/A	N/A	N/A		\$56.7
4	Progress Fuels Corporation	08,Wv,	39 Kanawha,Wv	в	5,664		N/A	N/A	N/A	00000000	hannel	N/A	N/A	N/A		\$74.2
5	Progress Fuels Corporation	08,Wv,	39 Kanawha,Wv	В	1,752		N/A	N/A	N/A	in the second second		N/A	N/A	N/A		\$73.7
6	Progress Fuels Corporation	08,Wv,	39 Mt. Vernon, II	В	12,050		N/A	N/A	N/A			N/A	N/A	N/A		\$67.9
7	Progress Fuels Corporation	08,Wv,	39 Mt. Vernon, II	в	12,192		N/A	N/A	N/A	Bonnood		N/A	N/A	N/A		\$67.6
	Progress Fuels Corporation	08,Wv,	39 Kanawha,Wv	В	22,955		N/A	N/A	N/A			N/A	N/A	N/A	Charlos Constant	\$50.5
	Progress Fuels Corporation	08, Wv,	39 Kanawha,Wv	В	7,840		N/A	N/A	N/A	Janasana Pa		N/A	N/A	N/A		\$51.0
10	Guasare Coal Sales	50, IM,	999 Maracaibo, VZ	GB	93,837		N/A	N/A	N/A		Mananad	N/A	N/A	N/A		\$42.0
11	Guasare Coal Sales	50, IM,	999 Maracaibo, VZ	GB	7,481		N/A	N/A	N/A			N/A	N/A	N/A		\$40.5

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FPSC FORM NO. 423-2B

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 1 & 2

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

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6. Date Completed: April 15, 2005

							Additional									
						Effective	Shorthaul		Other	River	Trans-	Ocean	Other	Other	Transpor-	F.O.B.
				Transpor	•	Purchase	& Loading	Rail	Rail	Barge	loading	Barge	Water	Related	tation	Plant
Line		Mine	Shipping	tation		Price	Charges	Rate	Charges	Rate	Rate	Rate	Charges	Charges	Charges	Price
No.	Supplier Name	Location	Point	Mode	Tons	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton)	(\$/Ton
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(I)	(m)	(n)	(o)	(p)	(q)
1	Consolidated Coal Sales	08,Ky,	119 Knott, Ky	UR	50,213		N/A		-	N/A	N/A	N/A	N/A	N/A		\$56.9
2	Consolidated Coal Sales	08,Ky,	133 Letcher, Ky	UR	9,388	0000000	N/A		looone	N/A	N/A	N/A	N/A	N/A	PERSONAL PROPERTY AND INCOME.	\$56.9
3	Massey Coal Sales Company, Inc.	08,Ky,	195 Pike, Ky	UR	29,423		N/A		STOCKING .	N/A	N/A	N/A	N/A	N/A		\$56.1
4	Progress Fuels Corporation	08,Ky,	193 Perry, Ky	UR	29,765		N/A	n Dooggaaas		N/A	N/A	N/A	N/A	N/A		\$85.5
5	B & W Resources, Inc.	08, Ky,	051 Clay, Ky	UR	8,881		N/A			N/A	N/A	N/A	N/A	N/A		\$68. €

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FPSC FORM NO. 423-2B

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 4 & 5

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

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Donna M. Davis, Director - Regulatory & Adm. Services カムナ

6. Date Completed: April 15, 2005

Line No.	Supplier Name	Mine Location	Shipping Point	Transpo tation Mode	r- Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaui & Loading Charges (\$/Ton)		Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans- loading Rate (\$/Ton)	Rate	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transpor- tation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton
(a)	(b)	(C)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)	(n)	(0)	(p)	(q)
1	Central Appalachian Mining, forme	08,Ky,	195 Pike, Ky	UR	49,067	Description	N/A			N/A	N/A	N/A	N/A	N/A		\$57.(
2	Massey Coal Sales	08,Wv,	005 Boone, Wv	UR	47,149	110	N/A		Second Second	N/A	N/A	N/A	N/A	N/A		\$68.9
3	Progress Fuels Corporation	08,Ky,	119 Knott, Ky	UR	39,572		N/A	00000000	accurace.	N/A	N/A	N/A	N/A	N/A		\$72.(
4	Alliance Coal Sales Corp	08,Ky,	195 Boone, Wv	UR	1,952		N/A	-	handland	N/A	N/A	N/A	N/A	N/A		\$56.9
5	Alliance Coal Sales Corp	08,Ky,	195 Boone, Wv	UR	7,629	hannand	N/A	Innonace	and the second	N/A	N/A	N/A	N/A	N/A		\$57.2
6	Transfer Facility	N/A	Plaquemines, P	a OB	138,334		N/A			N/A	N/A	N/A	N/A	N/A		\$50.2
7	Transfer Facility	. N/A	Mobile, Al	OB	29,650		N/A			N/A	N/A	N/A	N/A	N/A		\$59.9

FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

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- •4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services

Donna M. Davis, Director - Regulatory & Adm. Services ガタラー

6. Date Completed: April 15, 2005

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier	Original Line Number	Old Volume (tons)	Form No.	Column Title	Oid Value	New Value	New F.O.B. Plant Price	Reason for Revision	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(1)	(m)	
1	01/05	McDuffi	e Coal Term	Drummond Coal Sales, Inc.	1	14,924	2A	(k) Quality Adjustments		\$ 1111	\$ 40.72	Quality Adjustment	

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FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES

1. Report for: Mo. February 2005

- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility IMT

SPECIFIED CONFIDENTIAL

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

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Donna M. Davis, Director - Regulatory & Adm. Services

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6. Date Completed: April 15, 2005

		Form	Intended		Original	Old					New F.O.B.		
Line No.	Month Reported	Plant Name	Generating Plant	Supplier	Line Number	Volume (tons)	Form No.	Column Title	Old Value	New Value	Plant Price	Reason for Revision	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(i)	(m)	

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FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES

SPECIFIED

CONFIDENTIAL

- 1. Report for: Mo. February 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 1 & 2

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627
- 5. Signature of Official Submitting Report

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Donna M. Davis, Director - Regulatory & Adm. Services

6. Date Completed: April 15, 2005

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier	Original Line Number	Old Volume (tons)	Form No.	Column Title	Old Value	New Value	New F.O.B. Plant Price	Reason for Revision
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(i)	(m)
1	11/04	CR1&2	CR1&2	Massey Coal Sales Company	4	48,289	2A	(k) Quality Adjustments			\$ 52.11	Quality Adjustment
2	12/04	CR1&2	CR1&2	Massey Coal Sales Company	3	48,726	2A	(k) Quality Adjustments		S	\$ 52.16	Quality Adjustment

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FPSC FORM NO. 423-2C

MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS **REPORT OF ADJUSTMENTS TO PREVIOUS COAL DELIVERIES**

SPECIFIED CONFIDENTIAL

- 1. Report for: Mo. February 2005
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Crystal River 4 & 5

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form Donna M. Davis, Director - Regulatory & Adm. Services (727) 824-6627

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5. Signature of Official Submitting Report

Donna M. Davis, Director - Regulatory & Adm. Services 16+

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6. Date Completed: April 15, 2005

Line No.	Month Reported	Form Plant Nam e	Intended Generating Plant	Supplier	Original Line Number	Old Volume (tons)	Form No.	Column Title	Old Value	New Value	F.O.B. Plant Price	Reason for Revision
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)
1	10/04	CR4&5	CR4&5	Virginia Power Marketing, Inc.	4	10,199	2A	(k) Quality Adjustments		5	\$ 51.23	Quality Adjustment
2	11/04	CR4&5	CR4&5	Massey Coal Sales Company	4	8,459	2A	(k) Quality Adjustments	and the second second		\$ 53.59	Quality Adjustment
3	12/04	CR4&5	CR4&5	Massey Coal Sales Company	4	39,017	2A	(k) Quality Adjustments		s entre	\$ 52.78	Quality Adjustment
4	12/04	CR4&5	CR4&5	Alliance Coal Sales Company	2	38,973	2A	(k) Quality Adjustments			\$ 53.98	Quality Adjustment

Docket No. 050001-EI Deposition: A.W. Pitcher October 21, 2005 Late-filed Exh. No. 10

List of all coal contracts in effect in 2004 showing each coal supplier and whether each contract was FOB barge or FOB mine.

Contract Suppliers (1)	Contract Terms (FOB Barge, FOB Mine or Rail)
AEP (A)	FOB Railcar
AEP (D)	FOB Railcar
Alliance(MCMining)	FOB Railcar
Asset Management Group	FOB Railcar or Barge
Central Appalachian Mining	FOB Railcar
Coal Marketing Company	DES IMT
Consol of Kentucky, Inc.	FOB Railcar
Guasare Coal International (1)	DES IMT
Guasare Coal International (2)	DES IMT
Massey Coal Sales (A)	FOB Railcar
Massey Coal Sales (D)	FOB Railcar
Progress Fuels Corporation (D)	FOB Barge
Virginia Power Marketing	FOB Railcar

Excludes spot purchases.

DES - Delivered Ex Ship FOB Railcar - Loaded into the railcar FOB Barge - Loaded into the barge

Docket No. 050001-El Deposition: A.W. Pitcher October 21, 2005 Late-filed Exh. No. 11

International Marine Terminals 2004

Month End	Inventory
June	114,000
July	160,000
August	183,000
September	357,000

FERC 42	3 Form FERC	Website	December	2004							
yr/month	Utility	Plant	Term		Region	Dock	Tons	BTU/Lb	Sulfurr %	Ash	Del. Price
											c/mmbtu
0412	JEA	Northside	S	BIT	2 PA	RAG	16.6	13020	2.59	7.75	184
0412	JEA	Northside	S	PC	0 TX	OXBOW L	45.4	14166	3.71	0.58	84
0412	JEA	St Johns f	ર૦	PC	0 TX	TCP-DOM	33.94	14002	6.49	0.17	158.3
0412	Florida Power	IMT	S	BIT	8 WV	Winifrede I	D 9.005	12286	0.69	11.27	231.88
0412	Florida Power	IMT	S	BIT	8 WV	Winifrede [5 8.986	12286	0.69	11.27	237.1
0412	Florida Power	IMT	S ·	BIT	8 WV	Quincy Do	7.163	12496	0.63	10.02	213.22
0412	Florida Power	IMT	S	BIT	8 WV	Winifrede [) 1.793	12370	0.68	10,85	235.36
0412	Florida Power	IMT	S	BIT	8 WV	Winifrede [1.643	12370	0.68	10.85	231.84
0412	Florida Power	IMT	S	BIT	8 WV	Quincy Doc	31.916	12365	0.62	11.68	199.6
0412	Florida Power	IMT	S	BIT	8 WV	Quincy Do	5.973	12365	0.62	11.68	201.6

EXHIBIT 800-631-6989 105 M

CONFIDENTIAL

Docket No. 050001-El Supplemental Response to OPC 5th Req.Produce (No.13)

Progress Fuels Corporation

Purchase & Transportation Contracts Coal Delivered in 2005 under Contracts

4	-19	C	Ъ	E	F	G	
A	В	C	Contract or Amendment		. •	•	
Contract/Supplier	Start Term	End Term	Execution	Coal Type	Contract Tons	\$/ton	
Coal							
Consol of Kentucky (1)	1/04	12/04	5/1/2003	А	427,468		
Alliance (MCMining) (2)	1/04	12/06	9/15/2003	D	1,952		2
Alliance (MCMining) (3)	1/04	12/06	9/15/2003	D	600,000		- 3
Massey Coal Sales Company (4)	10/03	3/05	10/7/2003	А	150,000		4
Guasare Coal International (5)	1/04	12/05	10/9/2003	D	650,000		5
Central Appalachian Mining (AEP) (6)	1/04	10/06	12/31/2003	D	503,398		6
B&W Resources (7)	1/05	12/06	6/7/2004	D	240,000		7
Sequoia Energy LLC (7)	1/05	12/06	7/8/2004	Α	120,000		8
Massey Utility Sales Company (7) (8)	1/05	12/05	8/9/2004	D	720,000		9
Guasare Coal International (9)	1/04	12/05	8/26/2004	D	40,000		10
Central Coal Co. (7)	1/05	12/06	9/13/2004	a	300,000		H
Coal Marketing Company (10) (11)	9/04	12/06	10/25/2004	D	150,000		12
Progress Fuels Corporation (rail) (7)	1/05	12/06	12/6/2004	D	360,000		13
Consol of Kentucky (12)	1/05	12/05	12/8/2004	A	750,000		14
Progress Fuels Corporation (water) (10) (11)	1/05	12/06	2/10/2005	D	480,000		15
Massey Coal Sales Company (7) (13)	4/05	06/06	4/15/2005	A	951,698		16
Drummond / Interocean (10)	1/05	12/06	6/7/2005	D	800,000		17
							· · ·

Letter Agreement/Supplier				
Progress Fuels Corporation (water)	1/04	12/04	2/19/2004	63,074

(1) Consol contract 2004 carryover tons into 2005.

(2) Alliance contract 2004 carryover tons into 2005.

(3) Alliance 2005 contract.

(4) Massey 'A' contract term through March 2005.

(5) Guasare 2005 contract.

(6) Includes 3,398 tons of 2004 carryover in addition to 2005 contract tons.

(7) 4/04 Solicitation

(8) Massey 'D' 2005 contract.

(9) Guasare amendment to contract for one additional cargo after 2004 hurricanes.

(10) Agreed to 9/04

(11) Informal solicitation

(12) Consol 2005 contract.

(13) Massey 'A' contract signed in April 2005 that combined 2004 remaining tons with 2005 requirement for new contract price.