

REDACTED

070001-EI

Exhibit B

REDACTED

CMP _____
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DOCUMENT NUMBER-DATE
09070 OCT-35
FPSC-COMMISSION CLERK

20. In responding to interrogatory 20, please refer to Attachment B of PEF's response to Interrogatory No. 4 of Staff's First Set of Interrogatories in Docket No. 070001-EI.

Explain why Keystone was selected to provide the amount of coal listed in attachment B at the price listed in attachment B. In responding, please compare the prices and amounts purchased from other coal vendors in 2006 to the Keystone purchases.

Answer: The Keystone contract at the price of \$[REDACTED]/ton was a spot purchase which compared favorably to the market price of coal at the time the purchase was made. The coal was bought FOB Gulf barge at the International Marine Terminal and as such, the price included costs associated with transloading the coal into the river barge, the river barge rate, the terminal fee plus the fee to transload the coal onto a Gulf barge. The cost of these services would be approximately \$[REDACTED] per ton if borne by PEF. The remaining spot contracts listed on Attachment B with 2006 deliveries were primarily for coal which was delivered by rail and were priced FOB Origin which does not include any transportation costs to deliver the coal to the plant.

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