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Representatives



Joseph A. McGlothlin
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REDACTED

October 31, 2007

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COMMISSION
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Anne Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 070001-EI

Dear Ms. Cole:

On October 1, 2007 our office filed the confidential version of the testimony of Robert Sansom in the above docket. We filed only the confidential version to provide Progress Energy Florida Inc. ("PEF") an opportunity to review the testimony and exhibits, and identify the information that PEF asserts to be confidential.

Following the filing of the confidential version of Mr. Sansom's testimony, the Commission decided to establish a separate proceeding within which to consider the subject he addresses. However, to complete the process of the first filing, we pursued the preparation of a public version of the testimony.

PEF completed its review. Consistent with PEF's assertions of confidentiality, I am submitting for filing and distribution the original and 15 copies of the public version of Mr. Sansom's testimony and exhibits. We reserve the right to modify, amend or supplement the testimony to reflect the parameters and procedures that will be established for the new docket.

- CMP _____
- COM 5
- CTR 1
- ECR 2
- GCL _____
- OPC _____
- RCA 1
- SCR _____
- SGA _____
- SEC _____
- OTH _____

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FPSC-COMMISSION CLERK

Ms. Anne Cole
October 31, 2007
Page -2-

Thank you for your assistance.

Yours truly,

A handwritten signature in cursive script that reads "Joe McGlothlin".

Joseph A. McGlothlin
Associate Public Counsel

JAM:bsr

cc: All parties of record

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause with)
Generating Performance Incentive)
Factor)
_____)

DOCKET NO. 070001-EI

FILED: Confidential Version
October 1, 2007

Public Version
October 31, 2007

DIRECT TESTIMONY

OF

ROBERT L. SANSOM

On Behalf of the Citizens of the State of Florida

PUBLIC VERSION

Respectfully submitted,

Charles J. Beck
Interim Public Counsel

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FPSC-COMMISSION CLERK

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1 DIRECT TESTIMONY

2 OF

3 ROBERT L. SANSOM

4 On Behalf of the Office of Public Counsel

5 Before the

6 Florida Public Service Commission

7

8 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

9 A. My name is Robert L. Sansom. My business address is 1901 N. Moore Street,
10 Arlington, Virginia.

11

12 Q. BY WHOM ARE YOU EMPLOYED?

13 A. I am a principal in the firm of Energy Ventures Analysis, Inc.

14

15 Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND
16 PROFESSIONAL EXPERIENCE.

17 A. This information is contained in my resume', attached as Exhibit __ (RLS-1).

18

19 Q. FOR WHOM DO YOU APPEAR TODAY?

20 A. I am testifying on behalf of the Florida Office of Public Counsel ("OPC").

21

22 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

DOCUMENT NUMBER-DATE

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1 A. In Docket No. 060658-EI, I provided testimony in support of the petition of OPC to
2 require Progress Energy Florida, Inc. (“PEF”) to refund overcharges associated with
3 its failure to burn a blend of Powder River Basin (“PRB”) subbituminous and
4 bituminous coals in its Crystal River Units 4 and 5 when PRB became the more
5 economical choice during periods prior to calendar year 2006. The Commission
6 voted to require PEF to make certain refunds relating to coal costs incurred during
7 2003, 2004, and 2005. The Commission needs to consider whether similar
8 adjustments to actual expenses for calendar year 2006—the year subsequent to the
9 time frame of OPC’s petition, for which information was not available in that docket,
10 are warranted under the facts and circumstances surrounding procurement activities
11 related to those costs. The purpose of my testimony is to address that subject.

12
13 **Q. PLEASE BRIEFLY REVIEW THE COMMISSION’S DECISION IN DOCKET**
14 **NO. 060658-EI.**

15
16 A. At the time I prepare this testimony, the written order memorializing the decision in
17 Docket No. 060658-EI has not been issued. However, the Commissioners voted to
18 adopt the primary staff recommendation, contained in a memorandum that was
19 submitted to the Commissioners for their consideration on June 27, 2007. I am
20 attaching the Staff document as Exhibit __ (RLS-2).

21
22 **Q. WHAT ARE THE ESSENTIAL PARAMETERS OF THE PRIMARY STAFF**
23 **RECOMMENDATION THAT A MAJORITY OF THE COMMISSIONERS**

1 **ADOPTED AS THEIR DISPOSITION OF THE ISSUES RAISED IN DOCKET**
2 **NO. 060658-EI?**

3 A. The essential parameters are these: Crystal River Units 4 and 5 were designed and
4 constructed to have the flexibility to burn a blend containing PRB subbituminous and
5 bituminous coals; PEF was placed on notice, by the participation of producers of
6 Powder River Basin coal in a 2001 solicitation, that PRB subbituminous coal had
7 become competitive with other sources; PEF thereafter should have positioned itself
8 to be able to take advantage of the favorable economics of PRB coal when it
9 evaluated submissions to the solicitation that it conducted in 2003; PEF can burn a
10 blend containing 20% PRB coal without encountering a need to “derate” the historical
11 output levels of Crystal River Units 4 and 5. When comparing PEF’s actual costs of
12 coal delivered to Crystal River with the costs of the forgone alternative, the
13 Commission (through acceptance of its staff’s primary recommendation) employed
14 the “waterborne proxy” transportation rate advocated by PEF in lieu of actual market
15 rates; incorporated a cost of blending the PRB and bituminous coals off-site; and
16 incorporated also a penalty factor that PEF programmed into the evaluation of bids
17 that it attributed to the impact of coal having the combustion characteristics of
18 subbituminous coal on the boilers.

19
20 **Q. FOR PURPOSES OF YOUR TESTIMONY, HOW HAVE YOU**
21 **APPROACHED THE SUBJECT OF THE REASONABLENESS OF THE**
22 **COSTS THAT PEF INCURRED IN PROCURING FUEL TO BURN IN**
23 **CRYSTAL RIVER UNITS 4 AND 5 DURING CALENDAR YEAR 2006?**

1 A. The assignment given to me by OPC was to extend and implement the decision of the
2 Commission in Docket No. 060658-EI to calendar year 2006. In other words, OPC
3 asked me to apply the relevant parameters of the Commission's decision in Docket
4 No. 060658-EI to the facts and circumstances attending the procurement of coals to
5 be delivered in calendar year 2006. Simply put, if Powder River Basin coal continued
6 to be more economical than the coal that PEF purchased for delivery in 2006, as was
7 the case in 2003, 2004, and 2005, then the Commission should calculate the
8 adjustment warranted by the facts and require PEF to make a refund of overcharges
9 consistent with its action in Docket No. 060658-EI.

10

11 **Q. DID PRB COAL CONTINUE TO BE MORE ECONOMICAL THAN**
12 **BITUMINOUS COAL?**

13 A. Yes. The same imprudence that led the Commission to adjust costs incurred in 2003,
14 2004, and 2005 continued to cause customers to bear unreasonably high costs of fuel
15 for Crystal River Units 4 and 5 in 2006. In fact, in my testimony I will demonstrate
16 that the "spread" between PRB coal and bituminous coal grew larger with respect to
17 contract coal to be delivered in 2006, causing the impact of PEF's imprudence to be
18 especially severe on ratepayers in 2006. I have quantified the overcharges. Based on
19 bids for PRB coal that PEF received in the solicitation it conducted in 2004 for
20 deliveries to be made in 2006, as compared to PEF's actual cost of supplying 100%
21 bituminous coal to Crystal River Units 4 and 5 in 2006, the Commission should
22 require PEF to refund at least \$14,235,491 to customers. This amount measures the

1 savings that would have been realized had PEF acted on actual bids from PRB coal to
2 fuel Crystal River Units 4 and 5 with a blend containing 20% PRB coal in 2006.

3
4 **Q. CAN YOU PLACE THE PROPOSED REFUND INTO PERSPECTIVE FOR**
5 **THE COMMISSIONERS?**

6 A. Yes. According to PEF's Schedule A-4, which is being sponsored by PEF witness
7 Garrett in this docket, PEF incurred approximately \$291 million of bituminous coal
8 costs to fuel Crystal River Units 4 and 5 in calendar year 2006. The refund amounts
9 to approximately 5% of that total. Also according to PEF's A schedules, PEF
10 collected some \$1.7 billion of fuel costs through the fuel cost recovery clause in 2006.
11 The adjustment related to a 20% PRB blend for Crystal River Units 4 and 5 is less
12 than 1% of that amount.

13
14 **Q. ARE THERE ANY RESPECTS IN WHICH YOUR TESTIMONY IN THIS**
15 **DOCKET DIFFERS FROM THE CALCULATIONS UNDERLYING THE**
16 **COMMISSION'S DECISION IN DOCKET NO. 060658?**

17 A. I have applied the 20% PRB ratio to the full quantity of coal that PEF burned in
18 Crystal River 4 and 5 during 2006, because I believe it is clearly understood that the
19 percentages of PRB and bituminous coals in the chosen "blend" relate to all of the
20 coal burned in the boilers of Crystal River Units 4 and 5. I note that in calculating
21 the amount of overcharges to be refunded the primary staff applied the 20% PRB
22 ratio only to the portion of the total Crystal River 4 and 5 coal requirements that
23 arrived by barge. A substantial portion of the units' total requirements arrives by rail.

1 To reflect a 20%/80% blend of all of the coal that is fed to the boilers, the 20% factor
2 must be applied to the combined total that arrives by both transportation modes;
3 otherwise, the effective overall percentage is reduced to around 10%, which
4 understates the opportunity to use the units' flexibility to lower customer's costs. I
5 am informed that OPC intends to ask the Commission to correct the calculation when
6 OPC files its motion for reconsideration in Docket No. 060658-EI.

7
8 During the proceedings on OPC's petition in Docket No. 060658-EI, one issue that
9 surfaced was whether to use actual market conditions that prevailed in the
10 transportation market or the "waterborne transportation proxy" advocated by PEF to
11 calculate the cost of delivering PRB coal to Crystal River. In that case, the
12 Commission employed the proxy developed by PEF witness Heller for the PRB
13 scenario. However, well before 2006 the Commission-approved "waterborne proxy,"
14 from which PEF derived its PRB proxy transportation costs, had been abolished by
15 order of the Commission.. See Order No. PSC-03-1461-FOF-EI, issued in Docket No.
16 030001-EI on December 22, 2003. Accordingly, the concept of a "waterborne proxy"
17 is not relevant to 2006 circumstances. I therefore have used actual market
18 transportation rates, including those quoted to PEF at the time, to calculate the cost
19 differentials.

20
21 At page 57 the primary staff recommendation states, "Therefore, PEF's evaluation of
22 potential PRB purchases are the proper prices for PRB coal purchase evaluations." I
23 note that in calculating the amount to be refunded in Docket 060658-EI, the primary

1 staff used values taken from PEF witness Heller's exhibits. Mr. Heller did not
2 employ the actual bids received by PEF during solicitations. Instead, he employed
3 spot market prices. The adjustment that Staff calculated therefore was inconsistent
4 with its finding concerning the prices which properly should be used. I have made
5 the actual bid values and evaluation sheet exhibits to my testimony in this docket.
6 Consistent with the text of the primary staff recommendation, with which I agree, I
7 have employed those bids, as evaluated by PEF during the solicitation process, as the
8 proper basis for quantifying the cost of the PRB alternative for 2006 deliveries.

9
10 Finally, in addition to the calculation of an adjustment based on the costs that PEF
11 would have incurred had it procured a blend containing 20% PRB coal for delivery to
12 Crystal River Units 4 and 5 during 2006, I will provide a calculation that reflects the
13 assumption of a blend containing 30% PRB coal. I include this because I am
14 informed by OPC that OPC intends to file a motion for reconsideration in which it
15 will ask the Commission to modify its July 31, 2007 vote by changing the basis for an
16 adjustment from 20% PRB to 30% PRB. In the event the Commission agrees with
17 OPC on that point when it takes up the motion, it will have available in record of this
18 docket the calculation that would extend its revised decision to 2006.

19
20 **Q. IF A 20% PRB BLEND OR A 30% PRB BLEND BY TONNAGE HAD BEEN**
21 **BURNED IN CRYSTAL RIVER UNITS 4 AND 5 IN 2006 FOLLOWING THE**
22 **2004 SOLICITATION, WHAT WOULD HAVE BEEN THE AVERAGE BTU**
23 **CONTENT PER POUND OF THE BLENDED COALS?**

1

2 A. The design of Crystal River Units 4 and 5 specified a blend containing 50% Central
3 Appalachian coal containing 12,450 Btus per pound and 50% PRB subbituminous
4 coal containing 8125 Btus per pound, for an average of 10,287 Btus per pound. The
5 Btu content of the PRB coals that producers offered to PEF in the 2004 solicitation
6 for delivery in 2006 contained 9350 Btus per pound and 8800 Btus per pound, or an
7 average of 9075 Btus per pound. If PRB coal containing 9075 Btus per pound were
8 blended with the 12,350 Btu/pound Central Appalachian bituminous coal that PEF
9 actually purchased, the average Btu content would have been 11,695 Btus per pound
10 for a 20% blend and 11,367 Btus per pound for a 30% blend.

11

12 **Q. PLEASE DESCRIBE MORE FULLY THE SOLICITATION TO WHICH YOU**
13 **REFER.**

14 A. Contractual arrangements, including prices and tonnages, to supply coal to Crystal
15 River Units 4 and 5 during calendar year 2006 were put in place earlier than 2006.
16 To gauge the prudence and reasonableness of the costs that PEF incurred to fuel
17 Crystal River Units 4 and 5 during calendar year 2006, it is necessary to analyze the
18 prior procurement activities that resulted in those costs. In 2004, PEF conducted a
19 formal Request For Proposals in which it invited producers of coal to submit bids to
20 supply coal to be delivered to Crystal River Units 4 and 5 during calendar year 2006.
21 In response to the Request For Proposals, PEF received several bids from producers
22 of bituminous coal and also producers of PRB coal. On an evaluated basis, taking
23 transportation costs and assumed boiler impacts into account, the bids for PRB coal

1 were easily the most economical alternatives for calendar year 2006 contract
2 deliveries that PEF received during the RFP process—or, for that matter, at any time
3 thereafter. PEF did not purchase coal from any of the PRB producers who
4 participated in the RFP with the lowest bids. PEF could not have done so if it had
5 wanted to, because, as the Commission observed in Docket No. 060658-EI, PEF had
6 failed to acquire and maintain the permitting authority and operating flexibility to
7 enable it to take advantage of the opportunity when it arose. This remained true
8 during the period in which PEF arranged supplies for 2006. As a consequence, PEF
9 paid more for coal delivered to Crystal River Units 4 and 5 during calendar year 2006
10 than it should have paid, and its customers bore unreasonably high fuel costs.

11
12 **Q. WAS PEF'S FAILURE SIGNIFICANT? IF SO, WHY?**

13 A. Yes, it was very significant. Compared to 2003, 2004, and 2005, during the 2004
14 RFP process the market prices for bituminous coal for deliveries in 2006 had moved
15 upward, whereas the market prices for PRB coal had not yet risen. Accordingly,
16 relative to the prior years that were the subject of the adjustment and refund ordered
17 in Docket No. 060658-EI, the incremental cost per ton that PEF incurred as a
18 consequence of being forced to buy 100% bituminous coal, when cheaper PRB coal
19 had been offered to PEF, was larger in 2006. Therefore, the adjustment and refund
20 required to protect ratepayers from overcharges are larger for 2006 than for any of the
21 individual annual periods that were the subject of the refund in Docket No. 060658-
22 EI.

23

1 Q. PLEASE SUMMARIZE YOUR FINDINGS WITH RESPECT TO THE
2 REFUND THAT WOULD BE NECESSARY TO EXTEND AND APPLY THE
3 RATIONALE OF THE DECISION IN DOCKET NO. 060658-EI TO THE
4 COSTS THAT PEF INCURRED TO FUEL CRYSTAL RIVER UNITS 4 AND 5
5 DURING CALENDAR YEAR 2006.

6 A. Applying the determination that by 2003 PEF should have positioned itself to burn a
7 blend containing a minimum of 20% PRB coal when that source is favorable to
8 customers, and based on the actual bids for PRB coal that PEF received during the
9 solicitation it conducted in 2004 for deliveries to be made in 2006, the required
10 refund is \$14,235,491. This includes the value of excess SO2 credits that PEF would
11 not have needed had it purchased the PRB coal. In the event the Commission
12 modifies the amount of PRB in the blend to 30%, the required refund would be
13 proportionately larger. These refund amounts incorporate the effect of SO2
14 allowances. The amounts also take into account the additional tons that PEF would
15 have purchased if needed to maintain the same total annual Btu burn that it
16 experienced with 100% bituminous coal in 2006. They are exclusive of interest.

17
18 Q. PLEASE DESCRIBE THE METHODOLOGY, DATA, AND ASSUMPTIONS
19 YOU EMPLOYED TO REACH THESE CONCLUSIONS.

20 A. Conceptually, the methodology is to apply the standards of prudence and
21 reasonableness to 2006 costs that PEF incurred to fuel Crystal River Units 4 and 5. In
22 this context, I define prudence as how a reasonable person would respond in
23 implementing a "term" (contract, not spot) coal procurement in 2004 for deliveries in

1 2006, acting to take advantage of market conditions and utilizing the capability of
2 Crystal River Units 4 and 5 to minimize fuel costs to PEF's ratepayers.

3
4 **Q. AS APPLIED TO COAL DELIVERED TO CRYSTAL RIVER UNITS 4 AND 5**
5 **IN 2006, WHAT ARE THE SALIENT PARAMETERS OF THE STANDARD?**

6 A. The fundamental parameter is the finding that PEF should have been positioned to
7 take advantage of economical PRB coal by the time of its formal April 2004
8 solicitation. During that process PEF evaluated bids to deliver coal during the period
9 2005-2007(see RLS-3) from PRB, foreign, and Central Appalachian ("CAPP") coal
10 producers and transporters. PEF's bid evaluation methodology recognized that
11 Crystal River Units 4 and 5 were designed to burn PRB coal, and could take CAPP
12 coal by rail and PRB, imports, or CAPP by barge delivery (water route). A prudent
13 procurer of coal would have recognized that CAPP and imported prices, as delivered,
14 had increased significantly and PRB coal, as delivered, had not. A prudent procurer
15 would have acted to secure the economical fuel represented by these bids to supply
16 PRB coal.

17
18 **Q. WHAT DID PEF PAY FOR COAL BURNED IN CRYSTAL RIVER UNITS 4**
19 **AND 5 IN 2006?**

20 A. According to PEF's 2006 FERC Form 1, in 2006 PEF burned 3, 864,515 tons of coal
21 at Crystal River Units 4 and 5. According to this same FERC Form 1, in 2006 PEF
22 paid an average price of \$3.087/MMBtu (delivered) for this coal. This is among the
23 highest prices paid for coal by any U.S. electric utility. It is the highest price paid for

1 coal by any U.S. utility subject to a similar emission standard, having a multi-modal
2 (rail and water) delivery capability, and having the ability to burn (some) PRB coal.
3 For example, at Scherer Unit 4 southeast of Atlanta, in 2006 FPL burned 100% PRB
4 coal in a unit not designed for PRB coal and paid an average price of \$2.18/MMBtu.
5 Southern Company's Miller plant in 2006 paid only \$1.64/MMBtu for 100% PRB
6 coal delivered by rail to a site northwest of Birmingham. Mississippi Power and Gulf
7 Power in 2006 paid \$2.35/MMBtu for delivered western coal. PEF's average 2006
8 price of \$3.087/MMBtu is not even close to what a prudent coal procurement
9 program could have achieved, had it properly taken advantage of the availability of
10 economical PRB coal. PEF received PRB bids for delivery in 2006 at around
11 \$2.00/MMBtu. That is a delivered price. Blended with the more expensive
12 bituminous coal, the PRB coal offered to PEF in the 2004 RFP for delivery in 2006
13 would have reduced customers' bills significantly.

14
15 **Q. WAS THE PRB ADVANTAGE TO UTILITIES AND THEIR RATEPAYERS**
16 **CONSISTENT AND EVIDENT THROUGHOUT THE STATES EAST OF**
17 **THE MISSISSIPPI?**

18 A. Yes. I offer at Exhibit __ (RLS-4) a map showing the delivered price of PRB coal to
19 eastern utilities in 2005 compared with coals from other U.S. coal producing regions.
20 In all cases PRB coal was the least cost coal. The map is representative of 2006
21 conditions.

1 Q. DID THE HIGH COAL COST AT CRYSTAL RIVER UNITS 4 AND 5 THAT
2 RESULTED FROM THE FAILURE TO INCORPORATE ECONOMICAL
3 PRB COAL INTO THE FUEL BURNED IN CRYSTAL RIVER UNITS 4 AND
4 5 FLOW THROUGH TO THE RATEPAYERS VIA THE FUEL CLAUSE?

5 A. Yes. Customers bore the higher costs during 2006.

6

7 Q. DID THE TERMS OF PEF'S 2004 SOLICITATION LIMIT THE SAVINGS
8 AVAILABLE TO CUSTOMERS IN ANY WAY?

9 A. Yes. In its RFP, PEF did not solicit proposals to deliver PRB by rail to McDuffie
10 Dock at Mobile, Alabama. PEF omitted this option even though both the BNSF and
11 UP rail lines had bid this superior rail route to PEF earlier (see Exhibit __ (RLS-5),
12 consisting of RLS-17, RLS-34 and RLS-35 entered in Docket No. 060658) and the
13 route was 600 miles shorter than the route contemplated by the terms of the RFP.
14 Use of this route had the potential to save ratepayers another \$0.25/MMBtu on PRB
15 coal deliveries vs. the via New Orleans (IMT) route. My calculations of overcharges
16 do not encompass this additional source of savings.

17

18 Q. ARE YOU AWARE OF ANY INDICATIONS THAT THE MCDUFFIE DOCK
19 OPTION WAS VIABLE FOR PEF AT THE TIME?

20 A. Yes. In the form of a contract with Drummond, a South American producer, agreed
21 to in September 2004, PEF purchased coal imported from Columbia that was
22 transshipped at the McDuffie, Alabama dock in 2005 and 2006.

23

1 Q. IF YOU IMPOSE A 20% OR 30% LIMITATION ON THE TONS OF PRB
2 COAL THAT COULD BE BURNED IN CRYSTAL RIVER UNITS 4 AND 5,
3 USE THE MAY 2004 BIDS FOR DELIVERIES IN 2006 AS EVALUATED BY
4 PEF IN 2004, BY WHAT AMOUNT DID PEF OVERCHARGE CUSTOMERS
5 FOR FUEL BURNED IN CRYSTAL RIVER UNITS 4 AND 5 DURING 2006?

6 A. The answer depends on whether the Commission compares the bids received with and
7 without a 20% PRB component, or whether the Commission compares the PRB bids
8 to the cost that PEF actually incurred in 2006. Because PEF altered its plan of fueling
9 Crystal River Units 4 and 5 after concluding the RFP, the values that one calculates
10 for the two approaches are not identical. I will explain why I believe the appropriate
11 measure of overcharges is the comparison with actual 2006 costs. However, I have
12 made both calculations. I will begin with the comparison of 2004 bids assuming
13 100% bituminous coal with low bids assuming the economical PRB coal was
14 included up to 20% of the total supply for 2006.

15
16 Q. FOCUSING FIRST ON THE COMPARISON OF BIDS RECEIVED, HOW
17 MUCH WOULD COSTS HAVE BEEN REDUCED BY A PRB COMPONENT?

18 A. Assuming a 20% PRB blend, the overcharges were \$9,806,800. If a 30% PRB blend
19 is examined, the overcharges would be 50% higher, as the supply curve for PRB coal
20 was flat in the lower price range.

21
22 Q. PLEASE EXPLAIN HOW YOU CALCULATED THESE AMOUNTS.

1 A. To answer this question, I analyzed the following documents, which are contained in
2 Exhibits __ and ___ (RLS-3 and RLS-6). First, in Exhibit 3 I have included:

3 (1) Mr. Al Pitcher's May 20, 2004 memorandum with attachments to Kyle,
4 Crake.

5 (2) Purchases actually resulting from this solicitation for delivery in 2006, as
6 provided by PEF.

7 (3) Late filed Pitcher Deposition Exhibit 4: Spreadsheet with formulas for
8 evaluation of coal to be delivered in 2006, as performed by Progress Fuels
9 Corporation in 2004--as provided by PFC to OPC on October 17, 2006.

10 Exhibit __ (RLS-6) contains:

11 (1) All bids evaluated for Crystal River Units 4 and 5, dated May 20, 2004.

12 (2) The 2004 RFP document showing the coals solicited, including "8200 Btu/lb
13 min", "subbituminous" coal.

14 (3) PEF's May 17, 2004 and June 22, 2004 memoranda summarizing
15 procurement decisions for CR 4/5.

16

17 **Q. WHAT IS YOUR SOURCE OF INFORMATION CONCERNING THE TONS**
18 **OF COAL BURNED IN CRYSTAL RIVER UNITS 4 AND 5? WHAT DOES**
19 **THAT SOURCE SHOW?**

20 A. PEF's 2006 FERC Form 1 shows that PEF burned 3,864,515 tons of coal in Crystal
21 River Units 4 and 5 at an average Btu/lb of 12,211.

22

1 Q. HOW MANY TONS OF PRB COAL WOULD HAVE BEEN BURNED IN
2 CRYSTAL RIVER UNITS 4 AND 5 IN 2006 ASSUMING 20% AND 30%
3 TONNAGE BLENDS?

4 A. At 20%, 772,903 tons. At 30%, 1,159,354 tons.

5

6 Q. WHAT WAS THE LOWEST BID IN 2004 FOR 2005-2007 CR 4/5 COAL?

7 A. It was Kennecott's bid of a PRB coal from the Spring Creek Montana mine. It was
8 evaluated at a cash cost of \$1.87/MMBtu and an "as utilized" cost of \$1.84/MMBtu.
9 The bid (see RLS-3) was for 500,000 tons of 9350 Btu/lb coal including rail delivery
10 and dock costs to and through a St. Louis coal terminal on the east side of the
11 Mississippi River, i.e. a firm bid for rail freight for 2005 to 2007 was included. Rail
12 escalation indexes applied to 65% of the delivered to river dock price of \$22.90/ton,
13 implying a 2005 starting rail rate, including rail cars and dock charges, of about
14 \$14.90 per ton and an FOB mine price of about \$8.00/ton.

15

16 Q. IS THE SPRING CREEK PRB COAL SUITABLE FOR CRYSTAL RIVER
17 UNITS 4 AND 5/

18 A. Yes Spring Creek PRB coal contains relatively high Btus per pound, meaning that
19 fewer tons would need to be purchased to maintain Btu parity relative to other PRB
20 sources. Also, Spring Creek PRB coal contains a relatively high sodium content.
21 Blended with bituminous coal, this would beneficially enhance the ash removal
22 process.

23

1 **Q. WERE THERE OTHER FIRM FOB MINE BIDS FOR 2006?**

2 A. Yes. Arch, Peabody, Triton, and DTE submitted bids. All of these producers bid
3 coal containing 8,800 Btus per pound. Their 2006 prices ranged from \$7.85 to \$9.25
4 per ton, FOB mine. The PRB bids are summarized on Exhibit __ (RLS-7).

5

6 **Q. WHAT DID PEF'S 2004 BID EVALUATION SHEET SHOW AS THE**
7 **DELIVERED "CASH COST" AND "UTILIZED COST" FOR THE PRB BIDS**
8 **FOR 2006?**

9 A. PEFs' 2004 evaluation sheet showed delivered costs to Crystal River Units 4 and 5
10 ranging from \$1.87 to \$1.92 per MMBtus on a "cash" basis, and from \$1.84 to \$2.05
11 per MMBtus on an "as utilized" basis. The precise values are shown on Exhibit
12 __ (RLS-8).

13

14 **Q. PLEASE DESCRIBE THE ADJUSTMENTS NEEDED TO ARRIVE AT AN**
15 **"AS UTILIZED" PRICE.**

16 A. As shown at Exhibit RLS-3, (late filed Exhibit 4 to the deposition of PEF witness Al
17 Pitcher), PEF's "as utilized" evaluation penalized PRB coal for high moisture, lower
18 Btu/lb, lower volatility and lower grind, but gave it greater offsetting "mark ups" for
19 lower sulfur and ash.

20

21 **Q. WHAT WAS THE NET "AS UTILIZED" ADJUSTMENT FOR EACH PRB**
22 **BID?**

1 A. Kennecott's Spring Creek delivered bid price was adjusted downward by 60 ¢/ton;
2 Arch's Black Thunder bid upward by \$2.57/ton; Triton's North Rochelle bid upward
3 by \$1.80/ton; and Peabody's North Antelope Rochelle upward by \$2.26/ton.

4

5 **Q. DID THESE PEF PRB COAL ADJUSTMENTS REFLECT THE "AS**
6 **BURNED" CHARACTERISTICS AT CRYSTAL RIVER UNITS 4 AND 5,**
7 **AND INCORPORATE THEM IN THE DELIVERED PRICE ANALYSIS?**

8 A. Yes.

9

10 **Q. WERE THE MAY 2004 BIDS FROM 2006 CAPP COAL AND SOUTH**
11 **AMERICAN COAL PRODUCERS, WHEN EVALUATED ON A DELIVERED**
12 **PRICE AND "AS UTILIZED" DELIVERED PRICE BASIS, COMPETITIVE**
13 **WITH THE PRB BIDS IN TERMS OF COST MEASURED IN \$/MMBTU??**

14 A. No. As I showed at page 42 of my direct testimony in Docket No. 060658-EI, and on
15 Exhibit __ (RLS-9, which was identified as RLS-7 in Docket No. 060658-EI), in mid-
16 to-late 2003 prices of imported and CAPP coals had risen sharply, but PRB
17 commodity prices and rail rates had not risen. This was the coal market situation at
18 the time of the May 2004 bid evaluation.

19

20 **Q. PLEASE SUMMARIZE THE LOWEST CAPP AND IMPORTED COAL BIDS**
21 **RECEIVED BY PEF IN MAY 2004.**

22 A. According to PEF's May 2004 evaluation of 2006 bids via the water route, the two
23 lowest CAPP bids were Central Coal's [REDACTED] ton 2006 bid evaluated at

1 \$ [REDACTED] MMBtu “as utilized” and \$ [REDACTED] MMBtu on a cash cost delivered basis and
2 Massey’s bid of \$ [REDACTED] MMBtu “as utilized” and a \$ [REDACTED] /MMBtu cash cost. (See
3 Exhibit RLS-3) The lowest imported coal bids on an “as utilized” basis were
4 Drummond Colombia coal at \$ [REDACTED] MMBtu via Mobile, AL (PEF put [REDACTED] tons
5 of this coal under contract for 2006), CMC’s Colombia coal via Mobile, AL at
6 \$ [REDACTED] MMBtu, and Guasare Venezuelan coal at \$ [REDACTED] /MMBtu.

7
8 **Q. HOW DO THESE “AS UTILIZED” EVALUATED BIDS FOR CAPP COAL**
9 **COMPARE WITH THE PRB BIDS DISCUSSED ABOVE?**

10 A. They were not even close. Winning coal bids are often separated from losing coal
11 bids by a few cents per MMBtu or even less. In this case the PRB “as utilized” bids
12 were more than 50 ¢/MMBtu, or \$12.50/ton on a 12,500 Btu/lb coal basis, less
13 expensive than the CAPP and imported coal bids.

14
15 **Q. BUT THE PRB BIDS WERE NOT CHOSEN?**

16 A. Correct. PEF was unprepared to burn PRB coal, and in the middle of the May 2004
17 solicitation aborted its April 2004 test burn of PRB-CAPP blended coal because it
18 discovered it had failed to acquire a federal air permit authorizing it to burn PRB coal
19 in Crystal River Units 4 and 5. A successful test was not conducted until May 2006,
20 long after the procurement activities for deliveries of contract coal in 2006 had been
21 conducted.

1 Q. WHAT WATER ROUTE AWARDS WERE MADE AS A RESULT OF THE
2 MAY 2004 BIDS?

3 A. According to Mr. Pitcher's May 17, 2004 and June 22, 2004 Memoranda, awards
4 were made to Central Coal for [REDACTED] 2006 tons at an "as utilized" cost of
5 \$ [REDACTED]/MMBtu (cash cost \$ [REDACTED] MMBtu) and to Massey at an "as utilized" cost of
6 \$ [REDACTED]/MMBtu (cash cost \$ [REDACTED] MMBtu).

7

8 Q. AT THIS POINT CAN YOU EMPLOY THE 2004 EVALUATED BIDS TO
9 CALCULATE THE 2006 OVERPAYMENTS THAT WERE BORNE BY PEF'S
10 RATEPAYERS?

11 A. Yes, although as I explain and provide later, the alternative and more traditional
12 prudence calculation utilizes the actual 2006 delivered cost of the "but for" CAPP and
13 imported coal compared to what would have been paid in 2006 for PRB coal
14 delivered in a 20% or 30% CR 4/5 blend.

15

16 Q. PROCEED WITH THE CALCULATION BASED ON WHAT WAS KNOWN
17 IN 2004.

18 A. The 20% and 30% PRB blend Btu's would be as follows: 20% blend would in 2006
19 have required 14,028,189 MMBtu of PRB coal and a 30% PRB tonnage blend would
20 have required 21,042,275 MMBtu of PRB coal. Instead a [REDACTED] ton CAPP award
21 for 2006 went to Central Coal and a [REDACTED] ton 2006 award went to Massey Coal.

22

23 Q. WHAT WERE THE TOTAL BTU'S REPRESENTED BY THESE AWARDS?

1 A. For Central Coal at 24.6 MMBtu/ton on [REDACTED] tons, [REDACTED] MMBtu. For
2 Massey at 24.2 MMBtu/ton on [REDACTED] tons [REDACTED] MMBtu for a total of
3 [REDACTED] MMBtu.

4

5 **Q. PLEASE EXPLAIN HOW YOU ARRIVED AT THE \$9,806,800 FIGURE FOR**
6 **THE 20% PRB CASE.**

7 A. Had PEF purchased 500,000 tons of \$1.87/ MMBtu Spring Creek coal (or 9,350,000
8 MMBtu), for a blend, the savings would have been \$ [REDACTED] MMBtu for Central Coal
9 minus \$1.84/MMBtu "as utilized" for Spring Creek's delivered PRB coal. The
10 savings would have been \$0.85/MMBtu times [REDACTED] MMBtu of displaced Central
11 Coal for a \$6,273,000 savings, and \$0.90/MMBtu on the [REDACTED] MMBtu of
12 Massey coal displaced by Spring Creek or an additional \$1,440,000. In addition,
13 another 2,755,000 MMBtu of Massey coal would have been displaced by Triton,
14 North Rochelle 8800 Btu/lb at a savings of \$ [REDACTED] /MMBtu "as utilized" Massey minus
15 \$1.98/MMBtu North Rochelle coal for an added savings of \$0.76/MMBtu or
16 \$2,093,800.

17

18 **Q. IS THIS METHOD COMPLETE?**

19 A. This is one method of evaluating ratepayer overpayments due to the failure to burn
20 PRB coal in a 20% blend, constrained by the sum of the Btu's purchased from Central
21 and Massey off of the May 2004 bids for a total of [REDACTED] MMBtu vs. a 20%
22 PRB blend total PRB Btu potential of 14,028,189 MMBtu and a 30% blend potential

1 of 21,042,275 MMBtu. But this method is not the normal methodology for
2 evaluating the overpayments due to an imprudent procurement.

3
4 **Q. HOW WOULD THE “NORMAL” METHODOLOGY DIFFER?**

5 A. The differences follow:

- 6 • First, I should take the actual cash delivered prices of the as purchased coal
7 purchased instead of PRB coal in 2006 and compare them with the projected
8 as delivered 2006 PRB prices. This is especially important in this case
9 because PEF in 2006 never purchased Massey coal via the water route
10 pursuant to its May 2004 “award” to Massey. Rather PEF in September 2004
11 replaced the Massey coal and added tonnage with a purchase of more
12 expensive coal from its affiliate sales company, KRT, without a solicitation.
13 This coal would not have been purchased, had PRB coal been purchased for a
14 20% blend in May 2004.
- 15 • Second, I will use Primary Staff’s 3¢/MMBtu / PRB Btu penalty for PRB coal
16 use in a 20% to 30% blend.
- 17 • Third, I should assume 2004 PRB purchases up to a full 20% and 30% of all
18 2006 Btu’s for the two PRB blend cases and displace the other coals, if any, in
19 addition to Central and Massey coal actually burned in 2006 under 2004 and
20 later contracts that would not have been purchased had PEF fully procured
21 PRB coal for the 20% and 30% blend cases.
- 22 • Fourth, I need to reflect in the fuel overpayments, the 2006 overpayments for
23 SO₂ allowances.

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Q. WHAT THEN WERE THE CONTRACT BITUMINOUS COALS PURCHASED VIA THE WATER ROUTE IN 2006 FOR CR 4/5 THAT WOULD NOT HAVE BEEN PURCHASED HAD PEF TAKEN ADVANTAGE OF THE 2004 PRB BIDS FOR 2006 IN RESPECTIVELY 20% AND 30% BLENDS AT CR 4/5?

A. Prior to the May 2004 solicitation, according to Mr. Pitcher's June 22, 2004 memorandum, attachment B p. 3 of 3 at Exhibit __ (RLS-3), PEF had 1,650,000 tons under contract for 2006, 650,000 tons of which were subject to reopener agreement. (This statement is not consistent with PEF's statement elsewhere that the Drummond agreement was reached in September 2004. See Exhibit RLS-3.) This left 750,000 tons of CR 4/5 coal uncontracted, even if one limits the calculation to the 2.4 million ton water route deliveries employed in the primary staff recommendation that the Commission adopted in Docket No. 060658-EI. (Later in my testimony, I will demonstrate that the actual water route capability is significantly higher than this number.) In 2004 PFC awarded the following water route contracts for 2006:

- _____ tons to Central Coal
- _____ tons to Massey
- _____ tons to KRT (PFC Affiliate)

Q. BUT MASSEY WAS SHIFTED TO THE RAIL ROUTE IN SEPTEMBER 2004 PRIOR TO THE KRT AWARD?

1 A. Correct. Therefore, the net new 2004 contract tons, excluding Drummond Colombian
2 coal imports via McDuffie, were Central Coal Company's [REDACTED] tons and PFC
3 affiliate sales company KRT's [REDACTED] tons, [REDACTED] tons of which replaced the
4 diverted Massey coal (see Exhibit ___ (RLS-11)). So the total tons are 780,000 tons
5 of contract coal available for PRB coal contracts in 2004.

6

7 **Q. WOULD TONNAGE HAVE BEEN AVAILABLE FOR PRB DISPLACEMENT**
8 **BY THE POINT AT WHICH, ACCORDING TO THE DECISION IN**
9 **DOCKET NO. 060658-EI, PEF SHOULD HAVE BEEN ABLE TO TAKE**
10 **ADVANTAGE OF CHEAPER PRB COAL?**

11 A. Yes. In the recommendation that the Commission adopted, the primary staff
12 concluded that in 2001 PEF should have been aware that PRB coal was a low cost
13 option for CR 4/5 and should have begun using it in 2003. Therefore the 1,000,000
14 tons of Drummond coal should have been competed against PRB coal up to 20% to
15 30% of all CR 4/5 coal blend.

16

17 **Q. WHAT ABOUT THE AUGUST 2003 VENEZUELAN COAL CONTRACT**
18 **WITH GUASARE?**

19 A. It also came after the point in time at which PEF should have been aware of the
20 competitive role of PRB coal. Moreover, the new 2005 Guasare coal contract for
21 2006 and 2007 clearly overlaps the pertinent timeline and should not have been
22 entered into if it was more costly than PRB coal.

23

1 Q. IN SUMMARY WAS THERE IN 2004 "ROOM" FOR PRB COAL
2 CONTRACTS UP TO 20% AND 30% OF THE CR 4/5 2006 BURN (BY RAIL
3 AND WATER)?

4 A. Yes. But for the KRT, Guasare, and Central Coal 2004 contracts, PRB coal for a
5 20% to 30% blend could have been purchased in 2004 for 2006. At a 20% tonnage
6 blend PRB Btu's in 2006 would have 14,028,189 MMBtu's and at a 30% blend
7 21,042,275 MMBtu's.

8
9 Q. PLEASE ADDRESS THE 20% AND 30% BLENDS.

10 A. At 20% of tons, PRB coal would constitute 772,903 tons. This would have displaced
11 the [REDACTED] tons of KRT tons received in 2006 (vs. a [REDACTED] ton contract) and
12 [REDACTED] tons of the [REDACTED] tons of Central Coal received in 2006.

13
14 Q. AND A 30% BLEND?

15 A. A 30% PRB blend would have utilized 1,159,350 tons of PRB coal in 2006. This
16 would displace both the [REDACTED] tons of Central Coal and the [REDACTED] tons of KRT
17 Coal in 2006 as well as [REDACTED] tons of "new" contract Guasare coal delivered from
18 June-December 2006 (a total of [REDACTED] tons were delivered).

19
20 Q. HOW DO YOUR CALCULATIONS ADDRESS THE DIFFERENCE IN THE
21 BTU CONTENT OF PRB AND BITUMINOUS COALS?

22 A. I have based my calculations on the price of coal per million Btus, not tons.

23

1 Q. DID PEF HAVE SUFFICIENT TRANSPORTATION CAPACITY IN 2006 TO
2 ACCOMMODATE THE INCREASED TONS OF PRB COAL ASSOCIATED
3 WITH MAINTAINING THE QUANTITY OF BTUS PURCHASED?

4 A. Yes. At 20% and 30% blends in 2006, another 278,926 tons and another 373,677
5 tons respectively of coal above the 772,903 tons of bituminous coal displaced in the
6 20% case and the 1,159,354 tons of bituminous coal in the 30% case displaced would
7 have been required in 2006. These additional tons could have been delivered by the
8 water route in 2006. In 2006, PEF moved 2,679,478 tons of coal to Crystal River by
9 the water route. Significantly, 289,245 tons were moved in September alone,
10 demonstrating a 3,470,940 annual rate for water unloading. The top quarter 2006
11 water deliveries were 785,324 tons, demonstrating an annual capability of 3,141,296
12 tons when annual capacity is measured using the highest quarter. These capabilities
13 would have been sufficient to handle the additional PRB tons for either the 20% or
14 30% PRB blend, even without utilizing the expansion capabilities that were available.

15
16 Q. WHAT WAS THE AVERAGE COST PER MMBTU DELIVERED TO
17 CRYSTAL RIVER UNITS 4 AND 5 AND TOTAL MMBTU OF THE
18 CONTRACT PURCHASES IN 2006 FROM THESE SUPPLIERS?

19 A. These purchasers and prices, based on PSC Form 423 prepared by PEF (Exhibit
20 __ (RLS-10) were \$ [REDACTED] /MMBtu, \$ [REDACTED] /MMBtu, and \$ [REDACTED] /MMBtu for PEF affiliate
21 KRT, Central Coal, and Guasare, respectively. See Exhibit __ (RLS-12).

22

1 Q. PEF PAID MORE FOR ITS AFFILIATE KRT'S COAL IN 2006 THAN FOR
2 ANY OTHER COAL?

3 A. Yes, by a large margin. This contract was awarded without any formal solicitation or
4 competitive bids.

5

6 Q. WHAT WOULD THE PRB PRICE DELIVERED TO CRYSTAL RIVER
7 UNITS 4 AND 5 HAVE BEEN IN 2006 HAD IT BEEN DELIVERED IN
8 QUANTITIES SUFFICIENT FOR A 20% OR 30% BLEND?

9 A. For the 500,000 tpy Spring Creek bid for 2005-2007, as escalated to 2006 FOB barge,
10 plus the river barge, IMT (for transloading and blending), and Ocean barge rates for
11 2006 as reported in FPSC 423, the delivered price would have been \$45.92/ton or
12 \$2.46/MMBtu. The components of this price for 2006 deliveries are shown on
13 Exhibit __ (RLS-13).

14

15 Q. WHAT ABOUT THE 2006 DELIVERED PRICE AS BID IN 2004 OF THE
16 WYOMING PRB COAL TO CR 4/5?

17 A. The Arch Black Thunder, Wyoming PRB coal as bid in 2004 for 2006, with
18 escalation, would have been delivered for \$40.99 per ton, or \$2.33/MMBtu. The
19 components of this price are shown on Exhibit __ (RLS-14).:

20

21 Q. WHAT ABOUT THE SECOND HIGHEST PRB WYOMING BID?

22 A. It would have been delivered at \$41.32/ton or \$2.35/MMBtu.

23

1 **Q. WHY IS THIS SIGNIFICANT?**

2 A. PEF had Wyoming bids for 1,000,000 tons total from Arch and Peabody respectively
3 at 2006 escalated prices of \$2.33 to \$2.35/MMBtu. The Montana PRB coal delivered
4 in 2006 at \$2.40/MMBtu..

5
6 **Q. WHAT PRICE DID YOU USE FOR THE PRB CONTRACT COAL THAT
7 SHOULD HAVE BEEN PURCHASED IN 2004 FOR 2006?**

8 A. I used three tiers of prices based on the bids that PEF received, and calculated a
9 weighted, effective price. The first tier is \$2.40/MMBtu; the second, \$2.33 per
10 MMBtu; the third, \$2.35 per MMBtu. The PRB contract coal prices that represent
11 these tiers are summarized on Exhibit __ (RLS-15).

12
13 **Q. BASED ON ACTUAL 2006 FUEL COSTS, AS OPPOSED TO BIDS FOR NON-
14 PRB COAL RECEIVED AT THE TIME PRB PRODUCERS PARTICIPATED
15 IN PEF'S SOLICITATION, WHAT WERE PEF'S OVERCHARGES TO THE
16 RATEPAYERS IN 2006 FOR THE FAILURE TO BUY 2006 CONTRACT
17 COAL AS BID IN 2004 TO PEF?**

18 A. At the 20% PRB blend level of all CR 4/5 tons, which PRB tons would have been
19 purchased in a prudent 2004 coal procurement to constitute 772,903 tons, the total
20 Btu's would have been: Montana PRB 500,000 tons at 18.7 MMBtu/ton or 9,350,000
21 x 10⁶ Btu's and 272,903 tons of Wyoming PRB coal at 17.6 MMBtu/ton or 4,803,093
22 x 10⁶ Btu's.

23

1 Q. DO YOU INCLUDE IN THE FUEL CALCULATIONS THE ADDITIONAL
2 COST OF USING PRB COAL AS CONTAINED IN THE PRIMARY STAFF
3 RECOMMENDATION OF ON JUNE 27, 2007 THAT THE COMMISSION
4 ADOPTED IN ITS DECISION?

5 A. Yes. According to Attachment A of p. 1 of 2 Column "C" that amount is
6 \$0.03/MMBtu.

7

8 Q. HOW MUCH WOULD THE RATEPAYERS HAVE SAVED?

9 A. Had this procurement displaced the highest price water route coal the PEF, KRT
10 affiliate coal, and a small amount of Central Coal, the savings would have been
11 \$12,289,807. Details of the calculation are shown in Exhibit No. __ (RLS-16).

12

13 Q. WHAT WOULD HAVE BEEN SAVED HAD PEF PRUDENTLY PROCURED
14 PRB COAL THROUGH THE 2004 SOLICITATION FOR 2006 EQUAL TO
15 30% PRB BLEND AT CR 4/5?

16 A. The savings would have been the \$12,289,807 achievable with the 20% blend plus
17 the following additional savings due to the use of an additional 386,451 PRB tons or
18 an additional 6,801,538 MMBtu's for PRB coal. Assuming additional Central Coal
19 was displaced up to the limit of Central Coal's total tons delivered in 2006 the
20 savings would have been available on 6,550,962 MMBtu at 0.54 ¢/MMBtu, for an
21 additional savings of \$3,537,519.

22

23 Q. FOR A TOTAL SAVINGS USING A 30% PRB OF WHAT AMOUNT?

1 A. \$15,827,326.

2

3 **Q. IF THE GUASARE COAL DELIVERED BETWEEN JUNE AND DECEMBER**
4 **2006 HAD BEEN DISPLACED BY PRB COAL RATHER THAN THE**
5 **CENTRAL COAL, WOULD THE SAVINGS HAVE BEEN GREATER?**

6 A. Yes.

7

8 **Q. WHAT WOULD HAVE BEEN THE TOTAL 20% PRB BLEND SAVINGS**
9 **HAD THE GUASARE COAL RATHER THAN THE CENTRAL COAL HAVE**
10 **BEEN DISPLACED?**

11 A. An additional \$134,850 in the 20% blend case because the savings would have been
12 \$0.69/MMBtu on the Guasare coal rather than \$0.54/MMBtu on the Central Coal.

13

14 **Q. AND IF GUASARE COAL HAD BEEN DISPLACED IN THE 30% BLEND**
15 **CASE HOW MUCH WOULD THE OVERCHARGES HAVE INCREASED?**

16 A. The additional \$134,850 cited above for the 20% blend plus another \$1,020,231 for a
17 total of an additional \$1,155,081.

18

19 **Q. THE SAVINGS YOU'VE JUST CITED FOR THE 20% PRB AND 30% PRB**
20 **BLENDS DO NOT INCLUDE ANY BENEFITS THAT WOULD HAVE BEEN**
21 **REALIZED FOR PEF'S RATEPAYERS HAD PRB COAL BEEN PROCURED**
22 **VIA THE MCDUFFIE DOCK IN MOBILE, ALABAMA WHICH WAS THE**
23 **LEAST COST ROUTE OF ACQUIRING PRB COAL FOR CR 4/5?**

1 A. That is correct. My calculation is therefore conservative.

2

3 **Q. WHAT ABOUT SO2 ALLOWANCE SAVINGS?**

4 A. At a 20% blend of PRB coal \$1,945,684 would have been saved. At a 30% PRB
5 blend, \$2,846,276 would have been saved. The calculations are at Exhibit __ (RLS-
6 17).

7

8 **Q. TAKING INTO ACCOUNT THE VALUE OF EXCESS SO2 ALLOWANCES**
9 **THAT WOULD HAVE BEEN SAVED HAD PEF PRUDENTLY BURNED A**
10 **BLEND OF PRB AND BITUMINOUS COALS IN CRYSTAL RIVER UNITS 4**
11 **AND 5 DURING 2006, WHAT TOTAL AMOUNT OF OVERCHARGES DO**
12 **YOU RECOMMEND TO BE REFUNDED TO CUSTOMERS?**

13 A. Assuming the 20% PRB blend that was the basis for the refund ordered in Docket No.
14 060658-EI, the amount is \$ _14,235,491._

15

16 **Q. WHAT CORRESPONDING VALUES WOULD BE ASSOCIATED WITH A**
17 **30% PRB BLEND?**

18 A. The commodity overcharges would be \$15,807,306. The associated excess SO2
19 credits would be \$2,846,272, for a total of \$18,673,598.

20

21 **Q. DOES THAT COMPLETE YOUR TESTIMONY?**

22 A. Yes.

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the Public Version of the Direct Testimony of Robert L Sansom has been furnished U.S. Mail on this 31st day of October, 2007, to the following:

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INDEX OF EXHIBITS
DIRECT TESTIMONY—ROBERT L. SANSOM.
DOCKET NO. 070001-EI

EXHIBIT NAME	EXH. NO.	
RESUME OF ROBERT L. SANSOM	RLS-1	_____
REVISED STAFF RECOMMENDATION	RLS-2	_____
BID EVALUATION	RLS-3	_____
COAL PRICES	RLS-4	_____
2004 BID ANALYSIS	RLS-5	_____
RFP/BIDS/PURCHASES	RLS-6	_____
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CALCULATION OF PRB BID PRICES	RLS-15	_____
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EXCESS OF SO2 ALLOWANCES	RLS-17	_____

Docket No. 070001-EI

EXHIBIT NO. __ (RLS-1)

RESUME OF ROBERT L. SANSOM

EXPERIENCE OF
DR. ROBERT L. SANSOM

Education

- ★ Robert Sansom graduated (B.S.) from U.S. Air Force Academy in 1964.
- ★ In 1965, Dr. Sansom received a Masters degree in economics from Georgetown University.
- ★ In 1968/69, he received a B. Phil and D. Phil in economics from Oxford University.

Honors

- ★ Dr. Sansom was a Fulbright Scholar, Rhodes Scholar, and White House Fellow.

Experience

- ★ From 1968 to 1969, Dr. Sansom was a White House Fellow assigned to Assistant to the President for National Security Affairs.
- ★ From 1969 to 1971, he was on Dr. Henry Kissinger's National Security Council staff.
- ★ From 1971 to 1972, he was Deputy Assistant Administrator for Planning and Evaluation for the Environmental Protection Agency.
- ★ From 1972 to 1974, he was Assistant Administrator for Air and Water Programs at the Environmental Protection Agency.
- ★ From 1974 to 1980, Dr. Sansom was President of Energy and Environmental Analysis, Inc.
- ★ From 1981 to the Present, Dr. Sansom has been President of Energy Ventures Analysis, Inc.

Sansom has been active in energy and environmental consulting since 1974 and throughout the period has focused on the coal, natural gas and electric utilities industries and on related environmental issues.

- ★ coal, gas, and oil production, markets and prices,
- ★ coal and gas contracts and procurement,
- ★ coal suitability and the environmental effects of coal combustion,
- ★ electric power markets and projects, and
- ★ coal transportation.

Electric Power Markets

Dr. Sansom analyzes and testifies on electric power markets and prices. In several cases (PEPCO, PP&L, NIPSCO, Entergy, Sierra Pacific, AEPCO, Bonneville Power Administration, for example), Sansom has examined power pricing and power transactions. EVA's analysis employs public and proprietary data and models at the NERC or NERC subregion level and develops forward pricing curves. Sansom presented testimony before FERC in 1996 on Order 888A: promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services.

Coal Markets and Coal Property Transactions

Coal market studies by EVA's coal group cover all the major coal producing and using regions of the United States. Clients include the major U.S. coal companies, major U.S. utilities, and groups such as EPRI and the National Mining Association.

EVA maintains large data bases on all U.S. mines and utility coal users. For clients it utilizes its proprietary coal production cost models and tracks and forecasts demand and prices for U.S. and international steam and metallurgical coals.

The U.S. coal market is regionalized with the reach of a particular coal mine limited by its transportation costs to various markets, its competition as well as the quality of its coal and its production cost. EVA addresses these issues in its market studies on a regional and international basis with analyses sold to clients on a job-specific basis or through its COALCAST subscription coal service.

In coal property and coal company valuations for buyers and sellers, EVA employs its market, cost of mining, and coal contract expertise using discounted cash flow and comparable transactions methods.

Coal and Transportation Contracts

Major U.S. coal transactions occur pursuant to coal and rail transportation contracts between buyers and sellers. Sansom has reviewed over 300 long-term coal contracts and many coal transportation contracts. He has advised utilities and coal companies on coal and rail transportation contract terms and conditions. His expertise is frequently sought and utilized in contract disputes.

Electric Utility Audits

EVA is often hired by Public Utility Commissions to conduct prudency audits of utility coal procurement practices and wholesale power transactions. Sansom has participated in such utility audits in Ohio, Delaware, Florida, Utah, Wyoming, California, Oregon, and Washington, and before FERC.

Natural Gas And Oil Markets

Dr. Sansom has been engaged in analysis of natural gas markets, including mid-stream processing and NGL fractionation. He has examined U.S. and Canadian natural gas production. Other work has addressed world oil markets and OPEC's role therein. Dr. Sansom has examined the role of natural gas combined cycle and coal gasification technologies as base load generating capacity.

Coal Suitability and the Environmental Effects of Coal Use

Sansom's original involvement in the coal industry was in response to the adverse environmental effects of coal use. He has been active in studies on sulfur dioxide, nitrous oxides, particulates, air toxins, and CO₂ emissions. EVA has estimated the cost of specific environmental control technologies at plant sites and the cost of national environmental programs for clients such as the U.S. Environmental Protection Agency, EPRI, and the Department of Energy. It has advised electric utilities on how to comply with acid rain and legislation. Coal suitability involves how a particular coal burns in a particular boiler and how that coal's emissions are treated before discharge to the atmosphere. EVA's studies have included examination of the performance of most U.S. coals used in a broad range of U.S. combustors, including pulverized coal, cyclone, and CFB furnaces.

International Coal and Utility Experience

Sansom has been active in international coal since the mid-1970's, analyzing overseas coal markets and inter-fuel competition. In 1989 Sansom testified in an international arbitration involving a large Canadian coal producer and the Japanese steel industry. Sansom has testified in international arbitrations involving independent power projects in the Philippines and Turkey.

Western Coal, Utility, and Transportation Experience

EVA has broad experience in the western U.S. Sansom's western coal and coal transportation expertise is the basis for his testimony on the Powder River Basin, the fastest growing producing region in the United States.

Expert Testimony

Sansom's expert testimony most often addresses coal contracts, coal markets, coal transportation and the prudence of coal procurements. Since 1998, Sansom has testified in the following court and arbitration cases:

	<u>On Behalf of</u>	<u>Other Party</u>	<u>Year</u>	<u>Court or Regulatory Body</u>
A	CMS Energy	Luzon Power	1998	Hong Kong, China
A	Otter Tail Power/Minnkota Pwr Coop/NW Pub Svc	Knife River Coal Company	1998	Chicago, IL
C	Cedar Bay Generating	Florida Power & Light	1999	State Court Florida
A	Seminole Electric Coop, Inc.	Mt. Vernon Transfer Terminal	2000	Washington, D.C.
A	CMS Energy	Adams Affiliates, Inc. & Cottonwood Partnership	2001	Chicago, IL
A	Government of Turkey	PSE&G	2003- 2006	Washington, D.C.
C	Peabody Coal Company/ Indianapolis P&L	John Wasson	2004	U.S. District Court Southern Indiana
PSC	Peabody Western Coal Co.	Mohave/So Cal Edison	2004	California PSC
PSC	CSX	Tampa Electric Co	2004	Florida PSC
A	Marysville Fractionation Partnership	Kinetic Resources	2005	Detroit, MI
A	Dearborn Industrial Generation	Duke/Flour Daniel	2005	Detroit, MI

-
- A Arbitration
 - C Court
 - PSC Public Service Commission

Arbitration

Sansom has served as an Arbitrator in three coal contract disputes between utilities and coal suppliers.

Publications

"Gas Turbine Mania: The Merchant Power Plant Shakeout", Public Utilities Fortnightly, June 15, 2002.

"Looking Past California: The Emerging Shape of the Generation Sector", Public Utilities Fortnightly, June 1, 2001, pp. 44-50.

"Refinery Permit Delays Evaluated", Oil and Gas Journal, April 23, 1979, pp. 78-82.

Docket No. 070001-EI

EXHIBIT NO. ___(RLS-2)

REVISED STAFF RECOMMENDATION

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 19, 2007

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (McNulty, Draper, Lester, Matlock, Maurey, Sickel, Slemkewicz, Springer)
Division of Competitive Markets & Enforcement (Coston, Fisher, Vinson)
Office of the General Counsel (Bennett, Holley, Young)

RE: Docket No. 060658-EI – Petition on behalf of Citizens of the State of Florida to require Progress Energy Florida, Inc. to refund customers \$143 million.

AGENDA: 7/31/07 – Regular Agenda – Posthearing Decision – Participation is Limited to Commissioners and Staff

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: McMurrian

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: See listing of the revisions to the June 27, 2007 recommendation on the next page (Page 1a)

FILE NAME AND LOCATION: S:\PSC\ECR\WP\060658.RCM.DOC

Revisions to June 27, 2007 Recommendation in Docket No. 060658-EI

The Commission deferred consideration of staff's recommendation in this docket filed June 27, 2007, prior to the July 10, 2007, Agenda Conference based on the request of the Chairman. Subsequent to the deferral, staff has identified a relatively small numerical error in the recommended refund amount and is thus revising its original recommendation of June 27, 2007. In addition, this revised recommendation contains an update of the interest calculation included in the refund amount, including interest for the month of June, 2007. Finally, four errors in citations appearing in the June 27, 2007 recommendation are corrected. The changes are identified in this revised recommendation in underline and strike format. A listing of the changes appears below:

- Page 13, 2nd Par. Replace "12,453,457" with "\$12,425,492"; replace "May" with "June"; replace "\$13,796,073" with "13,826,207".
- Page 15, 4th Row Replace "12,453,457" with "\$12,425,492"; replace "May" with "June"; and replace "\$13,796,073" with "13,826,207".
- Page 16, Primary Rec. Replace "12,453,457" with "\$12, 425,492".
- Page 43, 4th Par. Replace "EXH 70" with "EXH 69".
- Page 50, 1st Par. Replace "EXH 78" with "EXH 76".
- Page 67, 1st Par. Replace "12,453,457" with "\$12, 425,492".
- Page 73, Primary Rec. Replace "12,453,457" with "\$12, 425,492".
- Page 88, Primary Rec. Replace "\$13,796,073" with "13,826,207".
- Page 89, OPC Argument Replace "EXH 26" with "EXH 28".
 Replace "EXH 27" with "EXH 29".
- Page 93, 1st Par. Replace "\$2,655,889" with "2,627,924" and replace "12,453,457" with "\$12, 425,492".
- 2nd Par. Replace "\$1,663,918" with "1,671,352"; replace "6,757,815" with "\$6,722,416; replace "\$1,342,616" with "\$1,400,715"; and replace "May 31" with "June 30".
- 4th Par. Replace "\$13,796,073" with "\$13,826,207.
- 5th Par. Replace "\$13,796,073" with "\$13,826,207.
- Page 100, Att. A Replace various entries which support the calculations listed above.
- Pages 103-104, Att. B Replace various entries which support the calculations listed above.

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Acronyms and Abbreviations

AARP – AARP
AGO - Attorney General's Office
Btu - British thermal unit
CAPP - Central Appalachian
CFR - Code of Federal Regulations
Commission - Florida Public Service Commission
CQIM - Coal Quality Impact Model, currently updated it is the VISTA model
CR1 and CR2 - Crystal River Units 1 and 2
CR3 - the Crystal River Unit 3 nuclear unit
CR4 and CR5 – Crystal River Unit 4 and Crystal River Unit 5
CSX - the CSX railroad
DEP – Department of Environmental Protection
EFC – Electric Fuel Corporation, the predecessor to PFC
FIPUG – Florida Industrial Power Users Group
FPC- Florida Power Corporation, the predecessor to PEF
IMT - International Marine Terminal
KWH - kilowatt hour
MMBtu - million British thermal units
MW - megawatt
MWH - megawatt hour
NRC - Nuclear Regulatory Commission
OPC – Office of Public Counsel
PEI - Progress Energy, Inc., the parent company of PEF and PFC
PEF - Progress Energy Florida; formerly Florida Power Corporation
PFC - Progress Fuels Corporation fka Electric Fuels Corporation or EFC, the PEI subsidiary that bought fuel for PEF
PRB - Powder River Basin
RFP - Request for Proposals
Title V - Title V of the 1990 Amendments to the Clean Air Act
Siting Board – Florida Electrical Power Plant Siting Board
Synfuel - synthetic fuel

Case Background

By motion filed September 30, 2005, in Docket No. 050001-EI, In re: fuel and purchased power cost recovery clause with generating incentive performance, the Office of Public Counsel (OPC) petitioned the Commission to establish a “separate ‘spin-off’ docket to evaluate the prudence and reasonableness of certain coal purchases made by Progress Energy Florida, Inc. (PEF) from its affiliate Progress Fuels Corporation.” Id. The prehearing officer denied OPC’s motion and the issue was included in the November 2005 fuel proceeding.¹ On November 4, 2005, OPC filed a motion to defer the issue of the prudence of PEF’s coal procurement until the next fuel proceeding. At the conclusion of the fuel clause hearing, the Commission granted the motion to defer the issue.²

On August 10, 2006, OPC filed its Petition to require Progress Energy Florida to refund customers \$143 million, and this docket was opened to address the petition. On August 30, 2006, PEF moved to dismiss OPC’s petition, arguing that the Commission lacked authority to review PEF’s coal expenditures from 1996 to 2005. PEF’s arguments were based on the doctrines of administrative finality, retroactive ratemaking, improper hindsight review, and due process violations. The Commission denied the motion to dismiss.³

The Attorney General, AARP, Florida Industrial Power Users Group (“FIPUG”), OPC, PCS Phosphate/White Springs, and PEF were parties to the proceeding. OPC, AARP, PEF, and Commission staff prefiled testimony. On April 2-5, 2007, the Commission conducted a full evidentiary hearing, at which it heard witness summaries, cross examination, and admitted testimony and exhibits into the record.

Prudence Review

At issue is whether PEF acted prudently in its coal procurement practices from 1996 to 2005. Prudence has been defined as “what a reasonable utility manager would have done in light of conditions and circumstances which were known or reasonably should have been known at the time the decision was made.”⁴ In the Maxine Mine Case, Order No. 13452, issued June 22, 1984, in Docket No. 820001-EU-A, In re: Investigation of Fuel Cost Recovery Clauses of Electric Utilities (Gulf Power Company – Maxine Mine), the Commission described in detail the type of review it would perform in reviewing prudence:

Significant controversy has arisen over the manner in which we should review Gulf’s actions to determine whether its decisions regarding Maxine Mine Coal purchases were prudent. Theories have ranged from a prohibition against

¹Order No. PSC-05-1106-PHO-EI, issued November 3, 2005, in Docket No. 050001-EI, In re: fuel and purchased power cost recovery clause with generating incentive performance, p.52. The issue was included as Issue 13L: Were the prices that PEF paid to Progress Energy Fuels Corporation for coal reasonable in amount? If not, what adjustment should be made?

²Order No. PSC-05-1252-FOF-EI, issued December 23, 2005 in Docket No. 050001-EI, In re: fuel and purchased power cost recovery clause with generating incentive performance, pp. 27-28.

³Order No. PSC-07-0059-PCO-EI, issued January 22, 2007, in Docket No. 060658, In re: Petition on behalf of Citizens of the State of Florida to require Progress Energy Florida, Inc. to refund customers \$143 million.

⁴City of Cincinnati v. Public Utilities Commission, 620 N.E. 2d 826 (Ohio 1993).

looking at the prudence of entering into a contract at any time except immediately after it is entered into, to a proposal to view the prudence of a contract from a purely retrospective basis. We believe that it is important to strike proper balance, and we believe that we have done so.

The fact that it is a utility's actions rather than our own that we are reviewing dictates that utility contract problems will not come to our attention immediately. Many problems in procurement have a gradual aspect which can be perceived by the persons directly involved but not by third parties. Any approach to reviewing the prudence of contract decisions must recognize the propriety of looking at past actions, otherwise the natural lag in our ability to detect procurement problems will preclude us from acting on them. An approach that limits the review of prudence to contemporaneous events fails to recognize the duty of this Commission to protect the ratepayers' interest and the fact that utilities are not entitled to recover expenses imprudently incurred. On the other hand, the use of pure hindsight in assessing the prudence of past action is patently unfair. A utility should not be charged with knowledge of facts which cannot be foreseen or be expected to comply with future regulatory policies. Expectations are not always borne out. The prudence of decision making should be viewed from the perspective of the decision maker at the time of the decision.

Contract administration must be viewed at a point in time which takes into consideration the facts which were known or which should have been known at the time the contract is entered into or amended. If during the period of contract administration there is a period of mismanagement, whether short or long, any additional costs incurred as a result of that mismanagement should be disallowed even though the average price over the life of the contract is close to average market price.

In this case, we have looked at the prudence of Gulf's actions in terms of the facts that were known or that should have been known at the time of the decision. In so doing, we believe that we have properly protected Gulf's ratepayers' interests while recognizing Gulf's need to engage in independent decision making. We do not intend to become involved in the actual management of a utility. However, we expect a utility's management to act prudently. We have not sought to retroactively apply new policies to Gulf's prior actions and we have recognized that a utility cannot foresee the future. In this case we have determined that Gulf acted imprudently, that Gulf's imprudence resulted in excessive costs, and that the excessive costs should be disallowed and refunded to Gulf's ratepayers.

The Commission must avoid impermissibly applying hindsight review, which is the application of facts that are known today to decisions made in the past (i.e., Monday morning quarterbacking). As the Commission considers whether PEF acted prudently, it must ask itself, did PEF know or should PEF have known about a particular set of circumstances, when it made the coal procurement decisions OPC has challenged.

Historical Background

The fuel cost recovery clause (fuel clause) is a regulatory tool designed to pass through to utility customers the costs associated with fuel purchases. The purpose is to prevent regulatory lag. Regulatory lag occurs when a utility incurs expenses but is not allowed to collect offsetting revenues until the regulatory body approves cost recovery. Regulatory lag has historically been a problem because of the volatility of fuel costs. Regulatory lag is not of as much concern when expenses, such as capital improvements, and operations and management costs, can be planned for and included in base rate calculations. Different states have addressed volatile fuel costs in differing ways. Several jurisdictions, like Florida, have allowed recovery of fuel costs in a fuel adjustment clause. The operation of the fuel adjustment clause varies from state to state. Florida's practice of allowing cost recovery through the fuel adjustment clause has developed over the years.

Currently, the fuel clause hearing is held in November of each year. See, for example, the Order Establishing Procedure, Order No. PSC-07-0221-PCO-EI, issued March 12, 2007, in Docket No. 070001-EI, In re Fuel and purchased power cost recovery clause with generating performance incentive factor. It is typically scheduled as a several day proceeding during which the Commission considers all of the cost recovery clauses.⁵ During the proceeding, testimony and exhibits are admitted for each of the five dockets. At the conclusion of the fuel clause proceeding, the Commission sets a factor for the fuel cost recovery clause based on three years of data. The utilities present testimony showing the actual costs expended for the prior year, the actual and projected costs for the current year, and the projected costs for the following year for both fuel and purchased power costs. In addition, the utilities submit testimony as to whether they achieved their performance goals for the prior year and also set goals for the following year. There is a standard list of issues which the Commission considers every year. In addition, parties and staff may propose additional issues for the Commission's consideration. Those issues may be adjudicated at the fuel proceeding, spun out into a separate docket (as this was), or otherwise disposed of by the prehearing officer. See, for example, Order No., PSC-05-1252-FOF-EI, issued December 23 2005, in Docket No. 050001-EI, In re Fuel and purchased power cost recovery clause with generating performance incentive factor, which is the final order approving fuel cost recovery factors to be applied in 2006.

From 1925 to 1951, prior to the Commission's jurisdiction, Florida's investor-owned electric utilities benefited from a monthly fuel adjustment clause. Starting in 1951, when the legislature granted the Commission jurisdiction over investor-owned electric utilities, the utilities applied a formula approved by the Commission, and placed the resulting charge on customers' bills. While some auditing functions were performed by Commission staff, no formal public hearing was held. In 1973-1974, a foreign oil embargo substantially increased the cost of oil, leading to increased consumer concern over fuel adjustment charges. On October 7, 1974, the

⁵ Docket No. 060001-EI, In re: fuel and purchased power capacity cost recovery clause with generating incentive performance. Docket No. 060002-EG, In re: conservation cost recovery clause. Docket No. 060003-GU, In re: purchased gas adjustment true-up. Docket No. 060004-GU, In re: natural gas conservation recovery clause. Docket No. 060007-EI, In re: Environmental Cost Recovery Clause.

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Commission decided to open a docket to fully review the clause process.⁶ Two days later, on October 9, 1974, the Attorney General issued an advisory opinion which stated that the practice of allowing changes in the fuel adjustment charges without a public hearing was illegal under Florida law. 74 Op. Att'y. Gen. Fla. 309 (1974). On October 11, 1974, the first fuel adjustment clause hearing was held which led to the approval of a stipulation that provided for a monthly hearing format on all fuel adjustment clauses. Order No. 6357. During the 1974 proceeding, the Commission also considered recommendations on the modification of the clause. Having considered input from interested parties, the Commission implemented a two-month lag between utilities filing for fuel clause recovery and the Commission making a decision on those cost recoveries. At the time, the two month lag was intended as an incentive to the utilities to optimize fuel costs.

In 1980, the Commission modified the clause again.⁷ By Order 9273, utilities were able to collect fuel and fuel related expenses on a current basis using the projections of future fuel and fuel related expenditures subject to a true-up hearing. A true-up hearing is a hearing in which the utilities' projected fuel expenditures are adjusted to recover only actual expenditures. A specific Generating Performance Incentive Factor was adopted as part of the projected fuel adjustment clause to provide a quantifiable incentive for utilities to optimize fuel costs. Order No. PSC-98-0691-FOF-PU, issued May 19, 1998, in Docket No. 980269-PU, In re: Consideration of change in frequency and timing of hearings for fuel and purchased power cost recovery clause, capacity cost recovery clause, generating performance incentive factor, energy conservation cost recovery clause, purchased gas (PGA) true-up, and environmental cost recovery clause. Also, during this time, the Commission modified its fuel adjustment hearings from once a month to every six months, and subsequently modified it to once a year. The Commission was aware that the process associated with such an approach, which involved the use of projections, would not necessarily permit the Commission to scrutinize the claimed costs with care prior to the initial approval of the collections. Thus, after implementing the 1980 clause modification, the Commission considered the issue of its jurisdiction to adjust the dollar amounts that flowed through the clause if subsequent, more detailed evidence disclosed that the dollar amounts were imprudent or unreasonable. Order No. 9273.

In 1983, the Commission conducted a hearing on the issue of whether the Commission had jurisdiction to adjust past dollar amounts that flowed through the clause. At the hearing, staff and OPC proposed that the Commission adopt a mechanism to specifically identify any prudence issues within three years of the date collection is approved.⁸ This seminal order, Order

⁶ Order No. 6357, issued November 26, 1974, in Docket No. 74680, In re: General Investigation of Fuel Adjustment Clauses of Electric Companies.

⁷ Order No. 9273, issued March 7, 1980, in Docket No. 74680, In re: General Investigation of Fuel Cost Recovery Clause. Consideration of Staff's Proposed Projected Fuel and Purchased Power Cost Recovery Clause with an Incentive Factor.

⁸ "The staff proposed that we change the clause so that, instead of requiring proof of prudence at the true-up immediately following a six month period, we simply limit our jurisdiction over all transactions passed through the fuel clause for a period of three years from the date we approve the amount at the true-up hearing. Under the staff proposal, if before the end of the three year period the Commission indicates a need for further review for any specific transaction, the Commission would explicitly retain jurisdiction over amounts passed through the fuel clause relating to that transaction. The Commission may then continue jurisdiction over those amounts until a final order is issued. Once a specific transaction which has been explicitly set aside for review has been ruled upon by the

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No. 12645, issued November 3, 1983, in Docket No. 830001-EU, In re: Investigation of Fuel Adjustment Clauses of Electric Utilities changed the way the fuel clause proceedings were conducted. The Commission rejected any attempts to limit its ability to identify issues linked to past collected amounts to a specific time frame. The Commission rejected the staff's proposal to limit prudence jurisdiction to three years and stated:

We see no justification in limiting our ability to scrutinize past transactions. We fully intend to review a utility's procurement decisions solely in light of the facts known or knowable at the time a decision was made. The appropriate limitation of our jurisdiction is based on whatever statute of limitations or other jurisdictional limitations applies to our actions as a matter of law.

Order 12645 at p. 8-9. As of today, there is no statute of limitation or jurisdictional limitation placed on the Commission's ability to review past expenditures. In Order 12645 the Commission stated that:

At the true-up hearing that follows a six month period a utility will still be free to present whatever evidence of prudence it chooses to provide. We note that certain utilities have periodically presented broad statements as to the prudence of their fuel procurement activities. Such presentations are not inappropriate, but they hardly elucidate the subject matter. Fuel procurement is an exceedingly complex matter and a determination of the prudence of procurement decisions requires a complex analysis. While a utility may feel satisfied that it has properly met its burden by such a presentation, we expect the quality and quantity of evidence to be presented in support of the prudence of fuel procurement decisions to match the complexity of the subject matter. We will therefore accept any relevant proof a utility chooses to present at true-up, but we will not adjudicate the question of prudence, nor consider ourselves bound to do so until all relevant facts are analyzed and placed before us. We will be free to revisit any transaction until we explicitly determine the matter to be fully and finally adjudicated.

Order 12645 at p. 9. The Commission further stated in Order 12645 that:

The question of whether we may review the prudence of expenditures made during prior true-up periods is governed by whether the prudence of expenditures has been adjudicated. The issuance of a true-up order does not adjudicate the question of prudence per se. As pointed out by staff, the true-up hearings have never been relied upon by the Commission or any other party as the point at which prudence is actually reviewed. With rare exception, prudence has not been alleged, proven nor ruled upon during those proceedings. An actual adjudication of prudence depends on whether an allegation of prudence was made, evidence was presented thereon and a ruling made. Where an expenditure has been disputed and its prudence examined on the record, a ruling in favor of prudence

Commission, the Commission would lose jurisdiction over that transaction for the period reviewed by the Commission." Order No. 12645, issued November 3, 1983, in Docket No. 830001-EU, In re: Investigation of Fuel Adjustment Clauses of Electric Utilities.

should be inferred even if none is explicitly made. This approach to jurisdiction over prior true-up periods naturally involves a review of the record of prior proceedings. Since several hearings are held each year, this process is necessarily complex. We will defer such a review until such time as we must face the question for a particular utility.

Order 12645 at p. 10

In Order No. 13452, issued June 22, 1984, in Docket No. 820001-EU-A, In re: Investigation of Fuel Cost Recovery Clauses of Electric Utilities, the Commission faced the question of prudence for a particular utility (Gulf Power Company). This case, better known as the "Maxine Mine" case, discussed in part at pp. 5-6 above, involved a review of certain costs associated with Gulf Power's 1974 contract extension to purchase coal from the Maxine coal mine in Alabama. The Commission considered whether to adjust the expenses that had flowed through the fuel clause from the 1974 contract extension to 1983. The Commission found that because of the rising cost of coal in the market, the rate payers were not harmed until 1980. The Commission opined that Gulf Power should have negotiated and administered the extension of its contract differently. Gulf Power argued that the Commission could not reach back to a period prior to a 1981 true-up order. The Commission properly regarded the subject of its jurisdiction over past collected amounts as having been decided in Order No. 12645. Citing directly from Order No. 12645, the Commission reiterated its holding that the issuance of a true-up order does not adjudicate the issue of prudence of past expenditures.⁹ The Commission explained the rationale behind its decision:

The approach announced in Order No. 12645 is fair to all involved. In normal ratemaking a utility is not entitled to receive a rate increase until after it has demonstrated that it is not earning a fair rate of return on its investment in property used and useful in the public service. The utility must demonstrate that its investment was prudent, its capital costs are reasonable, and that its expenses were prudently incurred. The delay in receiving rate relief under normal ratemaking is referred to as regulatory lag. Regulatory lag arises because it is the utility and not the Commission that possesses the information needed to decide the issues. The time needed by the Commission to collect and analyze relevant information causes regulatory lag A utility may now recover its entire fuel cost concurrent with the expense Although the effect of regulatory lag on a utility's rates is now eliminated, regulatory lag still exists. It still takes time for the Commission to collect and analyze information relevant to the accuracy and prudence of fuel expenditures. Under the new clause recovery is immediate. There is a trade-off under the new clause, however, as a utility remains uncertain as to whether the Commission will ultimately determine its expenditures to be prudent.

⁹ Order No. 13452, issued on June 22, 1984, in Docket No. 820001-EU-A, In re: Investigation of Fuel Cost Recovery Clauses of Electric Utilities.

Id., at pp. 46-48. Gulf Power appealed Order No. 13452. Gulf Power Company v. Florida Public Service Commission, 487 S. 2d 1036 (Fla. 1986). On appeal, Gulf Power raised several issues including whether the refund order constituted retroactive ratemaking, which is prohibited. The Supreme Court affirmed the Commission, holding that the order does not constitute retroactive ratemaking. The Court reasoned that:

Fuel adjustment charges are authorized to compensate for utilities' fluctuating fuel expenses. The fuel adjustment proceeding is a continuous proceeding and operates to a utility's benefit by eliminating regulatory lag. This authorization to collect fuel costs close to the time they are incurred should not be used to divest the commission of the jurisdiction and power to review the prudence of these costs. The order was predicated on adjustments for 1980, 1981, and 1982. We find them to be permissible.

Gulf at p.1037. Thus, the Commission's ability to review past expenditures by utilities is essentially a quid pro quo that was established in return for the benefit utilities receive.

Since the Maxine Mine case, the Commission has continuously held that it has jurisdiction to review past expenditures of utilities to determine if they were prudently incurred. In every Final Order entered after a fuel proceeding, the Commission has stated "that the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up, and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based."¹⁰ In Order No 15486, issued December 23, 1985, in Docket No. 840001-EI-A, In re: Investigation into Extended Outage of Florida Power and Light Company's St. Lucie Unit No. 1, the Commission reviewed a past expenditure that was sixteen years old. In that case, FPL sought to recover through the fuel clause expenses it incurred because a 822 megawatt nuclear generating unit was inoperative for fifteen months. FPL alleged that damages that occurred to the unit's reactor required extensive repairs to the reactor core support barrel and the reactor thermal shield. When analyzing FPL's expenses to supplant the unit's generation, the Commission reviewed the prudence of FPL's decision to design a unit that included a thermal shield sixteen years earlier and said:

Examining the facts surrounding a decision made 16 years ago is difficult at best Notwithstanding the difficulty involved, our responsibility is to investigate and then determine the reasonableness and prudence of given expenditures by attempting to analyze the actions of the decision-makers in light of the circumstances then known to them or that they should have reasonably been aware of if they were proceeding in a reasonable, prudent and efficient manner. For the reasons that follow, we find that FPL's decision to include a thermal

¹⁰ Order No. PSC-97-1045-FOF-EI, in Docket 970001-EI, issued on September 5, 1997, In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor; Order No. PSC-98-1223-FOF-EI, in Docket No. 980001-EI, issued on September 17, 1998, In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor; Order No. PSC-02-1761-FOF-EI, in Docket No. 020001-EI, issued on December 13, 2002, In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor.

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shield in the design of SL1 was prudent when we consider the information known to the decision-makers at the time of the relevant decisions.

Order No. 15486 p. 8. Ultimately, the Commission decided that FPL was prudent.

This case is consistent with recent decisions of the Commission to review past expenditures of utilities to determine if they were prudently incurred. This present docket was developed as a result of the operation of the fuel clause.

The recommendation that follows provides staff's analysis of the issues raised at the April 2-5, 2007, hearing to determine the ultimate question of whether PEF made prudent purchases of coal to be burned at CR4 and CR5 from 1996 to 2005. The Commission has jurisdiction over this matter pursuant to Sections 366.01, 366.04, 366.041, 366.05, 366.06 and 366.07, Florida Statutes.

Executive Summary

On August 10, 2006, OPC filed its petition alleging that PEF, instead of burning the design basis blend of coal for Crystal River Units 4 and 5 (CR4 and CR5), favored affiliates and bought only bituminous coal and synfuel for the units for the period 1996-2005. OPC further alleges PEF's actions were imprudent because PEF did not give timely consideration to a coal blend of 50 percent Powder River Basin (PRB) coal and 50 percent bituminous coal – the design blend. PRB coal is sub-bituminous coal mined in Wyoming and Montana, and has a lower heat content than bituminous coal. Nationwide, the use of PRB coal for generating electricity grew during the 1980s and 1990s. OPC calculates the excess cost to be \$134.5 million over the period 1996 through 2005 and recommends the Commission require PEF to refund the excess cost with interest to customers.

Issue 1 addresses whether PEF was prudent in purchasing coal for CR4 and CR5 for the period 1996 through 2005, and staff provides alternative recommendations. Primary staff's recommendation is that PEF was imprudent in its coal procurement activities during the years 2001 to 2005. Primary staff believes PEF's management was imprudent regarding the 2004 test burn and the 2001 RFP evaluation. The result is a missed opportunity to burn a coal blend with 20 percent PRB coal, which would have saved \$12,425,492 ~~\$12,453,457~~. Given this, the primary recommendation for Issues 2 and 4 is that customers should receive a refund of \$12,425,492 ~~\$12,453,457~~ plus interest. With interest through ~~June~~ May 2007, the total amount is \$13,826,207 ~~\$13,796,073~~. Primary staff believes no penalty should be applied.

Alternative staff's recommendation is that PEF was prudent in purchasing coal for the period 1996-2005 and no refund or penalty should be applied. Alternative staff believes that PEF's conduct fell within a range of reasonable decisions and was therefore prudent. Alternative staff believes that PEF was conscious of several material issues regarding the use of PRB coal and chose to move more cautiously toward including PRB coal at its Crystal River site. Of import to PEF was that CR4 and CR5 were base load units and suffering a derate with lower Btu coal was unacceptable. Also, PEF was aware of the volatility of PRB coal, which is a concern when used at a nuclear power site. PEF would also incur additional capital and operation and maintenance expenses to use PRB coal.

To develop and organize the evidence, the prehearing officer included eight topics under Issue 1. Those topics are merely for organizational purposes. No vote is required for the topics. The Commission can consider the topics independently and give each the weight it believes appropriate. The Environmental Permitting topic concerns whether PEF maintained the appropriate permitting for using the most economical coal. The Coal Procurement Practices and Coal Cost and Availability topics address PEF's coal procurement for the period including the RFP process, the appropriate transportation costs, and the use of South American coal. Safety, blending, handling, and storage issues related to PRB coal are covered in the CR3 and CR4 and CR5 Operational Matters topics. Staff analyzes whether burning PRB coal will cause a loss of MW output at CR4 and CR5 in the Megawatt Capacity topic. PEF used an affiliated company, Progress Fuels Corporation (PFC), for coal supply during the period. The Affiliates topic covers whether PEF, in purchasing coal, had inappropriate dealings with affiliated companies. The last topic is Other Factors.

Issues 2, 3, and 5 concern matters of law and appropriate fuel clause policy. PEF has alleged that the Commission cannot legally, and should not as a matter of policy, reach back ten years to review the prudence of a utility's activities, absent a showing of misconduct on the part of the utility. Issue 3 asks whether the Commission, as a matter of law, has the authority to require a refund. Staff recommends that the Commission has the authority to require the refund. The Commission can and has reviewed the prudence of prior conduct of investor-owned utilities. The Florida Supreme Court, as well as prior Commissions, have affirmed this approach. This quid pro quo policy - quick recovery of money expended in exchange for a possibility of a future prudence review - is no surprise to utilities or the investment community as Order No. 12645 has been in effect since 1983.

Issue 2, the policy issue, asks the Commission whether, as a matter of policy, it should require PEF to refund monies if PEF is found imprudent. This Commission has an opportunity to re-evaluate the policy, if it so desires. If this Commission wishes to consider a change in the manner prudence reviews of fuel expenditures are done, then staff recommends the Commission encourage parties to Docket No. 070001-EI to address, in their projection testimony to be filed in September 2007, the issue of whether and how the Commission should conduct prudence reviews of fuel and purchased power costs approved for cost recovery in the fuel docket.

In Issue 5, AARP urges the Commission to penalize PEF. Staff notes that monies collected as penalties go to the state's general revenue fund and do not return to the ratepayers. The Florida Legislature established the manner in which the Commission may penalize a utility. No evidence that PEF willfully violated any rule or statute was presented. Therefore, as a matter of law, no penalty should be imposed.

Issue 4 addresses what amount, if any, the Commission should require PEF to refund to customers. Issue 6 is whether the docket should be closed.

The table below summarizes the positions of the parties and staff.

BOTTOM LINE POSITIONS

<p>OPC, AG</p>	<p>\$134.5 million refund plus interest of \$20.6 million thru Dec. 2006 for a total refund of \$155.1 million. No Position on the penalty.</p>	<p>CR4 and CR5 were designed to burn a blend of 50 percent bituminous and 50 percent sub-bituminous coal. PEF imprudently favored affiliates and ignored lower cost PRB coal in purchasing coal for the units during 1996 through 2005. Excess coal costs and excess SO2 allowance cost are \$116.6 million and \$17.9 million, respectively. Capital costs of \$2 million and annual O&M of \$1.5 million would be associated with a coal blend with 50 percent PRB coal. No loss of MW output would occur if a 50/50 blend were burned. CR3 is surrounded by coal units so bringing PRB coal on-site would not be a problem. Interest to accrue through the completion of the refund.</p>
<p>PEF</p>	<p>No refund No penalty</p>	<p>PEF was prudent in purchasing coal for CR4 and CR5 during 1996 through 2005. PEF did not favor affiliates in purchasing coal or synfuel. If a 50/50 PRB coal blend was burned during the period, PEF would have incurred \$60.2 million in capital costs and \$2 million O&M annually. Replacement Power due to a 124 MW loss of output for the units would have cost \$696.9 million to \$966 million for the period. Also \$21 million for the period for additional transportation costs. An incremental risk evaluation per NRC rules would have been necessary.</p>
<p>AARP, FIPUG, White Springs</p>	<p>\$134.5 million refund plus interest of \$20.6 million thru Dec. 2006 for a total refund of \$155.1 million. Impose a penalty.</p>	<p>Adopts OPC's position. Adds a penalty based on a violation of the fair and reasonable standard laid down by Chapter 366 F.S.</p>
<p>Staff Primary</p>	<p>\$12,425,492 \$12,453,457 refund plus interest of \$1,400,715 \$1,342,616 thru June May 2007 for a total refund of \$13,826,207 \$13,796,073. Apply in 2008. No penalty</p>	<p>PEF was imprudent in purchasing coal for CR4 and CR5 during 2001 to 2005. Starting in 2001, PEF should have begun the shift to a PRB coal so that by 2003 a 20 percent blend, blended off-site, could have been burned at CR4 and CR5. No MW output loss would have occurred. Interest to accrue through the completion of the refund. The refund should apply to the 2008 fuel factors.</p>
<p>Staff Alternative</p>	<p>No refund No penalty</p>	<p>PEF was prudent in purchasing coal for CR4 and CR5 during 1996 through 2005. PEF's procurement practices did not favor affiliates. If a coal blend with 50 percent PRB coal was burned during the period: (1) PEF would have experienced a significant loss of MW output resulting in costly replacement power, (2) CR4 and CR5 are must-run units; with lower PRB blends, the risk of a derate still would be present. (3) PEF would have incurred some level of capital costs and additional O&M expenses depending on blending site, and, (4) an incremental risk evaluation per NRC rules would have been necessary. PEF was appropriately cautious in considering switching fuel types.</p>

Discussion of Issues

Issue 1: Did PEF act prudently in purchasing coal for Crystal River Units 4 and 5 beginning in 1996 and continuing to 2005?

Primary Recommendation: No. PEF did not act prudently in purchasing coal for CR4 and CR5 during the period 2001 through 2005. As discussed in Issues 2 and 4, the Commission should require PEF to refund to customers the amount of \$12,425,492 ~~\$12,453,457~~ plus interest. In addition, the Commission should direct PEF to supplement its 2006 Final True-Up Testimony in Docket No. 070001-EI to address whether the Company was prudent in its 2006 and 2007 coal purchases for CR4 and CR5. (McNulty, Vinson, Fisher, Coston)

Alternative Recommendation: Yes. PEF acted prudently in purchasing coal for CR4 and CR5 during the period 1996 through 2005. (Lester, Sickel, Matlock)

Position of the Parties

OPC: No. To achieve flexibility, PEF designed and built Crystal River 4 and 5 to be able to burn a 50/50 blend of subbituminous and bituminous coals. In the early 1990s the discovery of higher Btu subbituminous Powder River Basin coal and competition between railroads caused PRB coal to become significantly cheaper (delivered) than the eastern bituminous coal PEF was burning in CR4-5. As other utilities turned to Powder River Basin coal to lower fuel costs borne by customers, PEF continued to purchase more expensive bituminous coal and "synfuel" from its affiliates and pass the extra costs on to customers. PEF knew, or should have known, of the opportunity presented by PRB, and should have acted timely to lower its fuel costs during 1996-2005. There was no impediment between a management acting prudently in its customers' interests and significantly lower fuel costs.

PEF: Yes. PEF's coal purchases for CR4 and CR5 over the past decade, as reflected in PEF's direct and rebuttal testimony and exhibits, were reasonable and prudent. PFC regularly issued Requests for Proposals ("RFPs") for bituminous and sub-bituminous coals for CR4 and CR5 and participated in spot market purchases in response to offers when reasonable to do so. Coals offered in response to PFC's RFPs and in the spot offers were selected when most cost-effective to purchase them, considering the delivered and evaluated cost. No prudent utility looks only at the delivered price to determine what coal to buy. A prudent coal procurement decision-making process involves the analysis of myriad other factors that can affect the delivery, transportation, handling, and operation of the unit to reasonably and prudently determine the best coal for a particular unit. When considering these factors, it is clear that PEF acted prudently.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: The Office of the Attorney General adopts and supports the position of the Public Counsel on this issue.

FIPUG: No. When a regulated utility operates under the aegis of a public utility holding company and buys coal, coal processing and coal transportation services from affiliated companies under secret non competitive agreements it is imprudent to charge customers more

than the competitive market price for the product. Evidence discloses that PEF had the capability to burn less expensive coal. Even though other utilities turned to Powder River Basin coal to lower fuel costs to customers, PEF continued to purchase more expensive bituminous coal and "synfuel" from its affiliates and pass the extra costs on to customers.

White Springs: No. PEF has not satisfied its burden of demonstrating that its coal purchases for CR units 4 and 5 were prudent over this period. The testimony and evidence of the OPC witnesses establish that PEF unreasonably avoided purchasing a blend of bituminous and sub-bituminous coals for these units even though there was ample evidence that such a blend was more economical and the units were designed to burn such a blend to lower fuel costs to consumers.

Staff Analysis - Introduction

Staff has analyzed the record and the parties' briefs in this case in reaching its recommendation. There are eight topics for which parties and staff presented record evidence. Each party included a position on each of the topics. The topics, the parties' positions regarding that topic, a summary of the arguments, and staff's analysis are included below. Following the eight topics, the primary staff and the alternative staff have presented their conclusions on Issue 1. The Commission should not vote on the individual topics. The topics are organizational tools for the Commission to use in evaluating and ruling on the prudence of PEF's coal procurement practices during 1996-2005. While the Commission may consider each of the following topics, it is not limited by or required to give equal weight to each topic.

1.1 Environmental Permitting

1.1.1 Parties Position Statements on Environmental Permitting

OPC: The Siting Board's certification order terms allowed PEF to burn the 50/50 blend in CR4-5. Subsequently, PEF jettisoned subbituminous coal from its application for its first federal "Title V" permit. Since 2000 (when that permit took effect) PEF has not been authorized to burn PRB coal in units designed to burn it. Having ensured that result, in this case PEF first pointed to its limited permit as justification for not purchasing cheap PRB, yet now claims the same omission was "no harm, no foul." PEF's permitting conduct was as conspicuously imprudent as its explanations are contradictory and disingenuous.

PEF: PEF acted reasonably and prudently in obtaining environmental permits for CR4 and CR5. From when the units came online until the mid-90's, no one disputes that PEF was burning and should have burned bituminous coal. PEF did not have unconditional authority to burn a blend of sub-bituminous coal, because it could not be assured that the units would remain in compliance with emissions limitations. Furthermore, given the time needed to obtain a permit modification, compared to the time needed to make operational changes, there would be no detriment to PEF or the ratepayer caused by waiting to change these permits.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: The Office of the Attorney General adopts and supports the position of the Public Counsel on this issue.

FIPUG: PEF specified, designed, procured power plant need certification and constructed two generating plants capable of burning PRB coal. The additional cost for this capability increased the long term cost passed through to customers in base rates. PEF was then surprisingly imprudent in failing to include the possibility that it would burn this low cost clean burning fuel when it became available in its initial Title V Air Quality Application and to perform the requisite test burn. This failure inhibited PEF's ability to give customers the benefit of the lower cost fuel it promised in return for the higher cost plant construction.

White Springs: White Springs adopts the position of OPC as its own.

1.1.2 Analysis of Parties Arguments on Environmental Permitting

A. OPC Argument

OPC witness Sansom states that PEF surrendered its ability to burn PRB sub-bituminous coal in the mid-1990s, when new federal regulations required additional environmental permitting. Witness Sansom believes that the company, under its original certification issued in 1978 by the Electrical Power Plant Siting Board, received authorization to burn a blend of sub-bituminous and bituminous coal in CR4 and CR5. (TR 57) Witness Sansom believes that PEF's exclusion of sub-bituminous coal from its Title V operating permit limited the company's ability to burn sub-bituminous coal, and to react to shifting economics in the coal industry. (TR 41) Witness Sansom states:

In fact, in 1996 PEF took steps to abandon its authority to burn sub-bituminous coal in Units 4 and 5 by omitting sub-bituminous coal from its application for the newly-required federal Title V air permit. For a full decade after it should have shifted to a 50 percent Powder River Basin (PRB) sub-bituminous coal blend with bituminous coal, PEF continued to burn bituminous coal and a product of bituminous coal treated with oil called synthetic fuel or "synfuel." ... When PEF belatedly attempted to move towards sub-bituminous coal in 2004, its earlier imprudent decision to omit sub-bituminous coal from its federal environmental permit and its repeated failures to conduct test burns complicated and delayed its ability to do so. (TR 41)

Witness Sansom also believes that the units' design should have directed the company's Title V permitting process. Witness Sansom states that since the original design of CR4 and CR5 incorporated the use of sub-bituminous coal: "it was folly for PEF to abandon its authority to use the capability designed into the units. This would have been the case even if preserving the ability was needed only to prepare for future contingencies." (TR 58) Witness Sansom contends that PEF's failure to burn a 50/50 blend of PRB and bituminous coal, and its conflicts of interests, cost ratepayers \$50,886,616 in 2004 and 2005 alone. (TR 92)

Regarding PEF's 2006 test burn of a blend of 30 percent PRB sub-bituminous coal and 70 percent Central Appalachian bituminous coal for CR4 and CR5, witness Sansom states that it cannot be "surprising" that the burn was successful when the units were designed to burn a 50/50 mixture. Witness Sansom contends that the 2006 successful test burn shows that the April 2004 test burn was mismanaged. Witness Sansom alleges that in 2004, CR4 and CR5 had not been properly prepared for the test burn and personnel had not been briefed adequately. (TR 82) Witness Sansom also says that the 2006 test burn could have taken place in the 1995-1996 time frame because many other utilities test burned PRB coal in 1989-1997, and PEF could have done so, as well. Witness Sansom contends that it is surprising that PEF did not test the 50/50 blend at the outset of operations in the early 1980s. (TR 83)

Witness Sansom also believes that while the company's 1996 application was being processed (1996-1999), PEF could have continued to include sub-bituminous coal under its original certification. He agreed that "... PEF could have purchased PRB coal from 1996-1999...notwithstanding the omission in its 1996 application ...under the environmental agency's applicable rules," as Sansom was informed by Counsel for OPC. (TR 59)

Witness Smallwood states that the original Condition of Certification imposed maximum emission standards for PEF for either a 50/50 sub-bituminous blend or straight bituminous coal. Witness Smallwood asserts "the Condition of Certification did not preclude, and therefore encompassed and allowed, the burning of a blend of sub-bituminous coals and bituminous coals, as long as the applicant adhered to the maximum emission standards."(TR 1471) Witness Smallwood also states PEF's emission standards are the normal standards applicable to units similar to CR4 and CR5's age, regardless of the type of coal used within the units. (TR 1471)

B. PEF Argument

In 1978, PEF received its original site certification for CR4 and CR5. This process included receiving a Conditions of Certification from the state of Florida, and Conditions to Approval from the EPA. These approvals detailed the emission limitations for each unit. (TR 762) As support for PEF's ability to meet and exceed these emission limits, the company provided proof of its long-term bituminous, compliance coal contracts. (TR 763; EXH 127) PEF did conduct a stack performance test, using bituminous coal, to verify compliance with these emissions. (TR 766)

PEF witness Kennedy testifies that he could not guarantee, from 1978 through 1996, that PRB coal would have complied with the emission limits established in the Conditions of Certification and Conditions to Approval. He states that a performance test burn would have been an important, and probably necessary tool, to verify its compliance. (TR 767-768) Also, witness Kennedy states that even though the Site Certification Application notes that CR4 and CR5 were designed to use sub-bituminous coal, the company "never guaranteed that it would use a blend of sub-bituminous and bituminous coals. And neither the Conditions of Certification, nor the Conditions to Approval, include any requirement that PEF burn a blend of sub-bituminous coal." (TR 768-769)

Title V of the 1990 amendments to the Clean Air Act created new air permitting regulations, which specifically required PEF to disclose each type of fuel burned in its coal-fired units. In 1996, PEF was required to submit its initial application, and in doing so, limited its fuel options for CR4 and CR5 to bituminous coal. Witness Kennedy testifies that until this time, PEF had only burned bituminous coal in these units and that PEF supported its application with historical data results from its continued use of this type of coal. (TR 775) Witness Kennedy also testifies that PEF limited its 1996 application to bituminous coal because:

. . . no other coal was considered economic at the time the permit application was submitted. Other types of coal, including sub-bituminous, also have certain handling and operational issues that make them significantly different from bituminous coal. For all these reasons, Progress Energy Florida only included bituminous coal in its Title V application. (TR 775)

PEF did not believe at the time the application was submitted, it had the authority to burn sub-bituminous coal without testing. Witness Kennedy states bituminous coal was:

. . . the only type of coal for which performance tests were completed pursuant to the original Conditions of Certification. It was the only type of coal that we know satisfied all requirements of the Conditions of Certification and Conditions to Approval. PEF did not have the authority to burn sub-bituminous coal prior to the [1996] Title V permit application, because the characteristics of sub-bituminous coal render it possible to violate the opacity and particulate emission requirements of the Conditions to Approval and Conditions of Certification. And if a violation could just possibly occur when burning sub-bituminous coal, then Progress Energy Florida would not have burned the coal without taking some additional

steps to convince itself and the DEP that the limits would not be violated. (TR 775-776)

Witness Kennedy believes that between 1996 and 2005 the company possessed neither implicit authority nor explicit authority to burn sub-bituminous coal at its CR4 and CR5 units based on the initial site certification process and the Title V permit. Therefore, according to witness Kennedy, the company never abandoned any existing authority to burn sub-bituminous coal. Also, PEF believes the Title V permitting process created a more rigorous regulatory environment and “the requirements to obtain a Title V permit are quite different from what was required to receive the prior conditions of site certification.” (TR 776) Witness Kennedy states that it is more likely that burning PRB coal would violate the limits set by its site certification process and that PEF would not burn the coal without taking some additional steps to convince itself and the Department of Environmental Protection that the certification limits would not be exceeded. (TR 759-760)

In spring 1999, PEF made a request to the DEP to modify its existing Title V application for its CR4 and CR5 units. This amendment asked for the inclusion of bituminous coal/briquette mixture as an acceptable fuel for these units. This fuel is more commonly known as “synfuel.” Witness Kennedy states the company chose to make this change because this fuel “had become an economical choice as a fuel alternative for CR4 and CR5.” (TR 777) The company was not required to conduct a test burn on this fuel during its Title V modification process. Rather, PEF was able to provide reasonable assurances that emission levels would be met, “because briquettes have the same base as bituminous coal.” (TR 778) PEF guaranteed that the “emission levels resulting from the briquettes would be limited at CR4 and CR5 to the average emissions from the prior years at this unit In addition, the synfuel had a bituminous base and was to be burned in a mixture with bituminous coal, so the unit would never be burning 100 percent synfuel.” (TR 777-778) In June 1999, PEF received its amended Title V permit which allowed the company to burn a synfuel mixture at these units. (TR 778)

PEF’s witness Pitcher states that a July 2003 PEF Request for Proposal identified foreign bituminous coal as more economical than PRB sub-bituminous coals. Because these import coals did not present the same plant handling and performance issues as PRB sub-bituminous coals, they were the clear choice for CR4 and CR5. Nevertheless, when PRB coal prices moved up at a slower rate than domestic and foreign coals later in 2003, PEF sought to purchase some PRB coals for a test burn. (TR 366)

In 2004, PEF did consider the use of a sub-bituminous coal blend at CR4. The company purchased a quantity of PRB coal and in April 2004 initiated a test burn of this fuel. At that time, PEF’s environmental department became aware of the test burn, and verified that the company was not specifically permitted to burn sub-bituminous coal. Witness Kennedy states the test burn was conducted “because the people in the fuels department believed that the units were permitted to burn the sub-bituminous blend.” Once PEF became aware of this lack of permitting, management made the decision to halt the burn and notified the DEP of the error. (TR 779)

In 2006, the company notified the DEP of its intentions to conduct another test burn of up to a 30 percent blend of sub-bituminous coal with bituminous coal as the base. In April 2006, the

company received authorization from the DEP to conduct a short-term trial burn of the sub-bituminous/bituminous blend. In May 2006, the company conducted the short-term test burn and decided to continue pursuing this option, and applied for a permanent modification to its Title V permit to include a sub-bituminous blend. This modification, submitted in September 2006, requested that the company be allowed to burn a 30 percent blend of sub-bituminous coal at CR 4 and CR5. (TR 779-780)

Witness Kennedy does not believe that PEF should have conducted a test burn for sub-bituminous coal prior to 2004. The company has stated that PRB coal was not economical for PEF prior to 2004, and therefore was not a viable fuel alternative during this period. Witness Kennedy states that had PEF conducted a test burn of sub-bituminous coal in the early 1990's, or earlier, the emission results would not serve as a "placeholder" for the company to use at a later date. (TR 781) Witness Kennedy refers to an assessment by PEF witness Hatt stating:

. . . a long-term test burn must be done relatively close in time to when the plant expects to burn the different coal. So any test burn completed a significant amount of time before the plant expected to burn that coal would essentially be a waste. The test burn would have to be repeated for operational purposes. (TR 781)

PEF notes that OPC witness Smallwood recognizes that "even if PEF had done a stack test when the units came online, by the time of the 1996 Title V permit application, another stack test was required." (BR 39)

Also, witness Kennedy states that the time it would take PEF to amend its Title V permit would be less than the company would have needed to complete the anticipated capital operational improvements listed by witness Toms. Witness Kennedy asserts the permit process would take approximately 14 months while the capital improvements would take a minimum of 18 months. (TR 781)

C. Staff Analysis

Staff notes that due to the passage of time, the record gathered in this docket is sparse on contemporaneous evidence regarding the rationale employed by PEF and PFC in making decisions such as those regarding the environmental permits. It is difficult to reconstruct what the companies knew at the time, and what their decisions were based upon. Nevertheless, staff has reached its determination from record evidence of what the utility knew or reasonably should have known at the time PEF made these decisions.

The prudence of several key environmental permitting decisions at CR4 and CR5 are debated in the record. Staff believes these decisions are critical to the utility's ability to burn the PRB coal that OPC alleges PEF should have purchased.

In 1978, the company's initial site certification process allowed for the use of a 50/50 fuel blend of bituminous and sub-bituminous coals. (EXH 127; 128; 206) Staff does agree with Progress Energy that no explicit authority to burn sub-bituminous coal was granted through the site certification process. (TR 767-768) However, based on the initial certification, staff does

agree with OPC that the company did have implicit authority to burn sub-bituminous coal during the early years of CR4 and CR5 operation. (TR 1470-1471) All parties appear to agree, however, that PRB coal was not an economical option during the 1980s.

In 1996, Title V of the 1990 amendments to the Clean Air Act imposed new requirements upon utilities. (TR 761) PEF was required to indicate the specific fuel it intended to burn at its plants, including CR4 and CR5. PEF specified that it would continue to rely on 100 percent bituminous coal that had powered CR4 and CR5 since their initial commercial operation. In 1996, PEF considered the economic viability of sub-bituminous coal to still be in doubt. (TR 775) The company asserts that this application required it to specify the fuels with which it could meet the applicable emission standards. (TR 771) Since only the performance of bituminous coal was known, PEF specified that fuel on the application. (TR 775) Staff agrees that the company could not have listed sub-bituminous coal on the application without conducting a test burn, and that absent a cost analysis showing sub-bituminous coal to be the economic choice, a 1996 test burn would have been premature. Based upon staff's understanding from the record of the Title V process, the company's approach was not unreasonable.

In 1999, another decision point was brought about by PEF's decision to purchase and burn synfuel at CR4 and CR5. This change required the company to revise its still-pending Title V application. No test burn was required since synfuel was expected to have similar burn characteristics as its main ingredient, central Appalachian bituminous coal. (TR 777-778) PEF again opted not to add sub-bituminous coal to its application. Given PFC's claim that sub-bituminous coal was still not economical for PEF in 1999 (TR 288), and the fact that, as of that point, the company had received no PRB coal bids, staff does not believe this step-wise approach was unreasonable. (TR 280-281)

In 2001, PFC received through an RFP solicitation its first economically competitive offer for sub-bituminous coal. (TR 281-282) PFC management was faced with the decision of whether to actively pursue the Title V permit modification necessary to utilize this fuel option. The company did not seek the modification to its permit, although the fuel had become a cost effective alternative based on its own analysis. (EXH 41)

In 2003, PFC and PEF did decide that sub-bituminous coal was becoming a viable option, and therefore attempted a test burn at Crystal River in spring 2004. However, a planning and communication failure by PEF management brought a halt to the test burn. Significantly, PEF's permitting personnel had to inform both PEF plant operations and PFC personnel that the company did not have permits allowing the burning of PRB coal on site. Staff believes this omission significantly delayed the completion of a full test burn until 2006. The company states it "continued evaluating PRB coal blends in 2005, after the 2004 hurricane season, which disrupted the evaluation of other coals." (PEF BR at 11) Based on a combination of internal and external evaluation results conducted in 2005, the company chose to conduct another test burn in April 2006. (PEF BR at 12) PEF recognizes that by the time the 2006 test burn was conducted, some of the economic benefits of PRB coal had diminished from the 2004 period. (PEF BR at 12)

Witness Kennedy testifies that the Title V permit “imposes much more detailed requirements than the previous state air permits and Conditions of Certification,” including “detailed fuel specification and data demonstrating assurance of compliance with all regulatory and permit condition limitations and requirements.” (TR 770-771) Witness Kennedy states that prior to the Title V permitting process, CR4 and CR5:

... never burned anything except bituminous coal. Because burning sub-bituminous coal increases particulate matter and opacity levels, and PEF had to adhere to opacity and mass emission rate limits, PEF could not have burned sub-bituminous coal at CR4 and CR5 without at least notifying the DEP and EPA and probably doing a test burn of sub-bituminous coal. PEF did not do such a test burn, thus it did not have the unconditional authority to burn sub-bituminous coal at CR4 and CR5. (TR 768)

If test burns were required, the process would have taken approximately 14 months. The record reflects that as a result of its 1999 Title V application amendment to add synfuel (approved in 2000), and its 2006 Title V request for inclusion of sub-bituminous coal, that a modification to the Title V permit is obtainable within a reasonable period of time.

Therefore, staff believes PEF’s approach of including only known fuels in its Title V permit was reasonable. Operating under this approach, however, requires PEF and its management to remain knowledgeable and attuned to the permitting process. Though PEF correctly modified its Title V permit in 1999 to include synfuel, it failed to proactively obtain the proper permitting requirements in 2004 for conducting a sub-bituminous coal test burn. This failure by PEF and PFC to remain aware of the Title V constraints caused the interruption of the 2004 test burn, thereby delaying possible future use of sub-bituminous coal at CR4 and CR5. PEF’s failure to obtain proper permitting for the 2004 test burn caused PEF to lose flexibility in its ability to evaluate various types of coal. Staff believes this was an avoidable management error that would have been prevented were there better communications and control by management.

1.2 Coal Procurement Practices

1.2.1 Parties Position Statements on Coal Procurement Practices

OPC: During 1996-2005 PEF's coal procurement practices favored affiliates over more economical alternatives. PEF's claim that PRB producers were disinterested marketers contradicts market information and simply is not credible. PEF failed to exploit its flexible transportation modes so as to accommodate the cheapest fuel. Other flaws in PEF's practices include the failure to position itself to shift to the 50 percent PRB blend timely by maintaining environmental authority and conducting any needed stack tests.

In its inadequate 2004 supplemental solicitation, PEF's affiliate was the only producer of Appalachian bituminous coal that PEF contacted.

PEF: PFC regularly issued RFPs for bituminous and sub-bituminous coals for CR4 and CR5 and participated in spot market purchases in response to offers when reasonable to do so. PFC sent the RFPs to a large list of coal suppliers, and the RFPs were provided to coal trade publications. Coals offered in response to PFC's RFPs and in the spot offers were selected when most cost-effective to purchase them, considering the delivered and evaluated cost, and their availability for delivery under given market conditions or other constraints. When PRB coal producers submitted bids, PEF evaluated them along with all other bids.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: Adopts the position of the Office of Public Counsel.

FIPUG: PEF placed coal procurement exclusively in the hands of a non regulated affiliate that profited from the transactions and kept the dealings secret from the general public. When the scientific independent market studies demonstrates that other utilities paid from 10 percent to 50 percent less for coal during the 1996-2005 period an aura of impropriety falls upon the profitable in house transactions at customer expense. PEF's evidence that it merely published broadcast requests for proposals that included lower priced coal mines falls short of the burden it must bear to shed the mantle of misconduct.

White Springs: White Springs adopts the position of OPC as its own.

1.2.2 Analysis of Parties Arguments on Coal Procurement Practices

A. OPC Argument

OPC questions the overall prudence of the processes employed by PFC to obtain coal for PEF, as well as the decisions that flowed from those processes. OPC witness Sansom states:

As a result of its failure to maintain its flexibility under permits, conduct its procurement processes prudently and secure the most economical sources of coal for CR4 and CR5 during the period 1996-2005, PEF passed fuel and fuel-related costs through the fuel cost recovery clause that were excessive by the amount of \$134.5 million. (TR 41, 42)

OPC argues that in the early 1990s, PEF and PFC ignored the emergence of PRB sub-bituminous coal as a cost-effective alternative to Central Appalachian bituminous coal. (Sansom TR 41) Further, OPC maintains that PEF's continued use of bituminous instead of sub-bituminous coal was motivated in part "to contribute to its parent company's overall profitability at the expense of its ratepayers." (TR 42)

OPC witness Sansom testifies that PEF designed the boilers for CR4 and CR5 to burn a blend of 50 percent bituminous and 50 percent sub-bituminous coal and that PEF's initial fuel strategy was to receive bituminous coal from the Eastern U.S. and sub-bituminous coal from Western states, in equal quantities. However, when CR4 and CR5 began commercial operation, in 1982 and 1984 respectively, PEF burned only bituminous coal. Though OPC agrees that bituminous coal was more cost effective during the 1980s, according to witness Sansom, by the early 1990s, developments in the mining and transportation of sub-bituminous coals led PRB coal to be a more economical choice than bituminous coal. At this time, other utilities began the shift from bituminous coal to sub-bituminous coal to take advantage of lower fuel cost opportunities that sub-bituminous coal presented. (TR 40, 41)

The entry of the Union Pacific as an originating PRB rail carrier in the early 1990s brought competition to the Burlington Northern railroad, which had been the sole rail carrier in that area until then. This development led to competitive rail transportation east to the Mississippi River and the Ohio River, as well as providing an "all rail" route to the Mobile docks for ocean barge movement to Crystal River. (TR 50-51) At the same time, expansion of the Southern Powder River Basin in Wyoming brought about higher Btu (8,800 Btu) sub-bituminous coals than the 8,150 Btu sub-bituminous coal available in the 1980s. This development meant that fewer tons of sub-bituminous coal would be needed to reach the necessary Btus for the designed bituminous and sub-bituminous blend. (TR 51) Witness Sansom states that in the early 1990s, the cost of PRB coal (8,800 Btu) at the mine was less than \$5.00 per ton, and the rail transport cost to the Mississippi River at St. Louis, or lower Ohio River in Illinois was \$10 to \$12 per ton, including transloading to the barge. (TR 52)

Moreover, witness Sansom testifies that the delivered prices of sub-bituminous coal secured by other companies (Alabama Power, Georgia Power, Mississippi Power, Gulf Power and Tampa Electric Company) were substantially lower than the delivered prices (in dollars per MMBtu) for CAPP coal used by PEF at the same time. Witness Sansom believes PEF ignored the opportunity to take advantage of the fuel savings by using PRB. Sansom states that Georgia Power test burned over two million tons of PRB sub-bituminous coal at Plant Scherer during 1989, 1990, and 1991. (TR 54) Witness Sansom states that Gulf Power's shift to 100 percent PRB coal at Plant Daniel resulted in "dramatic savings." He also notes that Plant Miller, a unit of similar design to CR4 and CR5, saved millions of dollars and did not experience a megawatt capacity derate using PRB. (TR 55) Witness Sansom further states that examples of successful economic utilization of PRB coal were known throughout the electric utility industry in trade press, professional publications, conferences, and technical meetings. Witness Sansom continues that when the utilities conducted solicitations for offers of coal, and received bids from producers of PRB coal, they saw the impact of the economic shifts first hand. (TR 55)

Witness Sansom acknowledges that PEF did solicit PRB coal in 1996, 1998, 2001, 2003, and 2004. He acknowledges that the PEF/PFC evaluated bids received in July 2003, showed PRB coal as the least expensive fuel to use at CR4 and CR5. At \$2.02 per MMBtu, PRB sub-bituminous coal was 33 cents less per MMBtu than CAPP bituminous and synfuels, and was 11 cents per MMBtu less than imported coal. (TR 61)

B. Florida Industrial Power Users Group Argument

FIPUG states that the requests for proposals were not serious attempts to solicit meaningful bids for PRB coal. Instead, FIPUG maintains they were simply instruments used to reach the preordained goal of purchasing from PFC's affiliates. (FIPUG BR at 10-11) FIPUG states that staff witness Windham's testimony demonstrated that PEF and PFC paid prices for coal that were 10 to 50 percent higher than the costs paid by other utilities in the southeast. (FIPUG BR at 11) FIPUG also states that the burden of proof regarding its fuel purchases rests on PEF, and that the company has not met the standards previously established by the Commission in Order No. 12645 regarding fuel procurement practices for utilities. (FIPUG BR at 13-16)

C. AARP Argument

Witness Stewart agrees with witness Sansom that PEF either knew, or reasonably should have known, that it could have purchased PRB sub-bituminous coals for CR4 and CR5 at a lower delivered price than bituminous CAPP coal or synfuel from affiliates during 1996-2005. (TR 1103)

D. PEF Argument

In obtaining coal for CR4 and CR5, PFC contracted directly with coal vendors, transportation providers, and transloading facilities. PFC established written coal procurement policies and procedures in 1987 to comply with the PSC guidelines and good business practices. (Davis TR 261) PFC's coal procurement efforts were overseen by the Vice President for Coal Procurement. Under his direction, coal prices were monitored on a continuing basis. (Davis TR 248)

When coal purchases were needed to supply PEF's plants, a competitive solicitation process was employed. RFPs were provided to all coal suppliers on the bidder list maintained by PFC. (Davis TR 260) This list was comprised of over 100 suppliers, including PRB suppliers. In addition, PFC published notices of RFPs in coal industry publications to insure that anyone not on the bidders list had an opportunity to request to be on the list, and to receive a copy of the RFP prior to the deadline. (Weintraub TR 552-553) Coal procurement RFPs always included specifications for both bituminous and sub-bituminous coals, and solicited suppliers and brokers for domestic and foreign coals. PFC states that it treated PRB suppliers the same as it did bituminous suppliers responding to the RFP. (PEF BR at 6) Any coal supplier would be added to the PFC bidders list upon request. (Davis TR 266)

Once bids were received, they were evaluated and ranked, based on evaluated cost or bus bar cost (Davis TR 251) using the Coal Quality Impact Model (CQIM) which was developed by

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the Electric Power Research Institute. According to PEF, the model is a recognized industry standard (TR 410) and provides a "paper test burn" of the coal in a specific unit's boiler. (Pitcher TR 374)

After the CQIM analysis identified the leading bids, in most instances, negotiations were then conducted with several bidders offering the lowest evaluated cost coals to obtain further price reductions. (TR 280, 282) PEF stated that it used the same process for all of the RFPs issued over the period 1996 through 2006. (PEF BR at 6) According to PEF, its witness' testimony that its procurement policy and practices were consistent with Commission guidelines was not disputed. (PEF BR at 6)

Noting that witness Sansom stated PEF could have encouraged PRB bids by sending letters directly to the coal producers (TR 1247), PEF contends it "sent seven such 'letters,' i.e. 'RFPs' to PRB coal producers" during 1996-2006 and received bids in response to four. (PEF BR at 7) OPC witness Sansom agreed that the PRB suppliers on PFC's bidders list comprised 70 to 80 percent of the PRB coal market production. (PEF BR at 6)

Witness Davis testified that PFC examined the use of PRB coal regularly, including comparison of its fuel costs to those of Tampa Electric, which burned similar coal at its Gannon plant. Ongoing PFC comparisons showed that Tampa Electric was paying more for sub-bituminous coal than for bituminous coal. Sub-bituminous was not the lowest cost coal offered on an evaluated cost basis. In fact, it was generally not even competitive with other coal options. (TR 252)

Witness Davis testified that PFC's serious interest in PRB coal was evidenced early by a 1998 internal memorandum written by PFC's Vice President for Coal Procurement, Dennis Edwards. After discussing barge versus rail transport plans, he stated, "I believe we should recognize that we will, in all likelihood, be using PRB coals at [CR] 4 & 5 by about 2000 (my guess.)" (TR 287) Also, in 1999, PFC's internal analysis showed PRB would potentially be the most economical by 2003. (EXH 48)

While PEF has explored using a PRB coal blend at CR4 and CR5, it continues to burn only bituminous coal. PEF witness Weintraub testifies that PRB bids in response to recent RFPs have not been price competitive due to increased rail transportation costs. Other coals, including import coals, have lower costs. Witness Weintraub further testifies that PEF will continue to pursue revision of its Title V permit to add sub-bituminous coals and will continue to monitor PRB prices along with bituminous coal prices. (TR 509)

E. Staff Analysis

Staff believes that the overall purchasing methods and approach employed by PEF and PFC were generally reasonable and appropriate. As required by Order No. 12645, PFC's coal procurement practices involved a competitive solicitation process. PEF provided substantial evidence of PFC's formal procedures regarding fuel procurement, including the application of such a competitive solicitation process. PEF asserts that it bought coal based on reliability of supply, coal quality, and the lowest total delivered and evaluated cost. (Davis TR 256; Pitcher TR 366)

An additional requirement of Order No. 12645 is that fuel expenses must be "reasonably competitive in cost or value." In analyzing all coal bids it received, PEF used the CQIM model, an industry-standard bus bar analysis model. (Weintraub TR 495) This analysis allowed PFC to consider heat content, moisture, ash, and other physical characteristics of the coal necessary to determine how the coal would perform when burned at CR4 and CR5. (Davis TR 276-277; Weintraub TR 494-495) OPC argues that this analysis included a boiler performance penalty for PRB coal. (OPC BR at 26; TR 987) Staff believes that the bus bar analysis was appropriate and did not penalize PRB coal.

However, despite having an overall adequate process, staff believes the company could have taken timely action to put PEF in a position to use PRB coal at an earlier point in time. Though the first-ever PRB coal bids were extremely competitive in 2001, PEF failed to take the actions that staff believes could reasonably have followed this development. PEF could have realized that PRB bids may prevail in its next RFP, and that taking actions such as preparing environmental permitting and acquiring a test-burn quantity of PRB coal should begin immediately.

Staff views comparisons by OPC and AARP between PEF's and other utilities' use of PRB sub-bituminous coal with caution. Comparisons between utilities, such as Alabama Power, Georgia Power, Mississippi Power and PEF are problematic. Circumstances and conditions are different for each company, including geographic location, generating capacity reserve margins, dispatch prioritizations, and other factors that impact fuel costs and decisions. The fact alone that PFC and PEF chose to move cautiously regarding a fuel type change, while other utilities more readily embraced PRB coal, does not prove either approach to be inappropriate. Switching coal types is a very important decision. The utility must consider future costs of the new coal, plant performance, transportation costs and constraints, safety, and potential increases in capital and operating costs. (Weintraub TR 503-504, Heller 929-930; EXH 68, p.5; EXH 69, pp.2-4)

The record does not reflect the notion that PEF discouraged bids from PRB suppliers in response to the 1996 and 1998 RFPs. PEF's bid process appears to have been open and competitive. (TR 251) Through PFC's efforts, the option of using PRB coal was monitored and considered by PEF. The evidence establishes a degree of effort and interest on PEF's part in pursuing the sub-bituminous coal option at CR4 and CR5. Staff does not doubt that more effort could have been expended in pursuing the PRB coal option. Staff recognizes that PFC was anticipating the use of PRB by the early 2000s. However, the eventual focus on synfuels appears to have at least temporarily displaced the purchase of PRB beginning in 1999. (TR 287)

Still, PEF and PFC moved forward toward the use of PRB coal at Crystal River with a 2004 test burn that indicated serious interest in this fuel. This interest was influenced by the PRB bids PFC received from its 2003 RFPs. But as noted, evaluation of the bids from the 2001 RFP could have triggered similar interest in PRB by PEF and PFC earlier than 2003.

During the period 1996-2002, PEF issued three coal bid solicitations: in 1996, 1998, and 2001. No PRB coal suppliers responded to the 1996 and 1998 bid solicitations. However, competitive PRB bids were submitted in response to the 2001 solicitation. PEF's evaluation of these bids identified PRB coal as the lowest evaluated cost alternative for a five-year contract. In fact, the most competitive bid received in response to the May 2001 RFP in terms of evaluated

price was the PRB coal bid at two years offered by Arch Coal.¹¹ (EXH 41) PEF ultimately negotiated a one-year contract for imported bituminous coal after negotiating with bidders who had submitted three-year contract offers. (TR 282) Regardless of the fact that PRB was not selected in the 2001 bid evaluations, staff believes the fact that these PRB bids were competitive could have triggered actions to put PEF in a position to buy this fuel if it should prevail in the very next coal solicitation.

Staff notes that the relative mix of spot versus contract purchases made by PFC on behalf of PEF may have played a role in the emphasis, or lack thereof, given to PRB coal. During the period 1996-2005, PEF's mix of spot versus contract coal purchases varied widely. Witness Davis testifies that PFC considered it prudent to have a "mixture of coal supply contracts by having an appropriate balance of long term, medium term, and 'spot' supply contracts." (TR 264) She also states that the company would evaluate and forecast, using various industry services, "how much of our coal supply we wanted to be on medium-term contracts (such as 18 months to three years) and how much we wanted to purchase on a spot basis during a year." (TR 265)

Witness Davis states that in 2002, two large long-term contracts for bituminous coal expired. (TR 263-264) During this same period, PEF made a procurement and operational decision to burn bituminous synfuel products in its CR4 and CR5 units beginning in 1999. By 2001 and 2003, when spot purchasing peaked, the majority of these spot purchases were for synfuel. In 2001, 66 percent of PEF's coal was purchased on the spot market, followed by 60 percent in 2002, and 55 percent in 2003. (EXH 2 pp.18-23)

In 2004, PFC and PEF made a decision to transition toward a higher percentage of contract-based purchasing. (EXH 2 pp.18-23) An October 2003 procurement memorandum from Al Pitcher states that PFC's "purchase strategy is to eventually achieve a 75/25, 70/30 split between contract and spot." (EXH 56) It appears that PEF did move its procurement approach to an increased portfolio of RFP-initiated contracts. In 2004, 61 percent of the total coal purchases for CR4 and CR5 were made through contracts. In 2004, PFC began reducing the amount of synfuel purchases for CR4 and CR5. In 2005, CR4 and CR5 contract-based purchases increased to 92 percent; in 2006, the total increased to 93 percent. (EXH 2 pp. 18-23)

Witness Davis states that it was not always necessary to conduct an evaluated or bus bar cost if PFC and PEF were familiar with the pool of suppliers, and "with whose coal [PFC] had substantial experience, or on which [PFC] had previously done a bus bar analysis." (TR 278) In contrast, witness Davis states that sub-bituminous coal is a "type of coal in which an evaluated cost or bus bar cost analysis could provide important information." (TR 279) In contrast, witness

¹¹ The May 2001 RFP required a minimum of 425,000 tons annually. The Arch Coal PRB bid for the 2 year contract was for 2.4 million tons, or 1.2 million tons per year, at an evaluated price of \$241.59/MMBtu. The next lowest evaluated bid price was \$243.61/MMBtu, a foreign coal bid by Carbones Del Quasare, S.A., a three year contract offered at 1.6 million tons, or 530,000 tons per year. The lowest evaluated bid price for CAPP coal was \$251.46/MMBtu, a three year contract offered at 1.425 million tons, or 480,000 tons per year. Three other PRB bids were received at evaluated prices lower than the lowest CAPP coal evaluated price, but all at significantly more tonnage than the minimum requirement. (EXH 41)

Davis states that "it was not practical to subject short term spot purchases to such modeling."
(TR 279)

It appears to staff that since PFC did not conduct this type of analysis on spot market purchases, sub-bituminous coal may have suffered from being an unknown quantity during periods when the company emphasized spot market purchases. As witness Davis recognizes, "Progress Fuel Corporation was a substantial purchaser in the spot market," and staff believes this procurement focus could have created limitations that may have affected the evaluation of PRB coals. (TR 268) If this were the case, however, staff believes it did not stem from bias against PRB coals, but from the overall spot/contract mix and factors such as fuel price trend expectations.

The coal procurement processes described by witnesses Davis and Weintraub were consistently applied in keeping with company procedures. PEF and PFC gave consideration to the fuel options available, employing a competitive bidding process and evaluation of bids received. Certainly more than one prudent course of action or option may exist at the same time. As noted by PEF witness Fetter,

Management decisions in complex areas are rarely "black and white." Rather, there is a range of decision-making that prudent, equally-informed managements could make ... Absent a management decision clearly falling outside this range, there is no basis upon which the regulator should substitute its judgment for that of the utility's management. (TR 164)

1.3 CR-3

1.3.1 Parties Position Statements on CR3

OPC: CR3 was nuclear in 1978, when PEF designed and sought state certification of CR4-5 to burn PRB, and still nuclear in 2006, when PEF applied to modify its federal permits to authorize burning PRB in CR4-5. Only the period 1996-2005 covered by OPC's Petition is the subject of PEF's "CR3 concern." If applicable, prudence would have required PEF to attend to any NRC information requirements at the outset, so that it would be positioned to burn PRB when economical to do so. CR1-2 boilers are far closer to CR3 than are CR4-5 and pose greater risks.

PEF: Part of the evaluation to switch to a PRB blend must include the impact on the operation of the Company's nuclear unit CR3, given the proximity of the PRB coals to the unit and the undisputed characteristics of PRB coals. Were PEF to use PRB blends, as OPC suggests, CR3 would be the only nuclear unit in the United States, and quite possibly the world, that is co-located with a PRB coal plant. Nuclear regulations require evaluation of this additional risk to assess whether CR3 can be safely operated with PRB coal on-site, adding time and expense to the analysis.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: Adopts the position of the Office of Public Counsel.

FIPUG: CR3 went into commercial operation in March 1977. CR4 and CR5 came on line years later in 1982 and 1984. At that time PEF proved twice that even if it was possibly the only utility in the world to co-locate a nuclear plant on the same site with PRB coal plants the potential fuel savings to customers justified the nuclear risk and charging customers more money for construction to obtain future fuel savings. The contention today that it is imprudent to give customers the promised fuel savings by using the CR3 nuclear disaster shibboleth must be taken with a grain of salt.

White Springs: CR3 went into commercial operation in March 1977. CR4 and CR5 came on line years later in 1982 and 1984. PEF's efforts to solicit bids from PRB sources and to test burn PRB coal at Crystal River have not been impeded in any manner by the presence of CR3 or its licensing requirements with the Nuclear Regulatory Commission. PEF's conjecture on the results of its as-yet unperformed risk and safety evaluations associated with PRB use at Crystal River, or possible NRC reactions to such assessments, is no defense to PEF's otherwise imprudent actions. The delay of the CR3 staff in undertaking those assessments, however, should be considered a separate instance of imprudence should it delay the use of PRB coals at the site.

1.3.2 Analysis of Parties Arguments on CR3

A. PEF Argument

PEF witness Hatt testifies that PRB coal carries significant risks of fires and explosions, which is primarily addressed below under the topic "CR4 and CR5 Operational Matters." (TR

600-601; EXH 100, 102) PEF witnesses Franke and Miller specifically raise safety and regulatory concerns about burning PRB coal in units sited with a nuclear plant. (TR 801, 803-4; 875)

The Crystal River site has a nuclear unit – CR3 – and four coal units – CR1, CR2, CR4, and CR5. CR3 has a capacity of approximately 838 MW, and came online in early 1977. (Franke TR 804-805) The nuclear unit is subject to regulation by the Nuclear Regulatory Commission (NRC). (Franke TR 809). Both witnesses Franke and Miller testify that there are no nuclear units collocated with coal plants that burn PRB. (Franke TR 803, Miller TR 877)

Witnesses Franke and Miller note that PRB coal is subject to spontaneous combustion, can be explosive, and is dusty. (Franke TR 815-819; Miller TR 875) Regarding spontaneous combustion, witness Franke states the following three concerns:

The first area is in the ability to protect the nuclear operators who cannot evacuate during a large fire. The second concern is what effect a coal fire might have on the equipment required to operate the plant safely. Lastly, I am concerned by the possibility that this flammable and potentially explosive coal pile might provide an opportunity to an adversary terrorist group which would challenge our nuclear security. (TR 815)

Witness Franke provides an aerial photograph of the Crystal River site. He notes that PRB coal, assuming significant amounts would be burned at CR4 and CR5, would be unloaded at the barge unloader near CR3. The train unloader is also near CR3. The coal would be transferred by conveyor belts to the site's north coal yard, where it would be blended with bituminous coal. Transmission lines cross over the conveyor belts. (TR 805-806; EXH 135, 141)

According to witness Franke, smoke from a PRB coal fire would have negative implications for the operation of CR3. (TR 816) Witness Franke gave examples of fires in the area surrounding other nuclear plants that have caused a loss of offsite power. (TR 816) Smoke from fires could affect the operation of CR3's emergency diesel generators, which are necessary in the event of a loss of off site power. According to witness Franke, given the possibility that PRB coal is explosive, a terrorist force could use the coal to create a diversion. (TR 817) Further, smoke from a PRB coal fire would impair the ability of security guards to protect the site. (TR 817)

Witness Franke believes PRB coal will increase dustiness and provides several examples of NRC Information Notices concerning dirt and dust interfering with electrical equipment. (TR 813). Increases in dust can harm the performance of electrical components, such as breakers and relays. Also, management of increased levels of dust can increase maintenance costs. Increased dust from PRB coal would raise the potential for fires in cable trays. (TR 813, 818) According to witness Franke, the amount of coal dust in the CR3 nuclear unit increased significantly in May 2006, when a blend containing 18 percent PRB coal was unloaded at the Crystal River site and burned at CR5. (TR 831-834)

The NRC requires redundant safety systems, where two trains of the same safety system operate simultaneously to ensure that at least one will function at all times. A "common mode

failure” is a condition that affects both trains of the safety systems such that neither system functions. (TR 817-819) According to witness Franke, dust from PRB coal could potentially cause a “common mode failure.” (TR 813, 817-819)

Current NRC regulations require CR3 to have operators in its control room or at remote operating locations at all times. This regulation means the control room must be protected from toxic or radioactive gases. (Franke TR 810) NRC regulations also require off-site power be available to the nuclear unit and backup systems if off-site power is interrupted. According to witness Franke, the reliability of off-site power is a very important safety factor for nuclear plants. (TR 811, 820)

Witnesses Franke and Miller both state that the flammable and dusty characteristics of PRB coal would require PEF to evaluate the risks pursuant to 10 C.F.R. 50.59. (TR 819) This evaluation would involve detailed engineering studies and analyses. If this evaluation shows more than a minimal change in risk from current licensed operation, then PEF would have to submit a license amendment request to the NRC. This process would require comprehensive engineering review and would take a significant amount of time. (Franke TR 819-820, 824, 859; Miller TR 882; EXH 142, EXH 143) If the operator determines that the change will not significantly increase risk, then the operator does not need to seek a license amendment from the NRC. (Franke TR 807-808; Miller TR 880-881)

Regarding the possible future use of PRB coal in CR4 and CR5, Witness Franke states the following:

After what I have heard about this coal I would not propose we go through the process of evaluating the effect of the coal on the design and license basis of the plant. (TR 830-831)

B. OPC Argument

As rebuttal, OPC witness Sansom testifies that he has visited about a dozen sites where PRB is burned and does not believe the risks associated with PRB coal are unique or particularly significant. He acknowledges “good housekeeping” practices are necessary with PRB coal. (TR 1217) Explosions can occur at coal plants. Witness Sansom cites two examples and states subbituminous coal was not involved. Also, fires can occur at coal yards and at coal mines, including bituminous coal mines. (TR 1217) Witness Sansom believes the concerns raised by PEF witnesses Fetter (sic Miller¹²) and Franke are invalid and misplaced. Moving PRB coal from the unloading areas to CR4 and CR5 is not a serious risk. (TR 1217) Witness Sansom states the following:

The increased investment and extra operational measures in the coal yard required to burn PRB subbituminous coal compared with bituminous coal were well known when CR4 and CR5 were designed. (TR 1208)

¹² Witness Sansom states PEF’s nuclear safety expert is witness Fetter. PEF’s nuclear safety expert is witness Miller, and staff believes Miller is the witness to whom witness Sansom intended to refer. (TR 1217, 875-876)

* * * *

The Crystal River coal yard was designed to blend PRB/CAPP coal at a 50/50 blend. The stacker/reclaimers, the belt scales and drives, and the coal yard control system and conveyor capabilities were installed to blend and supply 330 tph per unit for CR4 and CR5. (TR 1211)

Witness Sansom observes that neither witness Miller or Franke mentions that CR1 and CR2 are located alongside CR3. CR4 and CR5 are farther away. The concern should be with bituminous coal in units near CR3, according to witness Sansom. If this risk of coal explosion has not been raised by PEF or the NRC, then moving PRB coal to farther-away units should not be a concern. (Sansom TR 1217-1218)

C. Staff Analysis

PEF built CR1 and CR2 first at the Crystal River site. CR3 followed and began operation in 1977. CR4 and CR5 were built after CR3. (TR 857) PEF updated its Final Safety Analysis Report (FSAR), an important NRC licensing document, when CR4 and CR5 were built. According to witness Franke, PEF did not tell the NRC that the units were designed to burn a 50/50 blend of bituminous and sub-bituminous coal. (TR 858) The FSAR reflected PEF's expectation to use bituminous coal at CR4 and CR5. The updated FSAR reflected the site's layout, including coal piles, handling equipment and conveyors and the proximity of these features to the reactor building. (TR 858-859) Staff notes both the industry's understanding of the risks posed by PRB coals and nuclear safety standards have changed since the CR4 and CR5 became operational. (TR 843)

Witness Franke acknowledges that bituminous coal can self ignite, but he also suggests that a bituminous coal fire would not be as much of a problem as a PRB coal fire. (852-853, 860) Staff notes that PEF witness Hatt provided evidence that PRB coal has more problems with spontaneous combustion than bituminous coal. (Hatt TR 600; Franke TR 851-853, 860, 864; EXH 100; EXH 101, pp. 3-4) Spontaneous combustion and PRB coal is discussed in the topic "CR4 & CR5 Operational Matters." Witness Franke states the coal yard currently has some fire protection equipment but not a lot. (TR 859)

When the 2004 test burn was planned, staff at CR3 were contacted. The CR3 staff expressed concern and required that the blend with PRB coal be blended off-site. The blend burned during the 2004 test burn had 15 percent to 22 percent PRB coal. (Franke TR 861-862; Pitcher 470-471, EXH 199, p. 1, 4)

PEF witness Miller and Franke testify that, if PRB coal is to be burned at the Crystal River site, then a risk evaluation would be required by 10 C.F.R. 50.59. Neither witness Miller nor witness Franke can say whether this evaluation would lead to the requirement of a license amendment application with the NRC. (Franke TR 819-820, 824, 859; Miller TR 882; EXH 142; EXH 143) Though PEF has planned and carried out test burns of PRB coal, the CR3 staff have not begun a 10 C.F.R. 50.59 analysis. (Franke TR 860-861)

In its brief, OPC states the following:

At the same time it was preparing the testimony of witnesses on CR3 implications, PEF was also submitting the testimony of its witness Sasha Weintraub, who testified under oath that PEF is actively considering the possibility of moving to 100 percent Powder River Basin coal at Crystal River 4 and 5. (TR 503) (OPC BR at 15-16)

Staff notes, however, that witness Weintraub states the switch to 100 percent PRB coal is unlikely given the distance between Crystal River and PRB coal mines. This distance – over 2000 miles - could compromise supply reliability. (TR 503)

In its brief, White Springs states that CR3 staff was aware that PRB coal was at the Crystal River site in 2004 and 2006. White Springs argues that, if PRB coal would trigger an incremental risk evaluation pursuant to NRC regulations, then PEF already should have performed the evaluation. According to White Springs, delays in performing the evaluation may be a separate instance of imprudence. (White Springs BR at 7-8)

The 2004 and 2006 test burns involved a limited quantity of PRB coal and short-duration burns. Based on the record for this topic, staff believes if PEF committed to long-term use of PRB coal for CR4 and CR5, even in a low percentage blend, then an incremental risk evaluation pursuant to NRC rules would be necessary.

Also in its brief, White Springs states the following:

In sum, at most Mr. Franke and Mr. Miller's testimonies do little more than describe the NRC rule on risk assessment and possible license amendments. Since none of the assessments Mr. Franke claims must be performed have even been started, there is only conjecture regarding what action (e.g., filing a report, mentioning PRB coal use in the next update to the FSAR, request for a license amendment, etc.) might be required by the NRC. (White Springs BR at 8)

Witness Franke did state, however, that he does not want PRB coal at the Crystal River site given its potential problems. (TR 830-831)

The record shows that PRB coal has unique issues regarding dust and combustibility. Staff is of the opinion this would have triggered an NRC risk evaluation had PEF committed to long-term use of PRB coal at Crystal River. While this evaluation may not lead to a license amendment application with the NRC, it might lead to capital expenditures for dust control and fire protection equipment. The record does not quantify any costs. Staff believes the NRC safety regulations governing CR3 would not preclude PRB coal from being blended off-site and burned at the Crystal River site but PEF might incur additional costs.

1.4 CR4 and CR5 Operational Matters

1.4.1 Parties Position Statements on CR4 and CR5 Operational Matters

OPC: Based on ample historical data, CR4-5 boilers were designed super-conservatively to handle coal having slagging and fouling properties more severe than the 50 percent PRB design basis blend.

Existing blending equipment is adequate, and replacement unnecessary and wasteful.

Because *all* systems were designed and sized to sustain 5 percent overpressure with 50 percent PRB, the only capital costs associated with burning the blend relate to dust and fire suppression, and only to the extent they exceed the equipment that PEF allowed to deteriorate.

PRB can be managed safely through appropriate methods and meticulous housekeeping, matters that prudent management acting in customers' interests would have undertaken to garner savings.

Test burns need not take longer than 2-3 weeks. Moreover, had PEF prudently conducted test burns of the 50/50 design blend when CR4-5 were new, PEF would have been positioned to purchase and burn PRB coal when it became the economical choice.

PEF: Despite the fact that the boilers were designed to accommodate an equal blend of PRB and bituminous coals in the late 70's, the design and construction of the units lack the necessary equipment to safely, efficiently, and effectively handle and operate the units on an equal blend of PRB coals and bituminous coals. State of the art technology for dealing with PRB coal as it evolved through the mid-1980s to today is different from what was known when the units were designed. In addition, many of the additional components which were designed were not actually built. Tens of millions of dollars in capital and maintenance upgrades must therefore be made for the units to burn this blend safely and effectively. Furthermore, to the extent that any components, like the larger boiler, were built into the plant, the ratepayer has received the benefit because the units have produced additional megawatts.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: Adopts the position of the Office of Public Counsel.

FIPUG: PEF says PRB coal increases operating costs \$2 million. It was imprudent not to spend this to get the promised savings. Witness Hatt testified plant improvements for cheaper coal would cost \$61.2 million. Witness Barsin said it would cost nothing. Improvements to utility plants are continuous. They are irrelevant in a fuel cost proceeding. They are base rate items. Even if the cost were needed, were relevant, and the worst case scenario used, the maximum allowed return on a \$61.2 million PEF plant upgrade is \$6.1 million a year. This authorized return is more than off-set by the annual depreciation charge customers already pay to renew and

replace the two plants. If CR4&5 cost \$900 million to build the depreciation charge customers were initially required to pay was \$36 million a year. This is 6 times the sum required to cover the highest allowed return on Hatt's estimated plant improvements.

White Springs: White Springs adopts the position of OPC as its own.

1.4.2 Analysis of Parties Arguments on CR4 and CR5 Operational Matters

A. OPC Argument

OPC argues that a change from the bituminous coal that has been burned at CR4 and CR5 to the "design blend" would involve minimal risks. According to OPC, the generators were specifically designed and constructed to burn the design blend of 50 percent bituminous and 50 percent PRB coals. OPC also asserts that its analysis is based on the fact that PRB coal appears on the original design documents, where the "design blend" fuel is comprised of 50 percent PRB coal. As further support for the use of PRB coal at Crystal River, OPC's witnesses describe successful generators located outside of Florida that burn PRB coal in varying degrees. OPC also argues that the Crystal River site is well equipped to blend PRB coal with other coal, based on the original design of CR4 and CR5.

OPC witness Sansom says that bituminous coal was more economical than sub-bituminous coal in the 1980's. By the 1990's, developments in mining and transportation led to sub-bituminous becoming the more economical choice. (TR 40) Throughout his testimony, witness Sansom argues that CR4 and CR5 were designed and constructed to have the ability to burn a fuel blend of 50 percent bituminous and 50 percent sub-bituminous coals in its boilers. (TR 40, 53, 62, 74, 81; EXH 24) He states that CR4 and CR5 are "sister units" to Detroit Edison's Belle River units and Alabama Power's Miller units. He states that all of these plants were designed by Babcock & Wilcox and points out that Powder River Basin sub-bituminous coal has been burned at the Belle River and Miller plants for a decade or more. (TR 47)

Witness Sansom describes some characteristics of PRB coal, and describes the way that electric utilities deal with the different properties of the various coals. He states that in the design of a generating unit the furnace, the pulverizer, and the coal storage and conveyance must accommodate increased tonnage. (TR 44) Witness Sansom then states that the specific equipment components of CR4 and CR5, including all the fuel handling, combustion, and ash handling components, were designed, constructed and built to accommodate the "50/50 blend with no adverse effects, and without the necessity of plant modifications." He notes that "Babcock and Wilcox guaranteed that the units' boilers would operate to specifications if the 'design basis coal' is burned in the boilers." (TR 45)

OPC witness Barsin testifies that the original design for CR4 and CR5 provided a system that is fully capable of storing and blending the PRB coal. Only modest and inexpensive enhancements to provide washdown capabilities would be needed to accommodate use of PRB. (TR 1258) He also says that Babcock and Wilcox guaranteed that the boilers would burn the 50/50 blend of PRB and bituminous coals without slagging or fouling. (TR 1257, 1328, 1355-1364) Witness Barsin describes detailed design process for CR4 and CR5, to guarantee sufficient fuel and to allow for unlimited operation in the overpressure range. Witness Barsin states that

the design criteria for Unit 4 can accommodate steam flow at the maximum continuous rating without operational constraint. He says:

[Florida Power Corporation also] specified a steam flow, a sustainable continuous maximum continuous rating at a pressure and temperature without any operational constraints. Black & Veatch took that direction from Florida Power Corporation and wrote specifications, and equipment was eventually purchased, installed, and sustained operation achieved over the past 25 years indicate that those objectives have been met. (TR 1327-1328)

Witness Barsin stresses the need to provide for slagging and fouling in the combustion process, and the requirement for increased fuel volume in the boiler and the fuel handling systems. (TR 1270 - 1285) He also addresses the need for dust suppression, and reports that the original dust suppression system has not been maintained. (TR 1287) Witness Barsin was involved in both the research of PRB coal properties and their impact on boilers prior to the design of CR4 and CR5, as well as the actual designing of the units. He claims that the properties of PRB coal were well known and understood when CR4 and CR5 were designed, as were the design parameters necessary to anticipate and accommodate those properties and burn PRB coal successfully. (TR 1257)

B. PEF Argument

PEF asserts that after the CR4 and CR5 units came on line, and before 1996 when OPC alleges that using PRB coal would have provided savings, extensive trade knowledge developed regarding several issues associated with coal from the Powder River Basin. The mineralogy of PRB tends to increase opacity as well as slagging and fouling. (TR 663-664) PRB coal dust accumulations have the potential for spontaneous combustion at about room temperature, in contrast to bituminous coals that require a temperature of 150° F to 200° F. (TR 687-688) If water is added to PRB there is an exothermic chemical reaction, meaning that heat is produced. If PRB remains in storage with no intervention, moisture from the coal itself or from condensate will begin to heat up the coal and smoldering often begins. Smoldering PRB differs from bituminous coal, because if smoldering PRB is doused with water, additional heat generated increases the danger that nearby dust will explode. (TR 672-673)

Multiple documents in the record show numerous industry-accepted standard practices that developed as PRB came into widespread use. A case study presented at the 1994 Power-Gen Americas Conference guides PRB users in avoiding stagnant coal and flow patterns that allow heat to accumulate, leading to the possibility of explosion. (EXH 123, pp. 52-56) Several documents in the record discuss incidents that occurred after both CR4 and CR5 were in service; since standard industry responses to manage these issues were not formulated until the 1990's, they could not have been included in any consideration or design prior to 1985. (EXH 107, 108, 110, 113, and 123)

PEF witness Toms provides a description of the day-to-day operations at CR4 and CR5, and the factors that are crucial to the units operating with the performance reliability that they have exhibited. He says that particle size of the fuel entering the boiler is crucial -- the smaller the better. He explains that feeding excess coal into the pulverizer will clog the pulverizer. He

relates his experience that five pulverizers are not sufficient to maintain the units at full capacity. Alternatively, the fuel grind might be set for a larger particle size in order to increase the flow through a pulverizer, but the pulverizers must grind to a particle size that does not slag the boiler. (TR 738-744) As PEF has recounted in its brief, the CR4 and CR5 units are capable of burning a wide range of coals, and customers have received consistently high levels of megawatt output from these units operating at overpressure with 100 percent bituminous coal. (PEF BR at 31) Witness Toms explains that his knowledge of the units is "based on running them 365 days a year." He further describes his experience: "I have also seen these units operate in various conditions and in situations where equipment was down for maintenance, and I know what they are capable of doing in real life, not in theory." (TR 725)

PEF witness Hatt provides an assessment of the "sister units" concept used by the OPC witnesses. He explains that the similarities in design may be limited to specific sections of the equipment, such as the boiler. Witness Hatt states that the coal-yard situations of the "sister units" are completely different from Crystal River coal yard. Further, as to the matter of "similar design," witness Hatt uses the illustration of two cars of the same make, model, motor, and drive train that could have significant performance and maintenance differences, as when one car is a "lemon." He says that similar differences can exist between "sister units." (TR 646)

PEF witness Hatt attempted to quantify the conversion cost for bringing the CR4 and CR5 units up to an operating level that would meet industry accepted standards for managing PRB coal. This work was a direct response to the allegation that a switch to "design basis fuel" blended on-site could be made "with no adverse effects, and without the necessity of plant modifications." (TR 45-46) Witness Hatt explains that he "included costs to account for the capital upgrades and additional maintenance necessary to do on-site blending, as Mr. Sansom alleges PEF should have been doing." (TR 644) He explains some operational concerns addressed by his evaluation: the chemistry of PRB coal mined today is different from the PRB coal available when the boilers were designed. The current PRB fuels have a higher Btu content, but the fouling characteristic is worse. He advises that fouling is more gradual than slagging, and gradually impacts efficiency and load. In addition, fouling can completely clog the boiler tubes and cause long outages. Witness Hatt estimates capital costs at more than \$60 million, with associated O&M costs of about \$2 million annually. (TR 630-631, 651, EXH 106)

Witness Hatt cautions that subtle changes can be costly. For example, if any change results in a 1 percent decrease in boiler efficiency, an increase of about 1 percent in the Btu input will be needed to maintain generation. There will be an automatic increase in cost that amounts to 1 percent of the annual fuel bill. He puts the "present year's fuel bill" at \$291 million, so that 1 percent equates to a cost increase of \$2.9 million per year. (TR 632)

Since 2001, PEF has addressed the use of PRB at a low percentage, blended off-site. Test burns were made in 2004 and 2006. (EXH 76, 198) In 2005, the Strategic Engineering division of PEF conducted an in-house investigation into possible savings that might flow from using PRB. (EXH 68, 69, 70, 71, 72, 73, 75) Also, the firm of Sargent & Lundy was hired to perform "high level" evaluation of PRB use at CR4 and CR5. (EXH 74)

In its brief, PEF pointed out that OPC witnesses agreed that additional capital equipment and O&M items were needed to safely handle PRB coal and blend it on-site at Crystal River.

(PEF BR at 28) Witnesses Hatt, Barsin, and Putman differ as to the amount of the cost for additional items. Additional capital items are mentioned. PEF argues that the testimony of witness Hatt on cost is the most reasonable and should be accepted. (PEF BR at 28)

C. Staff Analysis

CR4 came on line in 1982, and CR5 followed in 1984. From the outset, these units have had high availability and capacity factors, consistently and dependably generating low cost electric energy using bituminous coal. In staff's opinion, any differences between the fuel that has been used and a fuel newly introduced might affect the operations at Crystal River, and particularly the operations at CR4 and CR5. Staff believes the impacts of two fuels are contrasted in this analysis: the bituminous coal that has been burned and is associated with the history of high performance, and the "design blend fuel" that is 50 percent PRB coal. Staff also addresses the possibility of bringing PRB coal on site for blending with another coal, as originally planned.

OPC alleges evidence in support of the fuel change it claims would have been cost-effective. OPC witnesses allege that the design of CR4 and CR5 supports the presumption that a change to the "design blend fuel" can be made with minimal impact on the operations at CR4 and CR5. (Sansom TR 1207) OPC refers repeatedly to the "sister units" of Belle River near Detroit and Miller Plant in Alabama. (Sansom TR 47, Putman 1392) Witness Sansom explains that all these boilers were designed together, including CR4 and CR5, and he recounts some details regarding the way the boilers are designed to accommodate burning PRB. (Sansom 47, 1215) PEF witness Hatt, however, argues that OPC's witness Sansom "provides an ultra-simplistic explanation of the differences" associated with handling and using PRB coal, from an operational and safety perspective." (TR 645) Staff believes that Witness Hatt's interpretation is more creditable than Witness Sansom.

OPC's opinion on the operational affects of burning a PRB blend at CR4 and CR5 was based on design documents that included PRB coal as a possible fuel, along with Illinois coal or high Btu bituminous coal. (Barsin TR 1274-1275, TR 1290) OPC relied on the fact that "sister units" of similar design and vintage have burned PRB coal. (Sansom TR 47) Staff believes the record does not reflect sufficient evidence addressing details regarding the combustion technology for the generators at Crystal River or similar units at other locations. There is no comparison of the capacity factors or availability among the generators. While the generating performance of CR4 and CR5 were provided in the record, staff does not have sufficient information that would allow for any comparison with the alleged comparable units mentioned by OPC witnesses. Although these units might have been similar in design and performance some time decades ago, the units are not necessarily similar now. Staff believes that the assessment of PEF witness Hatt is valid as it relates to the operational and safety issues that have come to be associated with handling and using PRB coal.

Staff is of the opinion that the issues of pulverizer capacity, burn rate, and capacity factors for those sister units are not sufficiently addressed in the record. These factors are critical factors by which to compare generating units. For example, staff believes it would be important to know how components of those comparable units work together in such functions as fuel storage, feeding and processing, or whether the fuel is drier or the particles are larger at the

boiler entry point. The information provided indicates that some units do manage PRB successfully, according to their needs and requirements, but it is not possible to make a direct comparison between the alleged comparable units and CR4 and CR5 and how they would incorporate PRB coal in a cost effective manner.

The facilities for CR4 and CR5 at Crystal River were designed and installed before 1985. (Barsin TR 1271; Toms TR 706) OPC witnesses assert that the installed equipment has been suitable for storing and blending PRB coal as fuel for generating electricity from the in-service date through 2006. (Sansom TR 40, 1208, 1211) OPC alleges that the capability of CR4 and CR5 to use a 50 percent blend of PRB was guaranteed in the design documents. (Sansom TR 45; Barsin TR 1255; EXH 6, p. 2 & 5; EXH 4, p. 6) According to OPC witness Barsin, in his experience the entire projected performance document was treated as a guarantee. He asserts that the attorney for his company told him it was a guarantee. (TR 1357-1359; EXH 193). OPC asserts because the guarantee is part of the document, PEF should be able to operate CR4 and CR5 at overpressure and produce the same MW output as PEF produces with the bituminous coal now being burned. (Barsin TR 1255-1256)

There was much dispute over whether the document in its entirety was a guarantee, as OPC claims, or whether the guarantee applies only to portions of the document appearing in columns that bear the term "GUAR". (TR 1361-1364 and 1371-1372) OPC witness Barsin also stated that the contract documents in their entirety would constitute the total performance guarantee. (TR 1356-1357) Since the entire set of contract documents is not in the record, staff will only address the documents that are in the record.

According to OPC witness Barsin, Exhibit 193 is a guarantee document (TR 1264-1265), and CR4 and CR5 were guaranteed to perform at 105 percent overpressure using a 50/50 blend of coal and still obtain generation of 750 MW and 775 MW. However, the term GUAR, which staff believes is an abbreviation of the word guarantee, only appears above two columns on Exhibit 193. Both GUAR columns of that exhibit relate to output of 665 MW, the name plate rating. Staff concludes then that the guaranteed performance of the 50/50 blend was at the name plate rating of 665 MW.

Moreover, PEF witness Toms provides descriptions of the day-to-day operations at CR4 and CR5, and the factors that are crucial to the units operating with the performance reliability that they have shown. For example, witness Toms reports that if fuel rating falls lower than the range of 11,000 to 11,300 Btu/pound, CR4 and CR5 are not able to operate at overpressure. (TR 725) He explains that particle size of the fuel entering the boiler is crucial -- the smaller the better. (TR 744) He states that in his experience five pulverizers are not sufficient to maintain the units at full capacity. Alternatively, the fuel grind might be set for a larger particle size in order to increase the flow through the pulverizer, but the pulverizers must grind to a size that does not slag the boiler. (TR 738)

Staff believes that the testimony of witness Toms is persuasive. In comparing the experience recounted by witness Toms to the assertions made by witnesses Sansom and Barsin, there are different views as to the performance to be expected from CR4 and CR5. Although witness Barsin's explanation of his design, along with the calculations provided, might lead to a presumption that five pulverizers are adequate to supply either of the CR4 or CR5 units, the

experience of witness Toms contradicts that presumption. Based on actual operating experience, witness Toms says that with only five pulverizers available, the units cannot produce the expected 750 or 775 MW. (TR 738) The record indicates that particle size and silo capacity (or through-put) limit the production of the utility. Witness Barsin's testimony addresses design calculations. It does not sufficiently address particle size, or show why limits on silo capacity would not curtail the steam production. The information provided by OPC's witnesses does not provide sufficient actual data for comparison with any operation other than Crystal River. Witness Putman's comment regarding Plant Daniel reverting to high Btu fuel in order to return to full load generation implies that the Plant Daniel units have not operated at a high capacity factor when fueled with PRB coal. (TR 1404-1405) However, the evidence shows that CR4 and CR5 are routinely high in the dispatch order and generate at a high capacity factor.

Witness Hatt's example of "identical cars" that have very different performance demonstrates the insufficiency of witness Barsin's and witness Sansom's testimony on the comparable units. (TR 646) Staff believes the record does not sufficiently reflect the pertinent issues that would go to an understanding or conclusion that similar operation should be expected between the "sister units" and CR4 and CR5. Staff is persuaded that the expectation for a simple "swap" from the higher BTU coal to the "design basis fuel" is not a reasonable expectation.

Staff does not believe that the record supports the position that blending the "design basis coal" at Crystal River, and then burning that blended fuel for power generation at CR4 and CR5 should have been done since 1990. Issues of safety and cost are relevant to this analysis. Current industry standards, as indicated in testimony and exhibits of PEF witness Hatt, are designed to manage the explosive characteristics associated with PRB coal. (EXH 108, pp. 1-4) Staff believes that PEF would need to bring the Crystal River site up to current operating standards for handling PRB coal if that material were to be blended on site.

While staff believes that burning a 50 percent blend of PRB and bituminous coals would cause operational difficulties, staff believes that burning a lower percentage blend appears to be a viable option. A test burn of lower percentage PRB was conducted in 2004. (TR 641, 646-647) The blending was done off-site. (EXH 124, p. 2) The 2004 test burn was not completely successful. (Pitcher TR 395, Hatt 639) The PEF Strategic Engineering Group investigated the possibility of using PRB as fuel for CR4 and CR5 and issued a report which indicated that using PRB blended off-site at less than 30 percent and delivered by barge would offer substantial savings and fuel flexibility. (EXH 75, p 6) The report concludes that a blend with bituminous coal and less than 30 percent PRB coal will act like bituminous coal. (EXH 75, p 17) The report predicts savings for the years 2007-2010 from a 20 percent PRB blend, based on a high level of costs. Some expensive items, such as water cannons and sootblowers, would be necessary capital additions. (EXH 73, 75) Witness Hatt also indicated that PRB coal at blends under 25 percent could likely be used. Dust control would be necessary with the lower percentage blend, but capital investments are much lower when blending is offsite. (EXH 69 EXH 70, p. 12)

In 2005, PEF hired Sargent & Lundy to assess the use of PRB coal at CR4 and CR5. (TR 639) That study indicated that a blend under 30 percent was likely to prove cost effective. Blending offsite was recommended in that report as well. (TR 643, EXH 74, p. 3) The report

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recommends some equipment additions and modifications to go forward, and includes a confidential assessment of cost for material and installation. (EXH 74) In 2006, PEF successfully completed a short term test burn of a lower blend of PRB (20 percent) and bituminous coal. (TR 508)

Staff agrees with PEF that the performance of CR4 and CR5 must not be compromised. The percentage of PRB that could be used in CR4 and CR5 remains unanswered. The answer to that question requires using the blended fuel in the units while maintaining the unit performance needed for dispatch. To date, the evidence indicates that CR4 and CR5 will be able to maintain availability and capacity while using a low percentage of PRB coal. The studies have all assumed that blending will be done off-site, and staff is in agreement with that assumption. Other issues, such as transportation costs, are critical to the economic advantage that might be offered by using PRB coal, and the question of utilization must be resolved in order for PEF to take advantage of any developing opportunities for savings.

1.5 Megawatt Capacity

1.5.1 Parties Position Statements on Megawatt Capacity

OPC: The limiting factor on CR4-5 megawatt production is "5 percent overpressure," the maximum safe boiler operating pressure. At 5 percent overpressure the turbine produces the same megawatts, regardless of the fuel being burned. CR4-5 were explicitly designed and built to supply, without limitation, 5 percent overpressure steam to the turbine when burning the 50/50 blend. As specified and built, all systems, including the six pulverizers and the coal supply system, have ample capacity to sustain 5 percent overpressure. Before OPC filed its petition, PEF's consulting engineers assessed the units and predicted no derating below 70 percent PRB blend.

PEF: CR4 and CR5 have consistently produced 750 to 770 gross megawatts, because of the bituminous coal burned in the units. This production will not be possible with the lower Btu content of a 50/50 PRB and bituminous blend. The Black & Veatch and Babcox and Wilcox documents for these units do not provide a guaranteed megawatt output when burning the design sub-bituminous and bituminous coal blend. The only arguable guarantee beyond unit efficiency is for a steam output which produces 665 megawatts, the nameplate ratings for the units. It would cost millions of dollars to replace these lost megawatts.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: Adopts the position of the Office of Public Counsel.

FIPUG: Evidence offered by OPC indicates there would be no substantial derating that would off set the anticipated fuel savings that arise from selecting a less expensive coal supply.

White Springs: White Springs adopts the position of OPC as its own.

1.5.2 Analysis of Parties Arguments on Megawatt Capacity

A. PEF Argument

PEF witness Toms testifies that CR4 and CR5 regularly produce between 750 and 770 megawatts (MW) at full capacity. (TR 707) He also explains that the units are base load units, meaning that these units are the ones most likely to be called upon to provide energy. Except for the nuclear units, these units provide electric energy at the lowest incremental cost available to the utility. (TR 706-707) After meeting the power needs of the units themselves, the net energy provided for customers is about 735MW and 732 MW respectively. (TR 707)

Witness Toms further testifies that, for each of the units, the boiler and associated turbine were designed for a gross production of 665 MW at full capacity, under perfect conditions. The design included a guarantee based on fuel comprised of 50 percent western sub-bituminous coal and 50 percent eastern bituminous coal, with a heat rating of 10,285 BTU/lb. (TR 707) This information is evident in the original design documents relating to CR4. (EXH 126, pp. 1-6)

Witness Toms explains that using coal that has a heat rating of 12,000 BTU/lb or more results in steam flow greater than the quantity necessary to generate 665 MW. (TR 708) The steam turbine is designed for unlimited operation with the steam pressure at 105 percent of the pressure that would be associated with generation of 665 MW. Operating at 105 percent of the design pressure is called "overpressure" operation, and gross generation of 750 MW to 770 MW is reliably obtained. (TR 709-710) The overpressure operation is included in the unit design documents, and is designated the "maximum continuous rating." (EXH 126, p. 6)

Witness Toms further explains that the CR4 and CR5 units are able to generate the output of 750 MW or more by using the larger boilers that were originally included in the design as an accommodation for a fuel having the lower heat rate of 10,285 BTU/lb. (TR 708) He states that any change in fuel characteristics is expected to impact reliable operation of the units. Specifically, fuels having BTU content lower than 11,000 BTU/lb have not provided sufficient heat input to allow the units to operate at the overpressure condition. (TR 713) Unit performance is a major concern in the consideration of PRB coal. (TR 717-723)

B. OPC Argument

In his prefiled rebuttal testimony, OPC witness Barsin testifies that CR4 and CR5 were engineered, designed, and constructed so that output is not compromised by burning the design blend fuel. He testifies that burning the 50/50 blend of bituminous and sub-bituminous coal would have provided the same megawatt output as the bituminous coal produced during 1996-2005. He also says this level of performance was guaranteed. (TR 1255) Witness Barsin explains that he was involved in the actual designing of CR4 and CR5, and that the properties of the sub-bituminous powder river basin (PRB) coal were well known and understood by the time the units were designed in the late 1970's. (TR 1257, 1271)

Specifically, witness Barsin lists primary factors incorporated into the design of the units to accommodate PRB coal. These include provision for a sufficient amount of fuel (TR 1265) as well as the ash characteristics of the fuel, and combustion air requirements. (TR 1266) He provides some details regarding the methodology by which experiments in the research laboratory are utilized to develop an index. The index forms a technical basis for equipment designed to successfully manage the potential for slagging and fouling in fuels. (TR 1270-1278) Throughout his testimony, witness Barsin speaks of the furnace and boiler design in the units being taller, wider, and deeper to manage the slagging and fouling characteristics of the PRB component of the design basis fuel. (TR 1266, 1272-1278, 1292-1295)

Witness Barsin provides detailed information regarding the design of the pulverizers and fuel handling equipment. He states that, as designed, five pulverizers are adequate to provide a sufficient quantity of fuel rated at 10,285 BTU/lb to support steam flow at the 105 percent overpressure setting, which is the highest pressure that the unit is designed to run. The sixth pulverizer (for each unit) was provided as a spare. (TR 1303)

In the initial testimony in this docket, witness Sansom explains how he reviewed the prices paid for fuel for the coal units at Crystal River. (TR 39) He explains that "PEF designed and constructed Crystal River Units 4 and 5 to have the ability to burn a blend of coals consisting of 50 percent of bituminous coal and 50 percent of sub-bituminous coals in its boilers." (TR 40)

He describes differences in bituminous and sub-bituminous coals, including characteristics that require increased care in regard to storage, and differences in sulfur composition. (TR 44) He goes on to enumerate differences in design and operation of units, depending on the type of coal to be used. These include operating and maintenance procedures tailored to the type of coal. For a unit that will burn sub-bituminous coal, larger boiler size and upsized capacity for pulverizers, storage and conveyance facilities are needed. (TR 44) Witness Sansom explains that CR4 and CR5 units were designed and intended to burn 50 percent Western (PRB) coal with no adverse effects. (TR 45-46) He further explains that the units are "sister units" to the Babcock and Wilcox installations at Belle River near Detroit and Alabama Power's Miller unit four. The Detroit Edison and Alabama Power plants have been burning PRB sub-bituminous coal. (TR 47)

Based on his understanding that CR4 and CR5 would be equally able to burn the 50 percent PRB fuel, witness Sansom analyzed the "delivered cost" per unit of heat, or BTU, for the candidate fuels. He states that PRB coal was not a competitive candidate fuel compared with Eastern bituminous coal because of delivery issues in the 1980's. (TR 48) Witness Sansom describes two difficulties associated with the PRB coal: a low BTU content and difficulties with transportation. (TR 50) Based on his evaluation of delivered costs for candidate fuels, he concludes that PEF should have realized that PRB was an economical fuel to use by 1996. (TR 41-42) He testifies that over the years 1996-2005, PEF fuel purchases favored affiliates at the expense of the ratepayer. (TR 56-57, TR 77) He states that "...a prudent PEF would have burned the 'design basis' 50/50 blend of sub-bituminous and bituminous coals during the period in question." (TR 91)

Although the design of CR4 and CR5 included design calculations for burning a 50 percent blend of PRB coal with a heat rating threshold of 10,285 BTU/lb, the acceptance performance testing for each of the units involved bituminous coal exclusively. Witness Barsin explains that the vendor was released from contractual obligations based on the test burns with bituminous coal. (TR 1291) The test burn results for CR4 show a corrected efficiency rating of 88.88 percent, compared with the Babcock and Wilcox design guarantee of 87.69 percent. (EXH 194, p. 3) Witness Barsin recognizes that the capability for either of the units to utilize a fuel blend comprised of 50 percent sub-bituminous coal has not been proven to date. (TR 1291) He points out that the 5 percent overpressure is the actual limit of the system by design. The functional capability of the units to utilize any particular fuel depends on the amount of steam that the system can produce from the fuel. (TR 1302)

C. Staff Analysis

Staff believes that OPC fails to recognize the risk of a derate associated with the proposed change to a fuel blend comprised of 50 percent PRB coal from the fuel that PEF has historically utilized. In staff's opinion, it is clear that some risk would be involved. Because the CR4 and CR5 units are baseload, must-run units providing low cost power on a first-call basis, any action that causes a reduction to the generation output of CR4 and CR5 would necessarily be replaced by generation that is more costly. Staff believes the continuing reliable operation of CR4 and CR5 is of paramount importance. Witness Toms testifies that the basic issue in the operation of these units is reliable generation:

[T]he biggest concern for me in terms of operation of Crystal River 4 and 5 is a potential derate. The company's energy control center expects me to run these units to get 732 and 735 net megawatt output. (TR 727)

Witness Toms explains that the units have historically operated at overpressure to produce 750 and 770 MW gross when called upon, providing about 732 to 735 MW to meet customer demand. (TR 707) He attributes this high output to the larger boilers in these units, allowing for more coal to be burned. (TR 724) He testifies that the customers have gotten the benefit of increased output from the units. (TR 725) Under cross examination, Mr. Toms testified that he cannot achieve an output of 750 megawatts with only five pulverizers operating. He explains that changing particle size to increase feeder speed tends to slag the boiler. (TR 738) He later says that, as to particle size, "smaller is better". (TR 744)

PEF witness Davis explains that PEF was aware of PRB coal in the period 1996-2002, and examined it regularly. She states that, if PRB coals were to be used, PEF saw potential for derating and additional costs because of the difference between that fuel and the bituminous coal. (TR 301) Witness Davis testified that she worked closely with Mr. Dennis G. Edwards, who was VP of Coal Procurement and that he looked at PRB many times. (TR 331) Then witness Davis describes discussions with Mr. Roy Potter, who was manager of technical services and performed the quality analysis of coals to be used at Crystal River. (TR 348) She explains that he was very highly regarded for his coal analysis, and that he responded to her inquiries with an explanation that burning the lower quality PRB coal would derate the boilers. (TR 348-349) Witness Davis provides documents that demonstrate that PEF continued to monitor PRB coal for potential future use in the 1996 through 2002 time frame. (TR 286; EXH 46, 47, 48)

In support of its position that there would be no derate with the design blend, OPC offers testimony of the design engineers, testimony regarding the operation of similar units, and exhibits consisting of portions of the original contract documents. As evaluated below, staff believes these are not conclusive evidence that CR4 and CR5 would continue to operate at 750 to 770 MW capacity if a 50/50 blend of coal were used.

The similar units that were discussed by OPC witnesses Sansom and Putman, along with the descriptive information provided by the witnesses, do not provide a sufficient basis to assume that they are identical to CR4 and CR5 with regard to design or performance. (Sansom TR 47; Putman TR 1394-1407) While the units may be the same or similar vintage, the record is limited as to evidence of capacity rating, efficiency, and performance of those units. Similar design of units is just one of a multitude of factors that might contribute to similar or dissimilar performance of those units at the present time. The record does not address how the comparable units rank within the dispatch of their native generation fleet -- except for the information that Plant Daniel was not called on as much as other plants. (TR 1405) In staff's opinion, it would be a matter of speculation to draw an inference about how experience at any particular plant might be similar to, or dissimilar from, the expectations for PRB coal use at Crystal River.

The testimony provided by OPC witness Barsin is very detailed in regard to the efforts made within the original design to provide a sufficiency of fuel, as well as accommodations for slagging and fouling factors associated with PRB coal. However, there is not sufficient evidence of a "guarantee" of gross generation in a range of 750 MW to 770 MW, without regard to the

fuel that might be involved. Notwithstanding the extensive effort described by witness Barsin to design a unit that would run well using the PRB blend, the record documents show the term "guarantee" only on the projected performance associated with steam flow of 4,737,900 lb/hr at 2500 psig and 1005 degrees Fahrenheit. (EXH 126 p. 6, EXH 194 p.7) The same documents confirm that the steam is to be supplied to a turbine rated at 665 MW. (EXH 126, p. 2; EXH 194, p.1) The contract documents included with the "Projected Performance" information make no mention of output beyond 700 MW. (EXH 126, EXH 194) Staff believes the guarantee of 665 MW gross generating capacity burning the 50 percent PRB fuel blend is evident in the record. In addition, the record reflects that the steam equipment, as installed, is designed to operate without any time limit at pressures 5 percent greater than that required for the 665 MW nameplate capacity.

Witness Barsin provides information regarding the possible changes that would be needed to burn PRB at Crystal River. (TR 1337-1347) He mentions using rubber-tired equipment, which is in line with witness Putman's mention of that change and other new work procedures. Witness Barsin explains that replacing equipment that has worn or rusted out, and ongoing housekeeping requirements will add some costs. (TR 1375) Various OPC witnesses indicate that estimates made by PEF's witnesses as to necessary changes and associated costs are not correct. (TR 1331, TR 1397) No allowance for any necessary costs associated with incorporating PRB into the fuel at Crystal River is included in the calculations of savings lost provided by witness Sansom. (EXH 28, EXH 181)

As witness Barsin acknowledges, PEF's acceptance of CR4 and CR5 and release of the vendor was based on tests with a high Btu coal exclusively. (TR 1291) While the witness expresses a concern regarding wasted spending for the increased costs relating to design and construction to accommodate PRB, the record has little information to directly compare these units in another design configuration. It is possible, perhaps probable, that the excess capacity and other design factors have all been essential in the efficiency and high production of these units since they came on line.

PEF has recently pursued the question of incorporating PRB in the fuel stream at CR4 and CR5. From 2003 to present, the company has conducted some test burns and engineering evaluations. (TR 410-412, EXH 60, EXH 74, EXH 199) The test burns included fuel blended off-site, and at levels under 25 percent. To date, the documented records associated with PEF's activities do not provide conclusive results, or indications, that a derate is unavoidably associated with the use of PRB.

In summary, the record lacks information to support an expectation that PEF could have converted the fuel for CR4 and CR5 to a PRB blend without any risk of loss of capacity. In particular, the record does not support the concept that using a 50 percent blend of PRB would be virtually interchangeable with the fuel that has been successfully utilized since these units came into service. Staff is persuaded that a sizable derate would likely result from use of a blended fuel composed of 50 percent PRB at the CR4 and CR5 units.

If PEF burned a blend with a lower percentage of PRB coal, the risk of a derate to these base load units may still be present. For example, the test burn at CR5 with a 22 percent PRB coal blend experienced a loss of 30 MW. (TR 641, TR 647; EXH 199, p. 3; EXH 24, p.3; EXH

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124; EXH 76) PEF's May 2006 test burn of PRB at an 18 percent blend at CR5 resulted in no substantial issues and full load was achieved. (TR 508) Staff notes that the Sargent and Lundy Study concluded that it was probable that a full load could be achieved (i.e. no derate) at CR4 and CR5 with PRB coal blends less than 30 percent. (EXH 76 ~~EXH 78~~) Witness Hatt's assessment was that achieving full load using a 30 percent blend of PRB coal was a possibility, and the only way to know for certain would be to conduct a long term test burn. (TR 678)

1.6 Coal Availability and Costs

1.6.1 Parties Position Statements on Coal Availability and Costs

OPC: PRB coal was available to PEF in large quantities and at costs significantly lower than alternatives during 1996-2005. Pertinent market information was disseminated widely in the utility industry at the time. Actual purchases of PRB to TECO, adjusted for delivery to Crystal River, provide an accurate picture of the opportunity that was available to PEF (but not acted on) during the period, as do bids submitted to PEF by PRB producers in 2003 and 2004. The notion that the same PRB producers who were marketing aggressively elsewhere elected to bypass CR4-5 simply is not credible.

PEF: PEF cannot purchase what it is not offered. Although PEF's RFPs included specifications for sub-bituminous coal, and these RFPs were sufficiently available to the market, in some years no PRB bids were received. Even when PEF received PRB bids, prior to 2004, PRB coal, on a delivered and evaluated price basis, did not compete with the bituminous coal PEF purchased. PEF reasonably and prudently evaluated PRB coal using the existing market proxy for waterborne transportation costs in place for water deliveries of coal for all Crystal River coal plants. When PRB coal appeared economical, PEF began a more thorough evaluation.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: Adopts the position of the Office of Public Counsel.

FIPUG: The evidence presented by OPC and Commission Staff shows unequivocally that PRB and foreign coal was available. The evidence shows that other utilities found and bought less expensive coal. Progress Fuels appears to have done no more than advertise its interest. The existence of the Progress Energy holding company structure belies a real interest in competitively priced fuels. Miners know it and react accordingly. The holding company structure provides a disincentive to seek cheaper coal from non affiliated companies.

White Springs: White Springs adopts the position of OPC as its own.

1.6.2 Analysis of Parties Arguments on Coal Availability and Costs

Cost and Availability

A. OPC Argument

OPC's witness Sansom presented the numbers of tons of PRB coal produced by year from 1992 to 2005 in his Exhibit 7. Over the 1992 to 2005 period, production increased steadily from 200,000,000 to over 425,000,000 tons. (EXH 7) During the 1996 to 2005 period, PRB coal producers were in an over capacity situation. (TR 1229)

The situation was reflected in PRB coal prices in the 1990's, when Southern Company found it economical to convert ten of its coal units to PRB coal units. (TR 1420, 1423) Witness Putnam testified that during his employment with Southern Company in the 1990's, he worked on converting several coal burning units in Alabama, Georgia, and Mississippi to PRB coal

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burning units (TR 1421), that some of the most competitive bidding competitions he experienced at Southern Company involved PRB opportunities, (TR 1423), and that Southern Company and its utilities were “covered up with coal people ... begging us to come visit the PRB region and to their mines so we would consider their coals.” (TR 1422-1423)

B. PEF Argument

PEF’s witness Heller also presented spot prices in dollars per ton for 8,800 Btu/Lb PRB coal for 1994 to 2006 (EXH 80) and annual spot prices for 8,800 Btu/Lb PRB Coal for 1996 to 2005. (EXH 84, Column 1)

<u>Year</u>	<u>\$/Ton</u>
1996	5.00
1997	4.36
1998	4.01
1999	4.63
2000	4.54
2001	4.66
2002	11.30
2003	7.08
2004	6.09
2005	6.57

PEF evaluated its potential coal purchases on a delivered price (including transportation costs) basis, and a busbar (“evaluated”) basis, accounting for coal quality characteristics on unit performance, and considered other factors such as transportation and supply reliability. (TR 374) This “busbar” evaluation is necessary to determine how the coal would perform when burned at CR4 and CR5. (Davis TR 276-277; Weintraub TR 494-495) PEF used a standard industry model for evaluating coal. (Weintraub TR 495) PEF notes that CR4 and CR5 are base load units and that the coal supply and consistent energy production are essential. (TR 724) PEF included PRB coal suppliers in all RFP’s and was aware of possible supply disruptions and cost impacts from burning a 50/50 blend of PRB/CAPP coal, including a potential megawatt derating. (TR 410, 518, 301) PEF first received offers from PRB suppliers in 2001, and began making PRB coal evaluations. (TR 301, 978) Starting in 2001, PEF began receiving PRB bids. Based on evaluations of those 2001 RFP responses, PRB coal was not competitive. (TR 977) PEF made similar evaluations following its 2003 RFP, with different conclusions, and made test burns of 18 to 22 percent blends in April 2004. (TR 393-394) PEF made further test burns in 2006 and concluded that by then, PRB coal was more expensive to burn than its then present supply. (TR 509) PEF maintains that its process was reasonable and prudent. (PEF BR at 13)

PEF pointed out that witness Sansom’s delivered price analysis is flawed because 1) the prices are not from the same period, 2) TECO’s transportation costs do not include Gulf terminaling transloading, and 3) TECO’s transportation costs do not include PEF’s waterborne proxy. (PEF BR at 14) PEF pointed out that witness Sansom’s analysis also excluded

considerations for capital and O&M costs that would have been necessary had PEF changed its coal supply to a 50/50 blend. (PEF BR at 18) PEF defended its assertion that additional blending costs for PRB coal would have been incurred by using a 50/50 blend. (PEF BR at 19)

PEF pointed out that although witness Sansom based his overcharge calculation on using the supply route through New Orleans, he claimed that using the route through Mobile, Alabama would have been more economical (PEF BR at 20), but that none of the OPC witnesses offered defensible evidence to support that claim. (PEF BR at 21) PEF relied in witness Heller's interpretation of witness Sansom's analysis. Witness Heller concluded that had PEF burned a 50/50 blend of PRB/CAPP coal from 1996 to 2005, recovered transportation costs using the waterborne proxy, and included blending charges and capital and O&M costs, it would have in fact paid \$51 million more in coal costs. (EXH 85)

C. Staff Analysis

Based on the information presented by witness Sansom regarding PRB coal production and the testimony of witness Putman regarding the efforts of PRB coal producers to make coal available to customers, staff believes ample supplies of PRB coal were available for purchase during the period 1996 through 2005. Staff believes the annual spot prices in dollars per ton and cents per MMBtu, the prices in Column (1) of witness Heller's Exhibit 84. These prices, which did not include transportation costs, were uncontested in the hearing. Transportation costs must be added to the mine price to accurately reflect the delivered cost of coal to the utility.

Transportation Strategies

A. OPC Argument

OPC states that the argument offered by PEF for not burning PRB coal involves using the "waterborne proxy" to calculate PRB coal delivered prices. (OPC BR at 26) This transportation cost recovery method was never approved by the Commission for recovering PRB coal. (OPC BR at 27) OPC argues that PEF's evaluated analyses included a boiler performance penalty for PRB coal. (OPC BR at 26; TR 987) Further, according to OPC, PEF's evaluations of the cost of burning PRB coal were overstated by assuming that PEF would burn 100 percent PRB coal rather than a 50/50 blend of PRB coal and CAPP coal. (OPC BR at 27) Witness Sansom calculated what PEF's 1996-2005 delivered PRB coal prices would have been using TECO's delivered coal prices to Plant Gannon during 1996 to 2003, coal prices received by PEF in bids for 2004 and 2005, and estimated transportation costs for 2004 to 2005. He removed "boiler penalties" not presented by burning the 50/50 blend, and ultimately calculated 1996 to 2005 overcharge of \$134.6 million. (OPC BR at 28) Witness Sansom originally included a blending charge and omitted a transloading fee for coal moving through New Orleans from his overcharge calculation. Through the testimony of witness Barsin, witness Sansom learned that he had included some unnecessary charges for blending PRB coal and CAPP coal. Witness Sansom left his overcharge calculation unrevised, allowing the transloading charges and the blending charges to offset each other. (OPC BR at 28; TR 138-139)

Witness Sansom testified that PRB coal could have been moved via three possible options: an all-rail route from the Powder River Basin to Crystal River, an all-barge river/Gulf

route, or a mixed route of rail to Mobile and Gulf barge to Crystal River. Witness Sansom stated, however, that such shipments of PRB coal would have reduced the affiliates' barge and dock revenues. (TR 76-77) Sansom stated that the most economical route would be via McDuffie terminal in Mobile and that this fact was confirmed by the bids for all rail coal transported to McDuffie received in PEF's August 2002 and May 2003 RFP's. (TR 77) Witness Sansom reasoned that PRB coal would have been less expensive than bituminous coal barged to IMT in New Orleans and transloaded to barge for delivery to Crystal River. He stated that the least expensive route to move PRB coal to Crystal River would be by rail to the Alabama state docks at McDuffie. Witness Sansom stated that the McDuffie terminal had capacity, could blend coal if necessary, and would have been a less expensive barge haul than from the IMT in New Orleans. Therefore, in his opinion, it was the most efficient route for PRB coal to CR4 and CR5.

Witness Sansom also presented weekly average FOB Mine prices for 8,800 Btu./Lb. PRB Coal for January 1996 to late 2006. (EXH 9) In his Fuel Damages Summary in Exhibit 29, witness Sansom presented the \$/MmBtu delivered prices of TECO's PRB purchases at its New Orleans transfer facility for 1996 to 2002 (TR 90), an estimated price for 2003 (EXH 23) based on changes in PRB coal prices delivered to plants Miller and Scherer (TR 953), and bid prices received by PEF for 2004 and 2005. (TR 90, EXH 29)

Witness Sansom testified that Commission orders do not apply to transportation rates for PRB coal (TR 1195), and that the Commission never accepted witnesses Davis's and Heller's mileage prorate method of estimating barge rates. (TR 1195) Witness Sansom testified further that the waterborne proxy applies only to moves from upriver docks via river barges and imported coal. To calculate refunds for 1996 through 2002, Witness Sansom used TECO's delivered prices to its transfer facility as the delivered prices that PEF would have paid for PRB coal. (EXH 29) Witness Sansom notes, however, that had PEF actually made purchases of PRB coal, the rail-to-St. Louis route would not have been economical compared to the mine-to-Mobile, Alabama rail route. (TR 1192) Regarding the application of the waterborne proxy to PRB coal purchases in their bid analyses, Sansom testified that "they assumed in their bid analysis, that is the proxy, rather than relying on the market and, therefore, denied the ratepayers the benefit of market forces through the application of a methodology." (TR 1226)

B. PEF Argument

PEF witness Davis described PEF's coal transportation options to CR4 and CR5 as CSX rail and water barge, pointing out that the waterborne option provides an alternative in the event of a rail strike and other disruptions. The existence of two alternatives provides leverage in negotiating rates for both forms of transportation. Witness Davis stated that transportation was a significant portion of the delivered price of all coal purchases, and in the case of sub-bituminous coal, transportation costs surpass the commodity cost of the coal itself. (TR 270)

Davis stated that PFC's approach to coal transportation for CR4 and CR5 was to maximize the use of rail transport, as directed by the Commission. Of the two long-term contracts that ended in 2002, one called for rail delivery and one for barge delivery. This complied with the Commission's directive to maximize rail deliveries. Witness Davis said that because CR4 and CR5 burned compliance coal, PFC found it harder to obtain rail transport for compliance coal, so waterborne transport was emphasized for CR4 and CR5. Davis said that it

would be neither possible nor desirable to receive all coal shipments at CR4 and CR5 by rail. (TR 271)

Witness Davis pointed out that CSX railroad is the only railroad serving Florida and maintains a one-way only rail line between Dunnellon and Crystal River. This makes it impossible to run more than one train at a time to the Crystal River complex, which is served by a rail loop going to the plant and back out to the main line. Due to operational limitations of its facilities, it would not be possible for all of its coal to be received via rail, thus ruling out one option for PRB delivery suggested by OPC witness Sansom. (TR 271-272)

The waterborne proxy is a number of dollars per ton used by PEF to recover water transportation costs since 1992. (TR 273) PEF evaluated any potential PRB coal purchases using estimated rail rates to St. Louis (EXH 84) and a fraction (995/1564, based on mileages) of the Ceredo Dock to New Orleans proxy. (TR 275-276) The proxy charges appear by year in witness Heller's Exhibit 84, along with additional charges for rail-to-barge transloading (St. Louis) and blending (New Orleans). (EXH 84)

For the waterborne transport of domestic coal, witness Davis said that until 2004 PEF used a waterborne proxy rate established by the Commission to compute transportation costs for coal delivered by water to CR4 and CR5. The waterborne proxy rate included truck transfer from the mine to the river dock, transloading to the river barges, transport costs down river on the Ohio and Mississippi rivers, transfer to coal storage or to transload from a river barge to an ocean barge at IMT in New Orleans, and cross Gulf barge rates for delivery to CR4 and CR5. The waterborne proxy established in 1993 was based on 1992 actual costs and was thereafter annually escalated upward or downward as waterborne transport rates changed. The proxy was replaced in 2004 by a stipulated charge, to which OPC agreed, and again in 2005 to market-based rates, to the extent they existed. (TR 272-273) Witness Davis noted that in 2004, the FPSC approved a waterborne proxy for imported coal, FOB the barge, for transport activities associated with barging imported coal to Crystal River during 2001-2003, less the transloading component incurred by the imported coal supplier. (TR 274)

Witness Davis testified that proxy transportation rates were established by the Commission to replace cost-plus pricing, which had led to lingering suspicions that it resulted in higher costs due to affiliate transactions (TR 273), and that PEF could have lost money under the proxy arrangement. (TR 273, 352) Witness Davis further testified that when PEF purchased foreign coal at IMT, in the second year of proxy cost recovery, the Commission agreed to allow PEF to apply 50.2 percent of the "full proxy" to those tons, to recover transloading and cross-Gulf transportation costs. (TR 274)

Witness Davis states that in evaluating the delivered cost of coal to CR4 and CR5, PFC employed the applicable waterborne proxy rates established by the Commission in 1993 to each transport stage as necessary. (TR 274) Though OPC disagrees, PEF contends that this proxy is applicable to any domestic coal, and therefore that its use in evaluating the delivered cost of PRB coal is appropriate.

PEF notes that it received PRB bids in response to its RFPs and it evaluated PRB bids using the waterborne market proxy rates. (Davis TR 273-276; Order No. PSC-93-1331-FOF-EI,

issued September 13, 1993) PEF incurred some risk with the waterborne market proxy rates in that actual costs could rise above the proxy rates. In addition, the proxy rates clearly applied to domestic coal. (Davis TR 273-274; Order No. PSC-94-0390-FOF-EI, issued April 4, 1994)

PEF witness Heller states that OPC witness Sansom's analysis does not include the waterborne proxy costs allowed for import coal, and deviates from the reality of costs PEF would have encountered with imported coal deliveries, understating the delivered costs of PRB in witness Sansom's analysis. Witness Heller also questioned witness Sansom's use of the changes in delivered price of PRB to Southern Company's plants Scherer and Miller and does not agree that their costs are analogous to CR4 and CR5. (TR 952)

C. Staff Analysis

Central to the topic of transportation strategy is the question of whether, in its evaluation of PRB coal costs, PEF should have used the waterborne market proxy coal transportation rates established for PEF by the Commission.

Order No. PSC-93-1331-FOF-EI¹³ describes the components that are included in the transportation market price proxy:

The market price for EFC's water-borne deliveries would cover the transportation components to the Crystal River plant site. This would include short-haul rail/truck transportation to the up-river dock, up-river barge transloading, river barge transportation, Gulf barge transloading (IMT), Gulf barge transportation (Dixie Fuels), as well as port fees and assist tug. The market price would also cover, i.e., replace, the return on EFC's equity investment in IMT and Dixie Fuels currently provided under cost-plus pricing for water transportation.

Order No. PSC-94-0390-FOF-EI, p.4

By Order No. PSC-94-0390-FOF-EI,¹⁴ the market price proxy for PEF was clarified:

The parties agreed that the existing market pricing mechanism for the transportation of domestic coal should be modified to exclude cost components (e.g., river barging costs) not involved in the transportation of foreign coal.

Order No. PSC_94-0390-FOF-EI, p.5 Staff believes that PEF's use of the waterborne market proxy rates for evaluating PRB coal is appropriate. The order does not limit its application and in fact the clarifying order explains that the pricing mechanism is for transportation of domestic coal. PEF testified that it followed the Commission's orders in calculating transportation costs. Inclusion of the proxy in the purchase price affects PEF's evaluated price for burning PRB coal. Staff also believes that the busbar analysis was appropriate and did not penalize PRB coal.

¹³ Order No. PSC-94-0390-FOF-EI, issued April 4, 1994, in Docket No. 040001-EI, In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor.

¹⁴ Order No. PSC-93-1331-FOF-EI, issued September 13, 1993, in Docket No. 930001, In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor.

Therefore, PEF's evaluations of potential PRB purchases are the proper prices for PRB coal-purchase evaluations.

Foreign Coal

A. Staff Testimony

Witness Windham testifies that PEF also could have purchased South American coal less expensively than CAPP coal from 1996 through 2005. Witness Windham presents testimony that includes FERC 423 coal-purchase information for several Gulf Coast and Atlantic Coast utilities that purchased foreign coal, including coal purchased from Colombia and Venezuela, between 1994 and 2005. (EXH 163) Witness Windham calculates the average coal price in c/MmBtu by utility and by year, and he determined the median foreign coal price over all of the selected utilities. (EXH 156) Witness Windham also presents the number of contract tons, the number of spot tons, the average contract price, the average spot price for PEF's purchases, for delivery to IMT, by year, from 1994 through 2004. (EXH 157) Witness Samson agrees that, as evaluated by PEF in 2003, South American bituminous coal was less expensive than Central Appalachian bituminous coal (TR 1207), but notes that PRB coal would have been even 11 cents per MmBtu less expensive. (TR 61)

Witness Windham testifies that in all years, PEF could have replaced at least 500,000 tons of Region 8 coal and synfuel purchases with purchases of lower priced Colombian and Venezuelan coal, without finding itself unable to fulfill transportation contract minimum tonnages. (TR 1040)

Regarding his testimony's lack of a conclusion as to whether PEF had made its coal purchases prudently, witness Windham states that the observations his testimony presents are offered for informational purposes and that others may use his observations to make a final recommendation. (TR 1070, 1074, 1079, 1080) Witness Windham did summarize his testimony by saying that his Exhibit 157 "... appears to show that during the time period of 1996-to-2006, Progress Fuels Corporation (PFC), on behalf of PEF, often did not purchase the lowest price coal that met PEF's coal specifications for Crystal River Unit 4 (CR4) and Crystal River Unit 5 (CR5)." (TR 1032) Regarding whether PEF can burn only compliance coal, witness Windham states that "... you can in fact, blend coal, and that as long as the blend meets ... the compliance level, it's okay." This statement is borne out in Exhibit 52 which shows PEF's 1996-2005 coal purchases at IMT for use at CR4 and CR5. In 2005, PEF purchased at IMT 50,100 tons of coal with Lbs Sulfur per MmBtu exceeding 1.2 Lbs. (EXH 52, Page 10)

B. PEF Argument

PEF responds that witness Windham's testimony was flawed because (1) it contained no calculation of how much PEF had overpaid by not purchasing more South American coal, (2) not all of witness Windham's comparative FERC 423 purchases were made by utilities located in the Southeastern United States, (3) it did not include separate transportation costs for the comparative purchases, (4) some of the coals purchased by the comparative utilities were not compliance coals, and (5) it did not consider the conditions under which PEF had issued RFP's and received responses or reacted to spot offers. (PEF BR at 23) PEF included foreign suppliers

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in its 1996-to-2005 coal procurement efforts and has in fact purchased considerable numbers of foreign coal tons since 2001. Witness Heller points out that witness Windham's observations do not address PEF's coal procurement policies (TR 960, 965), that the FERC 423 information does not include information about conditions at the times purchase decisions were made (TR 962, 963), and that witness Windham provides no opinion regarding whether or not PEF's coal purchases for the period 1996 to 2005 were made prudently.

Witness Heller presents a data set similar to witness Windham's Exhibit 163, in his own Exhibit 87, that presents foreign coal purchase information for the years 1996 – 2005 for fewer Southeastern utilities. (TR 970, EXH 87) Witness Heller pointed out that the basic coal-purchase data on which witness Windham based his observations contained coals that had originated in Australia and Russia, which may not have been offered to PEF as part of its bid solicitations and which may not have been test burned, and that some of the coals are not compliance coals, or that the numbers of pounds of sulfur per MmBtu's were greater than 1.2 pounds. (TR 971)

As with PRB coal, witness Davis testifies that PEF evaluated coals offered in responses to the 1996, 1998, and 2001 RFPs, based on a delivered cost basis and an evaluated busbar cost basis, (TR 300-301), and that PEF's bidder list contained over 100 bidders and always included coal suppliers and brokers with domestic, foreign, and PRB sub-bituminous coal. (TR 300)

Witness Windham's aggregate calculations do not include numbers of Btu's per pound. Witness Weintraub testified that burning 11,700 Btu's per pound Columbian coal, the CR4 and CR5 units can operate at full load. (TR 551)

C. Staff Analysis

In the period when replacing domestic purchases with foreign purchases would have generated positive savings, 2001-2005, PEF did in fact purchase large quantities of foreign coal. The quantities purchased were, by year:

<u>Year</u>	Thousands of Foreign Coal Tons Purchased <u>c/MmBtu</u>
2001	497.99
2002	279.79
2003	529.52
2004	965.47
2005	819.97

These increased numbers of tons were significantly greater than the 179.11 thousand tons of foreign coal purchased by PEF in the preceding five years.

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Because of PEF's claim that its procurement practices for evaluating foreign coal purchases were prudently carried out, and because PEF purchased the increased numbers in the period when potential savings were the greatest, staff believes that PEF acted appropriately in purchasing the tons of foreign coal it did over the 1996-2005 period. Although alternative delivered prices to IMT or McDuffy may be calculated now, based on the evidence in the record of this case, staff cannot determine that PEF was imprudent with respect to purchasing foreign coal.

1.7 Affiliates

1.7.1 Parties Position Statements on Affiliates

OPC: PEF failed to identify subbituminous coal as a fuel for CR4-5 in its Title V application, but later amended that application to seek authority to burn “synfuel” purchased from affiliates. The “synfuel” purchases, which as with bituminous coal were more expensive than PRB during 1996-2005, helped enable parent Progress Energy to realize tax credits and synfuel-related revenues valuable to the corporation but not its customers, who forewent the opportunity afforded by PRB to lower fuel costs. In these and other particulars, PEF subordinated customers’ interests to affiliates’ profits.

PEF: PEF did not favor affiliates, but treated them equally with other potential coal suppliers, as demonstrated by PEF’s purchases of coals from non-affiliates and foreign suppliers when cost effective to do so. PEF also evaluated synfuel on the same basis, choosing synfuel when it was the lowest total cost coal offered, rather than to benefit any affiliate. Indeed, PEF purchased synfuel from suppliers other than its affiliates.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: Adopts the position of the Office of Public Counsel.

FIPUG: The affiliate relationship is the centerpiece of the consumers claim. PEF’s fuel affiliate, PFC, did not act as broker for PEF, it bought fuel from other affiliates and third parties and then resold it to PEF at a profit. Not only PFC, but each of the other affiliates profited from the transaction. Under this arrangement great care must be taken by regulators for consumer protection. The need for careful scrutiny is exacerbated because all of the affiliate transactions are trade secrets. Independent review of the competitive market transactions during the study period disclosed the magnitude of the overcharge customers encountered.

White Springs: White Springs adopts the position of OPC as its own.

1.7.2 Analysis of Parties Arguments on Affiliates

A. OPC Argument

OPC witness Sansom testifies that PEF bought synfuel for CR4 and CR5, including synfuel from PEF affiliates, when it had less expensive options such as PRB coal and imported coal.¹⁵ (TR 41, 65-66, 70-71, 1218) The production of synfuel can generate tax credits for the producer, with the amount of the tax credits inversely related to the price of crude oil. (Sansom TR 41, 64; Weintraub TR 549) Witness Sansom notes that PEF’s parent company, Progress Energy, Inc. (PEI), has claimed \$1.25 billion in synfuels tax credits to date. (TR 64) Witness

¹⁵ Synfuel is coal that has been chemically altered by the addition of reagents, such as Bunker C oil, i.e., heavy fuel oil. Coal and coal fines are the feedstock for synfuel and can be combined with fuel oil under heat and pressure to produce coal briquettes. (EXH 15, p. 1 of 8)

Sansom also noted the tax benefit for synfuel was \$27 per ton in 2003. (Sansom TR 68) The tax credits for synfuel expire at the end of 2007. (TR 69)

PEF obtained from DEP the necessary permit to burn synfuels at CR4 and CR5 in early 2000. (Sansom TR 64) Witness Sansom states that synfuel made by PEF affiliates added sulfur and had to be blended with coal that had a lower sulfur content than previously specified for CR4 and CR5. (TR 65) According to witness Sansom, PEF moved quickly to obtain a permit to burn synfuel but otherwise omitted seeking an air permit for PRB coal. (TR 65-66)

Witness Sansom states that PEI owned synfuel producing companies and synfuel marketing companies. PEF affiliates supplied large amounts of synfuel to PEF for CR4 and CR5 between 2001 and 2005. (TR 68) Witness Sansom alleges that PEF favored its affiliates' docks, barges, and terminal in the bid process by carving out the water transportation routes for affiliates. (TR 68) Though PFC sold its share in barge and terminal affiliates in 2001, PFC had long-term contracts with the affiliates (or former affiliates) through 2004. (TR 69)

Witness Sansom further questions whether PEF's bid process for coal supply was fair. Witness Sansom argues:

First, it is statistically impossible in a market as large as Central Appalachian bituminous coals for a supplier to garner in an open sealed bid market the proportions, which were achieved by PEF affiliates, of the CAPP/synfuels tons to IMT for Crystal River Units 4 and 5. (TR 69)

Witness Sansom states that PFC had a conflict of interest because PFC bought coal for PEF but PFC also had interests in synfuel plants that needed to buy coal in the same market. (TR 70) Witness Sansom further notes that a PEF affiliate, Black Hawk Synfuel, bid to provide coal when it did not have a firm supply. (TR 70) Witness Sansom states that, after January 1, 2000, PFC affiliate synfuels became the dominant source of supply for CR4 and CR5. (TR 71-72; EXH 17)

In rebuttal, OPC witness Sansom asserts that PEF concentrated on synfuels instead of cheaper PRB coal. According to witness Sansom, imported coal and PRB coal was cheaper than synfuel so the synfuel discount did not exist. Synfuel had high transportation costs and undisclosed blending and operational costs. (TR 1218-1219)

Witness Sansom reiterates his charge that PFC had a conflict of interest. He asserts the conflict of interest is that PFC bought coal for PEF and it bought coal for affiliated synfuel plants. (TR 1219) PEF witnesses Davis and Weintraub represented Black Hawk synfuel, the PFC affiliate, at a March 14, 2005 synfuel meeting. Later in 2005, witness Weintraub became PEF's Coal Procurement Director. (TR 1220, 485, 516)

Witness Sansom notes that coal had a spread above synfuel prices which encouraged suppliers to sell coal to synfuel producers rather than to PFC for PEF. He testifies that PEF favored the affiliated Black Hawk synfuel in its July 2003 solicitation over an unaffiliated low bidder. (TR 1221) Witness Sansom notes that PEI owned 100 percent of Black Hawk Synfuel, 10 percent of New River Synfuel, and 100 percent of Kanawha River terminals. These entities

were in the supply chain to provide bituminous coal to synfuel plants and ultimately to PEF. (TR 1222) According to witness Sansom, these arrangements allow PEI to generate significant tax credits. (TR 1222)

Regarding the decline in synfuel use at CR4 and CR5 during 2003 to 2005, witness Sansom notes that a water transportation settlement in April 2004 removed a profit incentive for PFC. He also notes that economic access improved for Kanawha River area synfuel markets. (TR 1223)

B. PEF Argument

PEF witness Donna Davis acknowledges that PFC bought synfuel for CR4 and CR5 during her tenure at PFC. Witness Davis states that PFC evaluated synfuel on the same basis as other coal offers. (TR 289) Witness Davis further states that PFC bought coal meeting utility specifications that had the lowest delivered cost and lowest evaluated cost. (TR 289-290, 292) Witness Davis testifies that PFC did not give preferential treatment to companies that produced or marketed synfuel in which PFC had an equity interest. (TR 291) She went on to note that the companies in which PFC had equity interests were by far the largest producers of synfuel in the country. On a number of occasions, PFC affiliates were the only companies offering synfuel on a spot basis. (TR 291) PFC also bought synfuel from suppliers having no direct or indirect connection to PFC. (TR 292) Synfuel generally was priced at a discount to bituminous CAPP coal but had an equivalent heat content, thus providing a benefit to ratepayers. (TR 291)

Regarding tax credits, witness Davis states the following:

The tax credits from synfuel sales to PFC for Crystal River were minimal compared to the tax credits generated from sales of synfuel to other utilities and industrial customers. This is because tax credits were not available on sales from a company with a majority equity position in a synfuel producer to an affiliated company. The synfuel producers in which PFC held a majority equity position sold their synfuel coal product to utilities other than PEF and industrial customers. (TR 292)

As stated by witness Davis, New River Synfuel (New River) sold 80 percent of the synfuel purchased for CR4 and CR 5 between 2000 and 2005. PFC held a 10 percent equity interest in New River. New River sold more synfuel to other utilities than it did to CR 4 and CR 5. (TR 292) The tax credits that PFC claimed on New River synfuel sales to Crystal River coal units from 2000 to 2005 were an insignificant percentage of the total tax credits claimed by PEI over the same period. Witness Davis notes that "there is no basis in fact for anyone to suggest that synfuel tax credits influenced in any way the purchasing decisions for CR4 and CR5." (TR 302, 293)

Moreover, PEF witness Pitcher notes there was no preferential treatment in PEF's coal procurement process. Witness Pitcher sold coal and synfuel for PFC from 1984 to 2002, and from 2002 to 2005 was in charge of coal procurement for PFC, including buying coal for CR4 and CR5. (TR 363, 403-404) Witness Pitcher states:

In each case in which I participated in an RFP on behalf of PFC/M&T, I was always treated just like any other bidder. I also participated in the spot market with PEF by providing PFC on PEF's behalf offers for spot purchases. Similarly, when I assumed the position of making coal procurement decisions for PFC on PEF's behalf I treated PFC/M&T, when they participated in the RFPs or spot market, just like any other bidder. (TR 404)

According to witness Pitcher, PFC was one of the first entities in the nation to develop a successful synfuel production process. Like PEF witness Davis, witness Pitcher notes that synfuel sold at a discount to bituminous compliance coal, which benefited ratepayers. The discount was made possible by the tax credits. (TR 405) Agreeing with witness Davis, he testifies that PEF was one of PFC/M&T's smallest customers, and therefore, generated only a small amount of tax credits for PEI, PEF's parent company. (TR 405-406)

PEF witness Weintraub also disagrees with witness Sansom's assertions. Witness Weintraub, like PEF witnesses Davis and Pitcher, notes that synfuel sold at a discount to bituminous compliance coal, and that the tax credits generated from the sales of synfuel to CR4 and CR5 were a miniscule amount of the total synfuel tax credits claimed by PEI. (TR 511) Also, witness Weintraub notes that affiliates that have a majority ownership interest cannot sell synfuel to each other and generate tax credits. According to witness Weintraub, all synfuel sales to CR4 and CR5 came from unaffiliated synfuel producers or producers in which PFC held a minority (10 percent) interest. (TR 511-512)

Witness Weintraub asserts that tax credits on synfuel sales did not influence coal procurement decisions for CR4 and CR5. From 2003 to 2005, synfuel sales to CR4 and CR5 decreased significantly as synfuel was displaced by cheaper imported compliance coal. During the same period, synfuel producers affiliated with PFC maintained relatively constant production. (TR 512-513)

C. Staff Analysis

The evidence shows that PEI owns 100 percent of PEF (formerly Florida Power Corporation), PFC, Black Hawk Synfuel, KRT Holdings and Kanawha River Terminals. PEI also owns 10 percent of New River Synfuel. (EXH 213; EXH 214, p. 4; TR 527, 543) Black Hawk supplies coal to New River as a feedstock for synfuel. New River sells the synfuel to utilities and industrial customers, including PEF. (TR 308, 292) Witnesses Davis, Pitcher, and Weintraub have worked for Black Hawk Synfuel. (EXH 215, p. 2; EXH 217; TR 411, 439) Affiliate relationships definitely existed for PEF coal procurement during 1996 through 2005.

New River pays Black Hawk fees for marketing synfuel, acquiring feedstock, and operating and maintaining the synfuel plant. (Weintraub TR 532-533, 544) Also, at times, PFC, on behalf of PEF, and Black Hawk are competing in the same coal markets. (Weintraub TR 534-535) New River, which apparently is 90 percent owned by GE Capital, owns the plant and land but Black Hawk manages the business. (Weintraub TR 543-544, 548)

PEF witnesses Davis and Pitcher note that PEF's affiliate relationships have been disclosed to the Commission and have been the subject of a number of Commission proceedings.

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(TR 307, 308, 339, 341, 348, 476) Witness Pitcher testifies there was no favoritism toward PEF affiliates. He states that when he was on the sales side of PFC, he was treated like any other bidder. When he was on the procurement side, he treated affiliates like any other bidder. (TR 404, 410-411, 450-451) A firewall prevents bidders, PEF affiliates or otherwise, from gaining an unfair advantage in the RFP process. (TR 341-342, 451)

PEF witnesses Davis, Pitcher, and Weintraub all state that they bought coal for PEF on the basis of lowest delivered cost consistent with coal quality specifications. Coal bids were evaluated for cost and performance with a CQIM model, which is a "paper test burn." Synfuel and coal were evaluated in the same manner. PFC on behalf of PEF also looked at coal quality and the reliability of the supplier. (TR 290, 292, 301, 366, 409-410, 445-446, 447-448, 493-495) PFC sold coal to PEF at cost. (TR 340-341) Staff agrees with PEF that these procurement practices would have eliminated favoritism toward a particular supplier.

According to witnesses Davis, Pitcher, and Weintraub, synfuel was sold at a discount to bituminous compliance coal. The discount is about one to two dollars per ton with similar heat content. (TR 291, 405, 512) The coal feedstock for synfuel was priced higher than synfuel, with the spread being about four dollars per ton. This business model worked because the synfuel could generate tax credits. (TR 316-317, 414, 546) On this point, PEF witness Heller states "the discount for synfuels reflects a sharing of the producers tax savings with the customer as an inducement to the customer to purchase synfuels rather than coal." (TR 973)

Staff notes the spread could have provided suppliers incentive to sell coal to synfuel producers rather than utilities. However, PEF states it evaluated and bought coal and synfuel on the lowest delivered cost basis consistent with coal specifications. (TR 290, 410-411, 493-495) Also, as noted, synfuel sold at a discount to coal. (TR 291, 405, 512) Staff believes that such a possible incentive is not tantamount to PEF being biased in its procurement practices.

If a company had a majority equity interest in a synfuel producer, sales from that producer to affiliates would not create tax credits. (Davis TR 292, 314; Weintraub 511-512) The parent company of PEF did receive tax credits for affiliate sales of synfuel to CR4 and CR5 based primarily on its 10 percent equity interest in New River. However, the tax credits generated by affiliate synfuel sales to CR4 and CR5 were a very small percentage of the overall synfuel-related tax credits that PEI claimed for the period 2000 through 2005. (Davis TR 292-293, 343; Weintraub TR 511-512, 547) From 2003 to 2005, synfuel sales to CR4 and CR5 decreased significantly because import coals became less expensive.¹⁶ PFC affiliated synfuel production remained relatively constant.¹⁷ Given PEF's change to import coal from synfuel four

¹⁶ "In other words, it was cheaper to bring import coals in from foreign sources across the Gulf than transport coals across the country. When PFC and PEF were displacing synfuels with these cheaper import compliance coals it obviously was not with an affiliated producer." (Weintraub TR 513)

¹⁷ "After 2002, the synfuel tons sold to PEF for CR4 and CR5 has dropped off dramatically from prior synfuel sales for CR4 and CR5, falling about two-thirds in 2003, to a little over 100,000 tons in 2004, and only 12,481 tons in 2005 (as a carryover from the prior year). During the same period, however, affiliated synfuel producers were producing 12.4 million tons of synfuel in 2003, 8.3 million tons of synfuel in 2004, and 10.1 million tons in 2005, and selling this synfuel in those years to other utilities and industrial customers." (Weintraub TR 511-512)

years before the expiration of the synfuel tax credit, staff believes OPC's argument that affiliated transactions influenced PEF's coal procurement decisions fails.

As stated, Black Hawk Synfuel LLC is wholly-owned by PFC and ultimately by PEI. (EXH 213, 214) Black Hawk operated the New River synfuel plant and handled New River's purchasing and marketing. (Weintraub TR 532-535, 543-545, 548) This arrangement could provide PEF with some incentive to favor New River synfuel. However, PFC purchased coal and synfuel for PEF on the basis of lowest delivered costs consistent with coal quality specifications. (Davis TR 290, 292; Pitcher 366) Staff believes that PEF's coal procurement practices, as carried out by PFC, would have eliminated this possible incentive. (see Topic 1.2 above).

Elaborating on the charge of favoritism, witness Sansom recounts a July 2003 bid analysis in which a non-affiliate offer, initially determined to be the low bidder, was later turned down after PFC negotiated with its affiliate, Black Hawk Fuels. Witness Sansom points out that Black Hawk had no firm supply of coal to back its offer, though a supply was located during the negotiations. Ultimately no purchase was made by PFC from either supplier but witness Sansom states that ratepayers were harmed since the coal needed was obtained in 2004 at higher prices. (TR 70-71) Staff disagrees with the favoritism charge and notes that Black Hawk was a broker and, as such, would not own or control coal that it bids. PEF bought coal on the basis of lowest delivered and evaluated cost. (Pitcher TR 416; Davis 290, 292) Moreover, staff believes these kinds of transactions are common when dealing with coal brokers. Generally a coal broker who does not own or control coal can respond to an RFP without having a firm supply.

PEF bought and transported coal using affiliate companies during the period. As more specifically discussed in Topic 1.2 above, staff believes PEF's activities with affiliates met Commission guidelines and did not result in higher coal prices.

In staff's opinion, the record does not support the that PFC purchases from affiliates resulted from preferential treatment of affiliate companies. Though PFC bought a large amount of synfuel from affiliates in the early part of this decade, staff believes this is reasonable because these affiliates were among the nation's largest producers of synfuel. Staff notes also that PFC purchased synfuel from non-affiliates, as well.

Other utilities purchased the majority of the synfuel sold by PEI affiliates during these years, with the PEF purchases representing a miniscule percentage of both total sales. The unusual opportunity for utilities to take advantage of the tax credits while simultaneously paying a lower price for synfuel products than for bituminous coal created an industry phenomenon for a period of time. Finally, the relatively small percentage of PEI's total synfuel credits represented by PEF's synfuel purchases argues against OPC's contention that the synfuel use was an effort to pad the profitability of its parent company.

1.8 Other Factors

1.8.1 Parties Position Statements on Other Factors

OPC: Barge Rates – PEF witnesses wrongly employ a “waterborne proxy” barge rate when arriving at the delivered cost of PRB coal for purposes of comparisons. The “Waterborne proxy” approved by the Commission was by its terms applicable only to specific river routes. It was inapplicable to movements of western PRB coal, and PEF’s assumed but unauthorized version is more expensive than market rates reflected in real transaction data. By using an unauthorized and inflated barge rate assumption rather than actual rates, PEF artificially increases the cost of the PRB alternative in its calculations.

PEF: With respect to the issues above and identified in the evidence in this case, as long as PEF acted *reasonably* in its fuel procurement decisions, it does not matter whether others would have acted differently. OPC’s Petition requires the Commission to second-guess the Company and make management decisions that should be made by the Company. Given all the considerations involved with making fuel purchases, and considering what the Company knew at the time it was making its coal procurement decisions, the evidence shows that PEF acted prudently and reasonably in procuring coal for CR4 and CR5 from 1996 to 2005.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: Adopts the position of the Office of Public Counsel.

FIPUG: The potential for affiliate abuse led to the creation of market proxies for barge transportation, but this proxy fell far short of dealing with the tangled web of affiliated transactions. There is no proxy for purchases from affiliate company owned mines, unloading, mixing and processing services from the affiliate owned shipping terminal, or for western coal purchases that could be delivered by third party rail. When independent studies show prices charged by affiliated companies resulted in higher than competitive market prices for coal customers refunds are in order.

White Springs: White Springs adopts the position of OPC as its own.

1.8.2 Analysis of Parties Arguments on Other Factors

In their briefs, OPC and FIPUG raised barge transportation costs, i.e., the waterborne proxy rates, for this topic. Staff discussed barge rates under the Coal Cost and Availability topic.

In its brief, PEF asserts the standard of review of prudence. The appropriate standard of review for prudence is addressed in the case background.

PRIMARY STAFF CONCLUSION

Staff: McNulty, Vinson, Coston, Fisher

Primary staff believes PEF did not act prudently in purchasing coal for CR4 and CR5 during the period 2001 through 2005. Primary staff believes PEF paid excessive fuel costs from 2003 through 2005 due to PEF management's failure during 2001 and 2002 to seek revisions to its environmental permit, to conduct PRB coal test burns, to modify its plant to burn PRB coal on a long term basis, and to purchase PRB coal.¹⁸ These management failures occurred despite the fact that PFC recognized in May 2001 that PRB was very competitive, on an evaluated basis, with the types of coal it had historically purchased (CAPP coal and foreign coal) on behalf of PEF. Primary staff believes PEF management's failures to act despite its affiliate managements' knowledge that PRB coal was a cost-effective alternative was imprudent. Primary staff believes PEF incurred excessive fuel costs amounting to \$12,425,492 ~~\$12,453,457~~ in 2003 through 2005 due to management imprudence, and primary staff believes such excess fuel costs should be refunded to ratepayers with interest (see Issue 4 regarding refund matters).

PFC's evaluation of the market response to the May 2001 RFP proved that PEF could no longer afford to be unprepared to purchase PRB coal on either a spot or contract basis. With the May 2001 bid responses, PEF's management had received incontrovertible evidence, even assuming PEF waterborne proxy transportation rates, that PRB represented a very competitive coal purchase option for PEF's CR4 and CR5 generating units for both current and future coal purchases. The only way to prepare for such purchases would have been to immediately seek a permit revision and conduct test-burns of PRB coal at CR4 and CR5. If PEF management had pursued PRB coal aggressively beginning in May 2001, PEF would have positioned itself to be permitted and ready to burn PRB coal by no later than January 2003. However, as PEF's testimony reveals, PEF did not know that it was not allowed to burn PRB coal per its Title V permit at the time of its April 2004 test burn. (TR 395) The period of May 2001 through April 2004 represents a three-year period during which PEF's lack of awareness of the permit status of its own power plants cannot be viewed as a simple managerial oversight.

Commission Order No. 12645 includes a recovery criterion that all expenses associated with fuel procurement be reasonably competitive in cost or value relative to what other buyers are paying under similar terms and conditions. CR4 and CR5 were designed to burn PRB coal, PRB coal was evaluated by PEF as a competitive alternative in May 2001, coal transport options were available to PEF for PRB coal deliveries, and many other Southeastern utilities were purchasing PRB coal for their power plants. (EXH 2, p. 3; TR 927-928; EXH 11) Given these circumstances, primary staff believes PEF was imprudent to not immediately seek permit modification to allow PRB to be burned at CR4 and CR5 after its May 2001 bid evaluation.

¹⁸ While PFC purchases coal on behalf of PEF, PEF management are fully responsible for the purchase decisions of PFC management. Page 4 of Order No. 21847, issued September 7, 1989, states that the Commission will review and subject the activities of EFC (Electric Fuels Corporation, the predecessor to PFC) to the same scrutiny and standards that we would apply to FPC (Florida Power Corporation, the predecessor of PEF) if they had procured their own fuel.

On the matter of coal procurement practices, primary staff believes that if PEF had taken the prudent step of obtaining a revision to its Title V permit in mid-2001, it would have been in the position to seize upon market opportunities for PRB coal by January 2003. Two high-volume long term coal contracts for CR4 and CR5 expired in 2002, and one of those expiring contracts was the Massey contract, constituting a purchase of over one million waterborne tons per year. (TR 263, 270) PEF would have been in the position to augment its supply of coal for CR4 and CR5 with either a long term PRB coal contract to replace expiring contracts, or spot purchases in those instances when PRB coal was the most cost-effective alternative. Primary staff believes it was imprudent for PEF to not purchase PRB coal when it was cost-effective to do so in 2003-2005.

Regarding CR4 and CR5 operational matters related to burning PRB coal, the capital and operational cost impacts of burning PRB coal at these units would be quite limited if the quantities were restricted to blends less than 30 percent PRB coal blended off-site. Thus, primary staff believes the evidence in the record indicates that PRB coal blends less than 30 percent for CR4 and CR5 could have been purchased for the January 2003 through December 2005 period without incurring large incremental capital or operating costs. Primary staff believes that PEF was imprudent to not incur the minimal operational and capital costs to be able to safely burn a twenty percent blend of PRB coal beginning in 2003.

Both primary and alternative staff agree that the 50/50 blend could cause a derate of the MW capacity at CR4 and CR5. However, primary staff believes the evidence in the record supports a long term 80/20 blend of bituminous coal to PRB coal with no derate at CR4 and CR5.

PEF's imprudence in failing to seek modification of its Title V permit and to conduct test burns of PRB was not without consequence. PEF incurred excess costs by failing to purchase PRB in 2003, 2004, and 2005. The calculation of excess costs is considered in Issue 4. PEF witness Heller concludes his prefiled direct testimony with the following statement: "In 2004-2005, it appears that the evaluated price of PRB to Crystal River would have been less than the delivered price of CAPP and imported coals." Primary staff agrees with witness Heller's assessment, but believes that the evaluated price of PRB coal for CR4 and CR5 in 2003 is less than CAPP and imported coals when PRB coal accounts for 25 percent or less of the blend, as discussed in Issue 4. Thus, primary staff believes PEF's imprudence has been verified by the market evaluation for all three of the years in question.

In 2003-2005, PEF paid excessive fuel costs due to its failure to earnestly pursue the ability to burn PRB coal at CR4 and CR5 beginning in May 2001. These excessive fuel costs were passed on to PEF's ratepayers via PEF's fuel cost recovery factors. In primary staff's analysis in Issue 4, primary staff calculates the recommended refund amount, based on the differential between PEF's actual costs of bituminous coal and primary staff's estimated costs of PRB on an evaluated basis, plus excess SO2 costs and interest.

The prudence of PEF's coal purchases of 2006 and 2007 is not a matter to be considered in this proceeding. However, if the Commission approves primary staff's recommendation on this issue, primary staff believes the Commission should direct PEF to supplement its 2006 Final

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True-Up Testimony in Docket No. 070001-EI to address whether the Company was prudent in its 2006 and 2007 coal purchases for CR4 and CR5.

ALTERNATIVE STAFF CONCLUSION

Staff: Lester, Sickel, Matlock

Alternative staff believes that PEF was prudent in procuring coal for CR4 and CR5 for the period 1996 through 2005. The determination of whether a utility's conduct is prudent is to ask what a reasonable utility manager would have done in light of the circumstances and facts known or knowable to him at the time. As testified to by PEF witness Fetter:

[u]tility management decisions are not imprudent if they fall within a range of reasonable business judgment. It would be very rare for there to be a single right business judgment on an issue, especially when the issue is a complex one. Rather the norm would be that a range of decisions exists that an informed management could make and which would represent a reasonable and prudent decision (TR 188)

Alternative staff believes that PEF moved cautiously in making any changes to the types of coal selected. Its decisions were based not only on actual costs, but also on transportation issues, volatility issues, the potential for a derate using lower Btu coal, and the additional costs PEF might incur.

In evaluating PEF's decisions it is helpful to break the prudent cost decision into three questions: (1) For the period 1996 through 2005, was PEF prudent in its coal procurement practices for CR4 and CR5?, (2) What would have happened if, during the same period, PEF had burned a blend containing 50 percent PRB coal at CR4 and CR5?, and (3) What should a utility consider before switching types of coal?

Prudence of PEF's Coal Procurement Practices

Alternative staff believes the Company's coal procurement practices were prudent from 1996 to 2005. When buying coal for CR4 and CR5, PEF sent out RFPs to a large number of coal suppliers and, using an industry standard model, it evaluated the bids based on the lowest total delivered cost consistent with reliability and coal quality specifications. For most of the period in question, PEF used the Commission-approved waterborne market proxy rates to evaluate bids for coal delivered by water, which alternative staff believes was appropriate.

PEF certainly had transactions with affiliated companies for coal supply and transportation during the period. However, the record reflects that PEF disclosed these relationships, the affiliate relationships comply with Order No. 12645, and the Commission has reviewed PEF's affiliate relationships in various past proceedings. As noted, the parent company of PEF received a very small percentage of its total synfuel tax credits from affiliate sales to CR4 and CR5.

Through staff witness Bernard Windham, staff raised the question of whether PEF should have bought more foreign coal during the period. Staff notes the general sense of this testimony was to provide information that the Commission may want to use. However, upon review of the entire record for procurement practices, staff does not believe this testimony shows PEF's

procurement practices to be imprudent. FERC Form 423 data, as used by witness Windham, show delivered prices to various utilities. Significant portions of this data were based on long-term supply contracts and may not indicate concurrent market prices.

Finally regarding the question of prudent procurement practices, PEF could not burn sub-bituminous coal during 1996 through 2005 because it lacked the appropriate environmental permitting. PEF apparently only discovered this inability during the 2004 PRB coal blend test burn that was stopped midstream. Alternative staff believes PEF could have been more proactive in developing the flexibility to burn as many different types of solid fuel at CR4 and CR5 as could be practical.

However, in this particular instance, PEF's inability to burn sub-bituminous coal in 2004 did not result in it paying higher coal prices. PEF would have had to upgrade equipment to burn a 50/50 blend with PRB coal. The equipment upgrade would have taken longer than the time needed to obtain a Title V amendment. Considering all the above points, alternative staff believes PEF's procurement practices for CR4 and CR5 during the period were prudent.

Burning 50 percent PRB Coal Blend at CR4 and CR5

Regarding the second question, the Commission should give significant weight to the effect of burning PRB coal on the MW output rating for CR4 and CR5. Had PEF burned a blend with 50 percent PRB coal at CR4 and CR5 during the period, a sizable derating of the units would have occurred due to the properties of PRB coal. The make up power for these derates would have been costly. As base load units, CR4 and CR5 typically follow only the CR3 nuclear unit in the order of economic dispatch.

A lower percentage of PRB coal in the blend still would present the risk of a derate. For example, the test burn at CR5 with a 22 percent PRB coal blend experienced a loss of 30 MW.

Further, had PEF burned PRB coal at CR4 and CR5 during the period, it would have incurred some level of capital costs and increased O & M expenses. PRB coal is dusty, has a lower heat content, and has unique issues related to grinding, boiler performance, and maintenance. While PEF provided persuasive evidence that it would incur additional capital costs and O&M expenses if it burned PRB coal at CR4 and CR5, alternative staff does not necessarily agree with all the costs that PEF claims. Regarding PRB coal and CR3, alternative staff believes bringing PRB coal on-site at Crystal River on a long-term basis would have triggered an incremental risk evaluation per NRC rules.

Additional Considerations Necessary Prior to Switching Coal

CR4 and CR5 are base load units. PEF has been appropriately cautious in considering different types of coal for these important units. PEF has continued to explore using a blend of PRB coal but continues to burn only bituminous coal at CR4 and CR5. Transportation costs for PRB coal have increased significantly and other coals, including foreign coal, have proven more economical.

Careful consideration is necessary for switching to new coal types. Such a switch involves reviewing future coal costs, safety concerns, boiler performance, increased capital expenses to transport the coal and to bring the coal safely onto the site, and additional operation and maintenance expenses.

A significant portion of the testimony focused on the existence of a nuclear power plant at the same site where PRB coal might be stored and used. Compared to bituminous coal, PRB coal is dusty and more subject to spontaneous combustion. While a PRB coal blend might be safely used at CR4 and CR5, staff believes a thoughtful and deliberate approach to switching fuels is necessary and appropriate.

Conclusion

Therefore, alternative staff believes PEF made prudent coal purchasing decisions during the period. PEF provided persuasive evidence that, had it burned a PRB 50/50 blend at CR4 and CR5, it would have experienced significant derates and would have incurred additional capital costs and O&M expenses. Further, PEF has appropriately explored using a lower percentage PRB blend at CR4 and CR5 but has found other coals more economical. Given the issues of derates, increased capital and operating costs, and increasing transportation costs associated with PRB coal, staff believes PEF made prudent coal purchasing decisions during the period.

Issue 2: If the Commission determines that PEF acted imprudently in its coal purchases, should PEF be required to refund customers for coal purchased to run Crystal River Units 4 and 5 during the time period of 1996 - 2005?

Primary Recommendation: If the Commission approves primary staff's recommendation on Issue 1, the Commission should require PEF to refund customers ~~\$12,425,492~~ \$12,453,457, plus interest. In addition, the Commission should encourage the parties of Docket No. 070001-EI to address, in their projection testimony to be filed in September 2007, the issue of whether and how the Commission should conduct prudence reviews of fuel and purchased power costs approved for cost recovery in the fuel docket. (Maurey, Springer, McNulty)

Alternative Recommendation: If the Commission approves the alternative staff recommendation on Issue 1, then this issue is moot. The Commission may address the issue of policy raised by Issue 2. (Lester)

Position of the Parties

OPC: Yes. Under the current system, utilities may collect fuel costs as they are incurred and before providing information sufficient to establish the costs are prudent. The PSC must balance this benefit to utilities with measures adequate to protect customers' interests. Prudence review entails-not only amounts spent-but decisions made regarding alternatives. If a utility elects not to provide all relevant facts, placing time limits on parties' ability to obtain such information from utilities would send the message that a utility which submits comprehensive information is subject to prudence review, but one which holds back may avoid it.

PEF: No. Over the past decade, the Commission reviewed and approved for collection billions of dollars in fuel costs, including the costs of coal for CR4 and CR5, from PEF's customers. No one can reasonably suggest that there was no prudence determination before PEF was allowed to collect them from customers. Any decision by the Commission to re-visit its prior orders on the allegations in this proceeding will undermine regulatory certainty, and will unnecessarily bog down current and future fuel proceedings with more information as utilities speculate on what will be considered important to ensure that decisions are not later questioned.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: The Office of the Attorney General adopts and supports the position of the Public Counsel on this issue.

FIPUG: Yes. The Commission is the only forum in which customers can seek refunds. The Commission has the authority to grant refunds. When the alleged overcharges deal with trade secrets between affiliates a liberal review of lengthy time periods is in order.

White Springs: Yes. White Springs agrees with OPC and other Intervenor parties that findings of imprudent management of coal purchases require an order directing PEF to refund excessive charges to consumers.

Analysis of Parties Arguments on Commission Policy

Staff understands Issue 2 to be one of policy. Whereas Issue 3 addresses whether the Commission has the authority to order refunds, Issue 2 addresses whether the Commission should order a refund in this instance if PEF is found to have acted imprudently. OPC first presented its case to the Commission regarding the alleged imprudence of PEF's 1996-2005 coal procurement decisions in August 2005, for which 2004 was the final true-up period. However, PEF argues that it is not acceptable to reconsider cost recovery amounts prior to the final true-up year, or the years 1996 through 2003. This is counter to primary staff's recommended refunds for 2003 fuel revenue (Issue 4). Primary staff addresses in this issue whether it is appropriate to require refunds for periods prior to the final true-up period. This issue also addresses the alleged impacts to the financial markets and regulatory environment that could result from a Commission decision to grant the relief requested by OPC or recommended by primary staff.

As stated in Issue 3, staff believes the Commission may review the actions of PEF management to determine if PEF's decisions regarding fuel procurement were prudent under the conditions at the time the decisions were made. If the Commission determines in Issue 1 that the utility was imprudent, it is because those decisions were imprudent under the conditions that existed at the time they were made. Primary staff based its recommendation upon facts that PEF management knew or should have known in 2001.

Primary staff's recommendation in Issue 4 is for the Commission to require refunds for 2003, 2004, and 2005. Staff notes that, in the Maxine Mines case, the Commission ordered refunds for recovery periods two years prior to the matter being brought to the Commission's attention. In the instant case, primary staff is recommending the Commission order refunds for recovery periods two years prior to the matter being brought to the Commission's attention. While staff believes the Commission can order a refund for imprudent expenditures for any periods in which the Commission makes a determination of imprudence, primary staff recommends a refund for the two years preceding the motion which first brought this issue to the Commission.

Regarding the alleged impact upon the financial markets of requiring refunds for periods prior to the final true-up period, PEF contends the investment community would react negatively if the Commission were to find in OPC's favor in this proceeding. (PEF BR at 46; OPC BR at 32; TR 186) Three witnesses address this subject.

PEF witness Fetter testifies that if the Commission were to reconsider fuel costs that have previously been approved for cost recovery going back ten years, it would create a regulatory environment within which no issue is ever finally resolved. (TR 186) He states that the three major rating agencies would be "stunned" if the Commission were to validate OPC's theory of the case. (TR 186) He also testifies that he expects investors would react to such a development by requiring higher returns on equity and debt, not only for PEF but potentially for all of Florida's investor-owned utilities. (TR 187) Witness Fetter concludes that such a process would be unfair to both investors and ratepayers and, thus, would represent bad regulatory policy. (TR 191)

OPC witness Lawton testifies that OPC's prudence challenge regarding past PEF coal procurement is in line with the Commission's previous rulings on fuel cost reviews and is supported by the Supreme Court's Gulf decision. (TR 1137-1139) He also states that no utility, investor, or the investment community at large reasonably expects a regulatory commission to permit imprudent expenditures to be recovered from ratepayers. (TR 1138) Finally, witness Lawton concludes that credit market problems, if any, arising from a disallowance would be the result of management conduct and it would be the Commission's responsibility to shield ratepayers from any such higher capital costs in the same manner it would prevent any other unreasonable costs from being borne by ratepayers. (TR 1147 - 1148)

Witness Bohrmann, also testifying on behalf of OPC, refers to numerous Commission Orders to support OPC's contention that the Commission retains jurisdiction to consider and review the prudence of costs recovered through the fuel adjustment clause beyond the fuel adjustment proceedings. (TR 1501 - 1504) Witness Bohrmann also testifies that PEF witness Fetter "either misunderstands or ignores the structure and the purpose of the fuel cost recovery mechanism" as it has been consistently applied in Florida since the early 1980's. (TR 1501 - 1502) Witness Bohrmann concludes that, if the Commission finds that PEF was imprudent in its fuel procurement for CR4 and CR5, the Commission has the jurisdiction and supporting precedent to order a refund as proposed by OPC. (TR 1534)

The record contains competent and substantial evidence that the Commission has both the jurisdiction and the precedent to grant the relief sought by OPC if the factual circumstances warrant. (Fetter TR 228 - 231; Lawton TR 1136 - 1137) PEF acknowledges to investors in its Form 10-K filed with the Securities and Exchange Commission (SEC) that while state commissions allow fuel costs to be recovered through recovery clauses, there is a potential that a portion of these costs could be deemed imprudent by the respective commissions. (TR 1137) Based on the explicit language from numerous Commission Orders and the company's own statements in filings made with the SEC, all parties were on appropriate notice that past fuel costs were subject to prudence review in the event evidence came to light that identified imprudently incurred costs. (TR 1147)

The role of regulatory commissions in general, and the function of performing prudence reviews in particular, are generally recognized and understood by the investment community. (Fetter TR 237 - 240; Lawton TR 1146 - 1149) Witness Fetter acknowledges that the Commission has long been regarded by the investment community as being a regulatory body that fosters and maintains a fair and constructive regulatory climate. (TR 168 - 169) He also acknowledges that, based on his experience as a Public Service Commissioner in Michigan and his testimony as a consultant before the Arkansas Public Service Commission, it is appropriate for regulatory commissions to disallow recovery of imprudently incurred costs. (TR 237 - 241)

Given the Commission's reputation with the investment community and recognizing that the fuel costs in question represent less than 1.6 percent of PEF's total fuel costs over the period under review, staff believes PEF is overstating the reaction the investment community will have to the Commission carrying out its generally accepted statutory responsibility. (Bohrmann TR 1506; Fetter TR 186) For the reasons discussed above, staff recommends that if the Commission finds a disallowance of certain fuel costs is warranted based on the facts in this case, the

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Commission should not be dissuaded from making the appropriate adjustment based on PEF's argument that the investment community would react unfavorably.

Although staff recommends that the market will not be negatively influenced by the Commission's decision, the Commission does have the discretion to clarify or change its previously established authority. Staff is of the opinion that Order No. 12645 and subsequent decisions support a Commission decision to review prior conduct, including conduct from 10 years past. PEF argues that the Commission's policy has been to consider the final true-up as the prudence review. The question of the timing of prudence reviews is an issue that affects all parties to the fuel docket. Since not all parties to the fuel docket participated in this docket, staff recommends the Commission should encourage the parties to Docket No. 070001-EI to address, in their projection testimony to be filed in September 2007, the issue of whether and how the Commission should conduct prudence reviews for fuel and purchased power costs approved for cost recovery in the fuel docket.

Issue 3: Under the circumstances of this case, does the Commission have the authority to grant the relief requested by OPC?

Recommendation: The Commission has the authority to grant the relief requested by OPC. (Bennett, Young, Holley)

Position of the Parties

OPC: Yes. Citizens do not ask the Commission to employ hindsight. In Order Nos. 12645, 13452, and PSC 97-0608-FOF-EI, the Commission recognized it was allowing utilities to collect fuel costs based on partial information, and rejected attempts to limit the time in which it could revisit past amounts upon receiving facts relevant to prudence. The Florida Supreme Court affirmed the ability of the Commission to make adjustments in the continuous fuel proceeding without engaging in “retroactive ratemaking.” Citizens have presented facts relevant to prudence of PEF’s fuel purchases for CR4-5 (see positions 1,4) that PEF never submitted to the Commission.

PEF: No. It is fundamentally unfair to the Company under principles of retroactive ratemaking, administrative finality, and due process to allow the Commission to re-visit its past orders absent some material concealment, which is not present here. Further, OPC’s testimony is replete with examples of impermissible hindsight review. If a refund is required, as OPC alleges, it would place an impossible burden on PEF’s management – the ability to foresee the future. The purpose of not allowing hindsight review is to relieve this burden. The Commission cannot second guess management decisions and that is what OPC asks this Commission to do.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: The Office of the Attorney General adopts and supports the position of the Public Counsel on this issue.

FIPUG: Yes. Order Nos. 12645, 13452, and PSC 97-0608-FOF-EI, affirm the refund authority plus an extended look-back period. When regulated utilities combine into a Public Utility Holding Company, such as, Progress Energy and deal with a plethora of unregulated affiliates in secret transactions they should understand that the transactions can and will be subject to review for extended periods.

White Springs: Yes. It is well settled that the Commission possesses the authority to conduct this prudence review and order the relief requested by OPC and AARP in this docket.

Analysis of Parties Arguments on Authority of the Commission

A. OPC's Argument

OPC explains that the proceedings for fuel cost recovery have been in place for decades. The recovery mechanism allows utilities to collect the costs of purchasing and transporting fuel through a cost recovery mechanism, separate from base rates. The cost recovery mechanism of the fuel clause is intended to enable utilities to adjust their rates without going through a revenue requirements determination each time volatile fuel costs change. This method of fuel clause recovery is a departure from traditional ratemaking. OPC asserts that fuel clause recovery favors utilities. Since the early 1980's the utilities have been allowed to recover volatile fuel costs on a current basis. The utilities may recover current costs from its customers by using projections of future costs, despite the fact that the utilities would not have proven the prudence of those costs at the initial projection approval. Nor is a utility required to prove prudence at the time of true-up when projections of costs are simply compared to actual expenditures. (OPC BR at 30)

According to OPC, the customers' interests are to be protected by requiring that the burden of proof of prudence remain with the utility requesting recovery through the fuel clause. OPC claims that the proof the Commission requires to show prudence is the same as required in base rate proceedings. A utility may either choose to present comprehensive proof of prudence or not. To the extent the utility does not present that proof, the Commission retains jurisdiction to consider it. (OPC BR at 31)

OPC states that the tenets of this system are set out in Order Nos. 12645, 13452 and PSC-97-0608-FOF-EI.¹⁹ The Florida Supreme Court affirmed the Commission's continuing jurisdiction over the prudence of fuel costs in Gulf Power Company v. Florida Public Service Commission, 487 So.2d 1036 (Fla. 1986). OPC argues that if the Commission had not required the utility to maintain the burden of proof of prudence, then the Commission would have abdicated its responsibility to protect customers' interests. (OPC BR at 31) Since the Commission retains jurisdiction to disallow past overcharges when factors warrant, the only remaining question is whether OPC has brought relevant facts to the Commission's attention so that the Commission may protect customers from imprudent and unreasonable charges. (OPC BR at 31) OPC asserts that it has.

OPC argues that PEF's witness, Mr. Steven Fetter, mistakenly assumed that the Commission had made findings of prudence at the time it issued its true-up orders. OPC maintains that its witness Bohrmann effectively rebutted Mr. Fetter's assertion. (OPC BR at 32, Bohrmann TR 1501-1502) OPC also asserts that witness Fetter supports the Commission's ability to adjust collections and to disallow overcharges for a reasonable period of time (three years in Fetter's opinion, OPC BR at 33, TR 204)

According to OPC, Witness Fetter opined that the Commission should only reach farther than three years in the instance of a material concealment. (TR 204) OPC argues that the

¹⁹ Order 97-0608-FOF-EI, issued May 28, 1998, in Docket No. 97-0001-EI, In re: fuel and purchased power cost recovery clause and generating incentive performance factor.

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distinction between Mr. Fetter's position and OPC's position is one of semantics. There is no difference between a utility that elects not to present all facts bearing on prudence (including those that would show imprudence) and a utility that engages in a material concealment. OPC charges that the facts show PEF "deflected" criticism for not purchasing the cheapest fuel in a 2004 RFP by responding that its environmental permit did not authorize PEF to burn the coal. According to OPC, PEF purposely omitted any reference to PRB coal in its Title V application. PEF amended its application to include synfuel but did not add PRB. PEF's own procurement and plant personnel were not aware of the federal permit limitations when it attempted to conduct the coal burn. PEF failed to conduct a stack test, and when evaluating PRB coal, PEF clung to the position that it could use the waterborne proxy rate to apply to transportation of PRB coal. OPC argues that if PEF had let the Commission know these and other facts, the Commission would have been able to make a prudence determination much earlier. PEF was on notice that the Commission retained jurisdiction and, despite that notice, chose not to present relevant facts to the Commission on a timely basis. (OPC BR at 33-34)

OPC asserts that it is the duty of the Commission to protect ratepayers from the imprudence of utility management, and if the capital markets react negatively, it is utility management and not the customers that must bear the risk of that imprudence. If a refund is necessary to make ratepayers whole, the Commission has the ability to structure the timing of the refund so that PEF may continue to operate without failing financially. (OPC BR at 34-35)

B. FIPUG's Argument

FIPUG states that the Commission has clearly affirmed its authority to refund overpayments by prior Order Nos. 12645, 13452, and PSC-97-0608-FOF-EI. Further, by Order No. PSC-92-1048-FOF-EI²⁰ the Commission articulated its responsibility to establish just and reasonable rates, and to change rates when they are not just and reasonable. FIPUG cites to the Commission "Daisy Chain" order to support its position that the Commission has the responsibility to ensure that fuel adjustment charges are appropriate:

Because of the relative importance and impact of fuel costs upon the ratepayers, it is incumbent that electric utilities exercise all reasonable means to purchase the lowest costing fuel possible. Any deviation from this policy results in excessive monthly fuel adjustment charges, the majority of which are passed on to the ratepayers through the application of the fuel cost recovery clause. Where excessive charges for fuel are paid by a utility, we *find it to be our responsibility to correct such overcharges and take whatever measures are necessary in order to rectify that situation.*²¹

(Emphasis by FIPUG). (FIPUG BR at 17-18)

²⁰ Order No. PSC-92-1048-FOF-EI, issued September 23, 1992, in Docket No. 920041-EI, In re: Petition for Clarification and Guidance on Appropriate Market Based Pricing Methodology for Coal Purchased from Gatliff Coal Company by Tampa Electric Company.

²¹ Order No. 8205, issued March 1, 1978, in Docket No. 770671-CI, In re: General investigation and show cause order as to alleged overcharges paid by Florida Power Corporation for spot purchases of fuel oil, pages 1-2.

C. White Spring's Argument

According to White Springs, the Commission has the authority and the responsibility, to evaluate the prudence of PEF's coal procurement decision. (White Springs BR at 10)

White Springs contends that the testimony of PEF's witness Fetter is incorrect when he asserts that once fuel costs have been recovered through the fuel clause, the Commission should not evaluate the prudence of those costs unless there were allegations of material concealment on the part of the utility. The correct state of Florida law is that cost recovery is subject to subsequent prudence reviews. This is essential to the Florida process since the current process involves all regulated utilities in a single docket. That docket accounts for the majority of costs actually charged consumers. The current process is streamlined so that utilities may recover fuel related costs expeditiously with a later prudence review of specific matters if circumstances warrant, as they do here. (White Springs BR at 10-11)

White Springs argues that adopting Witness Fetter's position would require the fuel proceeding to become more complex and impractical as the Commission would need to probe deeper into utility fuel decisions and performance. The mechanism established by the Commission allows a detailed assessment of prudence to occur in a separate docket, not the fuel proceeding. (White Springs BR at 11)

White Springs challenges Witness Fetter's credibility in this proceeding, arguing that Fetter exhibited a basic lack of knowledge of the role of prudence reviews in fuel dockets in other states. For instance, Witness Fetter was unaware that the Indiana Commission regularly creates sub-dockets from its fuel recovery proceedings in order to investigate potential prudence matters. Nor was Witness Fetter aware that the New York Commission conducted prudence reviews and actually ordered refunds from eight prior years of expenditures. According to White Springs, no other state has adopted the diminished prudence review espoused by PEF. That position cannot be reconciled with the Commission's statutorily established responsibilities. (White Springs BR at 11-12)

D. PEF's Argument

According to PEF, the facts support the conclusion that the Commission made determinations of the prudence of PEF's fuel costs at the final stages of its fuel clause true-up proceedings. PEF alleges that both the staff and the OPC witness testified that PEF submits sufficient information in the fuel proceedings for the Commission to make a determination of prudence. PEF states that the staff members with responsibility for the fuel docket proceedings review all this information and engage in discovery for additional information, when necessary, to determine the prudence of the utility's fuel costs. (PEF BR at 41) There is nothing more the Commission can or should do beyond what it does in the fuel proceeding to determine prudence. (PEF BR at 41)

PEF argues that there is no further Commission process for prudence determination after the Commission has determined the true-up. (PEF BR at 41) PEF explains that the fuel proceeding is a three year process and PEF's coal costs are reviewed in the fuel docket over the course of three years until they are finally trued-up. PEF asserts that OPC, Commission staff or

any other party can raise an issue of the prudence of any fuel cost during that three year period. A fuel cost is first seen by the Commission in a projection filing. Those same costs are reviewed in the next year's hearing for a true-up of the actual fuel costs for six to eight months prior to the hearing and any necessary adjustments to the cost recovery factor. Following the second hearing, there is yet a third fully litigated hearing where the full year of actual costs is tried-up against all prior projections. (PEF BR at 41-42)

According to PEF, it submitted monthly reports on its delivered fuel costs for review by Commission staff and OPC. The Form 423 and A schedules submitted to the Commission contain the very same type of information used to determine prudence. Commission staff and PEF conducted regular meetings to discuss the utility's procurement practices. Audits were conducted by Commission staff and the information from the audit was available to the Commission. PEF adds that both current and prior staff who appeared as witnesses testified that it was their job to review the information submitted by the utilities and to raise issues of prudence in reports or recommendations to the Commission in the fuel dockets. (PEF BR at 43) Both witnesses, Bohrmann and Windham, testified that staff can take discovery in the fuel docket. No one in the docket claimed that PEF did not provide information that was requested of PEF. (PEF BR at 42-45)

PEF argues that if OPC is correct, and there is no prudence review of fuel costs at the annual fuel cost recovery clause proceedings, then the fuel cost recovery clause proceedings are hollow and devoid of any real substance. (PEF BR at 46) It means that the Commission allows customers to pay billions of dollars in fuel costs without ever putting in place a process to determine prudence. PEF depicts OPC's argument that there is no finality to the fuel clause proceeding as erroneous and that such a ruling by the Commission would change the perception of Florida's regulatory environment from positive to negative. (PEF BR at 46) The lack of finality, according to PEF, would lead to uncertainty within the financial community. According to PEF, the final true-up of costs to projections in the third year of hearing is consistent with Order No. 12645, where the Commission recognized that it was fairly required to determine prudence when the relevant facts were before it. The Commission has received or has available to it all the information it needs to determine prudence. (PEF BR at 47)

E. Staff's Analysis

Although PEF reasserted the issues it raised in its prior motions seeking to dismiss the case or exclude evidence, the majority of its post-hearing brief focuses on the argument of administrative finality.²² PEF alleges that the doctrine of administrative finality applies to the

²² This analysis also briefly addresses the other aspects of PEF's legal challenges to the authority of the Commission to consider OPC's petition. In addition to arguing that the Commission is precluded from reaching a decision regarding PEF's prudence by the doctrine of administrative finality, PEF also reasserts that the doctrines of retroactive ratemaking, due process, and impermissible hindsight review preclude review of PEF's expenditures approved in prior fuel clause proceedings. Those arguments were raised and addressed by the Commission earlier in this proceeding. See Order Denying PEF's Motion to Dismiss, Order No. PSC-070059-PCO-EI, issued January 22, 2007; and Order Denying PEF's Motion to Strike or Alternatively Motion in Limine to Exclude Testimony, Order No. PSC-07-0270-PCO-EI, issued March 30, 2007; in this docket.

final orders for each fuel proceeding. Staff addresses PEF's administrative finality argument in detail below.

Administrative Finality

PEF argues that the issue of the prudence of PEF's coal procurement costs was decided at prior fuel clause proceedings, and that administrative finality precludes further review. Staff disagrees that there has been a final Commission decision on the prudence of PEF's coal costs. The doctrine of administrative finality applies to Commission final orders, and parties are entitled to the certainty that finality provides. See, Austin Tupler Trucking, Inc. v. Hawkins, 377 So. 2d 679 (Fla. 1979) (Commission could not reopen dormant trucking certificate case after time for reconsideration had passed).

Even when finality has attached to an order, there is a significant exception to the application of the doctrine, and finality will not apply where it is shown that some mistake, misrepresentation, or fraud, or a matter of great public interest compels Commission review. See, Peoples Gas v. Mason, 187 So. 2d 335 (Fla. 1966), where the Court prohibited review of the Commission's approval of a territorial agreement, but elucidated the exception described above. The court cautioned against a too doctrinaire approach to the application of administrative finality:

We understand well the differences between the functions and orders of courts and those of administrative agencies, particularly those regulatory agencies which exercise a continuing supervisory jurisdiction over the persons and activities regulated. For one thing, although courts seldom if ever, initiate proceedings on their own motion, regulatory agencies such as the commission often do so. Further, whereas courts usually decide cases on relatively fixed principles of law for the principal purpose of settling the rights of the parties litigant, the actions of administrative agencies are usually concerned with deciding issues according to a public interest that often changes with shifting circumstances and passage of time. Such considerations should warn us against a too doctrinaire analogy between courts and administrative agencies and also against inadvertently precluding agency-initiated action concerning the subject matter dealt with in an earlier order.

In ratemaking proceedings, where the Commission establishes fair, just, and reasonable utility rates, the courts have been more inclined to apply the exceptions to the doctrine. See, for example, Sunshine Utilities v. Florida Public Service Commission, 577 So. 2d 663, 666 (Fla 1st DCA 1991), where the Court affirmed the Commission's decision to review a five-year-old rate order to correct going forward an "incorrect assumption." See also, Reedy Creek Utilities v. Florida Public Service Commission, 418 So. 2d 249 (Fla. 1982) (Court affirmed Commission's decision to revisit rate order), and Richter v. Florida Power Corporation, 366 So. 2d 798 (Fla 2d DCA 1979) (case arising out of the Daisy Chain fuel procurement scandal where the Court upheld the Commission's authority to review its prior rate decisions).

The application of administrative finality in ratemaking proceedings is demonstrated in the Commission's fuel clause proceedings, where the Commission's need to retain the ability to review the prudence of fuel costs precludes application of the doctrine of administrative finality until the Commission itself specifically addresses the prudence of particular costs. In Order No. 12645, the seminal order establishing policy for administration of the fuel clause, the Commission said:

We will therefore accept any relevant proof a utility chooses to present at true-up, but we will not adjudicate the question of prudence, nor consider ourselves bound to do so until all relevant facts are analyzed and placed before us. *We will be free to revisit any transaction until we explicitly determine the matter to be fully and finally adjudicated....* An actual adjudication of prudence depends on whether an allegation of prudence was made, evidence was presented thereon and a ruling made. Where an expenditure has been disputed and its prudence examined on the record, a ruling in favor of prudence should be inferred even if none is explicitly made.

Order 12645 at p. 9 (emphasis added). Since 1983, fuel clause hearing orders have included language "that the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up, and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based."²³

PEF argues that by submitting records and discovery to Commission staff, it has placed sufficient evidence before the Commission to establish the prudence of its fuel costs. In fact, PEF urges the Commission to assume the burden of finding imprudence rather than requiring the utilities to prove prudence. In its brief, PEF states: "[t]here is, therefore, a three-year period in which OPC, Staff or any other party can raise an issue as to the prudence of any fuel cost." (PEF BR at 42) In other words, PEF would place the burden of questioning prudence on other parties, rather than, as Order 12645 requires, placing the burden of proving prudence on PEF.

To agree with PEF is to depart from the previous twenty-four years of Commission precedent based upon Order 12645, where the Commission said, at p. 10: "The issuance of a true-up order does not adjudicate the question of prudence per se. As pointed out by staff, the true-up hearings have never been relied upon by the Commission or any other party as the point at which prudence is actually reviewed." The Commission further explained at pages 9 and 10 of that same order: "Under the new structure, rather than explicitly considering prudence at the end of each six month period, we will consider only the question of comparing projected to actual results. Questions of prudence require careful and often prolonged study." Unless and until the Commission makes that determination of prudence, a utility cannot presume that the issue of prudence has been resolved.

PEF argues that the Commission has already determined the prudence of PEF's fuel costs at each final true-up hearing from 1996-2005. However, PEF failed to introduce any prior

²³ Order No. PSC-02-1761-FOF-EI, in Docket no. 020001-EI, issued on December 13, 2002, In re: Fuel and Purchased Power Cost Recover Clause and Generating Performance Incentive Factor.

Commission order finding PEF prudent in its coal procurement. Instead, PEF reasons that in fuel proceedings, staff had the information before it, staff engaged in discovery, staff was assigned the function of evaluating a utility's activities for prudence, and therefore the Commission must have adjudicated the issue of PEF's prudence in coal procurement practices. (PEF BR at 42-44) PEF refers to testimony from staff and former staff witnesses to characterize the type of review staff performs annually as a prudence review. (PEF BR at 43-45)

The Commission cannot delegate its rate-making authority to administrative staff. See Order No. 6986, issued October 30, 1975, in Docket No. 74807-EU, In re: Petition of Florida Power Corporation for authority to increase its rates and charges in which the Commission stated:

In essence, Movant has predicated its request on the premise that the staff operates as the alter ego of the Commission or that the Commission delegates de facto authority to its staff to act in its stead. Such an assertion is patently incorrect for it overlooks the fact that staff members are not public officers of the State, elected or appointed. They exercise no sovereign powers of the State. They have no decisional powers, either by Statute or Rule, and no decisional powers have been delegated to them by the Commissioners. For that matter, we are unaware of any lawful basis by which such authority could be delegated.

See also, Citizens v. Wilson, 567 So. 2d 889, 892 (Fla. 1990) (in dicta the Florida Supreme Court recognized that only by specific direction could PSC staff perform the "ministerial task of seeing whether these [revised supplemental service rider] conditions were met"). Only the Commission may make a finding of prudence. Proof of the Commission's finding would be explicitly set forth in prior fuel orders, or implicitly set forth in transcripts of prior fuel proceedings. Neither were placed into the record. There is no adjudication of prudence to which administrative finality may attach.

While staff's actions do not rise to the level of an adjudication of prudence by the Commission, staff does conduct a preliminary review of the appropriateness of the recovery of costs. Staff's actions may lend credibility to PEF's argument that PEF was indeed prudent in its procurement decisions. As PEF argues in its brief, "[t]he Commission and Commission Staff, therefore, did not 'miss' something over the past decade because there was nothing to miss." (PEF BR 47) But as diligent as staff might be in attempting to uncover imprudent utility decisions, it is a difficult task, made more difficult by the fact that the utility is the one who holds all of the information. It is the responsibility of the utility to identify and specifically seek Commission approval of its decisions. As illustrated in the instant case and in the Maxine Mine case discussed below, the level of investigation needed to examine prudence can be significant and it can take several years before a question of prudence becomes apparent.

There are also times when an imprudent decision is not obvious for several years. In the Maxine Mine order, the Commission recognized that often an imprudent decision will not "come to our attention immediately. Many problems in procurement have a gradual aspect which can be perceived by the persons directly involved but not by third parties." Maxine Mine Order No. 13452 at p. 7. For instance, in Maxine Mine, the imprudence of Gulf's decision to enter into a long-term contract for coal procurement without demanding an early termination clause did not

become evident for several years, because the prices Gulf paid for Maxine Mine coal were not out of line with other coal purchased. Gulf's imprudence became obvious only when the Maxine Mine coal prices became excessive in comparison to other coal prices and Gulf could not terminate its contract. Like this case, the coal procured by Gulf from Maxine Mine went through the fuel clause and staff did not observe the imprudence of Gulf's coal procurement until 1981 when "the full attention of staff was focused on Maxine Mine." Maxine Mine, Order 13452 at p. 13.

PEF also argued that there is nothing more that the Commission can or should do beyond what it currently does in the fuel cost recovery clause proceedings to determine prudence. PEF contends that there is no further Commission process after the true-up proceeding to later determine prudence. However, this proceeding before the Commission, as well as various other prudence reviews previously conducted contradicts PEF's argument. See Order No. 18690, issued January 13, 1988, in Docket No. 860001-EI-B, In re: Investigation of Florida Power Corporation's Crystal River Unit No. 3's outages since December 1, 1982, (Upon petition of OPC, the Commission reviewed all unplanned outages at Crystal River 3 for the period 1982 to date, spanning 5 years. The Commission found FPC prudent); and Order No. 15486, issued December 23, 1985, in Docket No. 840001-EI-A, In re: Investigation into extended outage of Florida Power and Light Company's St. Lucie Unit No. 1, (Commission reviewed a decision made by FPL, 16 years prior to the Commission's order and found FPL prudent).

Hindsight Review

In its motion to dismiss, PEF argued that to consider OPC's petition requires the Commission to engage in impermissible hindsight review. Throughout its brief, PEF also states that certain evidence requires the Commission to indulge in impermissible hindsight review. As the Commission noted in its prior order denying PEF's motion to dismiss, the doctrine of hindsight review does not preclude the Commission from considering the previous actions of a utility, as long as the Commission applies the appropriate standard in reviewing those actions. That standard is whether the utility acted prudently and reasonably in light of the facts that it knew or should have known at the time it made its decision. Gulf at 1037. In Gulf, the Court reviewed the Commission's evaluation of Gulf's prior management decisions. In affirming the Commission's finding of managerial imprudence, the Court said: "Contrary to Gulf's contentions, the commission sought to evaluate Gulf's managerial decisions *under the conditions and times they were made*." (emphasis added). Similarly here, the Commission may review the actions of PEF to determine if its management's decisions regarding fuel procurement were prudent under the conditions and time they were made. Improper hindsight review involves applying facts as we know them today to evaluate decisions made in the past, thereby making a different course of action look preferable. In a proper prudence review the Commission considers the prudence of decisions made in the past by applying facts that were available to the company at the time of its management decision.

Retroactive Ratemaking

PEF also previously argued in its motion to dismiss and reasserted in its brief that requiring a refund of the previously approved fuel costs constituted retroactive ratemaking. In

Gulf, the Supreme Court also addressed the issue of whether review of prior decisions constitutes prohibited retroactive ratemaking. Justice McDonald opined:

Nor do we find that the order constitutes prohibited retroactive ratemaking fuel adjustment. Fuel adjustment charges are authorized to compensate for utilities' fluctuating fuel expenses. The fuel adjustment proceeding is a continuous proceeding and operates to a utility's benefit by eliminating regulatory lag. This authorization to collect fuel costs close to the time they are incurred should not be used to divest the commission of the jurisdiction and power to review the prudence of these costs. The order was predicated on adjustments for 1980, 1981 and 1982. We find them to be permissible.

Gulf at 1037.

The Gulf case is very similar to this case. In Gulf, the Supreme Court had before it an order of the Commission requiring Gulf to refund its customers for several years of costs that had previously been allowed through the fuel clause. The only distinction between Gulf and this proceeding is that in this case the Commission is being asked to review the utilities actions over the ten prior years rather than four years. The Commission has, however, been asked to review the prudence of utility decisions as far back as sixteen years. In Order No. 15486, the Commission reviewed Florida Power and Light Company's management decisions to include thermal shields in the design of St. Lucie Unit No. 1. In Order No. 18690, the Commission reviewed the prudence of purchased power costs for PEF from 1982-1987 because of extended and repeated outages at the nuclear power plant at Crystal River 3.

Due Process

Finally, PEF has asserted that reviewing past utility decision making violates due process and is fundamentally unfair to a utility. A close review of Commission Order 12645 and its operation over the years belies PEF's argument. The Commission established the current fuel clause proceedings to eliminate the regulatory lag inherent in base rate proceedings for recovery of volatile fuel costs. It allowed the utilities to present their costs for recovery without proving prudence. PEF was on notice of this procedure from 1983 forward. PEF has often participated in Commission proceedings regarding the prudence of its prior conduct, with full knowledge that a refund could be ordered. According to Order 12645, a utility may present proof of prudence and, if the facts are before the Commission, the Commission may take the steps necessary to determine the prudence of fuel costs passed through the clause.

As OPC explained, the fuel clause benefits utilities. (OPC BR at 30) Requiring the utilities to bear the burden of proving prudence protects customers and is needed to assure fair, just and reasonable rates. The ability of the Commission to review and disallow expenses in the future protects the ratepayers. To maintain a balance between utility and ratepayer interests in fuel proceedings, the Commission must retain jurisdiction over fuel costs after final true-up.

CONCLUSION

In fuel cost recovery proceedings the Commission has specifically reserved for future decisions any issue of prudence regarding the costs that were trued-up in the fuel clause hearings. Commission precedents have clearly articulated what the fuel clause proceeding is and what it is not. According to Order 12645, the fuel clause is a comparison of a utility's projected fuel costs to the costs actually expended. It is not a prudence review. The Commission will consider prudence of fuel expenditures when the issue is brought to it by the parties but the issue of prudence of particular fuel costs will only be final when the Commission has specifically addressed the issue.

The Commission previously determined that it could hear OPC's petition without practicing retroactive ratemaking. It also determined that hearing OPC's petition did not require the Commission to improperly apply hindsight review. The Commission may make its decision regarding the conduct of the utility by reviewing the utility's actions in the light of what the utility knew or should have known at the time the utility made its decisions. The Florida Supreme Court has recognized that the fuel proceedings do not prohibit the Commission from later reviewing the prudence of prior expenditures and ordering a refund when the expenditures that were collected prove to be unjust and unreasonable. That refund does not, in the circumstance of the fuel clause proceedings, constitute retroactive ratemaking.

Finally, having taken advantage of the expedited cost recovery proceedings offered to it through the fuel clause, PEF cannot now be heard to complain that the proceedings are unfair and lacking in due process. PEF has knowledge of the existence of Order 12645 and the substantive and procedural requirements therein. It has previously participated in prudence reviews which are separate from the fuel hearings. The fact that PEF may now be responsible for the refund of monies it allegedly improperly collected does not suddenly make the process unfair.

Docket No. 060658-EI
 Date: July 19, 2007

REVISED

Issue 4: If the Commission determines that PEF should be required to refund customers for coal purchased to run Crystal River Units 4 and 5, what amount should be refunded, and how and when should such refund be accomplished?

Primary Recommendation: If the Commission finds that PEF was imprudent in procuring fuel costs in 2003-2005 (Issue 1) and further finds that the Company should be required to make a refund to customers (Issue 2), then the Commission should require PEF to refund to PEF's ratepayers ~~\$13,826,207~~ \$13,796,073 in excessive coal costs, SO₂ allowance costs, and interest incurred during 2003, 2004, and 2005. Interest should continue to accrue until the refund has been completed. This refund should be made through the utility's 2008 fuel factors. (McNulty, Slemkewicz, Draper)

Alternative Recommendation: Consistent with the Alternative staff's recommendation for Issue 1, staff does not recommend a refund. (Lester, Matlock, Sickel)

Position of the Parties

OPC: The amount of overcharges by year are:

Year	Excess Coal Costs \$	Excess SO ₂ Allowance Cost \$	Total Excess Fuel Charges \$
1996	1,056,000	N/A	1,056,000
1997	5,617,376	N/A	5,617,376
1998	7,703,136	N/A	7,703,136
1999	8,412,664	N/A	8,412,664
2000	4,884,739	1,497,278	6,382,017
2001	14,923,313	1,897,541	16,820,854
2002	20,712,248	1,410,049	22,122,297
2003	14,108,871	1,413,510	15,522,381
2004	17,603,768	4,196,799	21,800,567
2005	21,572,511	7,513,540	29,086,051
Total w/o Interest	116,594,626	17,928,717	134,523,343

The total refund is based on the beginning year selected. By 1996 the opportunity to save costs had been fully established; in that year PEF excluded subbituminous coal from its federal permit application.

PEF: The issue as to the amount of any refund is dependent on legal, factual, and policy determinations which have not yet been determined. If the Commission determines that PEF should be required to make a refund to customers, the amount should be refunded to customers through the fuel cost recovery clause over the same period of time for which the excess charges are alleged to have occurred. The balance of the refund not paid to customers should accrue interest at the 30 day commercial paper rate.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: The Office of the Attorney General adopts and supports the position of the Public Counsel on this issue.

FIPUG: The Commission should determine savings PEF imprudently overlooked. The refund should be amortized over a twelve month period through a reduced fuel factor beginning at the earliest practicable date.

White Springs: White Springs adopts OPC's calculation of the refund required, including interest. The refunds should be accomplished through credits to the fuel factor implemented over a period not exceeding one year.

Analysis of Parties Arguments on Amount of Refund

A. OPC Argument

In his direct testimony, OPC witness Sansom identifies PEF's excessive coal and SO₂ allowance costs from 1996 through 2005. (~~EXH 28~~ EXH-26) OPC's refund amount is based on an analysis of the differential between CAPP and PRB coal costs, where CAPP coal costs were identified as costs actually incurred per FERC Form 423 data and PRB coal costs were OPC's assessed costs of PRB coal if the utility had purchased market-based pricing for PRB and utilized specific modes and sources of coals transportation which OPC believes were available to PEF during the time period. (~~EXH 29~~ EXH-27) The refund amount by OPC is further based upon a two-year increase in PRB coal volumes starting in 1996 (75/25 CAPP/PRB blend in 1996, 50/50 CAPP/PRB blend in 1997). (TR 91) Witness Sansom allows a 7.5 percent reduction in PRB volumes in 2005 to recognize rail transportation disruptions which occurred during that year. SO₂ Allowance Costs are developed based on: (1) The differential in SO₂ emissions between bituminous coal and PRB coal; (2) The heat content of PRB coal (8,800 btu/lb); (3) The volume of PRB coal (in MMBtu) replacing CAPP/foreign coal; and (4) The market price of SO₂ allowances each year in 2003-2005. Witness Sansom provides an analysis of SO₂ costs for all relevant years. (EXH 28)

B. PEF Argument

Witness Heller argues that rather than incurring excessive costs for coal procurement, the company achieved a total value of \$733,323,926 in savings from 1996 to 2005 by using exclusively bituminous coals at CR4 and CR5 rather than a 50/50 blend of CAPP coal and PRB coal. (EXH 86) This total savings amount is a combination of three separate calculations: (1) Witness Heller's estimate of fuel savings (\$51,376,000) assuming all fuel and operational costs but excluding replacement power costs which would result from derates due to using a 50/50 blend of CAPP and PRB coals at CR4 and CR5 during the 1996 to 2005 period, (2) Witness Crisp's estimate of the derate costs (\$696,963,130) due to using a 50/50 blend, and (3) Witness Dean's offsetting SO2 allowance costs (-\$15,015,204).

Witness Heller modeled savings based on a comparison of his evaluated price of PRB coal to the actual delivered price of CAPP coal for all years. For annual PRB delivered coal prices, Witness Heller utilized market information to obtain an FOB mine price for PRB coal, the cost of specific rail movements to docks on the Mississippi River, PEF-specific barge transfer costs, and the Commission approved waterborne coal transportation proxies for the remainder of the transport costs (river, terminaling, and cross-Gulf transportation). Witness Heller adjusted PRB delivered prices to derive evaluated prices in order to account for additional operation and maintenance costs due to the impact of variations in the quality of the coal on boiler operations. (TR 291) Finally, Witness Heller included the mid-point of the capital and operating costs identified by Witness Hatt associated with the capital and operating costs associated with converting CR4 and CR5 to burn a 50/50 blend of CAPP/foreign coal and PRB coal. (TR 947)

Witness Crisp estimated replacement power costs resulting from anticipated derates associated with burning a 50/50 blend of bituminous and PRB coals during the period.

The excessive SO2 allowance costs for 2003 through 2005 amount to \$2,779,308. These costs are calculated based on the same procedure used by Witness Sansom except PEF's calculation includes no ash adjustment but does include an adjustment to OPC's MMBtu data. Witness Dean provides an analysis of SO2 costs for all relevant years. (EXH 97)

C. Primary Staff Analysis

Primary staff agrees with alternative staff's recommendation that PEF was prudent in its coal purchases from 1996 through 2002. Thus, primary staff believes that no refund is warranted for coal purchases occurring in those years. Primary staff believes that PEF's management acted prudently in its decisions to not purchase PRB coal during those years. Thus, consistent with our analysis in Issue 1, primary staff believes the appropriate refund amount for those years is zero.

However, primary staff believes PEF's excessive coal costs in 2003 through 2005, inclusive of SO2 emissions costs, as shown on Attachment A of this recommendation, amount to \$12,418,560. These costs were calculated based on:

- Waterborne delivery of 2.4 million tons of coal per year from IMT to Crystal River, based on an 80/20 blend of CAPP/foreign coal to PRB coal for CR4 and CR5, including 480,000 PRB coal tons per year for 2003 and 2004, and 444,000

PRB coal tons in 2005 (thereby taking into account waterborne coal delivery constraints at Crystal River and rail transportation constraints in 2005);

- Assurance that the 480,000 tons per year of PRB coal in 2003 and 2004 does not exceed the waterborne coal supply requirements not yet contracted prior to 2003;

- A cost-effectiveness test of PRB coal for 2003, 2004, and 2005 for PEF, wherein the delivered price of CAPP/Foreign coal cost is shown to be higher than the evaluated price of PRB coal on a \$/MMBtu basis;

- The PRB coal evaluated price is inclusive of those specific plant and operational incremental costs necessary for expected use of an 80/20 blend of CAPP/Foreign to PRB Coals at CR4 and CR5;

- The blending costs associated with PRB coals in Davant is included in the delivered PRB coal costs and is consistent with the PRB blending costs recognized by both OPC and PEF; and

- SO2 emissions costs based on the PRB tonnages cited above (480,000 tons per year for 2003-2004 and 444,000 tons in 2005) and PEF Witness Dean's estimates of PRB's SO2 content, heat rate, and SO2 emission allowances prices.

Each of these factors is reviewed in more detail below.

Staff accepted the testimony of Witness Heller that Crystal River transportation constraints would limit the waterborne delivery of coal to CR4 and CR5 to 2.4 million tons per year. Witness Heller said that PEF has attempted to exceed this amount but incurred operational problems when it did. No intervenor challenged this delivery constraint. An 80/20 blend of CAPP/foreign to PRB coal with the constraint of 2.4 million tons per year, blended offsite, is consistent with primary staff's analysis in Issue 1 and yields a maximum tonnage of PRB of 480,000 tons (20 percent times 2.4 million tons per year).

Primary staff examined whether PEF could reasonably have contracted for 480,000 tons of waterborne coal during 2003 through 2005 without exceeding their supply requirements not already contracted. Primary staff notes that PEF engaged in spot purchases of waterborne bituminous coal during 2003 through 2005 in amounts in excess of the PRB coal volumes necessary to achieve an 80/20 blend of CAPP/foreign coal to PRB coal. (EXH 52) PEF also engaged in new long-term contracts for waterborne bituminous coal purchases during the 2003 through 2005 period. Primary staff believes PEF could reasonably have purchased 480,000 tons of coal each year without exceeding CR4 and CR5 waterborne coal supply requirements for those years not already contracted.

A test of cost-effectiveness for PRB coal was incumbent upon PEF management in its procurement of coal for CR4 and CR5. Witness Heller modeled whether savings would have been realized using PRB and concluded there would have been savings in 2001, 2004, and 2005 if one were to assume a 50/50 blend with no derate and a 30-year recovery life for "incremental" capital requirements. (TR 948, EXH 85) In developing its own cost effectiveness analysis,

primary staff changed two basic assumptions of witness Heller's based on record evidence. First, primary staff assumed a 20 percent blend of PRB as a conservative estimate of the ratio of PRB to CAPP/foreign coal that would not result in a derate.

Second, staff estimated the percent of capital recovery requirements that would have been required had a 20 percent PRB coal blend been used. The record indicates that the capital and ongoing O&M costs for a 20 percent PRB coal blend at CR4 and CR5 would have been minimal compared to the costs required for a 50 percent PRB blend at CR4 and CR5. Primary staff's cost-effectiveness test for the 20 percent PRB coal blend, blended off-site, recognizes ten percent of the total capital costs requirements for 50/50 blend, blended on-site, per witness Heller. Primary staff selected ten percent as a reasonable approximation of the costs given the "coal blends less than 30 percent PRB" cost estimate put forth by Sargent and Lundy Coal Conversion Cost Report and PEF's estimate of PRB potential at PRB coal blends less than 30 percent at CR4 and CR5. (EXHs 74, 75, 83, 106, and TR 1026) Primary staff's adjustment to the evaluated price of PRB coal (in \$/MMBtu) to account for the capital recovery requirement is the difference in the PRB evaluated price (Attachment A, Table A, Column h) and the PRB Adjusted Evaluated Price (Attachment A, Table A, Column c).

Similar to the adjustment made by witness Heller and witness Sansom, primary staff included in its cost effectiveness analysis the assumption that 7.5 percent of planned PRB coal deliveries would fail to be delivered in 2005 due to rail congestion issues. (TR 91, TR 949) Thus, instead of 480,000 tons of PRB coal delivered in 2005 to CR4 and CR5, it is assumed that only 444,000 tons of PRB coal would have been delivered.

Taking all such adjustments into account, primary staff prepared a cost effectiveness test which indicates that PRB savings were available to PEF in 2003, 2004, and 2005 totaling \$9,056,256, exclusive of SO₂ cost savings. (Attachment A, Table A, Column g)

Primary staff's estimate of the evaluated price difference between PRB coal and CAPP coal in 2003 is much lower than OPC's estimate (\$0.43/MMBtu versus primary staff's \$0.13/MMBtu, but OPC's estimate of the difference for 2004 and 2005 is only slightly lower than primary staff's (\$0.46/MMBtu and \$0.68/MMBtu versus \$0.35MMBtu and \$0.64MMBtu, respectfully for 2004 and 2005). (EXH 29) Primary staff believes the large gap in the price differential in 2003 between OPC and primary staff is tied to OPC's assumption that the waterborne coal transportation market price proxy would not apply in that year. Primary staff believes that the waterborne market proxy rates for evaluating PRB coal is appropriate for all years up to and including 2003.

The refund amount recommended by primary staff is restricted to the types of costs which normally flow through the fuel clause. The capital and operating costs associated with converting the power plant to burn PRB coal is not the type of costs normally recovered via the fuel clause. Thus, the excess coal cost as calculated above (\$9,056,256), while useful for purposes of a cost-effectiveness test, is not the correct refund amount. Instead, the correct amount for purposes of cost recovery, hence refund, is the differential in the delivered costs of CAPP/foreign coal and the evaluated costs of PRB coal for 2003 through 2005, as shown in Attachment A. For purposes of cost recovery, primary staff removes the operational and capital costs required to upgrade CR4 and CR5 to burn PRB, because these types of costs are normally

recovered via base rates. Using this calculation, the excessive coal cost refund amount for 2003-2005, exclusive of excess costs related to SO₂ emissions, is \$9,797,568.

The excess SO₂ emissions costs are based on witness Dean's SO₂ estimate of SO₂ per MMBtu, primary staff's estimated tons of PRB coal, Witness Dean's heat rate of PRB coal equal to 8,800 btu/lb, and Witness Dean's allowance price per ton. (EXH 97) Since primary staff's excess SO₂ emissions costs are calculated to be \$2,627,924 ~~\$2,655,889~~, the total excess coal and SO₂ emissions costs for 2003-2005 are \$12,425,492 ~~\$12,453,457~~. (Attachment A, Table B, Column i and Attachment A, Table C, Column i)

Based on the recommended refund amounts of \$1,671,352 ~~\$1,663,918~~ for 2003, \$4,031,724 for 2004, and \$6,722,416 ~~\$6,757,815~~ for 2005, staff has calculated interest of \$1,400,715 ~~\$1,342,616~~ through June 30 ~~May 31~~, 2007. This calculation, shown on Attachment B, has been computed in accordance with Proposed Stipulation 1 in Order No. PSC-07-0266-PHO-EI. Interest should continue to be accrued until the refund has been completed.

PEF, FIPUG, and White Springs agree that if the Commission determines that PEF should be required to make a refund, the amount should be refunded through the fuel clause. (PEF BR at 52, FIPUG BR at 4, White Springs BR at 15). At issue is over what period the refund should be accomplished. PEF states the amount should be refunded to customers over the same period of time for which the excess charges are alleged to have occurred. (PEF BR at 52) Both FIPUG and White Springs take the position that the refund should be accomplished over a one-year period. (FIPUG BR at 4, White Springs BR at 15)

Based on the recommended refund amount in the primary staff recommendation of \$13,826,207 ~~\$13,796,073~~ (refund amount plus interest), staff believes it is reasonable to require PEF to refund this amount over a 12-month period through the 2008 fuel factors.

In the November 2006 fuel hearing, the Commission approved \$2,095,303,822 as the projected net fuel and purchased power cost recovery amount to be included in the 2007 fuel factors, resulting in a levelized fuel factor of 5.132 cents per KWH.²⁴ The recommended refund amount in the primary staff recommendation (\$13,826,207 ~~\$13,796,073~~) represents 0.66 percent of the total amount approved for PEF to recover in its 2007 fuel factors (\$2,095,303,822). Reducing the Commission-approved 2007 levelized fuel factor of 5.132 c/KWH by 0.66 percent would result in a levelized fuel factor of 5.098 c/KWH, or a 0.034 c/KWH reduction. Staff believes that the magnitude of the impact on the 2008 fuel factor will be similar, and therefore believes it is reasonable to require PEF to refund the refund amount over a 12-month period through the 2008 fuel factors.

If the Commission approves the alternative staff recommendation, this issue is moot.

²⁴ See Order No. PSC-06-1057-FOF-EI, issued on December 22, 2006, Docket No. 060001-EI, In Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor, at p 11

Issue 5: If the Commission determines that PEF willfully violated any lawful rule or order of the Commission or any provision of Chapter 366, Florida Statutes, should the Commission impose a penalty on PEF, and what should be the amount of such penalty?

Recommendation: No. No party identified a rule, order or statute administered by the Commission that PEF failed to implement or comply with for the period 1996 through 2005. Therefore, the Commission should not impose any fines or penalties. (Bennett, Young, Holley)

Position of the Parties

OPC: No position.

PEF: No. PEF's coal purchases for CR4 and CR5 have been reasonable and prudent. Thus there is no basis for any refund of any fuel charges recovered through the fuel clause, and accordingly there is no basis for any penalty. Furthermore, the Commission can only impose a penalty upon a showing that a utility willfully violated a statute or a Commission order or rule. There has been *no* showing that PEF has violated any such statute, order, or rule. Indeed, no party has even identified the statute, order, or rule which it claims that PEF violated.

AARP: Yes. Chapter 366, F.S. and the Commission's relevant fuel adjustment orders require that all rates and charges demanded or received by any public utility for any service rendered shall be fair and reasonable. An intentional or willful act to financially harm customers in order to benefit a corporate parent or affiliate is not "fair and reasonable." Section 366.095, F.S. provides that the Commission may penalize a utility for willfully violating a lawful rule or order or law. Commission precedent and case law support a penalty.

AG: The Attorney General takes no position on this issue.

FIPUG: Yes. If the Commission finds that the potential savings were overlooked in order to enhance non regulated affiliate profits a penalty based upon the nature of the misfeasance should be imposed over and above interest. Interest at the commercial paper rate normally used by the Commission falls short of the mark as it would only penalize discovered overcharges with the cost of cheap debt available to highly rated corporations.

White Springs: If the Commission determines that PEF willfully violated a rule or order of the Commission or provision of Chapter 366, Florida Statutes, by purchasing more expensive affiliate-supplied coal or coal products than reasonably available non-affiliate coal, further Commission action is warranted, and White Springs adopts AARP's position on this issue.

Analysis of Parties Arguments on Penalty

A. AARP's Argument

AARP conceded that its case for a penalty is dependent upon the Commission accepting OPC's case that PRB coal should have been purchased and that PEF knowingly chose not to. AARP argues that PEF favored its affiliated companies at the expense of ratepayers. AARP acknowledges that only if the Commission determines that PEF knew that a lower priced fuel was available to it but intentionally continued to purchase higher priced coal and synfuel, then a penalty would be warranted to deter future conduct of this type by PEF or any other utility. According to AARP, to find that a penalty is appropriate in this case, the Commission must determine that PEF set out to cheat its customers by charging them higher fuel costs than were otherwise reasonably obtainable and that it did so for the benefit of its affiliates. AARP argues that OPC made the case that PEF devised a scheme to cheat its customers. (AARP BR at 1-2)

AARP asserts that the statutory basis for the Commission to impose a penalty under the facts of this case is found in Sections 366.095, 366.03, and 366.07, Florida Statutes. Section 366.095 Florida Statutes, allows the Commission to impose penalties if a utility is found to have refused to comply with, or willfully violated any rule, or order of the Commission, or of any provision of chapter 366. According to AARP, PEF has a statutory duty to not intentionally overcharge its customers. The specific statutory duty is set forth in section 366.03 and 366.07 where the legislature states that rates shall be fair and reasonable. When it knowingly charged its customers higher than reasonable fuel charges in order to benefit its corporate affiliates, PEF intentionally and willfully failed to comply with chapter 366. (AARP BR at 4)

AARP's witness Stewart testified at hearing that the Commission has previously imposed an equity penalty in a rate case with Gulf Power Company. (TR 1106-1108) The penalty in that case, according to AARP, was for mismanagement in connection with "corrupt practices that took place at Gulf Power Company from the early 1980s through 1988...." According to AARP, the Florida Supreme Court upheld the penalty imposed on Gulf Power Company as long as the penalty did not "impose a penalty that would deny Gulf Power a reasonable rate of return." Gulf Power Company v. Wilson, 597 So.2d 270, 273 (Fla. 1992). (AARP BR at 5)

AARP asserts that although the Gulf v. Wilson case came from a base rate proceeding before the Commission, there is nothing to preclude the Commission from penalizing a utility outside of base rate proceedings. (AARP BR at 5) Such a limitation, argues AARP, would severely limit the Commission since most of the rates charged by electric utilities are now recovered through fuel and other adjustment charges. If the Commission is prevented from punishing a utility for mismanagement, a "safe harbor" is provided to utilities. (AARP BR at 6)

AARP asserts that OPC has made a highly credible case that PEF has overcharged its customers by purchasing more expensive coal from its affiliated companies, by purchasing synfuel from its parent corporation, and by using transportation provided by affiliated companies. In addition to the refund of overcharges, the Commission should impose a meaningful statutory penalty to deter PEF and other utilities from attempting the same conduct in the future.

B. White Springs Argument

If the Commission finds that PEF willfully violated a rule or order of the Commission or a provision of Chapter 366, Florida Statutes, then further Commission action is warranted, and White Springs adopts AARP's position on this issue.

C. PEF's Argument

PEF states that AARP witness Stewart applied the wrong standard when he states that if the Commission finds that PEF acted intentionally against its ratepayers and that it is necessary to discourage the utility from future misconduct, the Commission may impose a penalty. All parties agree that the Commission can impose a penalty only upon a finding that a willful violation of any lawful Commission order, Commission rule or statute has occurred. The Commission has no other legal basis to impose a penalty against PEF. (PEF BR at 48)

PEF argues that for a violation to be willful, there must be a specific provision that was allegedly violated. The witness for AARP failed to identify any statute, rule, or order, and just made a generic allegation that PEF violated chapter 366. According to PEF, the Gulf v. Wilson case cited by AARP does not affirm the Commission's authority to establish a penalty. Just the opposite, the Court found that the reduction of points was not a penalty. Accordingly, lacking any authority but that expressly stated in Section 366.095, Florida Statutes, AARP fails to make a case for a penalty being imposed against PEF. (PEF BR at 49)

D. Staff Analysis

The imposition of fines and comparable penalties pursuant to Chapter 350, or Section 366.095, Florida Statutes, is limited to instances where a utility refuses to comply or willfully violates any rule, order, or statute administrated by the Commission. Neither OPC, nor AARP has presented evidence to support that PEF willingly or knowingly charged its customer's unfair or unreasonable rates. Neither OPC nor any other party has successfully demonstrated that PEF's actions were part of an overall scheme designed to cheat its customers while benefiting its parent company and affiliates. Further, no one has identified a rule, order or statute administrated by the Commission that PEF failed to implement or comply with.

The case cited by AARP, Gulf Power Co v. Wilson, 597 So. 2d 270 (Fla. 1992) is distinguishable from the case at hand. That case involved a base rate proceeding. In a base rate proceeding, the Commission is charged with evaluating management efficiency. The Commission found that the management of Gulf was particularly inefficient and downgraded the rate of return, deducting 50 points. The Supreme Court of Florida, in confirming the Commission's actions, specifically found that deducting points for management inefficiency is not a penalty. Id. The Commission's decision was therefore permissible.

Staff recommends that the Commission should not impose a fine or penalty in this case. The record evidence does not support it.

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CONCLUSION

Nothing in the record gives rise to a finding that PEF knowingly or willfully violated a commission rule, order or a statute. No penalty should be charged.

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Issue 6: Should this docket be closed?

Position of the Parties

OPC: If the Commission closes this docket it should state clearly that parties may pursue related issues for years following 2005 in true-up proceedings or other appropriate proceedings.

PEF: Yes.

AARP: AARP adopts the position of the Office of Public Counsel.

AG: The Office of the Attorney General adopts and supports the position of the Public Counsel on this issue.

FIPUG: Yes upon completion of the refund.

White Springs: Yes. The docket should be closed following completion of all refunds to consumers.

Recommendation: The docket should be closed after the time for filing an appeal has run. (Bennett)

Staff Analysis: The docket should be closed 32 days after issuance of the order, to allow the time for filing an appeal to run.

Excess 2003-2005 Coal and SO2 Costs at CR4 and CR5 and Recommended Fuel Refund (Primary Staff, Issue 4)

**Excess 2003-2005 Coal Costs at CR4 and CR5 and Recommended Fuel Refund
 (exclusive of SO2 credit adjustment and interest adjustment)**

a	b	c	d	e	f	g	h	i
<u>Year</u>	<u>CAPP/Foreign</u> <u>Delivered Price</u> <u>(\$/MMBtu)</u>	<u>PRB Adjusted</u> <u>Evaluated Price</u> <u>(\$/MMBtu)</u>	<u>Price</u> <u>Difference</u> <u>(\$/MMBtu)</u>	<u>Maximum</u> <u>PRB Tons</u>	<u>MMBtu</u>	<u>Excess</u> <u>Coal Costs</u> <u>(adjusted)</u>	<u>PRB Coal</u> <u>Eval. Price</u> <u>(\$/MMBtu)</u>	<u>Coal Costs</u> <u>Refund (via</u> <u>Fuel Clause)</u>
2003	2.73	2.60	0.13	480,000	8,448,000	\$1,098,240	2.57	\$1,351,680
2004	2.63	2.28	0.35	480,000	8,448,000	\$2,956,800	2.25	\$3,210,240
2005	3.07	2.43	0.64	444,000	7,814,400	\$5,001,216	2.40	\$5,235,648
TOTAL EXCESS COAL COSTS, 2003-2005						\$9,056,256		\$9,797,568

b : EXH 85, Column 4 , or Witness Heller's delivered price of CAPP/Import Coal to CR4 and CR5

c : EXH 84, Column 10 + 0.1(Column 11), or Witness Heller's evaluated PRB coal price plus
 Primary Staff's adjustment to recognize estimated capital recovery requirement.

d : b - c

e : 20% of 2.4 Mmtpy, or the barge limit of PRB tons for CR4 and CR5 per Witness Heller, with 7.5% reduction for 2005 (TR 926)

f : Column E tons x 2,000 lb/ton x .0088 MMBtu/lb, equal to the MMBtus derived from PRB coal at 20% blend

g : d x f (establishes that PRB was cost-effective to buy)

h : EXH 84, Column 10, or Witness Heller's evaluated PRB coal price

i: (b - h) x f, or Primary Staff's calculated excess costs incurred via the Fuel Clause and ECRC

B. Excess 2003-2005 Costs Related to SO2 Allowances at CR4 and CR5 and Recommended Fuel Refund

a Year	b Increased SO2 (lbs per MMBtu)	c MMBtu	d Excess SO2 tons	e SO2 Price (\$/ton)	f	g Excess SO2 Cost	h	i SO2 Allowance Refund (via ECRC)
2003	0.43	8,448,000	1,774	176		\$319,672		\$319,672
2004	0.44	8,448,000	1,859	442		\$821,484		\$821,484
2005	0.44	7,814,400	1,680	906		\$1,486,768		\$1,486,768
TOTAL EXCESS SO2 COSTS, 2003-2005						\$2,627,924		\$2,627,924

b : EXH 97, Column 3, or Witness Dean's calculated difference in SO2 lbs/MMBtu between bituminous and PRB Coals
 c: MMBtu obtained by 480,000 tons of PRB with heat rate of 8,800 btu/lb (see table at top of page)
 d : (b x c)/2,000 lbs.
 e : EXH 97, Column 6, or Witness Dean's SO2 allowance price per ton
 g and i : d x e (Given "Excess Coal Costs" as shown above, this further establishes PRB was cost effective to buy)

C. Excess 2003-2005 Coal and SO2 Costs and Recommended Fuel Refund

a Year	b	c	d	e	f	g Excess Coal / SO2 Costs (adjusted)	h	i Coal / SO2 Cost Refund Total
2003						\$1,417,912		\$1,671,352
2004						\$3,778,284		\$4,031,724
2005						\$6,487,984		\$6,722,416
TOTAL EXCESS COAL AND SO2 COSTS (ADJUSTED) AND FUEL REFUND (exclusive of interest adjustment)						\$11,684,180		\$12,425,492

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Jan-96	\$0	\$0	\$0	5.605 %	\$0	\$0
Feb-96	0	0	0	5.365 %	0	0
Mar-96	0	0	0	5.415 %	0	0
Apr-96	0	0	0	5.450 %	0	0
May-96	0	0	0	5.400 %	0	0
Jun-96	0	0	0	5.460 %	0	0
Jul-96	0	0	0	5.485 %	0	0
Aug-96	0	0	0	5.425 %	0	0
Sep-96	0	0	0	5.420 %	0	0
Oct-96	0	0	0	5.410 %	0	0
Nov-96	0	0	0	5.415 %	0	0
Dec-96	0	0	0	5.700 %	0	0
Jan-97	0	0	0	5.700 %	0	0
Feb-97	0	0	0	5.440 %	0	0
Mar-97	0	0	0	5.585 %	0	0
Apr-97	0	0	0	5.680 %	0	0
May-97	0	0	0	5.610 %	0	0
Jun-97	0	0	0	5.610 %	0	0
Jul-97	0	0	0	5.600 %	0	0
Aug-97	0	0	0	5.570 %	0	0
Sep-97	0	0	0	5.545 %	0	0
Oct-97	0	0	0	5.530 %	0	0
Nov-97	0	0	0	5.565 %	0	0
Dec-97	0	0	0	5.675 %	0	0
Jan-98	0	0	0	5.625 %	0	0
Feb-98	0	0	0	5.515 %	0	0
Mar-98	0	0	0	5.540 %	0	0
Apr-98	0	0	0	5.540 %	0	0
May-98	0	0	0	5.515 %	0	0
Jun-98	0	0	0	5.550 %	0	0
Jul-98	0	0	0	5.580 %	0	0
Aug-98	0	0	0	5.540 %	0	0
Sep-98	0	0	0	5.370 %	0	0
Oct-98	0	0	0	5.160 %	0	0
Nov-98	0	0	0	5.300 %	0	0
Dec-98	0	0	0	5.200 %	0	0
Jan-99	0	0	0	4.855 %	0	0
Feb-99	0	0	0	4.830 %	0	0
Mar-99	0	0	0	4.865 %	0	0
Apr-99	0	0	0	4.840 %	0	0
May-99	0	0	0	4.825 %	0	0
Jun-99	0	0	0	4.950 %	0	0

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Jul-99	0	0	0	5.075 %	0	0
Aug-99	0	0	0	5.210 %	0	0
Sep-99	0	0	0	5.310 %	0	0
Oct-99	0	0	0	5.300 %	0	0
Nov-99	0	0	0	5.425 %	0	0
Dec-99	0	0	0	5.575 %	0	0
Jan-00	0	0	0	5.700 %	0	0
Feb-00	0	0	0	5.800 %	0	0
Mar-00	0	0	0	5.935 %	0	0
Apr-00	0	0	0	6.125 %	0	0
May-00	0	0	0	6.375 %	0	0
Jun-00	0	0	0	6.575 %	0	0
Jul-00	0	0	0	6.540 %	0	0
Aug-00	0	0	0	6.490 %	0	0
Sep-00	0	0	0	6.490 %	0	0
Oct-00	0	0	0	6.495 %	0	0
Nov-00	0	0	0	6.570 %	0	0
Dec-00	0	0	0	6.575 %	0	0
Jan-01	0	0	0	6.025 %	0	0
Feb-01	0	0	0	5.350 %	0	0
Mar-01	0	0	0	5.075 %	0	0
Apr-01	0	0	0	4.685 %	0	0
May-01	0	0	0	4.155 %	0	0
Jun-01	0	0	0	3.870 %	0	0
Jul-01	0	0	0	3.775 %	0	0
Aug-01	0	0	0	3.610 %	0	0
Sep-01	0	0	0	3.070 %	0	0
Oct-01	0	0	0	2.445 %	0	0
Nov-01	0	0	0	2.130 %	0	0
Dec-01	0	0	0	1.910 %	0	0
Jan-02	0	0	0	1.775 %	0	0
Feb-02	0	0	0	1.760 %	0	0
Mar-02	0	0	0	1.775 %	0	0
Apr-02	0	0	0	1.775 %	0	0
May-02	0	0	0	1.760 %	0	0
Jun-02	0	0	0	1.760 %	0	0
Jul-02	0	0	0	1.740 %	0	0
Aug-02	0	0	0	1.720 %	0	0
Sep-02	0	0	0	1.735 %	0	0
Oct-02	0	0	0	1.705 %	0	0
Nov-02	0	0	0	1.475 %	0	0
Dec-02	0	0	0	1.295 %	0	0

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Month	Beginning Balance	Monthly Excess Fuel Charge	Average Monthly Balance	Annual Interest Rate	Monthly Interest	Ending Balance
Jan-03	0	139,279	69,640	1.280 %	74	139,354
Feb-03	139,354	139,279	208,993	1.260 %	219	278,852
Mar-03	278,852	139,279	348,492	1.215 %	353	418,485
Apr-03	418,485	139,279	488,124	1.185 %	482	558,246
May-03	558,246	139,279	627,886	1.200 %	628	698,153
Jun-03	698,153	139,279	767,793	1.105 %	707	838,139
Jul-03	838,139	139,279	907,779	1.025 %	775	978,194
Aug-03	978,194	139,279	1,047,834	1.055 %	921	1,118,395
Sep-03	1,118,395	139,279	1,188,034	1.060 %	1,049	1,258,724
Oct-03	1,258,724	139,279	1,328,363	1.055 %	1,168	1,399,171
Nov-03	1,399,171	139,279	1,468,810	1.025 %	1,255	1,539,705
Dec-03	1,539,705	139,279	1,609,344	1.030 %	1,381	1,680,365
Jan-04	1,680,365	335,977	1,848,354	1.045 %	1,610	2,017,952
Feb-04	2,017,952	335,977	2,185,940	1.005 %	1,831	2,355,760
Mar-04	2,355,760	335,977	2,523,748	0.980 %	2,061	2,693,798
Apr-04	2,693,798	335,977	2,861,786	1.005 %	2,397	3,032,171
May-04	3,032,171	335,977	3,200,160	1.035 %	2,760	3,370,909
Jun-04	3,370,909	335,977	3,538,897	1.185 %	3,495	3,710,380
Jul-04	3,710,380	335,977	3,878,369	1.400 %	4,525	4,050,882
Aug-04	4,050,882	335,977	4,218,871	1.535 %	5,397	4,392,256
Sep-04	4,392,256	335,977	4,560,244	1.685 %	6,403	4,734,636
Oct-04	4,734,636	335,977	4,902,625	1.855 %	7,579	5,078,192
Nov-04	5,078,192	335,977	5,246,180	2.080 %	9,093	5,423,262
Dec-04	5,423,262	335,977	5,591,251	2.280 %	10,623	5,769,862
Jan-05	5,769,862	560,201	6,049,963	2.420 %	12,201	6,342,265
Feb-05	6,342,265	560,201	6,622,365	2.575 %	14,210	6,916,676
Mar-05	6,916,676	560,201	7,196,777	2.715 %	16,283	7,493,160
Apr-05	7,493,160	560,201	7,773,261	2.880 %	18,656	8,072,018
May-05	8,072,018	560,201	8,352,118	3.020 %	21,019	8,653,238
Jun-05	8,653,238	560,201	8,933,339	3.165 %	23,562	9,237,001
Jul-05	9,237,001	560,201	9,517,102	3.350 %	26,569	9,823,771
Aug-05	9,823,771	560,201	10,103,872	3.535 %	29,764	10,413,737
Sep-05	10,413,737	560,201	10,693,838	3.715 %	33,106	11,007,045
Oct-05	11,007,045	560,201	11,287,145	3.910 %	36,777	11,604,023
Nov-05	11,604,023	560,201	11,884,124	4.120 %	40,802	12,205,027
Dec-05	12,205,027	560,201	12,485,127	4.255 %	44,270	12,809,498
Jan-06	12,809,498	0	12,809,498	4.405 %	47,022	12,856,520
Feb-06	12,856,520	0	12,856,520	4.520 %	48,426	12,904,946
Mar-06	12,904,946	0	12,904,946	4.655 %	50,060	12,955,006
Apr-06	12,955,006	0	12,955,006	4.870 %	52,576	13,007,582
May-06	13,007,582	0	13,007,582	4.985 %	54,036	13,061,618
Jun-06	13,061,618	0	13,061,618	5.150 %	56,056	13,117,674
Jul-06	13,117,674	0	13,117,674	5.325 %	58,210	13,175,884

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Aug-06	13,175,884	0	13,175,884	5.315 %	58,358	13,234,242
Sep-06	13,234,242	0	13,234,242	5.265 %	58,065	13,292,307
Oct-06	13,292,307	0	13,292,307	5.265 %	58,320	13,350,627
Nov-06	13,350,627	0	13,350,627	5.260 %	58,520	13,409,147
Dec-06	13,409,147	0	13,409,147	5.260 %	58,777	13,467,924
Jan-07	13,467,924	0	13,467,924	5.265 %	59,091	13,527,015
Feb-07	13,527,015	0	13,527,015	5.260 %	59,293	13,586,308
Mar-07	13,586,308	0	13,586,308	5.260 %	59,553	13,645,861
Apr-07	13,645,861	0	13,645,861	5.260 %	59,814	13,705,676
May-07	13,705,676	0	13,705,676	5.260 %	60,077	13,765,752
Jun-07	13,765,752	0	13,765,752	5.270 %	60,455	13,826,207
TOTAL		<u>\$12,425,492</u>			<u>\$1,400,715</u>	<u>\$13,826,207</u>

EXHIBIT NO. ____ (RLS-3)

BID EVALUATION

Ott, Robin (PFC)

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2005-2007

*Purchases &
Open Contract*

From: Pitcher, Al (PFC)
Sent: Thursday, May 20, 2004 3:23 PM
To: Crake, Kyle (Energy)
Cc: Byone, Steve (Energy); Lelak, Michael (PFC); Ott, Robin (PFC); Potter, Roy (PFC)
Subject: 2005-2006 Purchases
Importance: High

Attached are the schedules which provide the detail of our recent Coal RFP and our purchase decisions. We purchased 3.6 million tons from five (5) individual suppliers. Purchases for 2005 are 2.5 million tons, and the 2006 purchases are 1.1 million tons. No purchases were made for 2007. Also, included are the "open" and "closed" positions for 2005-2007. Overall we have closed approximately 60% of our position for rail coal and 94% for our water position for 2005. We have a lot of open position for 2006 and 2007. We added two new "A" coal suppliers to the "stable of suppliers," and we increased the tonnage with another "D" coal supplier who was new to us for 2004 and has performed very well thus far this year.

This is the quickest this department has ever evaluated, purchased, and sent draft contracts to suppliers for a coal RFP. Congratulations to Mike, Roy, and Robin for the hard work in accomplishing this. As you know the market is very volatile and it was important to make our purchase decisions quickly. Drafts of contracts are being sent today to the suppliers. We will begin contract negotiations within the next week.

Al Pitcher

6/1/2004

CONFIDENTIAL

PROGRESS FUELS CORPORATION
Potential Purchases from 2005 - 2007 RFP

Coal Type	Coal Type/Mode	Supplier	2005			2006			2007		
			Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open
"A"	Rail	Massey	720.0			360.0					
		Black Gold	120.0			240.0					
		B & W	240.0			240.0					
		Open	1,079.0			1,417.0			2,381.0		
			<u>2,159.0</u>	<u>50.0%</u>	<u>50.0%</u>	<u>2,257.0</u>	<u>37.2%</u>	<u>62.8%</u>	<u>2,381.0</u>	<u>0.0%</u>	<u>100.0%</u>
"D"	Rail	Massey	360.0			180.0					
		Progress	360.0			360.0					
		Open	191.0			750.0			1,808.0		
			<u>911.0</u>	<u>79.0%</u>	<u>21.0%</u>	<u>1,290.0</u>	<u>41.9%</u>	<u>58.1%</u>	<u>1,808.0</u>	<u>0.0%</u>	<u>100.0%</u>
"D"	Water	Massey	360.0			180.0					
		Central	300.0			300.0					
		Open	40.0			170.0			2,300.0		
			<u>700.0</u>	<u>94.3%</u>	<u>5.7%</u>	<u>650.0</u>	<u>73.8%</u>	<u>26.2%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>
			<u>3,770.0</u>	<u>65.3%</u>	<u>34.7%</u>	<u>4,197.0</u>	<u>44.3%</u>	<u>55.7%</u>	<u>6,489.0</u>	<u>0.0%</u>	<u>100.0%</u>
	Rail	Committed	1,800.0			1,380.0					
		Open	1,270.0			2,167.0			4,189.0		
			<u>3,070.0</u>	<u>58.6%</u>	<u>41.4%</u>	<u>3,547.0</u>	<u>38.9%</u>	<u>61.1%</u>	<u>4,189.0</u>	<u>0.0%</u>	<u>100.0%</u>
	Water	Committed	660.0			480.0					
		Open	40.0			170.0			2,300.0		
			<u>700.0</u>	<u>94.3%</u>	<u>5.7%</u>	<u>650.0</u>	<u>73.8%</u>	<u>26.2%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>
			<u>3,770.0</u>	<u>65.3%</u>	<u>34.7%</u>	<u>4,197.0</u>	<u>44.3%</u>	<u>55.7%</u>	<u>6,489.0</u>	<u>0.0%</u>	<u>100.0%</u>

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May 2004
Solicitation
ALL BIDS by Rail/Water

Supplier	Term	Origin	Total Tons	Weight		2005		2006		2007		2008		Transp. Cost	Railcar Cost	Purchase Specifications						Utilization Cost/mt	Unit #5 Debris Codes	Cash Cost \$/mt	Cash Cost \$/M	Evaluated Utilized Cost \$/mt	Evaluated Utilized Cost \$/M	ACTION TAKEN	Notes
				Price	Tons	Price	Tons	Price	Tons	Price	Tons	Ash	Sulfur			Btu	Molature	Vol	HGI	SO2									
Water																													
DTE	2005	PRB/Cora	504	\$18.52	504	\$18.52	0	\$0.00	0	\$0.00	0	\$0.00	\$12.07	\$0.00	5.64%	0.30%	8,800	28.70%	31.65%	51	0.68	\$1.48	BM	\$30.69	1.744	\$32.17	\$1.83		Incl ground storage-SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500		500	\$22.90	500		500		0				4.00%	0.38%	9,350	22.36%	31.26%	61	0.80		BM						
Arch	1/05-12/07	Thunder Basin	1500		500	\$7.85	500		500		0				5.50%	0.30%	8,800	28.00%	30.78%	50	0.68		BMV						SO2 prem@0.8
Triton	05	PRB N. Rochelle	1000	\$8.00	1000	\$8.00	0	\$0.00	0	\$0.00	0	\$0.00	\$25.07	\$0.00	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	\$1.80	BM						SO2 prem@0.8
Triton	05-07	PRB-BucksKn	3000		1000	\$5.50	1000		1000		0				5.50%	0.34%	8,400	30.00%	31.00%	65	0.80		BM						SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000		1000	\$8.25	1000		1000		0				5.20%	0.35%	8,800	28.50%	31.50%	63	0.80		BM						SO2 prem@0.8
Peabody	05-07	Antelope	800		300	\$8.75	300		300		0				5.50%	0.27%	8,900	28.00%	30.00%	56	0.60		BMV						SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000		200	\$27.74	400		400		0				5.00%	0.59%	9,963	13.22%	30.75%	61	1.18		BMV						Check vol on IB Coal
Oxbow	05-08	Colorado	1550		50	\$30.00	500		500		500				12.00%	0.72%	11,900	9.00%	31.00%	50	1.20		S					ground storage included	
Interocean	07	Colombia-Mobile	1000		0	\$0.00	0		1000		0				5.50%	0.70%	11,700	14.00%	31.00%	43	1.20		BM						
Central	1/05-12/06	Winfred Dock	600		300	\$50.50	300		0		0				12.00%	0.74%	12,300	8.00%	31.00%	42	1.20								
Massey	05	FOB Geréoo	720	\$51.80	720	\$51.80	0	\$0.00	0	\$0.00	0	\$0.00	\$14.63	\$0.00	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	\$0.96	A	\$66.43	2.745	\$67.39	\$2.78		18 month
Massey	05	Sydney-Ceredo	600	\$53.80	600	\$53.80	0	\$0.00	0	\$0.00	0	\$0.00	\$14.63	\$0.00	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	\$0.96	A	\$68.43	2.782	\$69.09	\$2.81		18 month
CMC	05	Colombia-Mobile	200	\$58.74	200	\$58.74	0	\$0.00	0	\$0.00	0	\$0.00	\$8.01	\$0.00	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	\$0.16	SM	\$66.75	2.828	\$66.91	\$2.84		
Glencore	2005	Colombia-INT	150	\$61.25	150	\$61.25	0	\$0.00	0	\$0.00	0	\$0.00	\$7.49	\$0.00	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	-\$0.15		\$68.74	2.864	\$68.59	\$2.86		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	\$59.42	200	\$59.42	0	\$0.00	0	\$0.00	0	\$0.00	\$8.39	\$0.00	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	\$0.16	SM	\$67.81	2.873	\$67.97	\$2.88		
Glencore	2005	Colombia-INT	150	\$65.00	150	\$65.00	0	\$0.00	0	\$0.00	0	\$0.00	\$7.49	\$0.00	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	-\$0.64	S	\$72.49	2.823	\$71.85	\$2.90		
Guasare	05-07	Pasa Diablo -JMT	990		330	\$68.76	330		330		0				7.00%	0.77%	12,800	8.00%	34.00%	45	1.20								
Guasare	05-07	Mina Norte-INT	700		200	\$70.15	250		250		0				8.00%	0.78%	13,000	8.00%	31.00%	45	1.20								

Rail																													
Massey	05	Bandrill	720	\$45.00	720	\$45.00	0	\$0.00	0	\$0.00	0	\$0.00	\$18.18	\$2.00	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	\$0.96	A	\$65.18	2.693	\$66.14	\$2.73		18 month
Progress	05-07	Diamond May	1080		360	\$49.50	360		360		0				12.00%	0.75%	12,500	8.00%	32.00%	43	1.20								
Alliance	05-07	MC Mining	900		150	\$57.80	150		600		0				10.00%	0.74%	12,300	9.00%	32.00%	39	1.20		H						06 & 07 reopener
Massey	05	NS-Sydney	600	\$47.80	600	\$47.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00	\$2.00	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	\$0.66	A	\$49.00	1.992	\$49.66	\$2.02		INS Move-NO FREIGHT Included

CR 45 Economics Base Specifications					
Ash	Sulfur	Btu	Molature	Vol	HGI
10.00%	0.70%	12,000	8.00%	31.00%	40

Total Tons 19984

*estimated in red

SO2 Price

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May 2004
Solicitation
ALL BIDS

Supplier	Term	Origin	Weight		Purchase Specifications												Utilization	Unit 45 Derate Codes	Cash Cost \$/M	Cash Cost \$/M	Evaluated Utilized Cost \$/M	Evaluated Utilized Cost \$/M	ACTION TAKEN	Notes					
			Total Tons	Avg Price	2005 Tons	2005 Price	2006 Tons	2006 Price	2007 Tons	2007 Price	2008 Tons	2008 Price	Transp Cost	Railcars Cost	Ash	Sulfur									Sta Blu	Moisture	Vol	HGI	SO2
Massey	05	CSX BS	720	\$44.00	720	\$44.00	0	\$0.00	0	\$0.00	0	\$0.00	\$16.62	\$2.00	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	\$2.93	AS	\$62.82	2,596	\$65.75	\$2.72		New Ridge/Goff
B&W Resources	05-07	CSX Jellico	720		240	\$46.50	240		240		0				11.50%	1.25%	12,500	7.00%	32.00%	42	2.00		S						
Marshall	05-06	CSX Clinchfield	500		250	\$46.50	250		0		0				13.00%	1.31%	12,500	7.00%	29.00%	50	2.10		ASV						
Massey	05	CSX Kan	720	\$44.00	720	\$44.00	0	\$0.00	0	\$0.00	0	\$0.00	\$18.18	\$2.00	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	\$2.93	ASV	\$64.18	2,652	\$67.11	\$2.77		Bandmill
Central App	05-07	CSX BS	720		240	\$47.00	240		240		0				12.00%	1.32%	12,500	8.00%	32.00%	42	2.10		S						
Black Gold	05-07	CSX Hartan	600		120	\$47.50	240		240		0				10.00%	1.34%	12,700	8.00%	31.00%	42	2.10		S						
Horizon	05-07	CSX-Evergreen	1500		500	\$44.00	500		500		0				13.00%	1.29%	12,300	8.00%	31.00%	45	2.10		AS						Note reopener 06 and 07
Central Coal Co	05-06	CSX-Kan	480		240	\$46.50	240		0		0				12.00%	0.99%	12,300	8.00%	32.00%	45	1.60		S						SO2 set to 1.6
CMC	05	Colombia-Mobile	400	\$55.18	400	\$55.18	0	\$0.00	0	\$0.00	0	\$0.00	\$8.01	\$0.00	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$0.05	SBM	\$63.19	2,724	\$63.24	\$2.73		
Logan&Kanawha	05-07	CSX Kan	1080		360	\$49.00	360		360		0				13.00%	1.80%	12,500	8.00%	30.00%	42	1.60		ASV						Snap Creek
CMC	05	Colombia-ECT	400	\$55.86	400	\$55.86	0	\$0.00	0	\$0.00	0	\$0.00	\$8.38	\$0.00	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$0.05	SBM	\$64.25	2,769	\$64.30	\$2.77		
Peabody	05-07	CSX Kan	720		240	\$47.00	240		240		0				13.50%	1.28%	12,200	6.70%	30.00%	40	2.10		ASV						Sulfur Premium @ 1.6
Horizon	05-07	CSX Haz-Type	1500		500	\$48.00	500		500		0				13.00%	1.27%	12,100	8.00%	31.00%	42	2.10		AS						reopener 06 and 07
Smokey Mtn	05	CSX Kan	240	\$50.05	240	\$50.05	0	\$0.00	0	\$0.00	0	\$0.00	\$18.18	\$2.00	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10	\$3.12	AS	\$70.23	2,926	\$73.35	\$3.06		

Total Tons 10300

*estimated in red

CR 12 Economics Base Specifications					
Ash	Sulfur	Btu	Moisture	Vol	HGI
10.00%	1.05%	12,000	8.00%	34.00%	40

SO2 Price

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

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-9)
Bid Evaluation
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List of Coal Purchases from 4/04 Solicitation

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PROGRESS FUELS CORPORATION

Potential Purchases

Coal Type	Transportation Mode	2005			2006			2007		
		Open Total	80%	20%	Open Total	80%	20%	Open Total	80%	20%
"A"	Rail	1,366.0	1,092.8	273.2	1,455.0	1,164.0	291.0	2,473.0	1,978.4	494.6
"D"	Rail	821.0	656.8	164.2	1,223.0	978.4	244.6	1,733.0	1,386.4	346.6
"D"	Water	700.0	560.0	140.0	650.0	520.0	130.0	2,300.0	1,840.0	460.0
		<u>2,887.0</u>	<u>2,309.6</u>	<u>577.4</u>	<u>3,328.0</u>	<u>2,662.4</u>	<u>665.6</u>	<u>6,506.0</u>	<u>5,204.8</u>	<u>1,301.2</u>

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PROGRESS FUELS CORPORATION
Potential Purchases From
2005-2007 RFP

<u>Coal Type</u>	<u>Transportation Mode</u>	<u>2005</u>			<u>2006</u>			<u>2007</u>		
		<u>Open Total</u>	<u>80%</u>	<u>20%</u>	<u>Open Total</u>	<u>80%</u>	<u>20%</u>	<u>Open Total</u>	<u>80%</u>	<u>20%</u>
"A"	Rail	1,126.0	900.8	225.2	1,455.0	1,164.0	291.0	2,473.0	1,978.4	494.6
"A"	Water (1)	240.0	240.0	-	-	-	-	-	-	-
"D"	Rail	1,061.0	848.8	212.2	1,223.0	978.4	244.6	1,733.0	1,386.4	346.6
"D"	Water	460.0	368.0	92.0	650.0	520.0	130.0	2,300.0	1,840.0	460.0
		<u>2,887.0</u>	<u>2,357.6</u>	<u>529.4</u>	<u>3,328.0</u>	<u>2,662.4</u>	<u>665.6</u>	<u>6,506.0</u>	<u>5,204.8</u>	<u>1,301.2</u>

(1) RFP Results Central
Coal

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PROGRESS FUELS CORPORATION

Potential Purchases from 2005 - 2007 RFP

Coal Type	Coal Type/Mode	Supplier	2005			2006			2007		
			Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open
"A"	Rail	Massey	720.0								
		Black Gold	120.0								
		Open	286.0			1,455.0			2,473.0		
			<u>1,126.0</u>	<u>74.6%</u>	<u>25.4%</u>	<u>1,455.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>2,473.0</u>	<u>0.0%</u>	<u>100.0%</u>
"A"	Water	Central	240.0								
		Open	-			-			-		
			240.0	<u>100.0%</u>	<u>0.0%</u>	-	<u>0.0%</u>	<u>100.0%</u>	-	<u>0.0%</u>	<u>100.0%</u>
"D"	Rail	Massey	360.0								
		Progress	360.0								
		Open	141.0			1,223.0			1,733.0		
			<u>861.0</u>	<u>83.6%</u>	<u>16.4%</u>	<u>1,223.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>1,733.0</u>	<u>0.0%</u>	<u>100.0%</u>
"D"	Water	Massey	360.0								
		Progress	300.0								
		Open	-			650.0			2,300.0		
			<u>660.0</u>	<u>100.0%</u>	<u>0.0%</u>	<u>650.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>
			<u>2,887.0</u>	<u>85.2%</u>	<u>14.8%</u>	<u>3,328.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>6,506.0</u>	<u>0.0%</u>	<u>100.0%</u>
	Rail	Committed	1,560.0			-			-		
		Open	427.0			2,678.0			4,206.0		
			<u>1,987.0</u>	<u>78.5%</u>	<u>21.5%</u>	<u>2,678.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>4,206.0</u>	<u>0.0%</u>	<u>100.0%</u>
	Water	Committed	900.0			-			-		
		Open	-			650.0			2,300.0		
			<u>900.0</u>	<u>100.0%</u>	<u>0.0%</u>	<u>650.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>
			<u>2,887.0</u>	<u>85.2%</u>	<u>14.8%</u>	<u>3,328.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>6,506.0</u>	<u>0.0%</u>	<u>100.0%</u>

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PROGRESS FUELS CORPORATION
Potential Purchases from 2005 - 2007 RFP

Coal Type	Coal Type/Mode	Supplier	2005			2006			2007		
			Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open
"A"	Rail	Massey	720.0								
		Black Gold	120.0								
		Open	<u>526.0</u>			<u>1,455.0</u>			<u>2,473.0</u>		
			<u>1,366.0</u>	<u>61.5%</u>	<u>38.5%</u>	<u>1,455.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>2,473.0</u>	<u>0.0%</u>	<u>100.0%</u>
"D"	Rail	Massey	360.0								
		Progress	360.0								
		Open	<u>101.0</u>			<u>1,223.0</u>			<u>1,733.0</u>		
			<u>821.0</u>	<u>87.7%</u>	<u>12.3%</u>	<u>1,223.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>1,733.0</u>	<u>0.0%</u>	<u>100.0%</u>
"D"	Water	Massey	360.0								
		Central	300.0								
		Open	<u>40.0</u>			<u>650.0</u>			<u>2,300.0</u>		
			<u>700.0</u>	<u>94.3%</u>	<u>5.7%</u>	<u>650.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>
			<u>2,887.0</u>	<u>76.9%</u>	<u>23.1%</u>	<u>3,328.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>6,506.0</u>	<u>0.0%</u>	<u>100.0%</u>



Rail	Committed	1,560.0									
	Open	<u>627.0</u>			<u>2,678.0</u>			<u>4,206.0</u>			
		<u>2,187.0</u>	<u>71.3%</u>	<u>28.7%</u>	<u>2,678.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>4,206.0</u>	<u>0.0%</u>	<u>100.0%</u>	
Water	Committed	660.0									
	Open	<u>40.0</u>			<u>650.0</u>			<u>2,300.0</u>			
		<u>700.0</u>	<u>94.3%</u>	<u>5.7%</u>	<u>650.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>	
		<u>2,887.0</u>	<u>76.9%</u>	<u>23.1%</u>	<u>3,328.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>6,506.0</u>	<u>0.0%</u>	<u>100.0%</u>	

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PROGRESS FUELS CORPORATION
Potential Purchases from 2005 - 2007 RFP

Coal Type	Coal Type/Mode	Supplier	2005			2006			2007		
			Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open
"A"	Rail	Massey	720.0								
		Black Gold	120.0								
		Open	526.0			1,455.0			2,473.0		
			<u>1,366.0</u>	61.5%	38.5%	<u>1,455.0</u>	0.0%	100.0%	<u>2,473.0</u>	0.0%	100.0%
"D"	Rail	Massey	360.0								
		Progress	360.0								
		Open	101.0			1,223.0			1,733.0		
			<u>821.0</u>	87.7%	12.3%	<u>1,223.0</u>	0.0%	100.0%	<u>1,733.0</u>	0.0%	100.0%
"D"	Water	Massey	360.0								
		Central	300.0								
		Open	40.0			650.0			2,300.0		
			<u>700.0</u>	94.3%	5.7%	<u>650.0</u>	0.0%	100.0%	<u>2,300.0</u>	0.0%	100.0%
			<u>2,887.0</u>	76.9%	23.1%	<u>3,328.0</u>	0.0%	100.0%	<u>6,506.0</u>	0.0%	100.0%
	Rail	Committed	1,560.0			-			-		
		Open	627.0			2,678.0			4,206.0		
			<u>2,187.0</u>	71.3%	28.7%	<u>2,678.0</u>	0.0%	100.0%	<u>4,206.0</u>	0.0%	100.0%
	Water	Committed	660.0			-			-		
		Open	40.0			650.0			2,300.0		
			<u>700.0</u>	94.3%	5.7%	<u>650.0</u>	0.0%	100.0%	<u>2,300.0</u>	0.0%	100.0%
			<u>2,887.0</u>	76.9%	23.1%	<u>3,328.0</u>	0.0%	100.0%	<u>6,506.0</u>	0.0%	100.0%

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PROGRESS FUELS CORPORATION
Potential Purchases from 2005 - 2007 RFP

Coal Type	Coal Type/Mode	Supplier	2005			2006			2007		
			Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open	Open Total	Percentage Closed	Open
"A"	Rail	Massey	720.0			-			-		
		Black Gold	120.0			240.0			-		
		Open	526.0			1,215.0			2,473.0		
			<u>1,366.0</u>	<u>61.5%</u>	<u>38.5%</u>	<u>1,455.0</u>	<u>16.5%</u>	<u>83.5%</u>	<u>2,473.0</u>	<u>0.0%</u>	<u>100.0%</u>
"D"	Rail	Massey	360.0			-			-		
		Progress	360.0			360.0			-		
		Open	101.0			863.0			1,733.0		
			<u>821.0</u>	<u>87.7%</u>	<u>12.3%</u>	<u>1,223.0</u>	<u>29.4%</u>	<u>70.6%</u>	<u>1,733.0</u>	<u>0.0%</u>	<u>100.0%</u>
"D"	Water	Massey	360.0			-			-		
		Central	300.0			300.0			-		
		Open	40.0			650.0			2,300.0		
			<u>700.0</u>	<u>94.3%</u>	<u>5.7%</u>	<u>650.0</u>	<u>46.2%</u>	<u>53.8%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>
			<u>2,887.0</u>	<u>76.9%</u>	<u>23.1%</u>	<u>3,328.0</u>	<u>27.0%</u>	<u>73.0%</u>	<u>6,506.0</u>	<u>0.0%</u>	<u>100.0%</u>
	Rail	Committed	1,560.0			600.0			-		
		Open	627.0			2,078.0			4,206.0		
			<u>2,187.0</u>	<u>71.3%</u>	<u>28.7%</u>	<u>2,678.0</u>	<u>22.4%</u>	<u>77.6%</u>	<u>4,206.0</u>	<u>0.0%</u>	<u>100.0%</u>
	Water	Committed	660.0			-			-		
		Open	40.0			650.0			2,300.0		
			<u>700.0</u>	<u>94.3%</u>	<u>5.7%</u>	<u>650.0</u>	<u>0.0%</u>	<u>100.0%</u>	<u>2,300.0</u>	<u>0.0%</u>	<u>100.0%</u>
			<u>2,887.0</u>	<u>76.9%</u>	<u>23.1%</u>	<u>3,328.0</u>	<u>18.0%</u>	<u>82.0%</u>	<u>6,506.0</u>	<u>0.0%</u>	<u>100.0%</u>

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PROGRESS FUELS CORPORATION

Potential Purchases

Coal Type	Coal Type/Mode	Supplier	2005			2006			2007		
			Open Total	80%	20%	Open Total	80%	20%	Open Total	80%	20%
"A"	Rail	Massey	720.0								
		Black Gold	120.0								
		Open	286.0	228.8	57.2	1,455.0	1,164.0	291.0	2,473.0	1,978.4	494.6
			1,126.0	228.8	57.2	1,455.0	1,164.0	291.0	2,473.0	1,978.4	494.6
"A"	Water	Central	240.0								
		Open	-	-	-	-	-	-	-	-	-
			240.0	-	-	-	-	-	-	-	-
"D"	Rail	Massey	360.0								
		Progress	360.0								
		Open	141.0	112.8	28.2	1,223.0	978.4	244.6	1,733.0	1,386.4	346.6
			861.0	112.8	28.2	1,223.0	978.4	244.6	1,733.0	1,386.4	346.6
"D"	Water	Massey	360.0								
		Progress	300.0								
		Open	-	-	-	650.0	520.0	130.0	2,300.0	1,840.0	460.0
			660.0	-	-	650.0	520.0	130.0	2,300.0	1,840.0	460.0
		2,887.0	341.6	85.4	3,328.0	2,662.4	665.6	6,506.0	5,204.8	1,301.2	

Rail	Committed	1,560.0	-	-	-	-	-	-	-	-
	Open	427.0	341.6	85.4	2,678.0	2,142.4	535.6	4,206.0	3,364.8	841.2
		1,987.0	341.6	85.4	2,678.0	2,142.4	535.6	4,206.0	3,364.8	841.2
Water	Committed	900.0	-	-	-	-	-	-	-	-
	Open	-	-	-	650.0	520.0	130.0	2,300.0	1,840.0	460.0
		900.0	-	-	650.0	520.0	130.0	2,300.0	1,840.0	460.0
		2,887.0	341.6	85.4	3,328.0	2,662.4	665.6	6,506.0	5,204.8	1,301.2

Coal
as of March 31, 2004

	2Q04	3Q04	4Q04	2005	2006	2007	2008	2009	2010	2011	2012	2013
PEC												
Projected Burn (Tons)												
Under Contract (Tons)												
Open (Tons)												
Target Inventory (Days)												
% Hedged Current				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% Hedge as of 1/1/05 (projected)												
Embedded Delivered Cost of Current Contracts (\$/ton)												
Projected Delivered Cost of Potential Contracts (\$/ton)												
Estimated Average Delivered Cost (\$/ton)												
Budgeted Cost (\$/ton)												
PEF												
Projected Burn (Tons)	1,625	1,785	1,522	6,737	6,778	6,506	6,528	6,860				
Under Contract (Tons)	1,625	1,785	1,512	3,850	3,450							
Open (Tons)			63	2,887	3,328	6,506	6,528	6,860				
Target Inventory (Days)	45	45	45	45	45	45	45	45				
% Hedged Current	100.00%	100.00%	99.34%	57.15%	50.90%	0.00%	0.00%	0.00%				
% Hedge as of 1/1/05 (projected)	100.00%	100.00%	100.00%	80.00%	80.00%	<50.00%						
Embedded Delivered Cost of Current Contracts (\$/ton)	\$57.25	\$56.18	\$55.69	\$54.01	\$54.79							
Projected Delivered Cost of Potential Contracts (\$/ton)			55.69	59.77	56.85	\$53.80	\$54.06	\$54.75				
Estimated Average Delivered Cost (\$/ton)	57.25	56.18	55.69	56.48	55.80	53.80	54.06	54.75				
Budgeted Cost (\$/ton)	55.06	55.06	55.15	55.23	55.79	56.86	58.51	59.26				
TOTAL												
Projected Burn (Tons)												
Under Contract (Tons)												
Open (Tons)												
% Hedged Current												

CR Units 4 and 5
 May 2004
 Solicitation
 ALL BIDS

Supplier	Term	Origin	Goal Tons	Weight										Transp Cost	Railroad Costs	Purchase Specifications						Utilization Cost/ft	Unit 45 Derate Codes	Cash Cost \$/ft	Cash Cost \$/M	Evaluated Utilized Cost \$/ft	Evaluated Utilized Cost \$/M	ACTION TAKEN	Notes
				2005 Price	2005 Tons	2006 Price	2006 Tons	2007 Price	2007 Tons	2008 Price	2008 Tons	2009 Price	2009 Tons			Ash	Sulfur	Btu	Moisture	Vol	HGI								
DTE	2005	PRB/Cora	504	\$18.62	504	\$18.62	0	\$0.00	0	\$0.00	0	\$0.00	\$12.07	\$0.00	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	\$1.48	BM	\$30.69	1,744	\$32.17	\$1.83		Incl ground storage- SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1500		500	\$22.90	500		500		0				4.00%	0.38%	9,350	22.36%	31.26%	61	0.80		BM						
Arch	1/05-12/07	Thunder Basin	1500		500	\$7.85	500		500		0				5.50%	0.30%	8,800	28.80%	30.78%	50	0.68		BMV						SO2 prem@0.8
Tifton	05	PRB N. Rochelle	1000	\$8.00	1000	\$8.00	0	\$0.00	0	\$0.00	0	\$0.00	\$25.07	\$0.00	5.20%	0.35%	8,600	28.50%	31.50%	63	0.80	\$1.80	BM	\$33.07	1,879	\$34.87	\$1.98		SO2 prem@0.8
Triton	05-07	PRB-Buckskin	3000		1000	\$6.50	1000		1000		0				5.50%	0.34%	8,400	30.00%	31.00%	65	0.80		BM						SO2 prem@0.8
Triton	05-07	PRB N. Rochelle	3000		1000	\$8.25	1000		1000		0				5.20%	0.35%	8,600	28.50%	31.50%	63	0.80		BM						SO2 prem@0.8
Peabody	05-07	Antelope	900		300	\$8.75	300		300		0				5.50%	0.27%	8,900	28.00%	30.00%	56	0.60		BMV						SO2 prem@0.8
Kennecott	05-07	Barge Cahokia	1000		200	\$27.74	400		400		0				5.00%	0.59%	9,963	13.22%	30.75%	61	1.18		BMV						Check vol on IB Coal
Oxbow	05-08	Colorado	1550		50	\$30.00	500		500		500				12.00%	0.72%	11,900	9.00%	31.00%	50	1.20		S						ground storage included
Interocean	07	Colombia-Mobile	1000		0	\$0.00	0		1000		0				5.50%	0.70%	11,700	14.00%	31.00%	43	1.20		BM						
Central	1/05-12/06	Winifred Dock	600		300	\$50.50	300		0		0				12.00%	0.74%	12,300	8.90%	31.00%	42	1.20								
Massey	05	FDB Ceredo	720	\$51.80	720	\$51.80	0	\$0.00	0	\$0.00	0	\$0.00	\$14.63	\$0.00	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	\$0.96	A	\$66.43	2,745	\$67.39	\$2.78		18 month
Massey	05	Sydney-Ceredo	800	\$53.80	600	\$53.80	0	\$0.00	0	\$0.00	0	\$0.00	\$14.63	\$0.00	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	\$0.66	A	\$68.43	2,782	\$69.09	\$2.81		18 month
CMC	05	Colombia-Mobile	200	\$58.74	200	\$58.74	0	\$0.00	0	\$0.00	0	\$0.00	\$8.01	\$0.00	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	\$0.16	SM	\$66.75	2,828	\$66.91	\$2.84		
Glencore	2005	Colombia-IMT	150	\$81.25	150	\$81.25	0	\$0.00	0	\$0.00	0	\$0.00	\$7.49	\$0.00	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	-\$0.15		\$68.74	2,864	\$68.59	\$2.88		SO2 guaranteed at 0.8
CMC	05	Colombia-ECT	200	\$59.42	200	\$59.42	0	\$0.00	0	\$0.00	0	\$0.00	\$8.39	\$0.00	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	\$0.16	SM	\$67.81	2,873	\$67.97	\$2.88		
Glencore	2005	Colombia-IMT	150	\$65.00	150	\$65.00	0	\$0.00	0	\$0.00	0	\$0.00	\$7.49	\$0.00	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20		S	\$72.49	2,923	\$71.85	\$2.90		
Guasare	05-07	Pasa Diablo - IMT	990		330	\$88.76	330		330		0				7.00%	0.77%	12,800	8.00%	34.00%	45	1.20								
Guasare	05-07	Mina Norte-IMT	700		200	\$78.15	250		250		0				8.00%	0.78%	13,000	8.00%	31.00%	45	1.20								
Massey	05	NS-Sydney	600	\$47.00	600	\$47.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00	\$2.00	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	\$0.66	A	\$49.00	1,992	\$49.66	\$2.02		NS Move-
Massey	05	Bandmill	720	\$45.00	720	\$45.00	0	\$0.00	0	\$0.00	0	\$0.00	\$18.18	\$2.00	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	\$0.96	A	\$65.18	2,693	\$66.14	\$2.73		18 month
Progress	05-07	Diamond May	1080		360	\$49.50	360		360		0				12.00%	0.75%	12,500	8.00%	32.00%	43	1.20								
Alliance	05-07	MC Mining	900		150	\$57.00	150		600		0				10.00%	0.74%	12,300	9.00%	32.00%	39	1.20		H						06 & 07 respener

Total Tons 20584

*estimated in red

CR 45 Economic Base Specifications				
Ash	Sulfur	Btu	Moisture	Vol HGI
10.00%	0.70%	12,000	8.00%	31.00% 40

302 Price

Revised 6/1/2004 7:14

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 Robert L. Sansom Exhibit No. (RLS-3)
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CR Units 1, 2, 4 and 5
PURCHASES from
2005-2006
RFP
CORRECTED COPY

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				(000)		Purchase Specifications										Cash	Cash	Evaluated	Evaluated		
Supplier	Coal Type	Term	Origin	Total Tons	2005 Tons	2006 Tons	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	SO2	Cost \$/st	Cost \$/M	Cost \$/st	Cost \$/M			
<i>Water</i>																					
Drummond / Interocean	D (CR4&5)	1/05-12/06	FOB Mobile	1800	800	1000	5.50%	0.70%	11,700	14.00%	32.00%	43		1.20							
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	300	300	12.00%	0.74%	12,300	8.00%	31.00%	42		1.20							
Massey	D (CR4&5)	1/05-6/06	FOB Ceredo	540	360	180	13.00%	0.73%	12,100	8.00%	31.00%	42		1.20							
<i>Rail</i>																					
Massey	D (CR4&5)	1/05-6/06	Bandmill	540	360	180	12.00%	0.73%	12,100	8.00%	31.00%	42		1.20							
Progress Fuels	D (CR4&5)	1/05-12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43		1.20							
Sequoia Energy LLC	A (CR1&2)	1/05-12/06	CSX Harlan	360	120	240	10.00%	1.34%	12,700	8.00%	31.00%	42	1.50	2.10							
Massey	A (CR1&2)	1/05-6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10							
B&W Resources	A (CR1&2)	1/05-12/06	CSX Jellico	480	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	1.50	2.00							
			Total Tons	4320	2460	1860											SO2				

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PROGRESS FUELS CORPORATION

Attachment A

CR Units 1,2, 4 and 5

PURCHASES from

2005-2006

RFP

Date	Origin	(000)			Purchase Specifications								Min	Max	Cash Cost \$/st	Cash Cost \$/M	Evaluated Utilized Cost \$/st	Evaluated Utilized Cost \$/M
		Total Tons	2005 Tons	2006 Tons	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	SO2						
12/06	FOB Mobile	1800	800	1000	5.50%	0.70%	11,700	14.00%	32.00%	43		1.20						
12/06	Winifred Dock	600	300	300	12.00%	0.74%	12,300	8.00%	31.00%	42		1.20						
6/06	FOB Ceredo	540	360	180	13.00%	0.73%	12,100	8.00%	31.00%	42		1.20						
6/06	Bandmill	540	360	180	12.00%	0.73%	12,100	8.00%	31.00%	42		1.20						
12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43		1.20						
12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43		1.20						
12/06	CSX Harlan	360	120	240	10.00%	1.34%	12,700	8.00%	31.00%	42	1.50	2.10						
6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10						
12/06	CSX Jellico	480	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	1.50	2.00						
	Total Tons	5040	2820	2220														

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SUPPLY ASSESSMENT
"ALPHA" RAIL

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-3)
Bid Evaluation
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	<u>2005</u>	<u>2006</u>	<u>Notes</u>
PROJECTED REQUIREMENTS**	2,309,000	2,257,000	
Existing contracts:			
Consol Energy	750,000	0	(2)
Massey Energy	150,000	0	
CAM-Kentucky LLC	0	0	
Total Existing Contracts	900,000	0	
Open Position	1,409,000	2,257,000	(1)
New Contract Suppliers:			(3)
Massey Energy	720,000	360,000	
Sequoia Energy LLC	120,000	240,000	
B&W Resources	240,000	240,000	
Total New Contracts	1,080,000	840,000	
Total Existing & New	1,980,000	840,000	
Total Open Position	329,000	1,417,000	(1)
Potential Add'l Suppliers:			
Massey Energy	0	0	
Central Coal	0	0	
Sequoia Energy LLC	0	0	
B&W Resources	0	0	
CAM Kentucky LLC	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	0	0	
Total New and Potential	1,980,000	840,000	
Potential Spot or Additional Contract Purchases:	329,000	1,417,000	
Allocation:			
% Existing contracts to delivery	39.0%	0.0%	
% New contracts to delivery	46.8%	37.2%	
% Total contract to delivery	<u>85.8%</u>	<u>37.2%</u>	
% Potential spot or additional contract to requirement	14.2%	62.8%	

Corrected

Notes:

- (1) **BOLD** denotes open position.
(2) These contract has a price reopener for 2006.
(3) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn projections

SUPPLY ASSESSMENT
"ALPHA" RAIL

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-3)
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PROJECTED REQUIREMENTS**	2005	2006	Notes
Existing contracts:	2,309,000	2,257,000	
Consol Energy	750,000	0	(2)
Massey Energy	150,000	0	
CAM-Kentucky LLC	0	0	
Total Existing Contracts	900,000	0	
Open Position	1,409,000	2,257,000	(1)
New Contract Suppliers:			(3)
Massey Energy	720,000	360,000	
Sequoia Energy LLC	120,000	240,000	
B&W Resources	240,000	240,000	
Total New Contracts	1,080,000	360,000	
Total Existing & New	1,980,000	360,000	
Total Open Position	329,000	1,897,000	(1)
Potential Add'l Suppliers:			
Massey Energy	0	0	
Central Coal	0	0	
Sequoia Energy LLC	0	0	
B&W Resources	0	0	
CAM Kentucky LLC	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	0	0	
Total New and Potential	1,980,000	360,000	
Potential Spot or Additional Contract Purchases:	329,000	1,897,000	
Allocation:			
% Existing contracts to delivery	39.0%	0.0%	
% New contracts to delivery	46.8%	16.0%	
% Total contract to delivery	85.8%	16.0%	
% Potential spot or additional contract to requirement	14.2%	84.0%	

Notes:

- (1) **BOLD** denotes open position.
- (2) These contract has a price reopener for 2006.
- (3) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn projections

SUPPLY ASSESSMENT
"DELTA" RAIL

	<u>2005</u>	<u>2006</u>	<u>Notes</u>
PROJECTED REQUIREMENTS**	4,311,000	4,390,000	
Minus Water Delivered Coal	2,300,000	2,300,000	
Equals Net Rail "D" Deliveries	<u>2,011,000</u>	<u>2,090,000</u>	
Existing contracts:			
CAM-Kentucky LLC	500,000	200,000	
Alliance Coal LLC	<u>600,000</u>	<u>600,000</u>	
Total Existing Contracts	<u>1,100,000</u>	<u>800,000</u>	
Open Position	911,000	1,290,000	(1)
New Contract Suppliers:			(2)
Massey Energy	360,000	180,000	
Progress Fuels Marketing & Trading	<u>360,000</u>	<u>360,000</u>	
Total New Contracts	<u>720,000</u>	<u>540,000</u>	
Total Existing & New	<u>1,820,000</u>	<u>1,340,000</u>	
Total Open Position	191,000	750,000	
Potential Add'l Suppliers:			
Asset Mgmt Group	0	0	
A.T. Massey	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	<u>0</u>	<u>0</u>	
Total New and Potential	<u>1,820,000</u>	<u>1,340,000</u>	
Potential Spot or Additional Contract Purchases:	191,000	750,000	
Allocation:			
% Existing contracts to delivery	54.7%	38.3%	
% New contracts to delivery	<u>35.8%</u>	25.8%	
% Total contract to delivery	<u>90.5%</u>	64.1%	
% Potential spot or additional contract to requirement	<u>9.5%</u>	35.9%	

Notes:

- (1) **BOLD** denotes open position.
- (2) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn requirements

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SUPPLY ASSESSMENT
"DELTA" WATER

	<u>2005</u>	<u>2006</u>	<u>Notes</u>
PROJECTED WATER DELIVERY	2,300,000	2,300,000	
Existing contracts:			
Guasare #1 (Venezuelan)	150,000	0	
Guasare #2 (Venezuelan)	650,000	650,000	(2)
Drummond (Colombian)	800,000	1,000,000	
Total Existing Contracts	<u>1,600,000</u>	<u>1,650,000</u>	
Open Position	700,000	650,000	(1)
New Contract Suppliers:			(3)
Massey Energy	360,000	180,000	
Central Coal	300,000	300,000	
Total New Contracts	<u>660,000</u>	<u>480,000</u>	
Total Existing & New	<u>2,260,000</u>	<u>2,130,000</u>	
Total Open Position	40,000	170,000	
Potential Add'l Suppliers:			
Asset Mgmt Group	0	0	
Central Coal	0	0	
Keystone	0	0	
A.T. Massey	0	0	
Peabody PRB coal	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	<u>0</u>	<u>0</u>	
Total New and Potential	<u>2,260,000</u>	<u>2,130,000</u>	
Potential Spot or Additional Contract Purchases:	40,000	170,000	
Allocation:			
% Existing contracts to delivery	69.6%	71.7%	
% New contracts to delivery	28.7%	20.9%	
% Total contract to delivery	98.3%	92.6%	
% Potential spot or additional contract to requirement	1.7%	7.4%	

Notes:

- (1) **BOLD** denotes open position.
- (2) The Guasare contract has a price reopener for 2006.
- (3) Purchases based upon the 2005 RFP results and various other purchases.

CR Units 4 and 5

May 2004

Solicitation

ALL BIDS

Supplier	Term	Origin	Total Tons	Weight Avg Price	2005				2006				Purchase Specifications				Mar	Cash Cost \$/MT	Cash Cost \$/MT	Evaluated Utilized Cost \$/MT	Evaluated Utilized Cost \$/MT										
					Tons	Price	Tons	Price	Tons	Price	Tons	Price	Ash	Sulfur	Btu	Moisture						Vol	HGI	SO2							
Western Coals																															
DTE	2005	PRB/Cora	504	\$18.62	504	\$18.62	0	\$0.00	0	\$0.00	0	5.64%	0.30%	8,800	26.70%	31.65%	51	0.68	\$30.69	1,744	\$32.17	\$1.83									
Kennecott	05-07	Barge Cahokia	1500		500	\$22.90	500		500		0	4.00%	0.38%	9,350	22.36%	31.26%	61	0.80													
Arch	1/05-12/07	Thunder Basin	1500		500	\$7.85	500		500		0	5.50%	0.30%	8,800	28.00%	30.78%	50	0.68													
Triton	05	PRB N. Rochelle	1000	\$8.00	1000	\$8.00	0	\$0.00	0	\$0.00	0	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80	\$33.07	1,979	\$34.87	\$1.98									
Triton	05-07	PRB-Buckskin	3000		1000	\$6.50	1000		1000		0	5.50%	0.34%	8,400	30.00%	31.00%	65	0.80													
Triton	05-07	PRB N. Rochelle	3000		1000	\$8.25	1000		1000		0	5.20%	0.35%	8,800	28.50%	31.50%	63	0.80													
Peabody	05-07	Antelope	900		300	\$8.75	300		300		0	5.50%	0.27%	8,900	28.00%	30.00%	56	0.68													
Kennecott	05-07	Barge Cahokia	1000		200	\$27.74	400		400		0	5.00%	0.59%	9,963	13.22%	30.75%	61	1.18													
Oxbow	05-08	Colorado	1550		50	\$30.00	500		500		500	12.00%	0.72%	11,900	9.00%	31.00%	50	1.20													
		Total Western	13954		5054	139	4200	110	4200	111	500																				
Central App Coals																															
Massey	05	NS-Sydney	600	\$47.00	600	\$47.00	0	\$0.00	0		0	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	\$49.00	1,992	\$48.66	\$2.02									
Central	1/05-12/06	Winfred Dock	600		300	\$50.50	300		0		0	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20													
Massey	05	Bandmill	720	\$45.00	720	\$45.00	0	\$0.00	0	\$0.00	0	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	\$85.18	2,693	\$66.14	\$2.73									
Progress	05-07	Diamond May	1080		360	\$49.50	360		360		0	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20													
Massey	05	FOB Ceredo	720	\$51.80	720	\$51.80	0	\$0.00	0	\$0.00	0	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	\$66.43	2,745	\$67.39	\$2.78									
Massey	05	Sydney-Ceredo	600	\$53.80	600	\$53.80	0	\$0.00	0	\$0.00	0	12.50%	0.74%	12,300	8.00%	31.00%	42	1.20	\$68.43	2,782	\$69.09	\$2.81									
Alliance	05-07	MC Mining	900		150	\$57.00	150		600		0	10.00%	0.74%	12,300	9.00%	32.00%	39	1.20													
		Total Cent App	5220		3450	355	810	156	960	105	0																				
Foreign Coals																															
Interocean	07	Colombia-Mobile	1000		0	\$0.00	0		1000		0	5.50%	0.70%	11,700	14.00%	31.00%	43	1.20													
CMC	05	Colombia-Mobile	200	\$58.74	200	\$58.74	0	\$0.00	0	\$0.00	0	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	\$66.75	2,628	\$66.91	\$2.84									
Glencore	2005	Colombia-IMT	150	\$61.25	150	\$61.25	0	\$0.00	0	\$0.00	0	9.00%	0.69%	12,000	10.00%	34.00%	46	1.15	\$68.74	2,864	\$68.59	\$2.86									
CMC	05	Colombia-ECT	200	\$59.42	200	\$59.42	0	\$0.00	0	\$0.00	0	8.30%	0.71%	11,800	12.00%	33.00%	45	1.20	\$67.81	2,873	\$67.97	\$2.88									
Glencore	2005	Colombia-IMT	150	\$65.00	150	\$65.00	0	\$0.00	0	\$0.00	0	8.00%	0.75%	12,400	9.00%	35.00%	46	1.20	\$72.49	2,923	\$71.85	\$2.90									
Guasare	05-07	Pasa Diablo - IMT	990		330	\$68.76	330		330		0	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20													
Guasare	05-07	Mina Norte-IMT	700		200	\$70.15	250		250		0	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20													
		Total Foreign	3390		1230	383	580	137	1580	190	0																				
												Ash	Sulfur	Btu	Moisture	Vol	HGI														
Total Tons												22564		9734	877	5590	403	6740	406	500	10.00%	0.70%	12,000	8.00%	31.00%	40	SO2				

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ALL BIDS

Supplier	Term	Origin	(000)				Purchase Specifications							Cash Cost \$/st	Cash Cost \$/M	Evaluated Utilized Cost \$/st	Evaluated Utilized Cost \$/M
			Total Tons	2005 Tons	2006 Tons	2007 Tons	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2				
Massey	05	CSX BS	720	720	0	0	12.50%	1.27%	12,100	8.00%	31.00%	42	2.10	\$62.82	2.596	\$65.75	\$2.72
B&W Resources	05-07	CSX Jellico	720	240	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	2.00				
Marshall	05-06	CSX Clinchfield	500	250	250	0	13.00%	1.31%	12,500	7.00%	29.00%	50	2.10				
Massey	05	CSX Kan	720	720	0	0	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	\$64.18	2.652	\$67.11	\$2.77
Central App	05-07	CSX BS	720	240	240	240	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10				
Black Gold	05-07	CSX Harlan	600	120	240	240	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10				
Horizon	05-07	CSX-Evergreen	1500	500	500	500	13.00%	1.29%	12,300	8.00%	31.00%	45	2.10				
Central Coal Co	05-06	CSX-Kan	480	240	240	0	12.00%	0.99%	12,300	8.00%	32.00%	45	1.60				
CMC	05	Colombia-Mobile	400	400	0	0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$63.19	2.724	\$63.24	\$2.73
Logan&Kanawha	05-07	CSX Kan	1080	360	360	360	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60				
CMC	05	Colombia-ECT	400	400	0	0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$64.25	2.769	\$64.30	\$2.77
Peabody	05-07	CSX Kan	720	240	240	240	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10				
Horizon	05-07	CSX Haz- Typo	1500	500	500	500	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10				
Smokey Mtn	05	CSX Kan	240	240	0	0	13.00%	1.26%	12,000	8.00%	31.00%	42	2.10			\$73.35	\$3.06
							CR 12 Economics Base Specifications										
							Ash	Sulfur	Btu	Moisture	Vol	HGI					
							10.00%	1.05%	12,000	8.00%	34.00%	40					
			Total Tons 10300														

COMPLETED

CR Units 1, 2, 4 and 5
PURCHASES
2005-2006

Term	Origin	(000)			Purchase Specifications								Min	Max	Cash Cost \$/st	Cash Cost \$/M	Evaluated Utilized Cost \$/st	Evaluated Utilized Cost \$/M
		Total Tons	2005 Tons	2006 Tons	Ash	Sulfur	Btu	Moisture	Vol	HGI	SO2	SO2						
1/04-12/05	Pasa Diablo - IMT	650	650	0	7.00%	0.77%	12,800	8.00%	34.00%	45		1.20	\$47.68	1.863	\$46.36	\$1.81		
1/04-12/05	Minia Norte-IMT	150	150	0	8.00%	0.78%	13,000	8.00%	31.00%	45		1.20	\$48.60	1.869	\$47.46	\$1.83		
1/05-12/06	FOB Mobile	1800	800	1000	5.50%	0.70%	11,700	14.00%	32.00%	43		1.20						
1/05-12/06	Winifred Dock	600	300	300	12.00%	0.74%	12,300	8.00%	31.00%	42		1.20						
1/05-6/06	FOB Ceredo	540	360	180	13.00%	0.73%	12,100	8.00%	31.00%	42		1.20						
1/04-12/06	CSX BS	700	500	200	11.00%	0.75%	12,500	8.00%	31.00%	42		1.20						
1/02-12/06	MC Mining	600	600	0	10.00%	0.74%	12,300	9.00%	32.00%	39		1.20						
1/05-6/06	Bandmill	540	360	180	12.00%	0.73%	12,100	8.00%	31.00%	42		1.20						
1/05-12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43		1.20						
ends 3/05	CSX BS	150	150	0	12.00%	1.31%	12,500	7.00%	33.00%	45	1.50	2.10	\$50.67	2.027	\$52.17	\$2.09		
1/05-12/06	CSX Harlan	360	120	240	10.00%	1.34%	12,700	8.00%	31.00%	42	1.50	2.10						
1/05-6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10						
1/05-12/06	CSX Jellico	480	240	240	11.50%	1.25%	12,500	7.00%	32.00%	42	1.50	2.00						
1/05-12/05	CSX BS	750	750	0	10.00%	1.35%	12,800	8.00%	32.00%	42	1.50	2.10	\$68.82	2.688	\$69.73	\$2.72		
	Total Tons	9120	6060	3060								SO2						

reopener for 2006

(2)Consol Reopener Pricing is estimated

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General Delivery

From: McGLOTHLIN.JOSEPH [MCGLOTHLIN.JOSEPH@leg.state.fl.us]
Sent: Tuesday, October 17, 2006 4:34 PM
To: Robert L. Sansom
Subject: FW: Late Filed Deposition Exhibit - Al Pitcher Deposition - 2004 RFP Spreadsheet with Formulas - CONFIDENTIAL Stamped

Bob,

I asked Al Pitcher to provide a list of the companies in which he had been an officer. See the attachment.

Joe

From: Walls, J. Michael [mailto:JWalls@CarltonFields.com]
Sent: Tuesday, October 17, 2006 4:16 PM
To: McGLOTHLIN.JOSEPH
Cc: Burnett, John; Triplett, Dianne
Subject: Late Filed Deposition Exhibit - Al Pitcher Deposition - 2004 RFP Spreadsheet with Formulas - CONFIDENTIAL Stamped

Joe,

In response to your email today here is Late Filed Exhibit 4 to the deposition of Al Pitcher. It is confidential based on the confidentiality of the prior, similar document previously produced in discovery. By separate email I will send you Late Filed Exhibit 7 and the chart of synfuel producers, supplier, and tons delivered for the years 2000-2005, which was not a late filed exhibit but we nevertheless agreed to provide you without a separate interrogatory or document request.

I cannot answer your question about late filed exhibit 3 or your second question in your email because John and his staff are out of the office in off-site meetings and are unavailable. I will have to follow up with them when they return to the office.

As for your final question regarding the confidentiality procedure I am fine with that procedure as long as we have sufficient time to review the material for confidentiality purposes, especially with John and his staff out of town. Perhaps you can make the process easier by letting us know what information (by highlighting for example) was deemed confidential by PEF.

Thanks and more to follow.

Mike

10/18/2006

CONFIDENTIAL

PROGRESS FUELS CORPORATION

CR 1 and 2

May 2004

Solicitation

RAIL BIDS

Base Specifications

Unit Derate Parameters

Supplier	Term	Origin	Weight Tons	Purchase Specifications										Performance Parameters										Unit Derate Parameters	Line Item Code	Estimated Unit Cost \$/T	Estimated Unit Cost \$/M	ACTION TAKEN	Notes								
				2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024							2025	2026	2027	2028	2029	2030		
Massey	05	CSX BS	720	144.00	0	10.00	0	10.00	0	30.00	114.97	32.00	12.50%	1.27%	12.100	8.00%	31.00%	42	2.10	0.75	1.27	(0.10)	-	1.00	0.01	-	12.93	A	S			AS	162.81	165.75	12.72	New Ridge/Golf	
BLW Resources	05-07	CSX Jetico	720	146.50	240	0	0	0	0	0	0	0	11.50%	1.25%	12.500	7.00%	32.00%	42	2.00	0.45	1.15	(0.10)	1.00	0.01	-		A	S			S						
Marshall	05-06	CSX Clinchfield	250	146.50	250	0	0	0	0	0	0	0	13.00%	1.31%	12.500	7.00%	29.00%	50	2.10	0.50	1.50	(0.10)	1.00	0.00	-		A	S			S						
Massey	05	CSX Kan	720	144.00	0	10.00	0	10.00	0	30.00	118.18	32.00	12.50%	1.27%	12.100	8.00%	30.00%	42	2.10	0.75	1.27	(0.10)	-	1.00	0.01	-	12.93	A	S			ASV	164.18	167.11	12.77	Bandmill	
Central App	05-07	CSX BS	720	147.90	240	0	0	0	0	0	0	0	12.00%	1.32%	12.500	8.00%	32.00%	42	2.10	0.60	1.53	(0.50)	-	1.00	0.01	-		A	S			S					
Black Gold	05-07	CSX Hartan	120	147.50	240	0	0	0	0	0	0	0	10.00%	1.34%	12.700	1.00%	31.00%	42	2.10	-	1.54	(0.70)	-	1.00	0.01	-		A	S			S					
Horizon	05-07	CSX Evergreen	400	144.00	0	0	0	0	0	0	0	0	13.00%	1.29%	12.500	8.00%	31.00%	45	2.10	0.50	1.38	(0.30)	-	1.00	0.01	-		A	S			S					
Central Coal Co	05-06	CSX Kan	400	146.50	240	0	0	0	0	0	0	0	12.00%	0.99%	12.300	8.00%	32.00%	45	1.60	0.60	(0.37)	(0.30)	-	1.00	0.01	-		A	S			S					Note respecer 06 and 07
CMC	05	Colombia Mobile	400	155.18	0	10.00	0	10.00	0	10.00	18.01	10.00	9.20%	0.78%	11.600	12.30%	32.00%	45	1.34	(0.24)	(1.55)	0.40	0.43	1.00	0.01	-	10.05	S	B	M		SDM	163.10	163.24	12.73	SO2 set to 1.6	
Logan/Kanawha	05-07	CSX Kan	160	143.00	360	0	0	0	0	0	0	0	13.00%	1.00%	12.500	8.00%	30.00%	42	1.60	0.50	(0.21)	(0.50)	-	1.00	0.01	-		A	S			ASV	164.25	164.30	12.77	Snap Creek	
CMC	05	Colombia ECT	400	155.18	0	10.00	0	10.00	0	10.00	18.39	10.00	9.20%	0.78%	11.600	12.30%	32.00%	45	1.34	(0.24)	(1.55)	0.40	0.43	1.00	0.01	-	10.05	S	B	M		SDM	164.25	164.30	12.77		
Peabody	05-07	CSX Kan	240	147.00	240	0	0	0	0	0	0	0	13.50%	1.32%	12.200	6.70%	30.00%	40	2.10	1.05	1.32	(0.20)	(0.13)	1.00	0.02	-		A	S			ASV					Sulfur Premium @ 1.6
Horizon	05-07	CSX Har. Typo	500	148.00	500	0	0	0	0	0	0	0	13.00%	1.27%	12.100	8.00%	31.00%	43	2.10	0.50	1.27	(0.10)	-	1.00	0.01	-		A	S			AS					respecer 06 and 07
Smokey Mt	05	CSX Kan	240	150.85	0	10.00	0	10.00	0	10.00	118.18	32.00	12.00%	1.24%	12.000	8.00%	31.00%	42	2.10	0.50	1.21	-	-	1.00	0.01	-	13.12	A	S			AS	178.23	173.35	13.06		

Total Tons 10300

*Estimated In Fed

CR 12 Economics Base Specifications				
Ash	Sulfur	Mo	Moisture	Vol HGI
10.00%	1.05%	12.000	8.00%	34.00%

SO2 PM

Revised: 10/18/2006 7:59

CONFIDENTIAL

PROGRESS FUELS CORPORATION

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Solicitation

ALL-BIDS

See Five Lines 1
Description of All Items
Docket No. 07001

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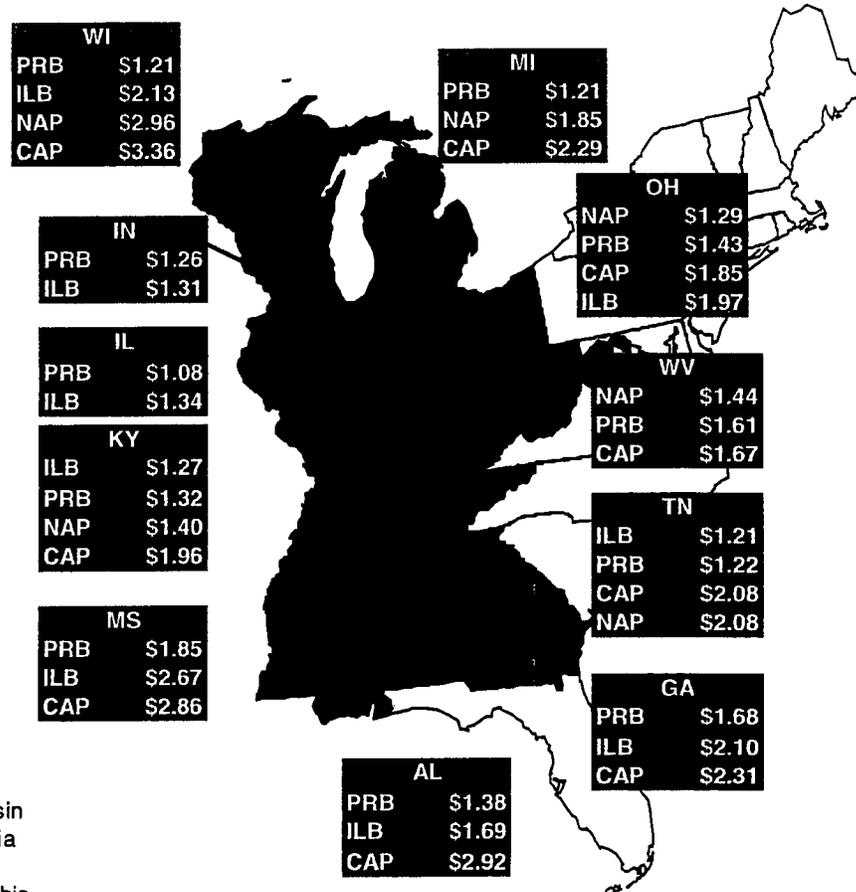
Form
391-00

Supplier	Term	Origin	Weight (000 Tons)	2006 Economics										2007 Economics										2008 Economics										2009 Economics										2010 Economics										2011 Economics										2012 Economics										2013 Economics										2014 Economics										2015 Economics										2016 Economics										2017 Economics										2018 Economics										2019 Economics										2020 Economics										2021 Economics										2022 Economics										2023 Economics										2024 Economics										2025 Economics										2026 Economics										2027 Economics										2028 Economics										2029 Economics										2030 Economics										2031 Economics										2032 Economics										2033 Economics										2034 Economics										2035 Economics										2036 Economics										2037 Economics										2038 Economics										2039 Economics										2040 Economics										2041 Economics										2042 Economics										2043 Economics										2044 Economics										2045 Economics										2046 Economics										2047 Economics										2048 Economics										2049 Economics										2050 Economics																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
				2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254

EXHIBIT NO. ___(RLS-4)

COAL PRICES

2005 Delivered Coal Prices East of the Mississippi River (\$/MMBTU)



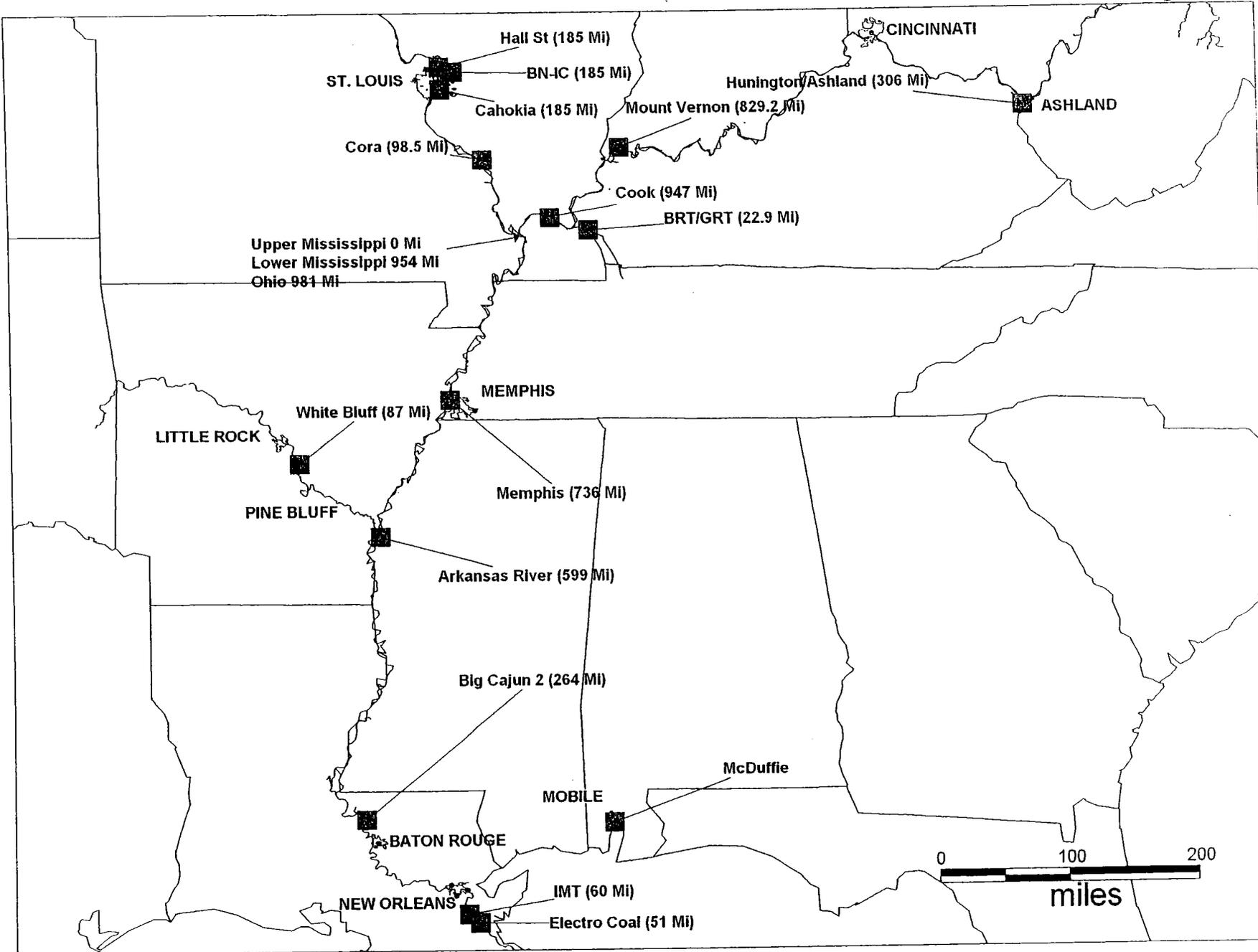
Legend

PRB: Powder River Basin
 CAP: Central Appalachia
 ILB: Illinois Basin
 NAP: Northern Appalachia

Source: FERC and EVA Inc.

EXHIBIT NO. ___(RLS-5)

2004 BID ANALYSIS



Transportation Miles

	<u>Haul Distances (Miles)</u>			
	<u>Rail to Water</u>	<u>to IMT</u>	<u>To CR</u>	<u>Total</u>
CAPP to CR via IMT (a)	130 (Huntington)	1,530	431	2,091
Massey Coal (b)	50 (Kanawha)	1,610	431	2,091
PRB to McDuffie, Alabama	1,692 (Gulf)	N/A	350	2,042
PRB to Cook via IMT to CR 4/5	1,281 (Cook)	928	431	2,640

BNSF



Sami M. Shalah

Vice President
Coal Marketing

Burlington Northern and
Santa Fe Railway Company

P. O. Box 961051
2850 Law Mark Drive, 2nd Floor
Ft. Worth, TX 76131-2850
Phone (817) 867-6253
Fax (817) 352-7959

August 23, 2002

Docket No. 070001-EI
Robert L. Sansom Exhibit No. _____ (RLS-5)
2004 Bid Analysis
Page 3 of 10

Hand Delivered

Mr. Dennis Edwards
Vice President
Progress Energy
P. O. Box 15208
St. Petersburg, FL 33733

Dear Dennis:

Thank you for the opportunity to discuss test shipments of Powder River Basin and Colorado coal to Crystal River. The Burlington Northern and Santa Fe Railway Company (BNSF) and Union Pacific Railroad Company (UP) are offering to establish the following trainload joint rates on coal for your consideration to encourage the testing of western coal from the PRB and Colorado:

- Origins:
- 1) Mines located in the Southern Powder River Basin of Wyoming
 - 2) Energy (Twentymile Mine) and Axial (Colowyo Mine), Colorado
 - 3) Arco (West Elk Mine), Somerset (Sarborm Creek Mine) and Converse (Bowie #2 Mine), Colorado.

Destination: McDuffie Coal Terminal at Mobile, Alabama for furtherance to Florida Power Corporation's Crystal River generating station.

Route: UP-Kansas City, MO-BNSF

Equipment: Trains shall be comprised of rail carrier owned or leased equipment.

Train Size for Origin 1: Minimum of 13,500 net tons per shipment

Train Size for Origin 2: Minimum of 12,900 net tons per shipment

Train Size for Origin 3: Minimum of 11,800 net tons per shipment

Docket No. 060658-EI
Bids by Western Railroads -
Confidential Exhibit No. _____ (RS-35)
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Loading Time: Four (4) hours

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Robert L. Sansom Exhibit No. ____ (RLS-5)
2004 Bid Analysis
Page 4 of 10

Unloading Time: Eight (8) hours

Rates: \$17.91 per net ton from mines located in the Southern Powder River Basin:

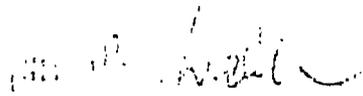
\$24.62 per net ton from Energy and Axial, Colorado

\$26.05 per net ton from Arco, Somerset and Converse, Colorado

Effectiveness and Publication:

We are prepared to establish these rates within the next 30 days, in either a non-confidential common carrier rate publication or on confidential contract basis as you prefer, to remain effective for a ninety day period thereafter.

Sincerely,



cc: Mr. Bill Nock
Assistant Vice President Domestic Utilities
Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

UNION PACIFIC RAILROAD COMPANY

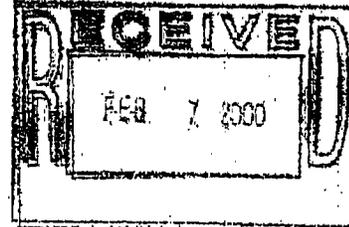
MARKETING & SALES



1416 DODGE STREET
OMAHA, NEBRASKA 68102

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-5)
2004 Bid Analysis
Page 5 of 10

February 2, 2000



Mr. Dennis Edwards
Vice President Coal Procurement
Electric Fuels Corporation
P.O. Box 15208
St. Petersburg, FL 33733

Dear Dennis,

Thank you for meeting with Jeff and I. Based on our conversation we have developed the following proposal for your consideration covering shipments of coal from the Powder River Basin of Wyoming destined to various terminal facilities for ultimate movement to Florida Power's Crystal River Plant:

I. ORIGINS:

Mines served by the Union Pacific located in Campbell and Converse Counties of Wyoming.

II. UP DESTINATIONS:

- A. Cahokia Marine Services at Sauget, IL
- B. Cora Dock at Cora, IL
- C. Texas City, TX (including the Texas City Terminal Railroad)

III. ULTIMATE DESTINATION:

Applies only on coal moving beyond the UP destinations for use at the Crystal River Plant

IV. TERM:

Length of term is to be determined by mutual agreement.

V. EQUIPMENT:

UP or Customer furnished railcars

*Response to
question #49*

PEF-FUEL-004728

Docket No. 060658-EI
 Bids by Western Railroads -
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 Page 4 of 8

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-5)
 2004 Bid Analysis
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VI. TRAIN SIZE:

115 car conventional trains or 135 car distributed power trains

VII. MINIMUM WEIGHT:

The aggregate minimum weight per train shall be 95% of the marked capacity of the cars supplied, not to exceed any gross weight on rail restrictions.

VIII. BASE PRICE PER NET TON:

A. \$11.75 (UP Cars) or \$9.65 (Customer Cars) to Cahokia Marine Services at Sauget, IL.

The price to Cahokia Marine Service includes the transfer of coal from rail cars to barges through December 31, 2000.

B. \$11.20 (UP Cars) or \$9.10 to Cora Dock at Cora, IL.

C. \$15.95 (UP Cars) or \$13.00 (Customer Cars) to Texas City, TX

Rates to Texas City are subject to confirmation of the Texas City Terminal Railroad revenue requirements.

IX. RATE ADJUSTMENTS:

The Base Price will be adjusted January 1, 2001 and each January 1 thereafter using the percentage change in the RCAF(U) or a mutually agreed to fixed escalator. In no case will the price be adjusted below the Base Price.

X. MINIMUM VOLUME REQUIREMENT:

100% of the coal transported via any mode from Campbell and Converse Counties of Wyoming to the Crystal River Plant.

XI. LOADING FREE TIME:

Four hours

XII. UNLOADING FREE TIME:

A. Eighteen hours at Cahokia Marine Services at Sauget, IL.

B. Eight hours at Cora Dock at Cora, IL

C. Twenty-four hours at Texas City, TX

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2004 Bid Analysis
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XIII. CONFIDENTIALITY:

The information contained in this proposal is confidential and shall not be disclosed without the prior consent to the Union Pacific.

XIV. EXPIRATION OF PROPOSAL:

This proposal, except for confidentiality shall expire on February 29, 2000 unless sooner accepted or extended.

Thank you, for giving us the opportunity to provide this proposal. We would like to arrange a meeting to discuss this proposal and to determine if there is any way we can assist you in switching to the SPRB for some of your requirements. Please call me at 402-271-6228 with any questions or to arrange a meeting.

Sincerely,



James B. Halper
Business Manager-Energy
Union Pacific



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Docket No. 070001-EI
Robert L. Sansom Exhibit No. _____ (RLS-5)
2004 Bid Analysis
Page 8 of 10

May 19, 2003

Mr. Sami M. Shalah
Vice President, Coal Marketing
Burlington Northern Santa Fe Railway Company
Post Office Box 961051
Fort Worth, Texas 76131-2830

Dear Mr. Shalah:

As you know, Progress Fuels Corporation is considering the purchase of test shipments of western coal for Progress Energy Florida's Crystal River coal plants. Your letter of May 8, wherein you offered to establish a trainload joint rate from the Southern Powder River Basin of Wyoming to assist us to that end is most appreciated. At this time, however, no final decision has been made regarding a test shipment, but we could enter into a contract with the BNSF providing there were no minimums. I look forward to discussing this matter with you further.

On another note, in previous years the BNSF has most generously provided the wine for the Monday night banquet at the annual NCCI Summer Trade Seminar. As the 2003 Sponsorship Chairman for this year's Seminar scheduled for July 6-8, I am hoping that the BNSF will continue its generosity and once again provide sponsorship in this manner. Your consideration of this request will be appreciated.

Sam, thank you once again for your letter of May 8 and know that Progress Fuels looks forward to the possibility of doing business with the BNSF.

Sincerely,

A handwritten signature in black ink, appearing to read "A. W. Pitzer".

A. W. Pitzer
Vice President, Coal Procurement

AWP/ro

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

PEF-FUEL-004731

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BNSF



Sunit M. Suman.

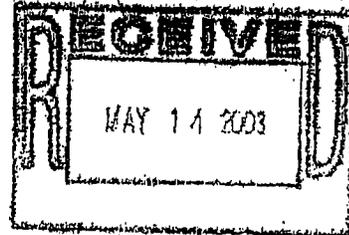
Vice President
Coal Marketing

Burlington Northern Santa Fe
Railway Company

P. O. Box 61051
2550 Low Mark Drive 2nd Floor
Fort Worth, TX 76131-2830
Phone (817) 867-6255
Fax (817) 352-7939

May 8, 2003

Mr. Al Pitcher
Vice President Coal Procurement
Progress Fuels Corp.
P. O. Box 15208
St. Petersburg, FL 33733



Dear Mr. Pitcher:

The Burlington Northern and Santa Fe Railway Company (BNSF) and Union Pacific Railroad Company (UP) are offering to establish the following trainload joint rates on coal for your consideration to encourage the testing of western coal from the Southern Powder River Basin of Wyoming:

- Origin: Mines located in the Southern Powder River Basin of Wyoming
- Destination: McDuffie Coal Terminal at Mobile, Alabama for furtherance to Florida Power Corporation's Crystal River generating station.
- Route: UP-Kansas City, MO-BNSF
- Equipment: Trains shall be comprised of rail carrier owned or leased equipment.
- Train Size: Minimum of 13,500 net tons per shipment
- Loading Time: Four (4) hours
- Unloading Time: Eight (8) hours
- Rate: \$15.95 per net ton
- Maximum Volume: A maximum of 200,000 net tons may be shipped pursuant to this offer.

*Response to
question # 48*

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-5)
2004 Bid Analysis
Page 10 of 10

Docket No. 060658-EI
Bids by Western Railroads -
Confidential Exhibit No. ____ (RS-35)
Page 8 of 8

Confidentiality: This offer is confidential and shall not be disclosed by BNSF, UP, Progress Energy or Progress Energy's agents, affiliates, consultants or counsel without the express written consent of the other parties.

We are prepared to establish this rate within the next 30 days in a confidential contract to remain effective through December 31, 2003.

Sincerely,

cc: Mr. Dwain Lanier
Executive Director Fossil Fuels
Progress Energy
P. O. Box 1551, MC 8A
Raleigh, North Carolina 27602

Mr. Bill Nock
Assistant Vice President Energy - East
Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

Docket No. 070001-EI

EXHIBIT NO. ____ (RLS-6)

RFP/BIDS/PURCHASES



ARCH COAL SALES

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-6)
RFP/Bids/Purchases
Page 1 of 107

KEN HODAK, Esq.
Sr. Vice President Regional
Coal Sales

May 12, 2004

Ms. Robin Ott
Progress Fuels Corporation
One progress Plaza, Suite 600
St. Petersburg, Florida 33701

RE: TERM CONTRACT COMPLIANCE COAL QUOTATION BY ARCH COAL SALES COMPANY, INC.

Dear Ms. Ott:

In response to Progress Fuels Corporation acting on behalf of Progress Energy ("Progress Energy") solicitation for Coal, Arch Coal Sales Company, Inc. ("ACS") acting for itself and as agent for the independent operating subsidiaries of Arch Coal, Inc. submits the attached proposal ("the Offer") to sell Coal to Progress Energy for its Crystal River Units Nos. 4 and 5 (the "Basis Plant").

1. Quantity and Term:

	2005	2006	2007
Tons/Yr	500,000	500,000	500,000

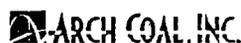
The Term of this Offer shall begin January 01, 2005 and end December 31, 2007. The Offered quantities and Term are fixed and are an integral part of the Total Offer. **Any changes to the Quantity or Term shall be deemed to constitute a counter-offer.**

2. Source:

ACS proposes to primarily source the offered Coal from the Thunder Basin Coal Company ("the Black Thunder Mine") of Arch Coal, Inc. located near the town of Wright, in Campbell and Johnson Counties, Wyoming; served by the Burlington Northern/Sante Fe ("BNSF"), and Union Pacific ("UP") railroads out of the Thunder Junction Rate District, #33403 (known as the "Basis Mine").

PEF-FUEL-000357

A Subsidiary of



Ms. Robin Ott
 May 12, 2004
 Page 2.

ACS reserves the right, without the obligation, to substitute Coal from other operations located in the Powder River Basin ("PRB") including non-affiliated mines (the substitute mines and the Basis Mine, collectively known as the "Mine"). All Coal shall fully comply with the stated Coal qualities herein.

3. Delivery:

The delivery point for the Coal shall be FOB loaded in Progress Energy's railcars at the Mine (the "Delivery Point"). Deliveries shall be in equal monthly quantities and within train size limits during the term of the Agreement. **Title and risk of loss shall pass to Progress Energy at the Delivery Point.**

4. Quality:

- a. The Coal offered shall be substantially free of magnetic material and other foreign material impurities and sized to a nominal three-inches.
- b. All quality information provided in or with this proposal is for Progress Energy's solicitation information only. Any warranty of Coal quality specifications will be subject to mutual agreement.
- c. Coal Quality Specifications:

	Monthly Average	Per Shipment Reject
Btu	8,800	<8,650
Ash, %	5.50	>6.50
Moisture, %	28.0	>29.0
Sulfur, %	-----	-----
SO ₂ , #/MMBtu	0.80	>1.20
Grind, HGI	50	<45
Size	3" x 0	-----
Ash Fusion Temp.	-----	-----
Initial Deformation	2100	-----
Softening (H=W)	2125	1950
Hemispherical (H=1/2W)	2135	-----
% Dry Chlorine	0.05	>0.29
% Volatile Matter - Dry	42.75	<30

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5. Price:

The Coal, priced and delivered FOB the Delivery Point, is based on an "as received" heat content of 8,800 Btus per pound, a sulfur dioxide content of 0.80 pounds per million Btu (based on %S x 20,000 ÷ Btu), and other specific terms and conditions as stated in this Offer.

	2005	2006	2007
Fixed Price	\$7.85	\$7.85	\$7.85
Escalated Price	\$7.45	\$7.85	\$8.25
Annual Re-Opener	\$7.65	+/- \$0.75 (2005)	+/- \$0.75 (2006)

The Offered Base Price of \$7.85 per ton is a fixed price set over the entire term, starting January 01, 2005 and ending December 31, 2007. The escalated price uses \$7.85 per ton as the average. The annual re-opener for 2005 provides ACS the right to impose a "floor price" of \$6.90, or Progress Energy the right to impose a "ceiling price" of \$8.40; otherwise, the parties could negotiate a price between the two extremes.

The Offered Base Price may be adjusted as provided under Section 6.

The above price(s) do not include any sales or use taxes. Progress Energy should provide ACS with either a valid and appropriate sales tax exemption certificate or be responsible for any applicable sales or use taxes.

6. Price Adjustments:

a. **GOVERNMENT IMPOSITIONS:**

The base price may be adjusted for changes in ACS' taxes on Coal delivered to Progress Energy and for changes in costs, if any, incurred by ACS resulting from changes in government regulations after May 12, 2004.

b. **BTU PRICE ADJUSTMENTS:**

Pro rata (premium or discount) about 8,800 Btu/lb. basis; adjusted monthly.

c. **SULFUR PRICE ADJUSTMENT:**

If, during the month the as received weighted average SO₂ varies from the basis value of 0.80 lbs SO₂/mmBtu, (based on %S x 20,000 ÷ Btu) a lump

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sum price adjustment (premium or discount) shall be made to account for the sulfur variation according to the formula below:

$$\text{Lump Sum SO}_2 \text{ Price Adjustment} = (0.80\text{lbs SO}_2/\text{mmBtu} - S) \times C \times I \times T / 1,000,000$$

Where:

- S = The weighted average "as-received" SO₂ content (Expressed as lbs. SO₂/mmBtu) of the Coal shipped to Progress Energy for the monthly period.
- C = The weighted average "as-received" Btu/lb. of the Coal delivered to Progress Energy.
- I = Air Daily Index: the weighted average monthly value of the Air Daily allowance Index for the previous monthly period as published in Air Daily.
- T = The number of monthly tons of Coal delivered to Progress Energy.

Such calculation shall be performed by ACS and furnished to Progress Energy monthly. ACS shall apply credits/debits for such adjustments to Progress Energy's account.

d. Freeze Conditioning:

Progress Energy may require that ACS apply a freeze conditioning agent to the Coal to promote its handling in freezing weather. Progress Energy shall give ACS notice of the material and quantity to be applied to the Coal. Progress Energy shall provide ACS with reasonable advance notice of the dates to start and end the freeze conditioning program. Within 10 days of receipt of invoice, Progress Energy shall pay ACS the cost for the freeze conditioning and its application (including taxes and royalties, if applicable) to the delivered Coal. ACS shall invoice the cost of the freeze conditioning separately. Payment for the freeze conditioning service shall be made in accordance with Section 9

7. Loading and Transportation:

Progress Energy shall be solely responsible for the supply of adequate railcars and transportation to and from the Delivery Point. The Mine operates its loading facilities to permit Coal loading twenty-four hours per day, 363 days per year. Progress Energy shall provide unit Coal trains to the Mine(s) with a total capacity of at least 13,500 tons each as required to take delivery of the Coal. The Basis Mine has the capacity to load in excess of 150-car unit trains.

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Progress Energy's railcars and unit train shall be compatible with the Mine's trackage, storage, and loading facilities and shall be ready to load upon arrival at the Delivery Point. The Mine shall load each railcar at its expense and complete the loading of all railcars in each unit train within four hours after the first empty railcar is actually placed by the railroad under the Mine's loading chute. ACS shall not be responsible for demurrage or any other fees (including incidental costs) other than for fees directly resulting from ACS' failure to load Progress Energy's trains as provided above.

8. **Weighing, Sampling and Analysis:**

ACS pays the costs of weighing, sampling, and analysis of the Coal performed at the Delivery Point and the results from these efforts shall govern for purposes of this Offer. Certified commercial scales at ACS' train loading facility at the Mine or Source shall determine the weight of the Coal.

Representative samples for each train shall be taken at the Mine and divided into three sample splits. ACS' independent contractor shall perform a short proximate analysis on one sample split from each trainload on an "as-received" basis in accordance with appropriate ASTM standards and such analyses shall be controlling for the agreement. Upon request, ACS shall provide one sample split to Progress Energy. The third sample split shall be used, if needed, to resolve any disputes over ACS' analyses. The cost(s) for a referee analysis will be borne by the non-prevailing party.

9. **Billing and Payment:**

Payment shall be 100% of the Base Price per ton (paid via electronic fund transfer) and due 15 days after delivery to Progress Energy at the Delivery Point. Calculations for Btu and Sulfur adjustments shall be performed monthly by ACS and furnished to Progress Energy as described in Section 6. ACS shall apply credits/debits, as the case may be, for such adjustment(s) to Progress Energy's account.

10. **Force Majeure:**

The basis for invocation of Force Majeure shall be the Basis Mine with respect to Arch's supplying the Coal hereunder and shall be the Basis Plant with respect to Progress Energy's purchase of the Coal hereunder.

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11. Miscellaneous:

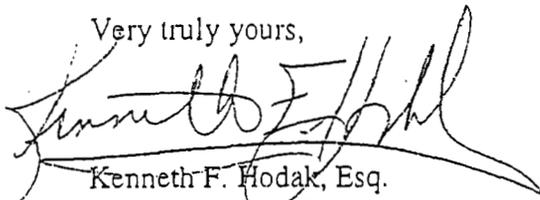
The terms and conditions within this Offer supersede Progress Energy's Terms and Conditions stated in the solicitation, dated April 12, 2004. **Any change(s) to this Offer by Progress Energy constitute a counter-offer and will alter the Selling Price and/or volumes as, and if, mutually agreed.**

Acceptance of this Offer shall be covered by a negotiated agreement based on the terms of this proposal and any negotiated terms and conditions between ACS and Progress Energy. Upon verbal acceptance by Progress Energy or its authorized agents, ACS reserves the right to cancel or withhold shipments, at no obligation to ACS, pending receipt of a signed agreement by Progress Energy or its authorized agents and Arch. **This Offer is expressly made conditional upon the terms and conditions herein.**

This proposal shall remain open until 4:00 P.M. Central Prevailing Time, May 26, 2004. After this time, the above proposal shall expire and Arch Coal Sales shall have no further obligation to honor this proposal unless agreed to in writing by ACS.

Please call me at (314) 994 - 2842, if you need further information or have any questions.

Very truly yours,



Kenneth F. Hodak, Esq.
Sr. VP Regional Sales

cc: Dave Warnecke, Arch Coal Sales Company, Inc.
Al Pitcher, Progress Fuels Corporation

Encl. (5) Typical Quality Specifications (Black Thunder Mine), and
Progress Energy's Coal Producer's Solicitation Forms

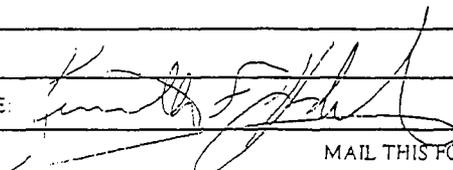
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**PROGRESS
FUELS**
CORPORATION

ARCH COAL SOLICITATION FORM
CRYSTAL RIVER 4 & 5
PRB COAL
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Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-6)
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PRODUCER NAME: Arch Coal Sales Company, Inc., by itself, and acting as agent for the operating subsidiaries of Arch Coal, Inc.		
STREET ADDRESS: 1 City Place, Suite 600		
CONTACT: Ken Hodak, Esq.	TELEPHONE NO. (314) 994 - 2842	
MINE(S): Black Thunder Mine BOM DISTRICT: 48-00977	COUNTY: Campbell/Johnson	STATE: Wyoming
ORIGIN RAILROAD(S)/DISTRICT: BNSF/UPSP	R/R TIPPLE DESIGNATION/NUMBER: 33403	
TYPE OF LOADING FACILITY: UNIT TRAIN: <input checked="" type="checkbox"/> _____ SINGLE CAR: _____ TRAINLOAD: _____		
MAXIMUM LOADING CAPACITY: <u>10,000</u> TONS ONE HOUR 400 CARS TRACK CAPACITY		
WATER DELIVERY CAPABILITY: <input checked="" type="checkbox"/> YES _____ NO IMPORT COAL: _____ LOAD PORT _____		
SHIP THROUGH: <u>NEGOTIABLE</u> LOAD RATE: _____		
TOTAL PRODUCTION CAPACITY PER MONTH: 6,000,000 TONS		
PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: 6,000,000 TONS		
TYPE OF MINE: 0% DEEP 100% STRIP 0% AUGER		
SEAMS: Wyodak - Anderson	BLEND RATIOS: 50/50	
COAL PREPARATION: NONE		
TYPE OF COAL WASHER, IF WASHED: N/A		
TYPE OF COAL SAMPLING: HSS Automatic Sampling System		
TYPE OF LABOR CONTRACT(S): Non-Union	DATE FOR RENEGOTIATION: N/A	
TYPE OF COAL WEIGHING: Ramsey Scales Batch Weigh System	SCALE CERTIFIED? <input checked="" type="checkbox"/> YES, twice per year _____ NO	
PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
SEE, COVER LETTER	SEE, COVER LETTER	SEE, COVER LETTER
IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.		
PRODUCER'S COMMENTS:		
CREDIT REFERENCES (Minimum two):		
INDUSTRY REFERENCES (Minimum four):		
SIGNATURE: 	TITLE: Sr. VP, Regional Sales	DATE: May 12, 2004

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION TO:

MRS. ROBIN OTT
PROGRESS FUELS CORPORATION
ONE PROGRESS PLAZA, SUITE 600
ST. PETERSBURG, FLORIDA 33701

OR

POST OFFICE BOX 15208
ST. PETERSBURG, FLORIDA 33733

PEF-FUEL-000363



DESCRIPTION Sec, Attachment.	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	"AS RECEIVED" AVERAGE OR TYPICAL	"AS RECEIVED" GUARANTEED	BITUMINOUS "AS RECEIVED" GUARANTEED	SUBSTITUTIONS "AS RECEIVED" GUARANTEED
MOISTURE (TOTAL) %	26.80	28.00	8.0% MAX.	
SURFACE MOISTURE %	0.80	---	5.0% MAX.	
ASH %	5.47	5.50 ⁴	10.0% MAX. ²	
SULFUR DIOXIDE (LB/MBTU)	0.68	0.80	1.2 LB/MAX. ¹	
BTU/LB	8.852	8,800 ⁴	12,300 MIN.	
ASH SOFTENING DEGREES FAHRENHEIT H=1/2W (R)	2,110	2,125 ⁴	2,500 MIN.	
VOLATILE %	31.34	42.75 ⁴	31.0% MIN. ¹	
GRINDABILITY, HARDGROVE	55	50 ⁴	42 MIN. ³	
SIZE	3" X 0	3" X 0	2" X 0"	
FINES (-1/4" X 0")	<26%	>26%	45% MAX. ⁵	
PYRITIC SULFUR	0.06	---	0.2% MAX. ¹	
FIXED CARBON %	36.39	---	-----	
HYDROGEN %	5.44	---	-----	
NITROGEN %	0.94	---	-----	
CHLORINE %	0.02	---	-----	
OXYGEN %	14.91	---	-----	

¹Must be met on an individual shipment basis.

²Adjustable in direct proportion to Btu.

³Adjustable in inverse proportion to Btu.

⁴Economic analyses will be based on these values.

⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD DEV.
P ₂ O ₅	1.30		Antimony	0.15	
SiO ₂	38.48		Arsenic	1.30	
Fe ₂ O ₃	5.97		Beryllium	0.28	
Al ₂ O ₃	16.60		Cadmium	0.07	
TiO ₂	1.44		Chromium	4.25	
CaO	19.85		Cobalt	1.95	
MgO	4.10		Fluorine	34.05	
SO ₃	10.10		Lead	2.10	
K ₂ O	0.46		Lithium	2.70	
Na ₂ O	1.17		Manganese	10.50	
Undetermined	0.29		Mercury	0.06	
Base/Acid Ratio	0.56		Nickel	4.50	
Maximum Base/Acid Ratio			Selenium	083	

*NOTE: ADD SHEETS IF MORE THAN ONE SEAM



**PROGRESS
FUELS**
CORPORATION

ARCH COAL'S SOLICITATION
CRYSTAL RIVER 4 & 5
PRB COAL
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RFP/Bids/Purchases
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PROJECTED QUALITY

DESCRIPTION SEE, ATTACHMENT	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	"AS RECEIVED" AVERAGE OR TYPICAL	"AS RECEIVED" GUARANTEED	BITUMINOUS "AS RECEIVED" GUARANTEED	SUB-BITUMINOUS "AS RECEIVED" GUARANTEED
MOISTURE (TOTAL) %		⁴	8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %			5.0% MAX.	5.0% MAX.
ASH %		⁴	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MBTU)			1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB		⁴	12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=1/2W (R)		⁴	2,500 MIN.	2,200 MIN.
VOLATILE %		⁴	31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE		⁴	42 MIN. ³	65 MIN. ³
SIZE			2" X 0"	2" X 0"
FINES (-1/4" X 0")			45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR			0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %			-----	-----
HYDROGEN %			-----	-----
NITROGEN %			-----	-----
CHLORINE %			-----	-----
OXYGEN %			-----	-----

¹Must be met on an individual shipment basis.

²Adjustable in direct proportion to Btu.

³Adjustable in inverse proportion to Btu.

⁴Economic analyses will be based on these values.

⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD DEV.
P ₂ O ₅			Antimony		
SiO ₂			Arsenic		
Fe ₂ O ₃			Beryllium		
Al ₂ O ₃			Cadmium		
TiO ₂			Chromium		
CaO			Cobalt		
MgO			Fluorine		
SO ₃			Lead		
K ₂ O			Lithium		
Na ₂ O			Manganese		
Undetermined			Mercury		
Base/Acid Ratio			Nickel		
Maximum Base/Acid Ratio			Selenium		

*NOTE: ADD SHEETS IF MORE THAN ONE SEAM

**Typical Quality Specifications
 Black Thunder
 Compliance - Low Ash**

4th Quarter 2003

Proximate Analysis	
Moisture	26.80%
Ash	5.47%
Sulfur	0.30%
BTU	8,852
MAF BTU	13,069
Pounds SO ₂ /MM BTU	0.68
Pounds Ash/MM BTU	6.18
Ash To Sulfur Ratio	18.23
% Volatile Matter	31.34%
% Fixed Carbon	36.39%

Ash Fusion Temperatures (Deg F)	
Reducing	
Initial	2,075
Softening	2,090
Hemispherical	2,110
Final	2,140
Oxidizing	
Initial	2,190
Softening	2,205
Hemispherical	2,210
Final	2,230

Ultimate Analysis (Dry Basis)	
Moisture	NA
Ash	7.47%
Hydrogen	5.44%
Carbon	70.83%
Nitrogen	0.94%
Sulfur	0.41%
Oxygen	14.91%
Chlorine	0.02%

Sulfur Forms	
Pyritic	0.06%
Sulfate	0.00%
Organic	0.35%
Total	0.41%

Ash Mineral Analysis -Ignited Basis	
Silicon Dioxide	38.48%
Aluminum Oxide	16.60%
Titanium Dioxide	1.44%
Sulfur Trioxide	10.10%
Calcium Oxide	19.85%
Potassium Oxide	0.46%
Magnesium Oxide	4.10%
Sodium Oxide	1.17%
Iron Oxide	5.97%
Phosphorus Pentoxide	1.30%
Manganese Dioxide	0.02%
Strontium Oxide	0.26%
Barium Oxide	0.54%
Undetermined	-0.29%

Other Information	
Hardgrove Grindability Index	55
Free Swelling Index	0
Equilibrium Moisture	26.00%
Base - Acid Ratio	0.56
% Acidic	56.52%
% Basic	31.55%
S/AL Ratio	2.32
T-250	2,268
Mercury PPM	0.07

The information depicted on this document is intended for informational purposes only and represents typical results from laboratory analysis procedures using prescribed ASTM methods. As with any tests, results will vary with sampling methods, equipment, technicians, etc. Typical results may also vary due to geologic influences within the mining reserve area.

**Typical Quality Specifications - Trace Elements
Black Thunder**

All Values in Parts per Million (PPM)

4th Quarter 2003

Trace Elements (PPM)	
Antimony	0.15
Arsenic	1.30
Barium	336.25
Beryllium	0.28
Boron	43.50
Bromine	12.25
Cadmium	0.07
Chlorine	116.75
Chromium	4.25
Cobalt	1.95
Copper	11.00
Flourine	34.05
Lead	2.10
Lithium	2.70

Trace Elements (PPM)	
Manganese	10.50
Mercury	0.06
Molybdenum	0.51
Nickel	4.50
Selenium	0.83
Silver	0.10
Strontium	154.00
Thallium	0.09
Tin	0.35
Uranium	0.50
Vanadium	15.00
Zinc	11.00
Zirconium	12.85

Pitcher, Al (PFC)

From: Pitcher, Al (PFC)
Sent: Wednesday, May 19, 2004 10:35 AM
To: 'Sanz-Guerrero, Rolando'
Subject: RE: DTE

*after
test
new
fuel*

No problem. We have completed our review and evaluation. Your PRB bid was very competitive, but at the present time we are not going to purchase any additional, beyond our commitment with Peabody, PRB coal. I have made several purchases from Central Appalachia for 2005 and 2006 from the RFP both rail direct, rail to river, and truck to river. Our foreign purchases are taken care of for 2005 and 2006. Thanks for your interest and we will put a deal together at some point.

Al Pitcher

-----Original Message-----

From: Sanz-Guerrero, Rolando [mailto:SanzguR@dtcs.com]
Sent: Wednesday, May 19, 2004 10:25 AM
To: Pitcher, Al (PFC)
Subject: DTE

Al:

I don't know if it is proper for me to communicate with you while you are looking at the bids. If it is not, please forgive me and read no further.

I need to ask you for a big favor. This RFP has received notice from our President and he is anxious to receive information about our bid. To the extent possible, could you keep me updated of your time line and our ranking in this process. I am sure you remember the old days of sales where everyone pushes you to get as much information as possible regarding the bid submitted.

Please remember that our proposal that includes the supply of coal expires at the end of the day (may 20th). If we are close to the top and you would like us to extend the firmness of the offer, please let me know.

I would rather talk to you via phone or in person but I do not know Progress's policy in the middle of bid selection, please advise.

Thank you and have a great day!

Rolando

*** PROPRIETARY, CONFIDENTIAL OR PRIVILEGED COMMUNICATION *** This communication may contain proprietary, privileged or confidential information protected by law. It is solely for the use of the intended recipient named above. Any review, dissemination, distribution, forwarding, or copying of this communication by someone other than the intended recipient, or the employee responsible for delivering this communication to the intended recipient, is prohibited. If you have received this communication in error, please immediately notify the sender via email, then destroy the original message.

PEF-FUEL-000368

5/19/2004

Ott, Robin (PFC)

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-6)
RFP/Bids/Purchases
Page 13 of 107

From: Pitcher, Al (PFC)
Sent: Wednesday, May 12, 2004 12:02 PM
To: Ott, Robin (PFC)
Subject: FW: DTE Offer Summary

CONFIDENTIAL

FYI.

Al Pitcher

Ms Robin Ott

-----Original Message-----

From: Rolando Sanz-Guerrero [mailto:rsanzg@attwireless.blackberry.net]
Sent: Wednesday, May 12, 2004 12:01 PM
To: Pitcher, Al (PFC)
Subject: Re: DTE Offer Summary

Oops...sorry.
Rolando

-----Original Message-----

From: "Pitcher, Al (PFC)" <APitcher@progressfuels.com>
Date: Wed, 12 May 2004 11:59:36
To: <rsanzg@attwireless.blackberry.net>
Subject: RE: DTE Offer Summary

Our procedures do not allow for me to see this information prior to 5:00 PM. Robin will enclose it with the bids. Please do not send this type of information in the future prior to the expiration of the RFP submission.

✓

Al Pitcher

-----Original Message-----

From: Sanz-Guerrero, Rolando [mailto:SanzguR@dtecs.com]
Sent: Wednesday, May 12, 2004 11:49 AM
To: Pitcher, Al (PFC)
Subject: DTE Offer Summary

Al:

I sent all the official offers to Robin as requested in the RFP. I wanted to summarize the different options for your information.

All offers are for minimum one train/month (168,000 tons) and up to 3 trains/month (504,000 tons). All offers are for calendar 2005.

* Offer one- This covers both rail cars and transportation to the Cora terminal. The price is \$10.02 / ton. This offer is good for 30 days, as requested.

* Offer two- The price includes rail cars, transportation and Cora terminal fees, in other words FOB Barge mile post Cora terminal. The Price is \$10.02/ton plus \$1.00/ton if the transfer is from rail to barge directly. If the transfer is from rail to ground to barge the fee is \$1.20/ton. This offer is also good for 30 days, as requested.

* Offer three- The price includes Offer two plus Coal
\$18.42/ton for direct transload from train to barge and \$18.62/ton if reclaimed from
ground to barge. Because of the volatility of Coal prices, DTE can make this Offer firm
for one week (May 20, 2004). After that date I need to reconfirm the coal price.

I hope this e-mail finds you well. Please call me if you have any questions or when you
have some information on the short list.

Have a great day!

Rolando

734-913-5877

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contain proprietary, privileged or confidential information protected by law. It is solely
for the use of the intended recipient named above. Any review, dissemination,
distribution, forwarding, or copying of this communication by someone other than the
intended recipient, or the employee responsible for delivering this communication to the
intended recipient, is prohibited. If you have received this communication in error,
please immediately notify the sender via email, then destroy the original message.

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PEF-FUEL-000370



425 South Main St., Suite 201
Ann Arbor, MI 48104
Telephone: (734) 913-5877
Facsimile: (734) 994-5849
Email: sanzgur@dtecs.com

Rolando Sanz-Guerrero
Director of Sales

Tuesday, May 11, 2004

VIA Fed-ex

Mrs. Robin Ott
Progress Fuels Corporation
One Progress Plaza, Suite 600
St. Petersburg, FL 33701

**COAL SUPPLY AND TRANSPORTATION PROPOSAL
(FOB BARGE)**

Dear Mrs. Ott:

In response to your recent request for proposal, DTE Coal Services ("Seller") proposes the supply of coal and transportation to Progress Fuels Corporation ("Buyer") based on the terms shown below.

1. PROPOSAL SUMMARY

Up to 3 trains/mo of 8800 Btu/Lb., 0.8 Lb SO₂/MMBtu SPRB coal delivered from January 1, 2005 – December 31 2005 (APPROXIMATELY 504,000 tons, assuming 14,000 ton trains).

2. TERM

January 1, 2005 – December 31, 2005.

3. QUANTITY

36 trains (APPROXIMATELY 504,000 tons, assuming 14,000 ton trains).

4. SOURCE

The source of the coal would be one or more joint-line served Southern Powder River Basin mines (the "Mine") in Campbell or Converse Counties, Wyoming. Sources could include coal from any of the following mines: Black Thunder, Antelope, North Rochelle or the North Antelope/Rochelle Complex.

5. DELIVERY POINT

PEF-FUEL-000371

The Delivery Point for the coal would be F.O.B. Barge (Cora). Title and risk of loss would pass to Buyer at the Delivery Point.

6. QUALITY

- a. The coal would be substantially free of magnetic material and other foreign material impurities.
- b. The typical coal quality for the coal to be shipped during the term of this agreement is shown below. All quality information provided in or with this proposal is for Buyer's information only, and will not constitute a warranty. Any warranty will be subject to mutual agreement.

	<u>Wt.</u> <u>Av.</u>	<u>Train</u> <u>Rej.</u>
Btu/Lb.	8800	8600
Lb. SO2/MMBtu	0.8	1.2
Moisture %	27	N/A
Ash %	5.5	N/A

7. PRICE

The Price would be \$18.42/ton on a direct transload to barge from train.

The Price would be \$18.62/ton if coal is reclaimed from ground storage to barge.

The above Price does not include any sales or use taxes. Buyer would either provide Seller with a valid Wyoming sales tax exemption certificate or be responsible for any applicable sales or use taxes.

The Price would be adjusted for changes in Seller's royalties and taxes on coal delivered to Buyer and for changes in costs incurred by Seller resulting from changes in government regulations.

8. STORAGE

If Storage is required at Cora terminal the fees are as follows:

- First 50,000 tons- Free
- Anything over 50,000- \$0.15/ton/month.

9. PRICE ADJUSTMENT FOR HEAT CONTENT VARIATION

The Price will be adjusted, at the end of each month, to reflect actual calorific value of the coal received during such month according to the following formula:

$BTU \text{ Adjusted Price} = \text{Price} \times (1 + (\text{Actual BTU} - \text{Typical BTU}) / \text{Typical BTU})$

10. PRICE ADJUSTMENT FOR SULFUR CONTENT VARIATION

The Price will be adjusted, at the end of each month, to reflect actual SO2 value of the coal received during such month according to the following formula:

$SO2 \text{ Adjusted Price} = [0.8 - \text{Actual Monthly Weighted Average } SO2(\text{lb}SO2/\text{mmbtu})] \times \text{Monthly Weighted Average Btu/lb}/1,000,000 \times \text{Spot Price of } SO2 \text{ Emission Allowances}$. Where: Spot Price of SO2 Emission Allowances for any given delivery month would be calculated by averaging the weekly SO2 indices published in Energy Argus' Air Daily (e.g., spot price for allowances for January 2000 would be calculated by averaging the weekly indices published in Energy Argus' Air Daily during January 2000.)

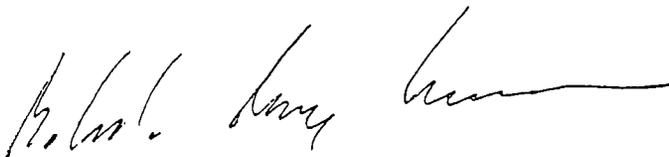
11. PROPOSAL VALIDITY PERIOD

Subject to prior sale, this proposal will remain valid until close of business on May 20, 2004. Following that date, this proposal will be subject to Seller's reconfirmation.

The supply of Coal would be covered by an agreement to be negotiated and mutually agreed upon, based on the terms of this proposal, along with other terms and provisions usually included in Coal supply agreements. Any agreement would be subject to the approval of the management of Seller and Buyer. In addition, the final contract between the parties would be subject to both parties' review and acceptance of the other party's credit status.

Please call me at (734) 913-5877 if you need further information or have any questions.

Sincerely,



Rolando Sanz-Guerrero
Director of Sales, DTECS

Proximate Analysis	
Moisture	26.70%
Ash	5.64%
Sulfur	0.30%
BTU	8796
MAF BTU	13001
Pounds SO2/MM BTU	0.69
Pounds Ash/MM BTU	6.42
Ash To Sulfur Ratio	18.72
Volitile Matter	31.65
Fixed Carbon	36.00

Ash Fusion Temperatures (Deg F)	
<i>Reducing</i>	
Initial	2138
Softening	2160
Hemispherical	2173
Fluid	2231
<i>Oxidizing</i>	
Initial	2224
Softening	2232
Hemispherical	2256
Fluid	2320

Ultimate Analysis (Dry Basis)	
Moisture	NA
Ash	7.70%
Hydrogen	4.68%
Carbon	70.83%
Nitrogen	0.79%
Sulfur	0.41%
Oxygen	15.59%

Sulfur Forms	
Pyritic	0.04%
Sulfate	0.01%
Organic	0.25%
Total	0.31%

Ash Mineral Analysis - Ignited Basis	
Silicon Dioxide	39.83%
Aluminum Oxide	16.54%
Titanium Dioxide	1.36%
Ferric Oxide	5.26%
Sulfur Trioxide	8.20%
Calcium Oxide	19.80%
Potassium Oxide	0.59%
Magnesium Oxide	4.04%
Sodium Oxide	1.26%
Iron Oxide	5.26%
Phosphorus Pentoxide	1.00%
Manganese Dioxide	0.02%
Strontium Oxide	0.27%
Barium Oxide	0.51%
Undetermined	1.57%

Other Information	
Hardgrove Grindability Index	51
Free Swelling Index	0.0
Equilibrium Moisture	25.98%
Base - Acid Ratio	0.54
% Acidic	57.73%
% Basic	30.95%
SI/AL Ratio	2.41
T250 - Deg F	2290

The information depicted on this document is intended for informational purposes only and represents typical results from laboratory analysis procedures using prescribed ASTM methods. As with any tests, results will vary with sampling methods, equipment, technicians, etc. Typical results may also vary due to geologic influences within the mining reserve area.



425 South Main St., Suite 201
Ann Arbor, MI 48104
Telephone: (734) 913-5877
Facsimile: (734) 994-5849
Email: sanzgur@dtcs.com

Rolando Sanz-Guerrero
Director of Sales

Tuesday, May 11, 2004

VIA Fed-ex

Mrs. Robin Ott
Progress Fuels Corporation
One Progress Plaza, Suite 600
St. Petersburg, FL 33701

**COAL TRANSPORTATION SUPPLY PROPOSAL
(FOB BARGE)**

Dear Mrs. Ott:

In response to your recent request for proposal, DTE Coal Services ("Seller") proposes the supply of Transportation to Progress Fuels Corporation ("Buyer") based on the terms shown below.

1. PROPOSAL SUMMARY

Up to 3 trains/mo of Southern Powder River Basin ("SPRB") coal transportation and coal terminal transfer delivered from January 1, 2005 – December 31 2005 (Up to APPROXIMATELY 504,000 tons, assuming 14,000 ton trains).

2. TERM

January 1, 2005 – December 31, 2005.

3. QUANTITY

36 trains (APPROXIMATELY 504,000 tons, assuming 14,000 ton trains).

4. SOURCE

The source of the coal supply could be from any one or more joint-line served SPRB mines (the "Mine") in Campbell or Converse Counties, Wyoming.

5. DELIVERY POINT

PEF-FUEL-000375

The Delivery Point for the coal would be the Cora Terminal in Seller's provided rail cars.

6. PRICE

The Transportation Price would be \$10.02/ton to Cora Terminal; an additional fee would be assessed as a transfer fee according to the following:

- If direct from railcar to barge the fee would be an additional \$1.00/ton
- If the coal goes from Railcar to ground to barge the fee would be an additional \$1.20/ton

Storage fees are as follows:

- First 50,000 tons – Free
- Anything over 50,000 tons would cost an additional \$0.15/ton/month.

This price includes (a) rail rate from Mine and (b) rail cars to Delivery Point. Plus any transfer fees to the barge

The above price does not include the price for the Coal. Buyer to provide coal at Mine.

7. PROPOSAL VALIDITY PERIOD

This proposal will remain valid until close of business on June 12, 2004. Following that date, this proposal will be subject to Seller's reconfirmation.

The supply of Transportation would be covered by an agreement to be negotiated and mutually agreed upon, based on the terms of this proposal, along with other terms and provisions usually included in Transportation supply agreements. Any agreement would be subject to the approval of the management of Seller and Buyer. In addition, the final contract between the parties would be subject to both parties' review and acceptance of the other party's credit status.

Please call me at (734) 913-5877 if you need further information or have any questions.

Sincerely,



Rolando Sanz-Guerrero
Director of Sales, DTECS

PEF-FUEL-000376

DTE Energy



DTE Coal Services

425 South Main St., Suite 201
Ann Arbor, MI 48104
Telephone: (734) 913-5877
Facsimile: (734) 994-5849
Email: sanzgur@dtcs.com

Rolando Sanz-Guerrero
Director of Sales

Tuesday, May 11, 2004

VIA Fed-ex

Mrs. Robin Ott
Progress Fuels Corporation
One Progress Plaza, Suite 600
St. Petersburg, FL 33701

**COAL TRANSPORTATION SUPPLY PROPOSAL
(FOB CORA TERMINAL)**

Dear Mrs. Ott:

In response to your recent request for proposal, DTE Coal Services ("Seller") proposes the supply of Transportation to Progress Fuels Corporation ("Buyer") based on the terms shown below.

1. PROPOSAL SUMMARY

Up to 3 trains/mo of Southern Powder River Basin ("SPRB") coal Transportation delivered from January 1, 2005 – December 31 2005 (Up to APPROXIMATELY 504,000 tons, assuming 14,000 ton trains).

2. TERM

January 1, 2005 – December 31, 2005.

3. QUANTITY

36 trains (APPROXIMATELY 504,000 tons, assuming 14,000 ton trains).

4. SOURCE

The source of the coal supply could be from any one or more joint-line served SPRB mines (the "Mine") in Campbell or Converse Counties, Wyoming.

5. DELIVERY POINT

PEF-FUEL-000377

May 11, 2004

Page 2

The Delivery Point for the coal would be the Cora Terminal in Seller-provided railcars.

6. PRICE

The Transportation Price would be \$10.02/ton.

This price includes (a) rail rate from Mine and (b) rail cars from Source (s) to Delivery Point.

The above price does not include the price for the Coal. Buyer to provide coal at Mine.

7. PROPOSAL VALIDITY PERIOD

This proposal will remain valid until close of business on June 12, 2004. Following that date, this proposal will be subject to Seller's reconfirmation.

The supply of Transportation would be covered by an agreement to be negotiated and mutually agreed upon, based on the terms of this proposal, along with other terms and provisions usually included in Transportation supply agreements. Any agreement would be subject to the approval of the management of Seller and Buyer. In addition, the final contract between the parties would be subject to both parties' review and acceptance of the other party's credit status.

Please call me at (734) 913-5877 if you need further information or have any questions.

Sincerely,



Rolando Sanz-Guerrero
Director of Sales, DTECS

PEF-FUEL-000378



OXBOW CARBON & MINERALS LLC

May 11, 2004

Ms. Robin Ott
Progress Fuels Corporation
One Progress Plaza, Suite 600
St. Petersburg, Florida 337012

Dear Ms. Ott,

Please find enclosed, Oxbow Mining LLC's proposal to supply coal to Progress Fuels Corporation.

In addition to information provided on Progress Fuels Corporation Bid document, please note:

All other terms and conditions not noted in this proposal will be mutually agreed between Oxbow Mining LLC and Progress Fuels Corporation.

Our proposal will remain valid until 5:00 PM (MST) June 11, 2004 unless an extension is mutually agreed upon between Buyer and Seller. This offer is subject to prior sale and is subject to OMLLC Board of approval. No firm commitment to sell or purchase coal under this proposal will exist whatsoever until an agreement is fully executed between Oxbow Mining LLC and Progress Fuels Corporation.

We look forward to discussing our proposal in more detail. If any additional information is required, please do not hesitate to call me.

Sincerely,

Alicia Levitt
Sales Representative

PEF-FUEL-000379



**PROGRESS
FUELS**
CORPORATION

COAL PRODUCERS' SOLICITATION
CRYSTAL RIVER 4 & 5
PAGE 1 OF 3

Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-6)
RFP/Bids/Purchases
Page 24 of 107

PRODUCER NAME: Oxbow Mining LLC		
STREET ADDRESS: 7901 Southpark Plaza, Suite 202; Littleton, CO 80120		
CONTACT: Alicia Levitt	TELEPHONE NO. 303-795-0413	
MINE(S): Elk Creek	BOM DISTRICT: 17	COUNTY: Gunnison STATE: CO
ORIGIN RAILROAD(S)/DISTRICT: EK ___ CV ___ Big Sandy ___ Other UPRR ___		R/R TIPPLE DESIGNATION/NUMBER: Somerset, CO
TYPE OF LOADING FACILITY: UNIT TRAIN: <input checked="" type="checkbox"/> 105 cars SINGLE CAR: _____ TRAINLOAD: _____		
MAXIMUM LOADING CAPACITY: 3 105 car trains in 24 hours _____ TONS _____ HOURS _____ TRACK CAPACITY		
WATER DELIVERY CAPABILITY: <input type="checkbox"/> YES <input type="checkbox"/> NO IMPORT COAL: LOAD PORT _____		
SHIP THROUGH: _____ DOCK LOAD RATE: _____		
TOTAL PRODUCTION CAPACITY PER MONTH: 700,000 TONS plus		
PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: 100% TONS quoted quality		
TYPE OF MINE: <input checked="" type="checkbox"/> 100% DEEP _____ % STRIP _____ % AUGER		
SEAMS: Currently in D Seam		BLEND RATIOS: None
COAL PREPARATION: <input checked="" type="checkbox"/> 100% RAW _____ WASHED _____ COMBINATION		
TYPE OF COAL WASHER, IF WASHED:		
TYPE OF COAL SAMPLING: Automatic Sampler		
TYPE OF LABOR CONTRACT(S): None		DATE FOR RENEGOTIATION:
TYPE OF COAL WEIGHING: Weigh Batch		SCALE CERTIFIED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
See Attached		
IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.		
PRODUCER'S COMMENTS:		
CREDIT REFERENCES (Minimum two): Will provide if short listed		
INDUSTRY REFERENCES (Minimum four): Will provide if short listed		
SIGNATURE: <i>Alicia Levitt</i>	TITLE: Sales Rep	DATE: 5/11/04

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION TO:

MRS. ROBIN OTT
PROGRESS FUELS CORPORATION
ONE PROGRESS PLAZA, SUITE 600
ST. PETERSBURG, FLORIDA 33701

OR

POST OFFICE BOX 15208
ST. PETERSBURG, FLORIDA 33733
PHONE NO. 727/824-6670
FAX NO. 727/824-6601

PEF-FUEL-000380



**PROGRESS
FUELS**
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COAL PRODUCERS' SOLICITATION FOR
CRYSTAL RIVER 4 & 5
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RFP/Bids/Purchases
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DESCRIPTION	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	'AS RECEIVED' AVERAGE OR TYPICAL	'AS RECEIVED' GUARANTEED	BITUMINOUS 'AS RECEIVED' GUARANTEED	SUB-BITUMINOUS 'AS RECEIVED' GUARANTEED
MOISTURE (TOTAL) %	8.00	9.00	8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %	n/a	n/a	5.0% MAX.	5.0% MAX.
ASH %	8.5	12	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MBTU)	0.77	1.2	1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB	12,000	11,900	12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=W (R)	2400	2300	2,500 MIN.	2,200 MIN.
VOLATILE %	33.5	31	31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE	53	50	42 MIN. ³	65 MIN. ³
SIZE	2x0	2x0	2" X 0"	2" X 0"
FINES (-1/4" X 0")	40%	40%	45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR	n/a	n/a	0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %	49%		---	---
HYDROGEN %	4.8%		---	---
NITROGEN %	1.45%		---	---
CHLORINE %	288 ppm		---	---
OXYGEN %	7.45		---	---

¹Must be met on an individual shipment basis.

²Adjustable in direct proportion to Btu.

³Adjustable in inverse proportion to Btu.

⁴Economic analyses will be based on these values.

⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD DEV.
P ₂ O ₅	00.65		Antimony		
SiO ₂	53.19		Arsenic		
Fe ₂ O ₃	06.18		Beryllium	See Attached	
Al ₂ O ₃	25.62		Cadmium		
TiO ₂	00.89		Chromium		
CaO	04.19		Cobalt		
MgO	01.40		Fluorine		
SO ₃	03.09		Lead		
K ₂ O	01.42		Lithium		
Na ₂ O	01.03		Manganese		
Undetermined	01.89		Mercury		
Base/Acid Ratio	00.18		Nickel		
Maximum Base/Acid Ratio	00.24		Selenium		

*NOTE: ADD SHEETS IF MORE THAN ONE SEAM

CONFIDENTIAL

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-6)
RFP/Bids/Purchases
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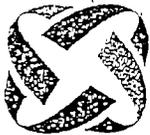
Oxbow Mining LLC

Period: 2005 – 2008

Tonnage: 2005: 5 trains for testing
2006: 500,000 tons
2007: 500,000 tons
2008: 500,000 tons

Price: 2005: \$30.00 per net ton, FOB loaded railcar, Somerset, CO
2006: \$27.50 per net ton, FOB loaded railcar, Somerset, CO
2007: \$28.33 per net ton, FOB loaded railcar, Somerset, CO
2008: \$29.18 per net ton, FOB loaded railcar, Somerset, CO

PEF-FUEL-000381



**PROGRESS
FUELS**
CORPORATION

COAL PRODUCERS' SOLICITATION FOR
CRYSTAL RIVER 4 & 5
PAGE 3 OF 3

Docket No. 070001-EI
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RFP/Bids/Purchases
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PROTECTED QUALITY

DESCRIPTION	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	"AS RECEIVED" AVERAGE OR TYPICAL	"AS RECEIVED" GUARANTEED	BITUMINOUS "AS RECEIVED" GUARANTEED	SUB-BITUMINOUS "AS RECEIVED" GUARANTEED
MOISTURE (TOTAL) %			8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %			5.0% MAX.	5.0% MAX.
ASH %	Same as	current	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MBTU)			1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB	quality		12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=W (R)			2,500 MIN.	2,200 MIN.
VOLATILE %			31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE			42 MIN. ³	65 MIN. ³
SIZE			2" X 0"	2" X 0"
FINES (-1/4" X 0")			45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR			0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %			---	---
HYDROGEN %			---	---
NITROGEN %			---	---
CHLORINE %			---	---
OXYGEN %			---	---

¹Must be met on an individual shipment basis.

²Adjustable in direct proportion to Btu.

³Adjustable in inverse proportion to Btu.

⁴Economic analyses will be based on these values.

⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD DEV.
P ₂ O ₅			Antimony		
SiO ₂			Arsenic		
Fe ₂ O ₃			Beryllium		
Al ₂ O ₃			Cadmium		
TiO ₂			Chromium		
CaO			Cobalt		
MgO			Fluorine		
SO ₃			Lead		
K ₂ O			Lithium		
Na ₂ O			Manganese		
Undetermined			Mercury		
Base/Acid Ratio			Nickel		
Maximum Base/Acid Ratio			Selenium		

*NOTE: ADD SHEETS IF MORE THAN ONE SEAM

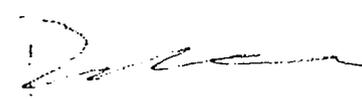
CUSTOMER: OXBOW CARBON & MINERALS
 MINE: ELK CREEKMINE

JOB NO: 88-19744
 LOCATION: SOMERSET LAB

DATE: 05/27/03

DATE SAMP:	04/27/03	<u>TRACE ELEMENT, DRY BASIS</u>		<u>RESULT</u>
DATE REC:	04/27/03			(PPM)
CONTRACT:		ANTIMONY	Sb	0.76
SHIPMENT ID:		ARSENIC	As	1.0
		BARIUM	Ba	157
		BERYLLIUM	Be	0.7
TONNAGE:	10659.85	BORON	B	128
NO. OF CARS:	108.000	BROMINE	Br	19
		CADMIUM	Cd	0.14
		CHLORINE	Cl	329
SAMPLE NET:	116 LBS	CHROMIUM	Cr	7
		COBALT	Co	1.8
		COPPER	Cu	8
		FLUORINE	F	51.7
		LEAD	Pb	5.9
		LITHIUM	Li	11.8
		MANGANESE	Mn	13
		MERCURY	Hg	0.023
		MOLYBDENUM	Mo	0.9
		NICKEL	Ni	4
		SELENIUM	Se	1.2
		SILVER	Ag	0.10
		STRONTIUM	Sr	70
		THALLIUM	Tl	0.16
		TIN	Sn	0.6
		URANIUM	U	1.2
		VANADIUM	V	18
		ZINC	Zn	13
		ZIRCONIUM	Zr	21.4

PEF-FUEL-000384





CUSTOMER: OXBOW CARBON & MINERALS
 MINE: ELK CREEK MINE

JOB NO: 88-32858
 LOCATION: SOMERSET, CO

DATE: 4/21/04

MONTHLY QUALITY TEST

DATE SAMP: 03/25/04
 DATE REC: 03/25/04

CONTRACT:
 SHIPMENT ID:

TONNAGE: 10431.050
 NO. OF CARS: 105

SAMPLE NET: 81 LBS

PROXIMATE ANALYSIS (%)

	AS REC'D	DRY
MOISTURE	8.46	n/a
ASH	8.54	9.33
VOLATILE	33.66	36.77
FIXED C	49.34	53.90

SULFUR	0.41	0.45
BTU/LB	12054	13169
BTU MAF		14524
ALK AS Na2O	0.17	0.19

ADDITIONAL DATA

AIR DRY LOSS 6.03
 RESIDUAL MOISTURE 2.59

HGI = 54 @ 2.26% MOISTURE
 FREE SWELLING INDEX = 1.5

ULTIMATE ANALYSIS (%)

	AS REC'D	DRY
MOISTURE	8.46	n/a
ASH	8.54	9.33
SULFUR	0.41	0.45
CARBON	69.80	76.25
HYDROGEN	4.60	5.02
NITROGEN	1.40	1.53
OXYGEN (diff)	6.79	7.42

FUSION TEMPERATURE OF ASH (F)

	OXIDIZING	REDUCING
INITIAL	2350	2300
SOFTENING	2420	2315
HEMISPHERICAL	2490	2330
FLUID	2615	2550

MERCURY = .154 PPM
 CHLORINE = 366 PPM

MINERAL ANALYSIS OF ASH (%)

PHOSPHORUS PENTOXIDE	0.40
SILICON DIOXIDE	51.91
FERRIC OXIDE	5.90
ALUMINUM OXIDE	23.97
TITANIUM DIOXIDE	0.85
MANGANESE DIOXIDE	0.03
CALCIUM OXIDE	5.39
MAGNESIUM OXIDE	1.71
POTASSIUM OXIDE	1.34
SODIUM OXIDE	1.14
SULFUR TRIOXIDE	4.67
BARIUM OXIDE	0.24
STRONTIUM	0.17
UNDETERMINED	2.28

BASE/ACID RATIO	0.2
T250 TEMPERATURE	2726
SILICA VALUE	82.10
TYPE OF ASH	LIGNITIC
SLAGGING INDEX	2338
FOULING INDEX	1.14

Respectfully Submitted

James E. Luta

STANDARD LABORATORIES, INC

PEF-FUEL-000385

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-6)
 RFP/Bids/Purchases
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CUSTOMER: OXBOW CARBON & MINERALS
 MINE: ELK CREEK MINE

JOB NO: 88-32651
 LOCATION: SOMERSET, CO

DATE: 3/23/2004

DATE SAMP: 02/23/04
 DATE REC: 02/23/04

CONTRACT:
 SHIPMENT ID:
 TONNAGE: 10320.030
 NO. OF CARS: 104
 SAMPLE NET: 148 LBS

PROXIMATE ANALYSIS (%)

	AS REC'D	DRY
MOISTURE	8.01	n/a
ASH	8.19	8.90
VOLATILE	33.73	36.67
FIXED C	50.07	54.43
SULFUR	0.40	0.43
BTU/LB	12160	13219
BTU MAF		14510
ALK AS Na2O	0.17	0.18

ADDITIONAL DATA

AIR DRY LOSS 5.47
 RESIDUAL MOISTURE 2.69

HGI = 55 @ 2.42% MOISTURE
 FREE SWELLING INDEX = 1.5

ULTIMATE ANALYSIS (%)

	AS REC'D	DRY
MOISTURE	8.01	n/a
ASH	8.19	8.90
SULFUR	0.40	0.43
CARBON	68.59	74.56
HYDROGEN	4.91	5.34
NITROGEN	1.38	1.50
OXYGEN (diff)	8.53	9.27

FUSION TEMPERATURE OF ASH (F)

	OXIDIZING	REDUCING
INITIAL	2625	2475
SOFTENING	2670	2540
HEMISPHERICAL	2690	2555
FLUID	2720	2655

MERCURY = .046 PPM
 CHLORINE = 273 PPM

MINERAL ANALYSIS OF ASH (%)

PHOSPHORUS PENTOXIDE	0.63
SILICON DIOXIDE	56.80
FERRIC OXIDE	5.26
ALUMINUM OXIDE	26.47
TITANIUM DIOXIDE	0.89
MANGANESE DIOXIDE	0.02
CALCIUM OXIDE	3.67
MAGNESIUM OXIDE	1.25
POTASSIUM OXIDE	1.21
SODIUM OXIDE	1.23
SULFUR TRIOXIDE	1.75
BARIUM OXIDE	0.25
STRONTIUM	0.17
UNDETERMINED	0.40
BASE/ACID RATIO	0.15
T250 TEMPERATURE	2822
SILICA VALUE	86.39
TYPE OF ASH	BITUMINOUS
SLAGGING INDEX	0.06
FOULING INDEX	0.18

Respectfully Submitted

Jane E. Kutze

STANDARD LABORATORIES, INC

PEF-FUEL-000386

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. _____ (RLS-6)
 RFP/Bids/Purchases
 Page 30 of 107



OXBOW CARBON & MINERALS LLC

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-6)
RFP/Bids/Purchases
Page 31 of 107

ELK CREEK MINE

Mine: Elk Creek

Location: Somerset, Colorado - Gunnison County

Ownership: Oxbow Mining, LLC

Operator: Oxbow Mining, LLC

Mine Start Date: Continuous Miner began February, 2002; Longwall began April, 2003

Type Mine: Longwall and Continuous Miner; 100% deep mine; 100% raw coal

Production Capacity: 5.7 million tons per year

Stockpile Capacity: 400,000 tons

Current Recoverable Reserves: "B" & "D" Seams : 134,000,000 tons

Union Affiliation: None

Expected Mine Life at Normal Capacity: 25 years or through 2026

Rail Service: Union Pacific Railroad

Loading Capability: One 105 car train in 3 hours
Three-Four 105 car trains in 24 hours

Loadout: Located at the mine. UP rail origin is Somerset, CO

Weighing: Certified Weigh Batch System – scale certified every 6 months
Auto-sampler bias tested once per year

Sampling & Analysis: HSS sampler located at loadout, Standard Labs performs analysis

Employees: Approximately 280

Sales Office: Oxbow Carbon & Minerals LLC
7901 SouthPark Plaza, Suite 202
Littleton, CO 80120
303-795-0413 Phone Number
303-795-1524 Fax Number
Contact: Alicia Levitt

PEF-FUEL-000387

COALSALES

Barbara E. Busby
Vice President – Sales & Marketing

Peabody COALSALES Company
701 Market Street
St. Louis, Missouri 63101-1826
Phone 314.342.7600

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___(RLS-6)
RFP/Bids/Purchases
Page 32 of 107

May 11, 2004

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

Dear Al:

Peabody COALSALES Company is pleased to submit the attached proposal for compliance coal to Progress Fuels Corporation (PFC) for your consideration. This proposal will expire at 5:00 p.m. CDT on June 11, 2004.

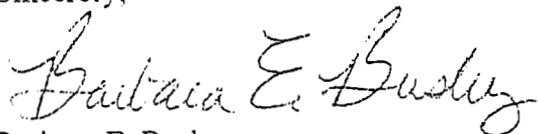
It is incumbent upon you to confirm with us that this Proposal is still outstanding at the time of its consideration and evaluation by you, and prior to any decision by you based on this Proposal.

This Proposal is further subject to the following conditions:

- Prior sale of the coal,
- Withdrawal by COALSALES at any time,
- Availability of the coal,
- Negotiation and execution of a mutually agreeable coal supply agreement,
- Approval of credit terms, and
- Obtaining the approvals of Peabody's senior management to the sale of the coal and to the execution of the negotiated coal supply agreement.

We appreciate the opportunity to submit this proposal and look forward to your response. Should you have any questions or require additional information please contact me.

Sincerely,



Barbara E. Busby
Vice President – Sales & Marketing

Attachments

PEF-FUEL-000388

CONFIDENTIAL

May 12, 2004

North Antelope/Rochelle

Compliance Coal Sales Proposal
Progress Fuels Corp.

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___(RLS-6)
RFP/Bids/Purchases
Page 33 of 107

To:
Mr. A.W. Pitcher
Vice President, Coal Procurement
Progress Fuels Corp.
One Progress Plaza
200 Central Avenue
St. Petersburg, FL 33701

Seller:
Peabody COALSALES Company
701 Market Street
St. Louis, MO. 63101
Phone: 314-342-7698
Fax: 314-342-7529

Plant Destination: Crystal River Plant

Term, Quantity and Price
Per Ton FOB Mine:

Term	Quantity	Price
1/1/05-12/31/05	300,000 tons	\$8.75
1/1/06-12/31/06	300,000 tons	\$9.25
1/1/07-12/31/07	300,000 tons	\$9.50

- Tons to be shipped ratably over the term of the agreement
- Tonnage firm, no variances or option tons

Btu

Premium/Penalty

Provision: At the end of each month a quality adjustment would be computed based on the difference between the actual weighted average Btu per pound and the Monthly Weighted Average Btu per pound (8.900 Btu/lb.).

SO2

Premium/Penalty

Provision: At the end of the month, a quality adjustment would be computed based on the difference between the actual monthly weighted average pounds of SO2 per million Btu and the Monthly Weighted Average lbs. SO2/mmBtu (0.50 # SO2/mmBtu). The difference will be applied to the average "Air Daily Monthly SO2 Index."

PEF-FUEL-000389

Mine Information:

Mine	North Antelope/Rochelle
Location:	65 mi SE of Gillette, WY
Type of Mine:	Surface
Mining Method:	Dragline/Truck & Shovel
Annual Total Shipments:	80,000,000+ tons

Coal Quality: (Progress Fuels Current & Projected Quality Sheets attached)

Parameter (as received)	Monthly Wtd. Average	Reject
Btu/lb.	8,900	8700 minimum
Lb. SO2/mmBtu	.5	.75 maximum
Ash, %	4.4	---
Moisture, %	26.7	---
Sodium Oxide	1.5	---
Volatiles, %	31.5	---
HGI	59	---

Rail Origin:

Loadout Details	North Antelope
Shipping Point	NACCO Junction
Railroad	BNSF/UP
Unit Train Car Rating	160
Loadout Capacity	< 4.0 Hours

Sampling System: Three (3) Stage Automatic Sampler

Weighing System: Batch Weigh Bin System

Scale Certification: Certification Annually

Expiration Date: This proposal expires June 11, 2004.

Shipping Schedule: Annual volume to be shipped and received in approximately equal monthly quantities.

Substitution: Seller reserves the right, but not the obligation, to substitute coal from other origins at the same delivered price per mmBtu.



**PROGRESS
 FUELS**
 CORPORATION

COAL PRODUCERS' SOLI
 CRYSTAL RIVER
 PAGE 2 OF 3

CURRENT QUALITY

DESCRIPTION	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	"AS RECEIVED" AVERAGE OR TYPICAL	"AS RECEIVED" GUARANTEED	BITUMINOUS "AS RECEIVED" GUARANTEED	SUB-BITUMINOUS "AS RECEIVED" GUARANTEED
MOISTURE (TOTAL) %	26.9	28.0 ⁴	8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %	1.0	2.0	5.0% MAX.	5.0% MAX.
ASH %	4.3	5.5 ⁴	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MBTU)	0.45	0.60	1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB	8,889	8,700 ⁴	12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=W (R)	2,126	2,060 ⁴	2,500 MIN.	2,200 MIN.
VOLATILE %	31.8	30.0 ⁴	31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE [*]	64	56 ⁴	42 MIN. ³	65 MIN. ³
SIZE	3 x 0		2" X 0"	2" X 0"
FINES (-1/4" X 0")	27.0		45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR	0.01	0.02	0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %	37.0		---	---
HYDROGEN %	3.5		---	---
NITROGEN %	0.7		---	---
CHLORINE %	< 0.01		---	---
OXYGEN %	12.2		---	---

¹Must be met on an individual shipment basis.

²Adjustable in direct proportion to Btu.

³Adjustable in inverse proportion to Btu.

^{*} @ 25.12 Moisture

⁴Economic analyses will be based on these values.

⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD DEV.
P ₂ O ₅	1.0	0.11	Antimony	< 1	< 1
SiO ₂	33.7	2.19	Arsenic	< 1	< 1
Fe ₂ O ₃	5.5	0.31	Beryllium	< 0.2	< 0.2
Al ₂ O ₃	17.2	0.84	Cadmium	< 0.2	< 0.2
TiO ₂	1.4	0.12	Chromium	4	0.9
CaO	23.7	1.50	Cobalt	2	1.9
MgO	5.5	0.34	Fluorine	67	11.9
SO ₃	8.2	0.66	Lead	2	0.7
K ₂ O	0.3	0.06	Lithium	3	0.8
Na ₂ O	1.5	0.15	Manganese	9	0.9
Undetermined	1.7	0.8	Mercury	0.05	0.02
Base/Acid Ratio	0.71	0.07	Nickel	3	1.2
Maximum Base/Acid Ratio	0.81		Selenium	< 1	< 1

*NOTE: ADD SHEETS IF MORE THAN ONE SEAM



Triton Coal Company, LLC

Lexington Sales Office

One Paragon Centre, Suite 110
2525 Harrodsburg Road
Lexington, KY 40504
Bus: (859) 223-8820
Fax: (859) 223-8744

May 11, 2004

2 Bids

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-6)
RFP/Bids/Purchases
Page 36 of 107

Mrs. Robin Ott
Progress Fuels Corporation
One Progress Plaza, Suite 600
St. Petersburg, Florida 33701

Dear Mrs. Ott:

Triton Coal Company, LLC is pleased to respond to your RFP, dated April 12, 2004, for coal supply to Progress Fuels' Crystal River Plant. This proposal is made in accordance with the terms and conditions set forth below:

Source: North Rochelle mine, located approximately 55 miles south of Gillette in Campbell County, Wyoming, and is served by both the BNSF and UP railroads. Buckskin mine, located approximately 14 miles north of Gillette in Campbell County, Wyoming, and is served by the BNSF railroad. Both mines are owned and operated by Triton Coal Company, LLC.

Term: As indicated on the attached Coal Producer's Solicitation Forms.

Quantity: As indicated on the attached Coal Producer's Solicitation Forms, with actual nominated quantity to be determined prior to the execution of a Coal Supply Agreement.

Price: As indicated on the attached Coal Producer's Solicitation Forms. Prices shall remain fixed for each term of the Agreement, except for adjustments (premium/penalty) for quality (Btu and SO₂), and for changes in laws, taxes or other governmental impositions that may occur subsequent to the date of this proposal. The price for North Rochelle is based on 8,800 Btu and 0.80# SO₂ guarantees. The price for Buckskin is based on 8,400 Btu and 0.80# SO₂ guarantees.

Quality: As indicated on the attached Coal Producer's Solicitation Forms.

Sampling & Analysis: Sampling to be performed by Seller utilizing ASTM certified three-stage mechanical sampling system at mine loading facility. Analysis to be performed by a mutually agreeable independent laboratory in accordance with ASTM standards.

PEF-FUEL-000394

Weights: Weights to be provided by Seller utilizing certified batch and/or certified weigh-in-motion scales.

Invoicing & Payment: Triton prefers semi-monthly invoicing, 1st through 15th and, 16th through the end of the month, with payment fifteen (15) days from date of receipt of invoice.

Acceptance of this offer constitutes a present and binding obligation to buy and sell coal under the stated commercial terms of these proposals and is not otherwise dependent on the satisfaction of any condition, including, but not limited to, the negotiation and execution of a Coal Supply Agreement. This offer shall remain firm through June 12, 2004, unless extended by mutual agreement, and is subject to prior sale.

Thank you for the opportunity to submit this proposal for Progress Fuels Corporation's consideration. Should you have questions, or require additional information, please contact me at (859) 223-8820.

Sincerely,



Robert B. Gabbard
Vice President

Attachments

cc: Jim Hake
Mark Pettibone
Steve Sears
Brad Clark
Terry Wilkerson

PEF-FUEL-000395



**PROGRESS
FUELS**
CORPORATION

CONFIDENTIAL

PRODUCER NAME: Triton Coal Company, LLC		
STREET ADDRESS: 113 S. Gillette Ave., Suite 203; Gillette, WY 82716		
CONTACT: Bob Gabbard	TELEPHONE NO. 859-223-8820	
MINE(S): Buckskin	BOM DISTRICT: WY	COUNTY: Campbell STATE: WY
ORIGIN RAILROAD(S)/DISTRICT: EK ___ CV ___ Big Sandy ___ Other BNSF-PRB		R/R TIPPLE DESIGNATION/NUMBER: Buckskin Mine
TYPE OF LOADING FACILITY: UNIT TRAIN: <input checked="" type="checkbox"/> SINGLE CAR: _____ TRAINLOAD: _____		
MAXIMUM LOADING CAPACITY: 16,500 TONS		4 HOURS
WATER DELIVERY CAPABILITY: <input checked="" type="checkbox"/> YES _____ NO IMPORT COAL: LOAD PORT _____		
SHIP THROUGH: <u>no preference</u> DOCK		LOAD RATE: _____
TOTAL PRODUCTION CAPACITY PER MONTH: <u>1.6mm</u> TONS		
PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: <u>1.6mm</u> TONS		
TYPE OF MINE: _____ % DEEP <u>100</u> % STRIP _____ % AUGEI		
SEAMS: Anderson, Canyon		BLEND RATIOS: n/a
COAL PREPARATION: <input checked="" type="checkbox"/> RAW _____ WASHED _____ COMBINATIO		
TYPE OF COAL WASHER, IF WASHED:		
TYPE OF COAL SAMPLING: ASTM certified three-stage mechanical sampler		
TYPE OF LABOR CONTRACT(S): None		DATE FOR RENEGOTIATION: n/a
TYPE OF COAL WEIGHING: Batch & weigh-in-motion		SCALE CERTIFIED? <input checked="" type="checkbox"/> YES _____ NO
PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
January 1, 2005–December 31, 2007	1.0mm tons/year	* \$6.50 firm for 3 years
IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.		
PRODUCER'S COMMENTS: *Price is based on 8,400 Btu and 0.80 # SO2 guarantees		
CREDIT REFERENCES (Minimum two): Fairmont Supply Company - 307-686-2400 Wyoming Machinery Company - 307-472-1000		
INDUSTRY REFERENCES (Minimum four): Oklahoma Gas & Electric; Western Farmers; Dynegy; PP&L		
SIGNATURE: <i>Robert Gabbard</i>	TITLE: Vice President	DATE: 5/11/04

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION TO:

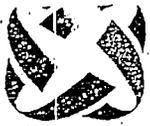
MRS. ROBIN OTT
PROGRESS FUELS CORPORATION
ONE PROGRESS PLAZA, SUITE 600
ST. PETERSBURG, FLORIDA 33701

OR

POST OFFICE BOX 15208
ST. PETERSBURG, FLORIDA 33733

PHONE NO. 727/824-6670
FAX NO. 727/824-6601

PEF-FUEL-000396

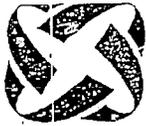


DESCRIPTION	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	"AS RECEIVED" AVERAGE OR TYPICAL	"AS RECEIVED" GUARANTEED 3 train minimum	BITUMINOUS "AS RECEIVED" GUARANTEED	SUB-BITUMINOUS "AS RECEIVED" GUARANTEED
MOISTURE (TOTAL) %	29.95	30.00	8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %			5.0% MAX.	5.0% MAX.
ASH %	5.15	5.50	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MBTU)	0.83	0.90*	1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB	8,400	8,300*	12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=W (R)	2,226	2,200	2,500 MIN.	2,200 MIN.
VOLATILE %	30.25	31.00	31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE	62	65	42 MIN. ³	65 MIN. ³
SIZE	2"X0	2"X0	2" X 0"	2" X 0"
FINES (-1/4" X 0")	20%	25%	45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR	0.04	0.10	0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %	34.65	n/a	---	---
HYDROGEN %	3.24	n/a	---	---
NITROGEN %	0.63	n/a	---	---
CHLORINE %	0.01	n/a	---	---
OXYGEN %	11.67	n/a	---	---

¹Must be met on an individual shipment basis. *Price adjustments based on 8400 Btu & 0.80# SO2
²Adjustable in direct proportion to Btu.
³Adjustable in inverse proportion to Btu.
⁴Economic analyses will be based on these values.
⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD DEV.
P ₂ O ₅	0.90	0.32	Antimony	0.20	0.05
SiO ₂	31.27	2.91	Arsenic	2.00	0.40
Fe ₂ O ₃	7.08	0.75	Beryllium	0.30	0.10
Al ₂ O ₃	13.15	0.90	Cadmium	0.05	0.02
TiO ₂	1.11	0.18	Chromium	4.00	2.00
CaO	25.75	1.53	Cobalt	1.50	1.00
MgO	5.89	0.54	Fluorine	27.60	5.00
SO ₃	10.98	2.27	Lead	2.00	1.00
K ₂ O	0.19	0.07	Lithium	3.00	1.60
Na ₂ O	1.70	0.25	Manganese	21.00	8.00
Undetermined	0.97		Mercury	0.09	0.02
Base/Acid Ratio	0.89		Nickel	5.00	2.00
Maximum Base/Acid Ratio	1.10		Selenium	1.20	0.40

*NOTE: ADD SHEETS IF MORE THAN ONE SEAM



**PROGRESS
FUELS**
CORPORATION

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-6)
RFP/Bids/Purchases
CO. Page 40 of 107

CURRENT QUALITY

DESCRIPTION	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	"AS RECEIVED" AVERAGE OR TYPICAL	"AS RECEIVED" GUARANTEED 3 train minimum	BITUMINOUS "AS RECEIVED" GUARANTEED	SUB-BITUMINOUS "AS RECEIVED" GUARANTEED
MOISTURE (TOTAL) %	27.57	28.50	8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %			5.0% MAX.	5.0% MAX.
ASH %	4.62	5.20	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MBTU)	0.55	0.65*	1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB	8,768	8,650*	12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=W (R)	2,165	2,100	2,500 MIN.	2,200 MIN.
VOLATILE %	32.90	31.50	31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE	64	63	42 MIN. ³	65 MIN. ³
SIZE	2"x0	2"x0	2" X 0"	2" X 0"
FINES (-1/4" X 0")	42%	45%	45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR	0.02	n/a	0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %	34.80	n/a	—	—
HYDROGEN %	3.72	n/a	—	—
NITROGEN %	0.73	n/a	—	—
CHLORINE %	0.02	n/a	—	—
OXYGEN %	12.50	n/a	—	—

¹Must be met on an individual shipment basis. *Price adjustment based on 8,800 Btu & 0.80# SO₂ ⁴Economic analyses will be based on these values.
²Adjustable in direct proportion to Btu. ⁵Preferred value, coals not meeting this specification will be considered.
³Adjustable in inverse proportion to Btu.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD. DEV.
P ₂ O ₅	1.00	0.24	Antimony	0.19	0.11
SiO ₂	32.42	2.43	Arsenic	0.60	0.20
Fe ₂ O ₃	5.78	0.49	Beryllium	0.10	0.10
Al ₂ O ₃	15.34	0.97	Cadmium	0.05	0.01
TiO ₂	1.39	0.16	Chromium	2.00	1.00
CaO	25.05	1.93	Cobalt	1.70	0.30
MgO	5.59	0.44	Fluorine	83.70	12.20
SO ₃	8.26	1.15	Lead	1.00	0.00
K ₂ O	0.32	0.09	Lithium	2.6	0.49
Na ₂ O	2.07	0.39	Manganese	8.00	2.00
Undetermined	2.99		Mercury	0.06	0.02
Base/Acid Ratio	0.75		Nickel	3.00	1.00
Maximum Base/Acid Ratio	1.00		Selenium	0.50	0.10

*NOTE: ADD SHEETS IF MORE THAN ONE SEAM

PEF-FUEL-000400



**PROGRESS
FUELS**
CORPORATION

COAL PRODUCERS' SOLICITATION FORM
CRYSTAL RIVER 4 & 5
PAGE 1 OF 3

CONFIDENTIAL

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-6)
RFP/Bids/Purchases
Page 41 of 107

PRODUCER NAME: Triton Coal Company, LLC		
STREET ADDRESS: 113 S. Gillette Ave., Suite 203; Gillette, WY 82716		
CONTACT: Bob Gabbard	TELEPHONE NO. 859-223-8820	
MINE(S): North Rochelle BOMDISTRICT: WY	COUNTY: Campbell	STATE: WY
ORIGIN RAILROAD(S)/DISTRICT: EK ___ CV ___ Big Sandy ___ Other PRB UP/BNSF ___	R/R TIPPLE DESIGNATION/NUMBER: North Rochelle	
TYPE OF LOADING FACILITY: UNIT TRAIN: <input checked="" type="checkbox"/> SINGLE CAR: _____ TRAINLOAD: _____		
MAXIMUM LOADING CAPACITY: 18,000 TONS 4 HOURS 4 unit trains @ 150 cars TRACK CAPACITY		
WATER DELIVERY CAPABILITY: <input checked="" type="checkbox"/> YES _____ NO IMPORT COAL: LOAD PORT _____		
SHIP THROUGH: <u>no preference</u> DOCK LOAD RATE: _____		
TOTAL PRODUCTION CAPACITY PER MONTH: 2mm TONS		
PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: 2mm TONS		
TYPE OF MINE: _____ % DEEP 100 % STRIP _____ % AUGER		
SEAMS: Lower Canyon	BLEND RATIOS: n/a	
COAL PREPARATION: 100% RAW	_____ WASHED _____ COMBINATION	
TYPE OF COAL WASHER, IF WASHED:		
TYPE OF COAL SAMPLING: ASTM certified three-stage mechanical sampler		
TYPE OF LABOR CONTRACT(S): None	DATE FOR RENEGOTIATION: n/a	
TYPE OF COAL WEIGHING: Batch & weigh-in-motion	SCALE CERTIFIED? <input checked="" type="checkbox"/> YES _____ NO	
PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
January 1, 2005–December 31, 2007	1.0mm tons/year	\$8.25 firm for 3 years *
IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.		
PRODUCER'S COMMENTS: *Price is based on 8,800 Btu and 0.80# SO2 guarantees		
CREDIT REFERENCES (Minimum two): Fairmont Supply Company - 307-686-2400 Wyoming Machinery Company - 307-472-1000		
INDUSTRY REFERENCES (Minimum four): Oklahoma Gas & Electric; Western Farmers; Dynegy & PP&L		
SIGNATURE: <i>Robert Gabbard</i>	TITLE: Vice President	DATE: 5/11/04

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION TO:

MRS. ROBIN OTT
PROGRESS FUELS CORPORATION
ONE PROGRESS PLAZA, SUITE 600
ST. PETERSBURG, FLORIDA 33701

OR

POST OFFICE BOX 15208
ST. PETERSBURG, FLORIDA 33733

PHONE NO. 727/824-6670
FAX NO. 727/824-6601

PEF-FUEL-000398



**PROGRESS
FUELS**
CORPORATION

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___(RLS-6)
RFP/Bids/Purchases
Page 42 of 107

PRODUCER NAME: Triton Coal Company, LLC		
STREET ADDRESS: 113 S. Gillette Ave., Suite 203; Gillette, WY 82716		
CONTACT: Bob Gabbard	TELEPHONE NO. 859-223-8820	
MINE(S): North Rochelle BOMDISTRICT: WY	COUNTY: Campbell	STATE: WY
ORIGIN RAILROAD(S)/DISTRICT: EK ___ CV ___ Big Sandy ___ Other PRB UP/BNSF	R/R TIPPLE DESIGNATION/NUMBER: North Rochell	
TYPE OF LOADING FACILITY: UNIT TRAIN: <input checked="" type="checkbox"/> SINGLE CAR: _____ TRAINLOAD: _____		
MAXIMUM LOADING CAPACITY: 18,000 TONS 4 HOURS 4 unit trains @ 150 cars TRACK CAPAC		
WATER DELIVERY CAPABILITY: <input checked="" type="checkbox"/> YES _____ NO IMPORT COAL: LOAD PORT _____		
SHIP THROUGH: <u>no preference</u> DOCK LOAD RATE: _____		
TOTAL PRODUCTION CAPACITY PER MONTH: <u>2mm</u> TONS		
PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: <u>2mm</u> TONS		
TYPE OF MINE: _____ % DEEP 100 % STRIP _____ % AUC		
SEAMS: Lower Canyon	BLEND RATIOS: n/a	
COAL PREPARATION: 100% RAW _____ WASHED _____ COMBINAT		
TYPE OF COAL WASHER, IF WASHED:		
TYPE OF COAL SAMPLING: ASTM certified three-stage mechanical sampler		
TYPE OF LABOR CONTRACT(S): None	DATE FOR RENEGOTIATION: n/a	
TYPE OF COAL WEIGHING: Batch & weigh-in-motion	SCALE CERTIFIED? <input checked="" type="checkbox"/> YES _____ NO	
PERIOD	TONNAGE	BASE PRICE PER TON FOB MINE
January 1-December 31, 2005	1.0 mm	* \$8.00
IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.		
PRODUCER'S COMMENTS: *Price is based on 8,800 Btu and 0.80# SO2 guarantees		
CREDIT REFERENCES (Minimum two): Fairmont Supply Company - 307-686-2400 Wyoming Machinery Company - 307-472-1000		
INDUSTRY REFERENCES (Minimum four): Oklahoma Gas & Electric; Western Farmers; Dynegy; PP&L		
SIGNATURE: <i>Robert Gabbard/dm</i>	TITLE: Vice President	DATE: 5/11/04

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION TO:

MRS. ROBIN OTT
PROGRESS FUELS CORPORATION
ONE PROGRESS PLAZA, SUITE 600
ST. PETERSBURG, FLORIDA 33701

OR

POST OFFICE BOX 15208
ST. PETERSBURG, FLORIDA 33733

PHONE NO. 727/824-6670
FAX NO. 727/824-6601

PEF-FUEL-000399

COAL QUALITY

COMPANY: <u>Triton Coal Company, LLC</u>					
MINE: <u>Buckskin</u>					
	MEAN	STANDARD DEVIATION	NUMBER OF ANALYSIS	OCCURRENCE	
				Maximum	Minimum
PROXIMATE ANALYSIS (% By Weight, As-Received Basis)					
Moisture	29.90	1.15		32.00	27.50
Ash	5.25	1.19		7.50	4.40
Volatile Matter	30.25	1.09		32.50	28.10
Fixed Carbon	34.60	1.33		36.20	32.40
Sulfur	0.36	0.09		0.50	0.25
Btu/Lb.	8,400	122		8,500	8,100
ULTIMATE ANALYSIS (% By Weight, As-Received Basis)					
Moisture	29.90	1.15		32.00	27.50
Carbon	48.90	0.67		50.30	47.70
Hydrogen	3.10	0.16		3.40	2.50
Nitrogen	0.60	0.07		0.70	0.45
Chlorine	0.01	0.01		0.03	0.00
Sulfur	0.40	0.09		0.50	0.25
Ash	5.25	1.19		7.50	4.40
Oxygen	11.85	1.43		13.60	10.00
SULFUR FORMS (% By Weight, As-Received Basis)					
Sulfate	0.01	0.01		0.01	0.01
Organic	0.30	0.10		0.50	0.19
Pyritic	0.04	0.05		0.10	0.00
MINERALS OF ASH (% Weight Of Ash)					
Silica	30.50	5.10		40.80	21.20
Alumina	13.50	1.70		18.00	10.00
Sodium Oxide	1.75	0.24		2.10	0.90
Potassium Oxide	0.20	0.09		0.50	0.10
Lime	25.75	3.74		32.60	16.60
Magnesium Oxide	5.80	1.12		8.20	3.80
Titania	1.10	0.32		1.40	0.60
Phosphorus Pentoxide	0.80	0.58		1.50	0.35
Sulfur Trioxide	11.00	3.20		18.60	5.80
Ferric Oxide	6.50	2.18		9.00	4.00
Undetermined	3.10				
WATER SOLUBLE ALKALI					
Sodium Oxide	0.13	0.02		0.18	0.11
Potassium Oxide	n/a	n/a		n/a	n/a

COAL QUALITY - (Continued)

COMPANY: <u>Triton Coal Company, LLC</u>					
MINE: <u>Buckskin</u>					
	MEAN	STANDARD DEVIATION	NUMBER OF ANALYSIS	OCCURRENCE	
				Maximum	Minimum
MISCELLANEOUS					
Hardgrove Grindability Index	55	6		62	50
Equilibrium Moisture	29.05	0.85		31.00	27.20
Slag Viscosity	n/a	n/a		n/a	n/a
Apparent Specific Gravity	1.27	0.25		1.31	1.10
ASH FUSION TEMPERATURES (degrees F)					
Reducing Atm: Initial Deformation	2,189	107		2,397	2,085
Reducing Atm: Softening	2,206	105		2,415	2,114
Reducing Atm: Hemispherical	2,212	107		2,441	2,122
Reducing Atm: Fluid	2,231	101		2,468	2,146
Oxidizing Atm: Initial Deformation	2,239	86		2,430	2,159
Oxidizing Atm: Softening	2,251	88		2,444	2,165
Oxidizing Atm: Hemispherical	2,258	90		2,453	2,175
Oxidizing Atm: Fluid	2,277	93		2,484	2,197
TRACE ELEMENTS (PPM in Coal) (*Indicates special interest)					
Antimony	0.20	0.05		0.40	0.18
Arsenic*	2.00	0.40		2.60	1.00
Barium	380.00	50.00		480.00	300.00
Beryllium*	0.30	0.10		0.50	0.10
Boron	50.00	4.00		60.00	40.00
Bromine	20.00	2.00		25.00	15.00
Cadmium*	0.05	0.02		0.07	0.02
Chlorine	240.00	105.00		400.00	120.00
Chromium*	4.00	2.00		8.00	2.00
Cobalt	1.50	1.00		5.10	0.80
Copper	9.00	2.00		14.00	4.00
Fluorine*	27.60	5.00		34.90	17.00
Lead*	2.00	1.00		4.00	1.00
Manganese	21.00	8.00		45.00	12.00
Mercury*	0.09	0.02		0.12	0.02
Nickel	5.00	2.00		10.00	2.00
Phosphorus	n/a	n/a		n/a	n/a
Selenium*	1.20	0.40		2.00	0.40
Strontium	270.00	40.00		380.00	200.00
Titanium	n/a	n/a		n/a	n/a
Uranium	0.50	0.01		1.00	0.30
Vanadium	12.00	4.00		20.00	7.00
Zinc	11.00	3.00		20.00	3.00

COAL QUALITY

COMPANY: Triton Coal Company, LLC					
MINE: North Rochelle					
	MEAN	STANDARD DEVIATION	NUMBER OF ANALYSIS	OCCURRENCE	
				Maximum	Minimum
PROXIMATE ANALYSIS (% By Weight, As-Received Basis)					
Moisture	27.57	0.37	1620	28.89	26.17
Ash	4.62	0.37	1620	6.82	3.89
Volatile Matter	32.90	0.73	272	35.30	30.90
Fixed Carbon	34.80	0.76	272	36.58	32.81
Sulfur	0.20	0.02	1620	0.33	0.09
Btu/Lb.	8,768	61	1620	8,978	8,404
ULTIMATE ANALYSIS (% By Weight, As-Received Basis)					
Moisture	27.90	0.72	68.00	29.25	26.12
Carbon	52.23	0.94	31.00	53.69	50.40
Hydrogen	3.72	0.26	31.00	4.23	3.42
Nitrogen	0.73	0.12	31.00	1.04	0.55
Chlorine	0.02	0.01	13.00	0.04	0.00
Sulfur	0.20	0.02	40.00	0.26	0.16
Ash	4.37	0.39	40.00	5.40	3.72
Oxygen	12.50	0.99	31.00	13.91	11.01
SULFUR FORMS (% By Weight, As-Received Basis)					
Sulfate					
Organic					
Pyritic					
MINERALS OF ASH (% Weight Of Ash)					
Silica	32.42	2.43	252.00	42.71	27.60
Alumina	15.34	0.97	252.00	19.47	13.05
Sodium Oxide	2.07	0.39	450.00	2.60	1.69
Potassium Oxide	0.32	0.09	252.00	0.72	0.17
Lime	25.05	1.93	252.00	29.33	17.14
Magnesium Oxide	5.59	0.44	252.00	7.00	3.68
Titania	1.39	0.16	252.00	1.81	0.75
Phosphorus Pentoxide	1.00	0.24	37.00	1.55	0.58
Sulfur Trioxide	8.26	1.15	252.00	13.00	5.59
Ferric Oxide	5.78	0.49	252.00	7.18	4.33
Undetermined	2.99	0.77	252.00	4.45	0.33
WATER SOLUBLE ALKALI					
Sodium Oxide	0.15	0.02	158.00	0.20	0.12
Potassium Oxide	NA	NA	NA	NA	NA

COAL QUALITY - (Continued)

COMPANY: <u>Triton Coal Company, LLC</u>					
MINE: <u>North Rochelle</u>					
	MEAN	STANDARD DEVIATION	NUMBER OF ANALYSIS	OCCURRENCE	
				Maximum	Minimum
MISCELLANEOUS					
Hardgrove Grindability Index	64.2	9.23	33	84	42
Equilibrium Moisture	26.21	0.65	40	27.71	24.93
Slag Viscosity	NA	NA	NA	NA	NA
Apparent Specific Gravity	NA	NA	NA	NA	NA
ASH FUSION TEMPERATURES (degrees F)					
Reducing Atm: Initial Deformation	2,160	48	320	2,301	2,050
Reducing Atm: Softening	2,165	47	320	2,303	2,075
Reducing Atm: Hemispherical	2,175	49	320	2,315	2,082
Reducing Atm: Fluid	2,185	49	320	2,321	2,090
Oxidizing Atm: Initial Deformation	2,205	48	68	2,324	2,140
Oxidizing Atm: Softening	2,215	54	68	2,340	2,170
Oxidizing Atm: Hemispherical	2,226	58	68	2,365	2,177
Oxidizing Atm: Fluid	2,231	64	68	2,380	2,200
TRACE ELEMENTS (PPM in Coal) (*Indicates special interest)					
Antimony	0.19	0.11	17.00	0.39	0.05
Arsenic*	0.60	0.20	17.00	0.90	0.30
Barium	314.00	43.00	17.00	381.00	239.00
Beryllium*	0.10	0.10	17.00	0.30	0.10
Boron	25.00	3.00	17.00	30.00	21.00
Bromine	25.70	7.70	17.00	37.40	9.70
Cadmium*	0.05	0.01	17.00	0.08	0.03
Chlorine	166.00	33.00	17.00	244.00	121.00
Chromium*	2.00	1.00	17.00	3.00	2.00
Cobalt	1.70	0.30	17.00	2.50	1.20
Copper	9.00	1.00	17.00	10.00	8.00
Fluorine*	83.70	12.20	17.00	107.40	67.60
Lead*	1.00	0.00	17.00	1.00	1.00
Manganese	8.00	2.00	17.00	10.00	3.00
Mercury*	0.06	0.02	17.00	0.08	0.02
Nickel	3.00	1.00	17.00	4.00	2.00
Phosphorus	NA	NA	NA	NA	NA
Selenium*	0.50	0.10	17.00	0.70	0.30
Strontium	150.00	14.00	17.00	171.00	120.00
Titanium	NA	NA	NA	NA	NA
Uranium	1.00	0.00	17.00	1.00	<1
Vanadium	11.00	1.00	17.00	13.00	10.00
Zinc	5.00	2.00	17.00	9.00	2.00



CONFIDENTIAL

Kennecott Energy Company
 505 North Green Avenue (827-161)
 P.O. Box 1000
 Grants, Wyoming 82717-0009
 Phone: (307) 527-5000
 Fax: (307) 527-5000

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ___(RLS-6)
 RFP/Bids/Purchases
 Page 47 of 107

May 11, 2004

Mrs. Robin Ott
 Progress Fuels Corporation
 One Progress Plaza, Suite 600
 St. Petersburg, FL 33701

*Letter enclosed
 re progress to pr
 CR units 4+5
 Evaluated 20 4x5*

Dear Mrs. Ott:

Kennecott Energy Company, on behalf of Spring Creek Coal Company, is pleased to respond to your request to supply a portion of Progress Energy's requirements for the Crystal River Units 1 and 2 for the years 2005, 2006 and 2007.

COAL OFFERED

Origin Spring Creek Coal - Big Horn County, Montana. Served by the BNSF Railroad.

Delivery Point FOB Barge - Cahokia Terminal located in St. Louis, Missouri

Term/Quantity/Base Price

u 5

January 1, 2005 - December 31, 2007

Term	Quantity (To the nearest unit train.)	Price
2005	500,000 Tons	\$22.90/ Ton
2006	500,000 Tons	\$22.90/ Ton
2007	500,000 Tons	\$22.90/ Ton

Prices are pnt FOB Barge Cahokia Terminal, St. Louis, Missouri based on coal having a standard heating value of 9,350 Btu/lb and a standard sulfur value of 0.80bs. SO₂/MMBtu. The Base Prices include Kennecott's best estimate of all Third Party costs as defined in Adjustment Provisions hereinbelow as of May 11, 2004. The standard heating and sulfur values are for price adjustment purposes only. The price shall be subject to adjustment for variations in the monthly weighted average calorific value from the standard heating value on an FOB mine basis and for variation in SO₂ content from the standard sulfur value in accordance with a mutually agreed upon SO₂ adjustment provision.

Sixty-Five percent (65%) of the above listed prices will be adjusted at 100% of the RCAF-U on a quarterly basis and a fuel surcharge adjustment monthly.

Typical Quality (Annual Average)

Typical Values	2005 - 2007
Btu	9,350
Moisture	22.36%
Ash	4.0%
Sulfur (Lbs. SO ₂ /mmBtu)	0.80
Sodium (Na ₂ O)	8.00%

PEF-FUEL-000443

Adjustment Provisions

Third Party Cost & New Laws Adjustments

Third party costs include any and all taxes, fees, royalties, and governmental impositions paid to third parties on or attributable to the production of coal. Any change in these items from May 11, 2004, either up or down, will be passed on to Buyer. A change could be a change in rate changes resulting from a new law or regulation or change in interpretation (or estimate by Seller of impact) of an existing law or regulation on a federal, state or local level. The adjustments will be passed through as of the date of the actual change resulting in such adjustments.

Sampling & Analysis

In accordance with ASTM standards for Spring Creek Coal Company.

Data Transmission

As mutually agreed upon.

Delivery Schedule

As mutually agreed upon.

Weights

In accordance with Spring Creek Coal Company "certified" mine weights.

Mine Information

See attached

Terms & Conditions

This offer is considered proprietary and confidential; it should not be divulged to third parties without the express written approval of Kennecott Energy Company. Specific terms and conditions of a prospective agreement are subject to mutual agreement. Attached is a Master Coal Purchase and Sale Agreement that will represent a starting point for discussions. Coal is offered subject to prior sale and availability and in any event, this offer will expire after May 17, 2004, unless negotiations leading to a definitive agreement have commenced by that date; in which case the offer may be extended. Acceptance of this offer must be received, in writing, no later than 5:00 PM MDT on or before May 17, 2004. This offer and Kennecott Energy Company's obligation to enter into a coal supply agreement is subject to Kennecott Energy Company's internal credit review and approval.

We appreciate this opportunity to supply a portion of your coal requirements. If you have any questions or comments, please contact me at 307.685.6114.

Sincerely,



Bruce A. Miller
Manager, Origination and Structured Products

BAM:ksn

SPRING CREEK COAL MINE
 2005 QUALITY SPECIFICATIONS

QUALITY PARAMETER	TYPICAL	STANDARD DEVIATION	TYPICAL 95% RANGE		TYPICAL DRY VALUE	TYPICAL MOISTURE-ASH FREE VALUE
	(MEAN VALUE)		-2 STD DEV	+2 STD DEV		
PROXIMATE						
% Moisture	25.40	0.56	24.28	26.52		
% Ash	4.12	0.33	3.46	4.78	5.52	
% Volatile	31.26	0.81	29.64	32.88	41.90	44.35
% Fixed Carbon	39.23	0.80	37.63	40.83	52.59	55.66
BTU/lb	9350	103	9144	9556	12534	13266
MAFBTU	13266	80.08	13106	13426		
Dry BTU	12534	93.71	12346	12721		
% Sulfur	0.34	0.07	0.20	0.48	0.46	0.48
ULTIMATE						
% Moisture	25.40	0.56	24.28	26.52		
% Carbon	54.14	3.28	47.58	60.70	72.57	76.82
% Hydrogen	3.80	0.23	3.34	4.26	5.09	5.39
% Nitrogen	0.71	0.09	0.53	0.89	0.95	1.01
% Chlorine	0.00	0.01	0.00	0.01	0.00	0.00
% Sulfur	0.34	0.07	0.20	0.48	0.46	0.48
% Ash	4.12	0.33	3.46	4.78		
% Oxygen	11.50	0.70	10.10	12.90	15.42	16.32
SULFUR FORMS						
Pyritic Sulfur (%)	0.05	0.03	0.00	0.11	0.07	0.07
Sulfate Sulfur (%)	0.01	0.015	0.00	0.04	0.01	0.01
Organic Sulfur (%)	0.28	0.06	0.16	0.40	0.38	0.40
Total Sulfur (%)	0.34	0.07	0.20	0.48	0.46	0.48
MINERAL ANALYSIS OF ASH						
% Silicon Dioxide (Silica, SiO ₂)	32.52	2.78	26.96	38.08	43.59	46.14
% Aluminum Oxide (Alumina, Al ₂ O ₃)	17.69	1.09	15.51	19.87	23.71	25.10
% Titanium Dioxide (Titania, TiO ₂)	1.13	0.10	0.93	1.33	1.51	1.60
% Iron Oxide (Ferric Oxide, Fe ₂ O ₃)	4.76	0.47	3.82	5.70	6.38	6.75
% Calcium Oxide (Lime, CaO)	15.36	1.41	12.54	18.18	20.59	21.79
% Magnesium Oxide (Magnesia, MgO)	3.69	0.85	1.99	5.39	4.95	5.24
% Potassium Oxide (K ₂ O)	0.63	0.14	0.35	0.91	0.84	0.89
% Sodium Oxide (Na ₂ O)	8.24	1.00	6.24	10.24	11.05	11.69
% Sulfur Trioxide (SO ₃)	14.07	2.50	9.07	19.07	18.86	19.96
% Phosphorous Pentoxide (P ₂ O ₅)	0.35	0.06	0.23	0.47	0.47	0.50
% Strontium Oxide (SrO)	0.37	0.22	0.00	0.81	0.50	0.52
% Barium Oxide (BaO)	1.19	0.31	0.57	1.81	1.60	1.69
% Undetermined	0.00	1.00	0.00	2.00	0.00	0.00
Base/Add Ratio	0.54	0.08	0.48	0.80		
Base Value	32.68	2.20	28.28	37.08		
Acid Value	51.34	3.00	45.34	57.34		
ASH FUSION TEMPERATURES						
Reducing (°F)						
Initial						
Softening (H=W)	2106	37	2031	2181		
Hemispherical (H=1/2W)	2129	36	2056	2202		
Fluid	2141	39	2062	2220		
Fluid-Initial Temp. Difference	2164	51	2052	2266		
	58	40	0	138		
Oxidizing (°F)						
Initial						
Softening (H=W)	2351	98	2156	2546		
Hemispherical (H=1/2W)	2366	81	2204	2528		
Fluid	2391	73	2245	2537		
Fluid-Initial Temp. Difference	2423	77	2268	2578		
	72	60	0	192		

SPRING CREEK COAL MINE QUALITY SPECIFICATIONS (Continued)

QUALITY PARAMETER	TYPICAL (MEAN VALUE)	STANDARD DEVIATION	TYPICAL 95% RANGE	
			-2 STD DEV	+2 STD DEV
<u>ADDITIONAL ANALYSES AND CALCULATED VALUES</u>				
T250 Temperature (°F)	2153	91.88	1959	2337
HGI (at as-received moisture)	60.6	5.6	49	72
HGI % Moisture	24.13	3.88	16	32
Critical Viscosity Temperature (°F)	0	0	0	0
Critical Viscosity (Poises)	23.93	0.56	22.81	25.05
% Equilibrium Moisture	1.10	0.015	1.07	1.13
Specific Gravity	0.478	0.070	0.34	0.62
%Alkalies Na2O Dry (Total Alkall Content on Coal)	0.000	0.000	0.00	0.00
%Water Soluble Alk - Na2O	0.000	0.000	0.00	0.00
%Water Soluble Alk - K2O	0.46	0.03	0.40	0.52
%Na2O - Dry Coal	0.34	0.02	0.30	0.38
%Na2O As-received Coal	57.73			
Silica Value (Silica Ratio)	0.28	0.14	0.00	0.56
Slag Factor	2163	85	1993	2333
Slag factor per Fusion Temperature	58.29	3.25	51.79	64.79
Dolomite Ratio	3.97	10.1	0.00	24.17
Ash Precipitation Index	1.84	0.14	1.56	2.12
Silica to Alumina Ratio	0.47	0.34	0.00	1.15
Calcium to Silica Ratio	0.31	0.07	0.17	0.45
Iron to Calcium Ratio	5.25	1.41	2.43	8.07
Fouling Factor (Fouling Index)	0.80	0.075	0.65	0.95
SO2/MMBTU	0.36	0.075	0.21	0.51
lbs S/MMBTU	0.363	0.023	0.32	0.41
lbs Sodium/MMBTU	4.41	0.5	3.41	5.41

TYPICAL COAL SIZE		2 inch		
Size Fraction	WL Percent	Cumulative WL Percent	WL Percent Passing Top	
+3" RD.	0%	0%	100%	
3" RD. x 2" RD.	4%	4%	100%	
2" RD. x 1" RD.	20%	24%	96%	
1" RD. x 1/2" RD.	28%	52%	76%	
1/2" RD. x 4 M	20%	71%	48%	
4 M x 60 M	13%	84%	29%	
60 M x 0	16%	100%	16%	

<u>TRACE ELEMENT SUMMARY</u>				
Parts Per Million Whole Coal, Dry Basis	TYPICAL (MEAN VALUE)	STANDARD DEVIATION	TYPICAL 95% RANGE	
			-2 STD DEV	+2 STD DEV
ANTIMONY (Sb)	0.00	0.00	0.00	0.00
ARSENIC (As)	1.50	1.00	0.00	3.50
BARIUM (Ba)	0.00	0.00	0.00	0.00
BERYLLIUM (Be)	0.21	0.08	0.06	0.36
BORON (B)	0.00	0.00	0.00	0.00
BROMIDE (Br)	0.00	0.00	0.00	0.00
CADMIUM (Cd)	0.18	0.02	0.14	0.22
CHLORINE (Cl)	0.00	0.00	0.00	0.00
CHROMIUM (Cr)	2.40	0.75	0.90	3.90
COBALT (Co)	0.00	0.00	0.00	0.00
COPPER (Cu)	0.00	0.00	0.00	0.00
FLUORINE (F)	41.90	11.00	19.90	63.90
LITHIUM (Li)	0.00	0.00	0.00	0.00
MANGANESE (Mn)	16.20	7.90	0.40	32.00
MERCURY (Hg)	0.07	0.03	0.01	0.13
MOLYBDENUM (Mo)	0.00	0.00	0.00	0.00
NICKEL (Ni)	1.53	1.00	0.00	3.53
LEAD (Pb)	2.80	1.00	0.60	4.60
SELENIUM (Se)	1.20	0.90	0.00	3.00
SILVER (Ag)	0.00	0.00	0.00	0.00
STRONTIUM (Sr)	0.00	0.00	0.00	0.00
THALLIUM (Tl)	0.00	0.00	0.00	0.00
THORIUM (Th)	0.00	0.00	0.00	0.00
TIN (Sn)	0.00	0.00	0.00	0.00
URANIUM (U)	0.00	0.00	0.00	0.00
VANADIUM (V)	0.00	0.00	0.00	0.00
ZIRCONIUM (Zr)	0.00	0.00	0.00	0.00
ZINC (Zn)	0.00	0.00	0.00	0.00

* All negative numbers were converted to 0.01

Revised 3/29/2000

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Spring Creek Coal Company

Spring Creek Coal Company began operations in 1980 with a design capacity of 11.0 million tons per year. Spring Creek has a federal lease consisting of 2,505 acres and a state lease consisting of 642 acres. The current recoverable reserves at the end of 1999 were approximately 221 million tons. Current mining involves a single coal seam 80 feet thick. Mining is carried out primarily by dragline operations.

Mine Name:	Spring Creek Coal Company
Location:	Southeast Montana, Big Horn County, 35 miles from Sheridan, Wyoming U.S.A.
Served by:	Burlington Northern Railroad
Rail Loading Point:	NERCO Junction, Montana
Mine Type:	Surface
Seams:	Anderson-Dietz 1 & 2
Recoverable Reserves:	221 Million Tons
Annual Production Capacity:	11.0 Million Tons
Processed Coal Storage Capacity:	36,000 Tons (Storage Barn)
Weighing System:	Ramsey Engineering conveyor belt scales. Coal is weighed, as it is flood loaded into railcars. Scales certified semi-annually in accordance with the Western Weighing and Inspection Bureau.
Sampling & Analysis:	Ramsey Engineering three-stage mechanical sampling system. On-site, by Commercial Testing & Engineering Laboratories, in accordance with ASTM standards.
Blending Capability:	Coal is simultaneously mined from two or more mining areas and blended as required with additional blending capability from the storage barn.
Loading Rate:	4,000 tons per hour. 113 car train in approximately 4.0 hours.
Load Track Configuration & Capacity:	One mile full loop with two unit-train capacity.
Washing Capability:	None
Dust Suppression:	Chem-Loc 101 is applied to all production at an aggregate rate of 1.2 gallons of diluted chemical per ton of coal. Application occurs throughout the coal handling process and prior to being transferred into the storage barn. Freezeproofing and side-release chemical agents can be applied upon request.
Size:	2" x 0"
Density:	In place: 80 lb./ft ³ Crushed: 55 lb./ft ³
Angle of Repose:	Approximately 3 : 1

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Master Coal Purchase and Sale Agreement

between

“CUSTOMER”

and

Kennecott Coal Sales Company

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Article 22. Interpretation

Article 23. Resale and Buyer's Obligations

Article 24. Survival

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MASTER COAL PURCHASE AND SALE AGREEMENT

This MASTER COAL PURCHASE AND SALE AGREEMENT ("Agreement") is entered into and is effective as of the ____ day of _____, 2003, between Kennecott Coal Sales Company ("Kennecott"), an Oregon corporation, and _____ ("_____"), a _____ corporation. Both Kennecott and _____ may be individually referred to herein as a "Party" or collectively as "Parties".

RECITALS

WHEREAS, each Party is engaged in the sale and/or purchase of Powder River Basin ("PRB") Coal or other Coal. The Parties believe it will be mutually beneficial to set the terms and conditions under which such Coal sales and purchases may be made between them.

IN CONSIDERATION of the mutual covenants and promises set forth hereafter, the Parties to this Agreement, intending to legally bind themselves, agree now as follows:

ARTICLE 1. GENERAL TERMS AND DEFINITIONS

1.01 The terms of this Agreement shall govern all purchases and sales of Coal between the Parties (hereinafter "Transactions") or options thereon during the term of this Agreement unless the Parties expressly indicate otherwise. All amendments, modifications, revisions and changes to this Agreement or any related Transaction or option must be in writing and signed by both Parties. If the Parties enter into an option concerning the purchase and/or sale of Coal, the terms and conditions of this Agreement and the Confirmation Letter shall govern the Transaction once the option has been exercised.

1.02 For individual Transactions, the Parties shall enter into a written Confirmation Letter (hereinafter "Confirmation") that sets forth and defines the following: the Buyer, the Seller, the price, price adjustments, quantity, term, quality specifications, mine(s), and any other Transaction-specific provisions mutually agreed upon by the Parties. All Confirmations shall be in writing, signed by both Parties. The Parties intend the provisions of each individual Confirmation and the provisions of this Agreement be construed as one single integrated agreement and that without a written Confirmation the Parties would not otherwise enter into a Transaction. Any inconsistency or conflict between provisions of the individual Confirmation and provisions of this Agreement shall be resolved in favor of any provisions of the Confirmation.

1.03 Each of the following terms when used in this Agreement will have the meaning given to it in this section:

- a) "**Actual Btu**" means the monthly ton-weighted average as-received calorific value (stated in Btu/lb.).
- b) "**Buyer**" means the Party to a Transaction who is obligated to purchase and receive Coal, or causes Coal to be received.
- c) "**Claim**" means all claims or actions threatened or filed that directly or indirectly relate to the subject matter of this Agreement, including but not limited to indemnity, the resulting losses, damages, expenses, reasonable attorneys' fees and costs.
- d) "**Coal**" means any and all Coal to be sold by Seller and purchased by Buyer pursuant to the terms and conditions of this Agreement.
- e) "**Electronic**" means faxes, telegraphs, emails, and all other forms of electronic data transfer.
- f) "**Standard Btu**" means the standard calorific value as set forth in a Confirmation (stated in Btu/lb.) and is the basis for a price adjustment as described in Section 9.03.
- g) "**Seller**" means the Party to a Transaction who is obligated to sell and deliver Coal or causes Coal to be delivered.

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- h) "*Ton*" means 2,000 pounds avoirdupois.
- i) "*Loading Provisions*" means the terms and conditions of Buyer's transportation contracts or excerpts thereof that Seller has reviewed and approved. The Loading Provisions are further described in Section 4.04 and attached as Exhibit A.

ARTICLE 2. TERM

- 2.01 This Agreement shall begin on the date first set forth above and shall continue in effect until terminated by either Party upon sixty (60) days written notice to the other Party, which right of termination shall be each Party's absolute right to exercise. Termination of this Agreement under this Article shall not affect either Party's rights and obligations with respect to any Transactions that have been agreed to in writing in a Confirmation prior to termination.

ARTICLE 3. QUANTITY

- 3.01 Buyer shall be obligated to purchase and pay for, and Seller shall be obligated to sell and tender for delivery, the amount of Coal agreed to in a Confirmation, except as may be limited by Article 11 of this Agreement.
- 3.02 Unless otherwise limited in the Confirmation, Buyer has the right to ship or use the Coal delivered under this Agreement at any location or for any such purpose Buyer designates.

ARTICLE 4. DELIVERY AND TRANSPORTATION

- 4.01 For each Transaction, Seller agrees to tender to Buyer and Buyer agrees to accept from Seller the quantity of Coal as provided in the relevant Confirmation. Seller shall tender the Coal to Buyer in accordance with reasonable monthly delivery schedules to be submitted by Buyer in accordance with the Agreement and the Confirmation. Schedules shall be based on

- a ratable monthly basis unless otherwise agreed to by both Parties. In addition, Buyer shall provide Seller with monthly schedules at least sixty (60) days prior to the beginning of each applicable month. If the Seller objects to a schedule submitted by Buyer, Seller shall notify Buyer of its objections within fifteen (15) days of Seller's receipt of such schedule and the Parties shall work together in good faith to agree on a reasonable and mutually acceptable schedule. The mine(s) used to source the Coal supplied under this Agreement shall be any mine set forth in the Confirmation.
- 4.02 Buyer shall supply the appropriate unit train railcars. Said railcars shall be of a size compatible with the loading requirements set forth in this Agreement. Unit train sizes will normally vary from 105 to 135 railcars per train; however, depending on railcar availability, shorter or longer trains may occasionally be operated by mutual agreement.
- 4.03 Unless excused by Article 11 of this Agreement, if Buyer fails over a quarterly basis to schedule the appropriate unit trains for delivery of an amount of Coal scheduled under a Transaction, Seller shall have the right at Seller's sole option to reduce the annual quantities of that Transaction by the deficit from the scheduled amount. This right shall be in addition to any other rights available to Seller hereunder.
- 4.04 Seller shall cause Coal to be loaded and delivered at the loading facilities into railcars supplied by Buyer. Seller agrees to comply with the weighing and railcar Loading Provisions. Said Loading Provisions are subject to Seller's ability to load the required net tonnages in Buyer's railcar without significant risk of spillage or exceeding railcar limits and shall be in general compliance with industry standards for the applicable coal region. Seller shall have at least 48 hours notice of any changes to the Loading Provisions. If the changes to the Loading Provisions are inconsistent with Seller's commitments as otherwise set forth in this Agreement and Seller's then current operating practice, Seller shall not be liable for noncompliance with such changes unless expressly accepted by Seller. Should the

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obligations as set forth in this Article 4 not be met, and as a result, Buyer incurs costs under its transportation agreement with the rail carrier as a direct result of Seller's not meeting its obligation hereunder and such failure is not the fault of either Buyer or the railroad, then Seller shall reimburse Buyer for any such costs as set forth in Exhibit A.

4.05 The scheduled Coal shall be F.O.B. loaded in Buyer-provided railcars at the delivery point located at each individual mine ("Delivery Point"). Buyer's railcars and unit train shall be compatible with Seller's trackage, storage and loading facilities, and shall be ready to load upon arrival at the individual mine. Seller shall load each railcar at Seller's expense and shall complete the loading of all railcars in each unit train within four hours after the first empty railcar is actually placed by the railroad under the Seller's loading chute. Unless excused by Article 11 or due to actions of Buyer or Buyer's rail carrier, Seller shall be responsible for demurrage or other charges invoiced to Buyer by Buyer's rail carrier resulting directly from Seller's failure to load Buyer's trains as provided above.

4.06 Seller is required to load each railcar to the gross weight(s) designated in the Confirmation; however, under no circumstances will the gross weight exceed the maximum limit established by the rail carrier(s) for the railcar type and for the designated train routes. Should Seller load any railcar on Buyer's behalf outside of these specified limits, the Seller assumes any and all reasonable costs which may be charged by the rail carrier(s) and paid by Buyer as a direct result of such underloading or overloading of these railcars.

ARTICLE 5. TITLE AND RISK OF LOSS; EQUIPMENT DAMAGE

5.01 Title to the Coal and all risk of loss shall pass to Buyer upon completion of loading all railcars in each unit train at the Delivery Point.

- 5.02 Seller shall be responsible for, and shall indemnify Buyer for, any and all direct reasonable costs resulting from damage to: (i) Buyer's or its contracted rail carriers' equipment if such equipment is damaged while on Seller's property except to the extent such damage is caused by the negligence or recklessness of Buyer or its contracted rail carrier; and (ii) Buyer's equipment, including mobile railcars and stationary equipment at Buyer's electric generating station, if said equipment is damaged as a result of non-Coal material having been interspersed with the tendered Coal prior to leaving Seller's mine property.

ARTICLE 6. COAL QUALITY SPECIFICATIONS

If the Parties set forth coal quality specifications in a Confirmation, the following Sections 6.01 – 6.03 shall apply with respect to those specifications.

- 6.01 At the Delivery Point, all tendered Coal shall be raw, substantially free of magnetic material and other foreign material impurities, and crushed to a maximum size as set forth in the Confirmation as determined in accordance with applicable American Society of Testing and Materials (ASTM) standards.
- 6.02 If there are three (3) Non-Conforming Shipments as defined in Section 6.04, whether rejected or not, under a Transaction in any three (3) month period or, if two (2) out of four (4) consecutive shipments under a Transaction are Non-Conforming Shipments, Buyer may upon notice confirmed in writing and sent to Seller, suspend future shipments except those shipments already loaded into railcars. Seller shall, within sixty (60) days, provide Buyer with reasonable assurances that subsequent deliveries of Coal shall meet, or exceed the specifications set forth in the Confirmation. If Seller fails to provide such assurances within that sixty (60) day period, Buyer shall have the right to terminate the Transaction without further obligation hereunder on the part of either party. Termination shall be the sole remedy of Buyer under this Section. Buyer's waiver of this right for any one train shall not constitute a

waiver for subsequent trains. If Seller provides such assurances to Buyer's reasonable satisfaction, deliveries hereunder shall resume and any tonnage deficiencies resulting from suspension may be made up at Buyer's sole option subject to a mutually agreeable schedule. Buyer shall not unreasonably withhold its acceptance of Seller's assurances, or delay the resumption of shipment.

- 6.03 The Parties recognize during the performance of a Transaction, legislative, regulatory bodies or the courts may adopt environmental laws, rules, and regulations that will make it impossible or commercially impracticable for Buyer to utilize or to remarket Coal purchased under this Agreement. If, as a result of the adoption of such laws, rules, and regulations or changes in the interpretation or enforcement thereof, Buyer, in good faith, decides it will be impossible or commercially impracticable for Buyer to utilize or to remarket such Coal, Buyer shall promptly notify Seller in writing. After receiving such notification, Buyer and Seller shall promptly consider whether corrective actions can be taken in the mining and preparation of the Coal, in the operation of Buyer's generating station, or in Seller's substituting different source Coal. If in the Parties' reasonable judgment such actions will, make it impossible and commercially impracticable for Buyer to utilize or to remarket tendered Coal without violating any applicable law, regulation, policy, or order, Buyer shall have the right, upon sixty (60) days notice to Seller, to terminate the Transaction without further obligation on the part of either party. Termination shall be the sole remedy of Buyer and Seller under this section.

If Rejection Limits are specified in the Confirmation, this Section 6.04 shall apply.

- 6.04 If any Shipment of Coal triggers any of the Rejection Limits specified in the Confirmation for a Transaction (a "Non-Conforming Shipment"), Buyer shall have the option, within twenty-four (24) hours of Buyer's receipt of the quality analysis of the Coal, of either (i) rejecting such Non-Conforming Shipment prior to unloading the Coal, or, (ii) accepting the Non-Conforming Shipment and in addition to any quality adjustments outlined in the Confirmation, reducing the

price of Coal for such trainload by \$0.50 per ton. If Buyer fails to timely exercise its rejection rights under this Section as to a Shipment, Buyer shall be deemed to have waived such rights to reject with respect to that Shipment only. Buyer's failure to timely exercise such notice does not constitute a waiver of its right to any penalty adjustment provided for herein or in the relevant Confirmation. If Buyer timely rejects the Non-Conforming Shipment, Seller shall be responsible for promptly transporting the rejected Coal to an alternative destination determined by Seller and, if applicable, promptly unloading such Coal. Seller shall reimburse Buyer for all reasonable costs and expenses associated with the transportation, storage, handling and removal of the Non-Conforming Shipment. Buyer shall cooperate with Seller in minimizing Seller's cost of redirecting the rejected Coal. Seller shall replace the rejected coal within a reasonable period of time.

ARTICLE 7. SAMPLING AND ANALYSIS

7.01 Seller shall cause, at its expense, the Coal in each unit train to be sampled and analyzed at the individual mine in accordance with applicable ASTM standards. Buyer shall have the right, at its own risk and expense, to have a representative present at any and all times to observe sampling and analysis procedures. All samples shall be divided into three (3) parts and put in suitable airtight containers. One part shall be furnished to Buyer or its designee for its analysis, one part shall be retained for analysis by Seller or its designee (which analysis shall be the basis for payment), and the third part shall be retained by Seller or its designee in one of the aforesaid containers properly sealed and labeled for a period thirty (30) days after the date of sample collection. Buyer's samples are to be clearly labeled as to mine, date of sampling, date of preparation, and other identification as to shipment (such as train identification number) and are to be sent within forty-eight (48) hours of train loading to the address listed below unless a different address is provided by Buyer in the Confirmation or otherwise in writing. Seller shall cause the following data, subject to future adjustment, to be provided to Buyer by a mutually agreed upon method of electronic data transmission within

forty-eight (48) hours of train loading: tonnage (gross, net, and tare average for each railcar and the unit train in total), and the average calorific value, % moisture, % ash, % sulfur, and % Na₂O in ash (if set forth in the Confirmation), (the "Short Proximate Analysis"). Any additional analysis requested by Buyer that exceeds the information provided in the Short Proximate Analysis shall be at Buyer's expense.

Mailing address for sample splits:

- 7.02 In the event a dispute arises between Buyer and Seller within thirty (30) days of Seller's analysis due to a difference between Buyer and Seller's short proximate analyses of a sample that exceeds the ASTM interlab repeatability limits, an independent testing laboratory, mutually agreeable to Buyer and Seller, will be retained to analyze the third part of such sample. The Party whose calorific value analysis is closest to the independent analysis shall prevail and such Party's calorific value analysis shall govern for the trainload in question. In such case, the cost of the analysis made by such independent testing laboratory will be borne by the Party whose calorific value analysis is furthest from the independent analysis and therefore, not used. In the event both Parties' calorific value analyses differ from the independent testing laboratory's result by the same amount, the independent testing laboratory's result shall govern for the trainload in question and the Parties shall share equally the cost of the independent testing.

ARTICLE 8. WEIGHING

- 8.01 Certified commercial scales at Seller's train loading facility at each individual mine will determine weights. Scales shall be calibrated and tested as customary in industry practice with copies of calibration and testing reports provided to Buyer upon request. If Seller's scales are not available to determine the valid net weight of all of the railcars in a unit train but valid weights are obtained for thirty (30) or more railcars in such train, the arithmetic

average of all of the valid net weights of the thirty or more railcars in such train shall be used as the net weight for each railcar in such train for which a valid net weight was not determined by Seller's scales. If Seller's scales are inoperative or fail to determine the valid net weight of at least thirty (30) railcars in a unit train, the weighted arithmetic average of the net railcar weights of the previous ten (10) unit trainloads of Coal shipped to Buyer shall be used as the net weight for each of the unweighed railcars in such train. The calculation of the weighted arithmetic average net weight for the previous ten (10) unit trainloads shall exclude all bad-order railcars, which were not loaded, and any trainload of Coal for which the net weights were estimated on thirty (30) or more railcars. The Buyer shall be notified electronically immediately after the above instance occurs.

ARTICLE 9. PRICE AND PRICE ADJUSTMENTS

- 9.01 For all Coal delivered under this Agreement, Buyer shall pay Seller the base price as set forth in the Confirmation.
- 9.02 Seller shall be solely responsible for all assessments, fees, costs, expenses, and taxes relating to the mining, production, sale, use, loading and tender of Coal to Buyer or in any way accruing or levied prior to transfer of title to the Coal to Buyer and including, without limitation, severance taxes, royalties, ad valorem, black lung fees, reclamation fees and other costs, charges and liabilities. The base price includes reimbursement to Seller of all environmental, land restoration and regulatory costs, including without limitation any reclamation costs required under applicable federal, state or local law as of the date of the Transaction. Buyer shall be responsible for any sales and/or use tax unless Buyer provides Seller an appropriate exemption certificate or similar document. The base price shall be subject to adjustments for changes in existing laws and regulations (including changes in levies and rates), or new laws or regulations, or changes in interpretations thereof enacted and in force during the term of sale set forth in the Confirmation that change Seller's costs of

producing Coal for delivery pursuant to any Confirmation. Notwithstanding the above, no price adjustment will occur under this Section until the cumulative effect of all such changes equals or exceeds \$0.05 per ton for any calendar year under a Transaction. Seller shall use commercially reasonable best efforts to inform Buyer of any such change as soon as Seller becomes aware of such change and its effect on the base price of Coal hereunder.

- 9.03 The base price may also include an adjustment based upon the calorific value, sulfur content or other qualities of the Coal as the Parties may mutually agree upon and as set forth in the Confirmation.

ARTICLE 10. INVOICES, PAYMENTS, NETTING, SET OFF, AND CREDIT RATINGS

- 10.01 Based on Seller's weights, Seller will invoice Buyer twice a month for all Coal delivered. Invoices for quality adjustment, as provided in a Transaction, shall be issued monthly, based on Seller's analyses. Seller shall clearly indicate Buyer's applicable purchase order number on all invoices. Each invoice shall state for each trainload of Coal: the quantity of Coal delivered, the Actual Btu and SO₂, % Na₂O in ash (if set forth in the Confirmation) and the invoice price and any other required quality adjustment. Invoices shall be mailed or electronically transmitted, as applicable, to:

Invoices to ~~Buyer~~ _____ :

Attn:

Invoices to Kennecott:

Kennecott Coal Sales Company
Attn: Revenue Accounting
Caller Box 3017 (82717-3017)
405 West Boxelder Road, Suite D
Gillette, WY 82718

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ACH/Wires to Kennecott:
Kennecott Energy and Coal
Account # 060-00298-13
Wells Fargo Bank
41 East 100 South
ACH ABA # 124000012
Wire ABA # 121000248

Payment Detail:

To ensure proper allocation of payments to appropriate invoice, e-mail invoice numbers and amounts to: keccash@kenergy.com or information may be faxed to (307) 687-6010

- 10.02 For all invoices, payment will be made within 5 business days of receipt of that invoice. Amounts shall be paid via electronic means (i.e., ACH or Federal Reserve wire transfer of funds). The wire transfer of funds shall be sent to Seller's bank as indicated on the invoice.
- 10.03 In the event Buyer in good faith disputes part or all of an invoice, notice of the disputed portion, with reasons for dispute, must be given prior to the due date of the invoice and the undisputed portion shall be paid by the due date. If the disputed portion is determined to have been properly due and payable, interest on that portion in dispute and which has not been paid shall accrue from the date that portion was due and payable. If a disputed portion is paid and is later determined not to have been properly due and payable, interest will similarly be refunded from the date payment had been received. Interest shall be paid at one (1) percentage point over the then current U.S. prime rate as listed in the Money Rates section of The Wall Street Journal. All invoices will be final and not subject to further adjustments or correction unless objection to the accuracy thereof is made prior to the lapse of one (1) year after the termination of the applicable Transaction.
- 10.04 If each Party or Party's affiliate is required to pay an amount to the other Party in the same invoice period, then such amounts with respect to each Party may be aggregated and the Parties may discharge their obligations to pay through netting; in which case, the Party owing

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the greater aggregate amount shall pay to the other Party the difference between the amounts owed.

- 10.05 Each Party reserves to itself all rights, setoffs, counterclaims, and other remedies and defenses to the extent not expressly denied or waived herein which such Party has or may be entitled to arising from or out of this Agreement. All outstanding Transactions and the obligations to make payment in connection under this Agreement may be offset against each other, set off, or recouped therefrom.
- 10.06 If a Party fails to pay amounts under this Agreement within 5 business days after receipt of invoice, unless such amount is the subject of a dispute as provided above, or is excused by Article 11, in addition to the rights and remedies otherwise provided in this Agreement, the aggrieved Party shall have the right to suspend performance under any or all Transactions under this Agreement. If such failure to pay continues for an additional 5 business days, the aggrieved Party shall have the right to terminate this Agreement and all Transactions and shall be entitled to all other rights under this Agreement.
- 10.07 Should the creditworthiness or either Party's ability to perform become unsatisfactory to the other Party, or if situations develop where either Party could reasonably conclude that a credit downgrade or protection under bankruptcy code is imminent, then the failing Party will provide satisfactory security or assurances.
- 10.08 If a Party's or any of its affiliates' credit falls below investment grade (BBB- as defined by Standard & Poor's, Moody's, or the equivalent), the failing Party shall provide the non-failing Party with a mutually agreed upon credit enhancement in the form of, but not limited to, letters of credit, compressed payment terms or cash on delivery. If the failing Party does not provide an acceptable credit enhancement within 48 hours of notice, the non-failing Party shall have the right to suspend shipments and seek remedies as set forth in this Master

Agreement.

ARTICLE 11. FORCE MAJEURE

11.01 The term "Force Majeure" as used herein shall mean an act or event that is not reasonably within the control and is without the fault of the party claiming Force Majeure including without limitation, acts of God; acts of the public enemy; insurrections; terrorism; riots; labor disputes; boycotts; fires; explosions; floods; breakdowns of or damage to major components or equipment of Buyer's generating station, Seller's mine, or transmission systems or Buyer's transportation; embargoes; acts of judicial or military authorities; acts of governmental authorities; inability to obtain necessary permits, licenses, and governmental approvals after applying for same with reasonable diligence; or other causes which prevent the producing, processing, and/or loading of Coal by Seller, or the receiving, accepting, unloading and/or utilizing of Coal by Buyer. Force Majeure includes the failure of a Party's contractor(s) to furnish labor, services, Coal, materials or equipment in accordance with its contractual obligations (but solely to the extent such failure is itself due to Force Majeure).

11.02 If, because of Force Majeure, either Party fails to perform any of its obligations under this Agreement (other than the obligation of a Party to pay money), and if such Party shall promptly give to the other Party written notice of such Force Majeure, then the obligation of the Party giving such notice shall be suspended to the extent made necessary by such Force Majeure and during its continuance; provided, the Party giving such notice shall use good faith efforts to eliminate such Force Majeure, insofar as reasonably possible, with a minimum of delay. Should the situation of Force Majeure exceed sixty (60) consecutive days, the Party not affected by the Force Majeure event may, at its option, terminate the Transaction in whole or in part and neither Party shall have any further obligation to the other Party; however, each Party shall be obligated to make any payments which had become due and payable prior to such termination. Any deficiencies in deliveries of Coal caused by an event of Force Majeure

shall not be made up, except by mutual consent. The affected Party shall provide suitable proof to the other Party to substantiate any claim made under this Article 11.

11.03 Both Parties agree significant capital expenditures and settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty. The above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require significant capital expenditure or settlement of strikes and lockouts by acceding to the demands of the opposing Party when such course is inadvisable in the discretion of the Party having difficulty.

11.04 The loss of Buyer's markets or Buyer's inability to economically use or resell Coal purchased hereunder, the loss of Seller's supply or Seller's ability to sell Coal to a market at a more advantageous price, the change in the market price of Coal or price of power, or regulatory or contractual disallowance of the pass-through of the costs of Coal or other related costs shall not constitute events of Force Majeure.

ARTICLE 12. RECORDS, AUDITS, ACCESS

12.01 Seller shall maintain books and records relating to the supply of Coal under this Agreement and the applicable Transaction for a period of not less than two (2) years after the end of each calendar year for all Coal tendered during such calendar year.

12.02 Upon reasonable notice and during normal business hours, Buyer and/or Buyer's independent auditors shall have the right to inspect Seller's books and records relating to all provisions of this Agreement which include Coal quality, quantity shipped, and price adjustments or as may be necessary to satisfy inquiries from governmental or regulatory agencies, but only to the extent necessary to verify the accuracy of any statement, charges or computations made pursuant to this Agreement and/or a Transaction. Seller shall make a

reasonable effort to facilitate Buyer's inspection of such records in Seller's possession. Buyer and its auditors, to the extent permitted by law or regulation, shall treat all such information as confidential.

ARTICLE 13. DEFAULT, REMEDIES, AND TERMINATION

13.01 The remedies set forth in this Section 13.01 shall cover the non-defaulting Party's remedies for the defaulting Party's failure to perform prior to any termination for default that may occur.

- a) As an alternative to the damages provision below, if the Parties mutually agree in writing, the non-performing Party may schedule deliveries or receipts, as the case may be, pursuant to such terms as the Parties agree in order to discharge some or all of the obligation to pay damages. In the absence of such agreement, the damages provision of this Article shall apply.

- b) Unless excused by Force Majeure, if Seller fails to deliver the quantity of Coal in accordance with the applicable Confirmation and this Agreement, Seller shall pay to Buyer an amount for each ton of Coal of such deficiency equal to (i) the lowest reasonable market price on an equivalent per mmBtu SO₂ adjusted basis at which Buyer is able, or (ii) at the time of Seller's breach, would be able to purchase or otherwise receive comparable supplies of Coal of comparable quality minus the base price agreed to for the specific Transaction; except that if such difference is negative, then neither Party shall have any obligation to make any deficiency payment to the other.

- c) Unless excused by Force Majeure, if Buyer fails to accept delivery of the quantity of Coal in accordance with the applicable Confirmation and this Agreement, Buyer shall pay to Seller an amount for each ton of Coal of such deficiency equal to (i) the base

price agreed to for the specific Transaction minus the highest reasonable market price on an equivalent per mmBtu SO₂ adjusted basis at which Seller is able, or (ii) would be able, to sell or otherwise dispose of the Coal at the time of Buyer's breach; except that if such difference is negative, then neither Party shall have any obligation to make any deficiency payment to the other.

- d) Buyer and Seller shall be subject to commercially reasonable good faith obligation to mitigate any damages hereunder.

13.02 The occurrence of any of the following shall constitute an "Event of Default":

- a) Failure by either Party to pay any amounts due.
- b) Either Party materially breaches any contractual obligation under this Agreement.
- c) Either Party (i) makes any general assignment or any general arrangement for the benefit of creditors, (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors or has such a petition involuntarily filed against it and such petition is not withdrawn or dismissed within thirty (30) days after such filing, (iii) otherwise becomes bankrupt or insolvent (however evidenced), or (iv) is unable to pay its debts as they fall due.

13.03 In addition to the non-defaulting Party's remedies under this Article, in the Event of Default with respect to a specific Transaction, the non-defaulting Party shall have the same rights with respect to such specific Transaction as it has under this Agreement in addition to the right to exercise all other rights and remedies available under applicable law.

PEF-FUEL-000467

ARTICLE 14. NOTICES

14.01 Except as expressly provided otherwise, any notice, election or other correspondence required or permitted hereunder shall become effective upon receipt and, except invoices and payments, shall be deemed to have been properly given or delivered when made in writing and delivered personally to the Party to whom directed, or when sent by United States certified mail with all necessary postage prepaid and a return receipt requested, or by a nationally recognized overnight delivery service with charges fully prepaid and addressed to the Party at the below-specified address:

Notices to Kennecott:
Kennecott Coal Sales Company
Attn: Contract Administration
Caller Box 3009 (82717-3009)
505 South Gillette Avenue
Gillette, WY 82716
Phone: (307) 687-6019
Fax: (307) 687-6009

Scheduling to Kennecott:
Kennecott Coal Sales Company
Attn: Customer Service Department
Caller Box 3009 (82717-3009)
505 South Gillette Avenue
Gillette, WY 82716
Phone: (307) 685-6110
Fax: (307) 687-6009

Notices to ~~Buyer~~ :

The addresses may be changed upon written notice in the manner provided above, and no amendment hereof shall be required for a change of address under this Article 14.

ARTICLE 15. COOPERATION

- 15.01 Each Party agrees to take all further action that may be reasonably necessary to perform and to effectuate the purposes and intent of the Agreement, the Confirmation, and any particular Transaction.

ARTICLE 16. WARRANTY, LIMITATION ON LIABILITY, DUTY TO MITIGATE &
INDEMNIFICATION

- 16.01 In no event shall either Party be liable to the other Party for incidental, consequential or punitive damages however and wherever arising out of, or in connection with, this Agreement or any Transaction.

- 16.02 EXCEPT AS EXPRESSLY WARRANTED HEREIN, IT IS EXPRESSLY AGREED THAT SELLER MAKES NO WARRANTY EXPRESSED OR IMPLIED AS TO THE QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE COAL TO BE DELIVERED UNDER THIS AGREEMENT OR AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF SUCH COAL. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR OVERHEAD, BY VIRTUE OF ITS BREACH OF ANY OF ITS OBLIGATIONS UNDER THE AGREEMENT. NOTHING IN THIS ARTICLE SHALL BE CONSTRUED AS LIMITING BUYER'S RIGHT, SUBJECT TO THE TERMS OF THIS AGREEMENT, TO SEEK DIRECT DAMAGES FOR SELLER'S BREACH OF ANY OF ITS OBLIGATIONS HEREUNDER.

- 16.03 Each Party agrees it has a duty to mitigate damages and covenants. Each Party will use commercially reasonable efforts to minimize any damages it may incur as a result of the other

Party's performance or non-performance of the Agreement (except that neither Party shall be required to enter into a replacement transaction as provided under this Agreement).

- 16.04 Each Party shall indemnify, defend, and hold the other Party harmless from and against any and all Claims arising out of or resulting from the willful acts or negligence of such Party, its agents, and employees.

ARTICLE 17. LIMITATION ON WAIVER

- 17.01 No waiver by either Party of any one or more defaults of the other Party in the performance of this Agreement or any Transaction shall operate or be construed as a waiver of any future default, or defaults, whether of a like or different character.

ARTICLE 18. CONFIDENTIALITY

- 18.01 This Agreement and any Confirmation are deemed confidential. The Parties shall protect the confidentiality of the terms of this Agreement and neither this Agreement or any of its terms shall be disclosed to any other person unless such disclosure is: (i) agreed to in writing by the Parties prior to release, (ii) required by law, (iii) required by jurisdictional regulation pursuant to the request of any regulatory authorities (including, without limitation, state utility commissions or boards, the Federal Energy Regulatory Commission, the U.S. Securities and Exchange Commission and tax authorities); to attorneys, auditors, consultants or other outside experts of the parties if said individuals are advised of the confidential nature of the information and said individuals agree to maintain the confidentiality of the information; or to generating unit co-owner(s). Where the law requires such disclosure, notice shall be given to the other Party, and to the extent possible, such notice shall be given in advance of disclosure.

ARTICLE 19. ENTIRETY, AMENDMENTS

19.01 This Agreement constitutes the entire agreement between the Parties. This Agreement may not be amended except in a written instrument making reference hereto signed by the Parties.

ARTICLE 20. SUCCESSORS AND ASSIGNS

20.01 This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns; provided, however, this Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

ARTICLE 21. GOVERNING LAWS

21.01 This Agreement shall be governed by and construed in accordance with the laws in the State of Wyoming.

ARTICLE 22. INTERPRETATION

22.01 The Parties acknowledge that each Party and its counsel have reviewed this Agreement and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

ARTICLE 23. RESALE AND BUYER'S OBLIGATIONS

23.01 The Parties agree, unless specifically provided otherwise in a specific Confirmation, Buyer may resell the Coal purchased under a particular Transaction to another party ("Buyer's Customer"). The Parties agree that Buyer's Customer may perform some of Buyer's obligations; nevertheless, Buyer shall remain liable for all of Buyer's obligations hereunder and Buyer shall indemnify and hold Seller harmless from and against any and all Claims made by Buyer's Customer against Seller. In addition, Buyer agrees to the following:

- a) Buyer shall inform Seller at least twenty-four (24) hours in advance of arrival of each unit train at the mine of the identification number of the unit train, identification of Buyer's Customer, and destination of such unit trains.
- b) The loading of such unit train shall be in accordance with the loading provisions set forth herein unless Buyer notifies Seller in advance of different loading provisions and such different loading provisions are in general accordance with general operating parameters in the mine's region, and do not, in Seller's reasonable opinion, impose an undue operating or economic burden on Seller.
- c) All information to be supplied by Seller to Buyer under this Agreement including but not limited to analysis, weights, train manifest and invoicing information shall be supplied to Buyer and Buyer shall be responsible for transmitting such information to Buyer's Customer. Buyer is specifically released from its confidentiality obligations (Article 18) with respect to quality and weighing information provided by Buyer to Buyer's Customer.

d) If Buyer claims a Force Majeure event at or associated with Buyer's generating station, such claim shall not apply to Coal taken under this Agreement and sold by Buyer to Buyer's Customer. Force Majeure events occurring at or associated with generating stations or other facility to which Buyer has resold Coal, shall not affect the tonnage obligation of the Buyer under this Agreement.

ARTICLE 24. SURVIVAL

24.01 The provisions of Articles 12 through 22 and Article 24 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective, duly authorized representatives effective as of the date first written above.

Kennecott Coal Sales Company

By: _____

Kelly A. Cosgrove
Vice President, Marketing & Sales

Date: _____

By: _____

Title: _____

Date: _____

DRAFT

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-6)
RFP/Bids/Purchases
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SAMPLE

CONFIRMATION LETTER

Kennecott #:

Buyer:

Seller: Kennecott Coal Sales Company
Caller Box 3009 (82717-3009)
505 South Gillette Avenue
Gillette, WY 82716

Attn:
Phone:
Fax:

Attn:
Phone:
Fax:

This letter shall confirm the transaction arranged _____, between _____ (" ") and Kennecott Coal Sales Company ("Kennecott") pursuant to the Master Coal Purchase and Sale Agreement effective _____, 2003. The terms and conditions of this transaction are as follows:

Kennecott to sell and deliver and _____ to purchase and receive.

Transaction Type: Physical Coal

Product: Sub-Bituminous coal; _____ Btu/Lb. and _____ Lbs. SO₂/mmBtu

Base Price: \$ _____ per ton of coal

Shipment Period:

Quantity:

Delivery Point: FOB Railcar, _____ Mine - _____ County, Wyoming

Topsize: _____" x 0" ASTM

Quality: Coal Quality Specifications

Section 9.03 - Standard Btu and Sulfur for price adjustments as set forth below:

Sections 6.02 & 6.04 Reject Limits/ Non-Conforming Shipment

Btu/Lb
Lbs. SO₂/mmBtu

PEF-FUEL-000474

DRAFT

Btu Adjustment:

To reflect the actual heat content of the coal delivered, each month the Base Price of coal will be adjusted for any variation from _____ Btu/Lb., using the following formula:

$$\text{Btu Adjustment Per Ton} = P \times \frac{AR - BB}{BB}$$

Where:

- P = The Base Price of coal per ton delivered during the month;
- AR = The monthly weighted average "As-Received" Btu's per pound of the respective coal[s] delivered to _____; and,
- BB = The Base Btu's per pound of the respective coal[s] delivered to _____ during the month; the BB value = _____

All shipment Btu's and weighted average Btu's shall be in zero decimals. All prices for Btu adjustments shall be calculated using floating-point decimals, with the result being rounded to three decimal places as shown in the following example:

Sample info: P = \$7.00/ton, BB = 8800, AR = 8820

$$\begin{aligned} \text{Btu adjustment per ton} &= \$7.00 \times \frac{(8820-8800)}{8800} \\ &= \$7.00 \times .002272727 \\ &= \$0.015909089 \\ &= \$0.016 \end{aligned}$$

Sulfur Adjustment:

To reflect the actual sulfur content of Coal delivered, each month the Base Price of Coal will be adjusted in accordance with the following formulas.

For purposes of this adjustment, it shall be assumed that 100% of the sulfur in the Coal will be converted to sulfur dioxide ("SO₂"). The pounds SO₂ per mmBtu shall be calculated in accordance with the following formula based on Seller's lab analysis of the percent sulfur in the Coal and the calorific value of the Coal. All weighted average sulfur shall be in two decimals:

$$\text{Lbs. SO}_2/\text{mmBtu} = \frac{\text{Monthly Weighted Average Sulfur \% in Coal} \times 20,000}{\text{Monthly Weighted Average Btu/Lb.}}$$

All shipment sulfur percent and weighted average sulfur percent shall be stated in two decimals. SO₂ for the period billed shall be calculated using floating-point decimals, with the result being rounded to two decimal places as shown in the following example:

Sample info: Monthly Weighted Average Sulfur % in Coal = .22,
Monthly Weighted Average Btu/Lb. = 8820

$$\text{Lbs. SO}_2/\text{mmBtu} = (.22 \times 20,000) / 8820 = .498866213 = .50$$

Sulfur adjustment in \$/ton of Coal =

$$\frac{(\text{Base Lb. SO}_2/\text{mmBtu} - \text{Actual Lb. SO}_2/\text{mmBtu}) \times \text{Actual Btu/Lb.} \times \$\text{ADI}}{1,000,000}$$

ADI = The "SO₂ Monthly Average Price" published by Air Daily for the month preceding delivery.

Base Lb. SO₂/mmBtu =

DRAFT

All shipment SO₂ and weighted average SO₂ shall be stated in two decimals. All prices for sulfur adjustments are to be calculated using floating-point decimals, with the result being rounded to three decimal places as shown in the following example:

Sample info: Actual Btu = 8820, Base SO₂ = .55, Actual SO₂ = .50,
SO₂ Allowance (ADI) = \$146.10

Sulfur Adjustment in \$/ton of Coal = $((.55 - .50) \times 8820 \times \$146.10) / 1,000,000$
= \$0.0644301
= \$0.064

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR, AND EACH OF THE PARTIES WAIVES THE RIGHT TO SEEK INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES UNDER THIS AGREEMENT.

Please confirm that the terms and conditions stated herein accurately reflect your understanding of our agreement by signing and returning to Leslie Thorn at Seller's address.

By: _____

Date: _____

By: _____
Kennecott Coal Sales Company

Date: _____



April 12, 2004

COMPLIANCE COAL RFP

BID DEADLINE: MAY 12, 2004

TIME: 5PM EDT

Potential Supplier:

To place a portion of our requirements under contract for Progress Energy's *Crystal River Units Nos. 4 and 5*, Progress Fuels Corporation (PFC) is considering entering into a new coal supply agreement(s) beginning January 1, 2005. Accordingly, we prefer that you quote a minimum of 150,000 tons annually to be delivered in generally ratable monthly amounts during the following periods; however, lesser quantities will be considered (please quote each offer separately):

1. January 1, 2005 through December 31, 2005
2. January 1, 2005 through December 31, 2006
3. January 1, 2005 through December 31, 2007

The quality of all coals submitted should conform to the specifications listed on the attached bid form. *Coals not meeting a 1.2 LB/SO₂ maximum standard will not be considered.*

PFC prefers a price quote effective on the start date, which will be fixed for the first twelve months. For terms longer than twelve months, PFC will consider fixed and firm, adjusted and/or reopener(s) if term is three years. *All prices should be quoted either f.o.b. mine loading point for rail delivery and f.o.b. barge loading point for water delivery.* Your proposal for this business must be submitted in writing by 5 PM EDT on May 12, 2004, and should be valid and binding for a minimum of thirty (30) days from that date. PFC encourages offers that provide added value, including, but not limited to:

1. Annual tonnage flexibility (expressed as a percentage),
2. Unilateral extension option(s) for PFC,
3. Innovative pricing proposals.

In evaluating the submitted proposals, PFC will consider all relevant factors including an "as burned" bus bar analysis. However, the delivered cost per million Btu has been and will continue to be the factor with the strongest overall impact to the evaluation process. PFC encourages suppliers to quote their coals at the highest quality rating they feel they can comfortably maintain. All cost calculations will be based on guaranteed values rather than typical values expected. *Guaranteed values are expected to be met on a per shipment basis.* Negotiations of the remaining terms and conditions will be conducted with those suppliers making a "short list" based on delivered economics.

Due to our ability to deliver coal to Crystal River by both rail and ocean barge, PFC will consider both rail and water delivered origins of the submitted product. Those suppliers planning to ship by barge should indicate any dock preferences. (This would also apply to western USA coal suppliers.) Those suppliers planning to ship CSX rail direct must be capable of shipping 24 hours per day, 7 days per week, in 90-car unit train lots (PFC-owned or leased rapid discharge cars) and they must specify

loading time requirements and CSX rail district origin. *Please do not attempt to secure domestic rail/barge rates as these are to be negotiated by PFC.*

Draft and narrow channel restrictions at the power plant receiving facility will not accommodate large deep-draft vessels. Therefore, foreign origin coals will require delivery through a New Orleans or Mobile area import terminal. Foreign origin coals should be quoted on a "CIF" basis in "Self-Discharging" vessels. Belted type vessels are preferred.

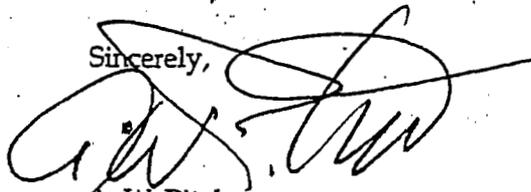
Proposals must be submitted by the date and time specified above in a sealed envelope clearly marked "*Term Contract Compliance Coal Quotation*" addressed to Mrs. Robin Ott at the address indicated on the attached bid form. Note that bids submitted directly to me via e-mail or fax will not be considered. Proposals must include a completed copy of the attached bid form (for multiple proposals, please copy the attached form and submit a separate form for each proposal) complete with *current and projected typical ash mineral analysis including minimum and maximum Na₂O (sodium oxide), typical ultimate analysis including maximum nitrogen and chlorine, sulfur forms, all reducing ash fusion points (average and minimum temperatures), and trace elements.* In some cases, where suppliers are quoting a blend of various seams of coal, the above requested quality data *must be provided for the blended product as well as the individual seams for all coals you would expect to ship on this business.* Any extraneous information not included on the provided bid form will not be considered.

Weighing and sampling and analysis will be done at the mine facility, loading dock or the power plant by a mutually agreeable independent testing company.

PFC reserves the right to waive informal technicalities or irregularities and reject any and all proposals for any reason PFC deems appropriate under the circumstances. PFC does not represent that it will accept the lowest bid or any other bid. In no event shall PFC be considered to have accepted any offer except and unless in an express written acceptance or contract signed by an officer of PFC.

Thank you for your attention to this *Request for Proposals*. If you have any questions or require further information regarding this invitation to quote, please contact me at 727/824-6692.

Sincerely,



A. W. Pitcher
Vice President - Coal Procurement

AWP/ro

Attachment



**PROGRESS
FUELS**
CORPORATION

COAL PRODUCERS' SOLICITATION FORM
CRYSTAL RIVER 4 & 5
PAGE 1 OF 3

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-6)
RFP/Bids/Purchases
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PRODUCER NAME:

STREET ADDRESS:

CONTACT:

TELEPHONE NO.

MINE(S):

BOM DISTRICT:

COUNTY:

STATE:

ORIGIN RAILROAD(S)/DISTRICT: EK ___ CV ___ Big Sandy ___ Other _____

R/R TIPPLE DESIGNATION/NUMBER:

TYPE OF LOADING FACILITY:

UNIT TRAIN: _____

SINGLE CAR: _____

TRAINLOAD: _____

MAXIMUM LOADING CAPACITY:

_____ TONS

_____ HOURS

_____ TRACK CAPACITY

WATER DELIVERY CAPABILITY: ___ YES

___ NO

IMPORT COAL: LOAD PORT _____

SHIP THROUGH: _____ DOCK

LOAD RATE: _____

TOTAL PRODUCTION CAPACITY PER MONTH: _____ TONS

PRODUCTION PER MONTH—MEETING OUR COAL SPECIFICATIONS: _____ TONS

TYPE OF MINE: ___ % DEEP

___ % STRIP

___ % AUGER

SEAMS:

BLEND RATIOS:

COAL PREPARATION: ___ RAW

___ WASHED

___ COMBINATION

TYPE OF COAL WASHER, IF WASHED:

TYPE OF COAL SAMPLING:

TYPE OF LABOR CONTRACT(S):

DATE FOR RENEGOTIATION:

TYPE OF COAL WEIGHING:

SCALE CERTIFIED?

___ YES

___ NO

PERIOD

TONNAGE

BASE PRICE PER TON FOB MINE

IF THIS COAL IS OFFERED BY A COMPANY OR INDIVIDUAL WHICH IS NOT THE PRODUCER PLEASE INDICATE SO BY MAKING AN "X" IN THIS SPOT.

PRODUCER'S COMMENTS:

CREDIT REFERENCES (Minimum two):

INDUSTRY REFERENCES (Minimum four):

SIGNATURE:

TITLE:

DATE:

MAIL THIS FORM AND ANY ADDITIONAL INFORMATION TO:

MRS. ROBIN OTT
PROGRESS FUELS CORPORATION
ONE PROGRESS PLAZA, SUITE 600
ST. PETERSBURG, FLORIDA 33701

OR

POST OFFICE BOX 15208
ST. PETERSBURG, FLORIDA 33733

PHONE NO. 727/824-6670
FAX NO. 727/824-6601



DESCRIPTION	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	"AS RECEIVED" AVERAGE OR TYPICAL	"AS RECEIVED" GUARANTEED	BITUMINOUS "AS RECEIVED" GUARANTEED	SUB-BITUMINOUS "AS RECEIVED" GUARANTEED
MOISTURE (TOTAL) %		4	8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %			5.0% MAX.	5.0% MAX.
ASH %		4	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MTU)			1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB		4	12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=W (R)		4	2,500 MIN.	2,200 MIN.
VOLATILE %		4	31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE		4	42 MIN. ³	65 MIN. ³
SIZE			2" X 0"	2" X 0"
FINES (-1/4" X 0")			45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR			0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %			---	---
HYDROGEN %			---	---
NITROGEN %			---	---
CHLORINE %			---	---
OXYGEN %			---	---

¹Must be met on an individual shipment basis.

²Adjustable in direct proportion to Btu.

³Adjustable in inverse proportion to Btu.

⁴Economic analyses will be based on these values.

⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD DEV.
P ₂ O ₅			Antimony		
SiO ₂			Arsenic		
Fe ₂ O ₃			Beryllium		
Al ₂ O ₃			Cadmium		
TiO ₂			Chromium		
CaO			Cobalt		
MgO			Fluorine		
SO ₃			Lead		
K ₂ O			Lithium		
Na ₂ O			Manganese		
Undetermined			Mercury		
Base/Acid Ratio			Nickel		
Maximum Base/Acid Ratio			Selenium		

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-6)
RFP/Bids/Purchases
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DESCRIPTION	OFFERED COAL SPECIFICATIONS		REQUIRED COAL SPECIFICATIONS	
	AS RECEIVED AVERAGE OR TYPICAL	*AS RECEIVED* GUARANTEED	BITUMINOUS *AS RECEIVED* GUARANTEED	SUB-BITUMINOUS *AS RECEIVED* GUARANTEED
MOISTURE (TOTAL) %		4	8.0% MAX.	30.0% MAX.
SURFACE MOISTURE %			5.0% MAX.	5.0% MAX.
ASH %		4	10.0% MAX. ²	7.8% MAX. ²
SULFUR DIOXIDE (LB/MBTU)			1.2 LB/MAX. ¹	1.2 LB/MAX. ¹
BTU/LB		4	12,300 MIN.	8,200/LB MIN.
ASH SOFTENING DEGREES FAHRENHEIT H=W (R)		4	2,500 MIN.	2,200 MIN.
VOLATILE %		4	31.0% MIN. ¹	31.0% MIN. ¹
GRINDABILITY, HARDGROVE		4	42 MIN. ³	65 MIN. ³
SIZE			2" X 0"	2" X 0"
FINES (-1/4" X 0")			45% MAX. ⁵	30% MAX. ⁵
PYRITIC SULFUR			0.2% MAX. ¹	0.2% MAX. ¹
FIXED CARBON %			---	---
HYDROGEN %			---	---
NITROGEN %			---	---
CHLORINE %			---	---
OXYGEN %			---	---

¹Must be met on an individual shipment basis.

²Adjustable in direct proportion to Btu.

³Adjustable in inverse proportion to Btu.

⁴Economic analyses will be based on these values.

⁵Preferred value, coals not meeting this specification will be considered.

MINERAL ANALYSIS %WEIGHT			TRACE ELEMENTS PPM IN COAL		
DESCRIPTION	AVERAGE	STD. DEV.	DESCRIPTION	AVERAGE	STD. DEV.
P ₂ O ₅			Antimony		
SiO ₂			Arsenic		
Fe ₂ O ₃			Beryllium		
Al ₂ O ₃			Cadmium		
TiO ₂			Chromium		
CaO			Cobalt		
MgO			Fluorine		
SO ₃			Lead		
K ₂ O			Lithium		
Na ₂ O			Manganese		
Undetermined			Mercury		
Base/Acid Ratio			Nickel		
Maximum Base/Acid Ratio			Selenium		

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*NOTE: ADD SHEETS IF MORE THAN ONE SEAM



**PROGRESS
FUELS**
Corporation

INTER-OFFICE CORRESPONDENCE

Fuel Transportation
Office

BT10E
MAC

72
Ph.

Docket No. 070001-EI
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RFP/Bids/Purchases
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**SUBJECT: 2005-2007 REQUEST FOR PROPOSALS (RFP), PURCHASE ACTIVITIES AND
CONTRACT RE-OPENERS (RE-OPENERS)**

TO: Charlie Gates

DATE: June 22, 2004

Since the beginning of the year, coal prices have continued to escalate to unprecedented levels. At the present time, there does not appear to be anything that will allow these prices to recede from their current levels. Most projections show a very strong coal market, at least through 2005 and probably well into 2006. Coal has been affected, like other fuels, by a worldwide mix of uncertainties, regulatory indecision, improving and in some cases "booming" (China) economies, transportation shortages and inefficiencies, and regional coal supply shortages. As discussed during each of our past meetings, we at Progress Fuels Corporation (PFC) are committed to continue to seek the most opportune times to enter the coal market to insure the competitiveness of the Crystal River plants. In addition to participating in the 2004 spot coal market, when we deemed it advantageous, PFC successfully renegotiated agreements with various suppliers in conjunction with their contract price re-opener provisions. Additionally, PFC has just completed evaluating and purchasing coal from the results of the 2005-2007 Request for Proposals (RFP).

Last year, we had eight contracts with price re-openers, five of which were for the Delta coal and three of which were for the Alpha coal. We successfully renegotiated six contracts (three Alpha and three Delta) and were unsuccessful with two Delta suppliers. A portion of the tonnage for the unsuccessful contracts was placed with other existing suppliers and the balance was secured in the 2004 spot market. More importantly, we negotiated renewed prices, tons, and two-year terms (2004 and 2005) with two suppliers; and in each case, we have re-openers for 2006. Our 2004 RFP purchases and the renegotiated contracts are currently at least \$15.00-20.00 below the current market.

Our challenge this year was to attempt timing the market for our 2005-2007 RFP and any other purchases that we deemed of value. Although the prices are dramatically higher than last year, we were able to time the market such that the purchases we made, based on the results of the RFP just one month ago, are \$3.00-\$5.00 dollars below the current market; and in the case of the March Colombian purchase, it is at least \$15.00 to \$17.00 below the current market for that coal.

The remainder of this memo will address the results from the 2005-2007 RFP and the Drummond Colombian coal purchase noted above. The 2005-2007 RFP provided PFC a reasonable selection of potential suppliers. We received bids from 20 domestic and foreign suppliers who submitted 37 bids. Last year we received bids from 21 domestic and foreign suppliers, submitting approximately 75 bids. This year we were offered 33.0 million tons of which 13% were foreign offers and 87% were water, rail-eastern, and rail-western offers. Last year we were offered 42.0 million tons spread fairly evenly between the foreign and domestic suppliers.

Because of the strength of the current market, we only purchased for 2005 and 2006. Our plan is to watch the market, and re-enter for both spot and contract coal during late 2004 and early 2005. I have enclosed with this memo the purchases and the economic evaluation from the RFP (See Attachment "A"), a Supply Assessment for 2005 and 2006 (See Attachment "B"), and the 2005 and 2006 scheduled purchases including their economic evaluations (See Attachment "C").

As always, we attempted to improve the economics, as compared to the prices offered, while increasing the tonnage purchased and the term offered.

2005-2006 PURCHASES

FOREIGN WATER

Choice:

- During the latter part of March and early April, we began negotiations with Drummond for an extension of our 2004 agreement. This decision was made because all indicators pointed to the beginning of another round of price increases and supply shortages for both domestic and foreign coals. We purchased 800,000 tons for 2005 and 1 million tons for 2006 from Drummond's Mina Pribbenow mines; this is "Delta" coal. The delivered cost to Crystal River (CR) is 2.509 \$/MMBTU and 2.531 \$/MMBTU, respectively.

No additional purchases were made for foreign coal from the RFP because the prices submitted from other foreign suppliers were not competitive. Their prices ranged from 2.828 to 2.948 \$/MMBTU. These prices compared to 2.672 to 3.082 \$/MMBTU, for offers from the domestic suppliers.

Explanation:

During 2004, we began shipments of Drummond's Colombian coal. The results economically, environmentally, and operationally have been excellent. This coal, besides being very low in ash and sulfur, reduces NO_x emissions by almost 25%. This purchase will assist CR in achieving their NO_x goals, while providing them with a competitively priced product.

DOMESTIC WATER

Choices:

- We purchased "Delta" coal from two suppliers for delivery on the river system. We were offered and purchased 300,000 tons per year for ~~2005 and 2006 from Central Coal Company.~~ This "Delta" coal will ship via truck to the Kanawha River and will deliver into CR at 2.672 \$/MMBTU. We also purchased 360,000 and 180,000 tons of "Delta" coal for 2005 and 2006 from Massey Energy. This coal will be rail-delivered to the Ohio River, and it will deliver into CR at 2.698 \$/MMBTU.

Explanation:

- We have had previous experience with both of these suppliers and are very satisfied they will meet or exceed the specifications bid.

DOMESTIC RAIL

Choices:

- We purchased "Delta" coal from two companies and "Alpha" coal from three others. We have previous experience with three of the suppliers and have added two new companies.

"DELTA COAL"

We purchased 360,000 for 2005 and 180,000 tons for 2006 from Massey Energy. This coal will deliver into CR at \$2.693 \$/MMBTU. We also purchased 360,000 each year from Progress Fuels-Marketing and Trading. This product will deliver into CR at 2.735 \$/MMBTU.

"ALPHA COAL"

We purchased 720,000 tons for 2005 and 360,000 for 2006 from Massey Energy. This coal will deliver into CR at 2.596 \$/MMBTU. We purchased 120,000 tons for 2005 and 240,000 tons for 2006 from Sequoia Energy LLC. This coal will deliver into CR at 2.586 \$/MMBTU. Also, we purchased 240,000 tons for each year (2005 and 2006) from B&W Resources. This coal will deliver into CR at 2.608 \$/MMBTU.

Explanation:

- Massey Energy has been a consistently reliable supplier over the past 20 years. Progress Fuels-Marketing & Trading has very good quality coal and a reliable track record. Because of the shortage of coals in the Central Appalachian region, we felt it imperative to add to our base of suppliers. Both Sequoia Energy and B&W Resources will fulfill this need. Prior to contracting with them we had our field representative visit their mining operations, and we called other utility buyers to verify their performance. No problems were noted in either case.

2004 RE-OPENERS

We have only one contract with a re-opener during 2004. Consol Energy (Consol) has a price, quantity, and terms re-opener, which needs to be completed by November 1, 2004. We have already had several discussions with Consol regarding tonnage for next year. Current estimates are that they will have 750,000 to 1 million tons to offer. The current contract is for 1 million tons.

SUMMARY OF 2005 and 2006 PURCHASES

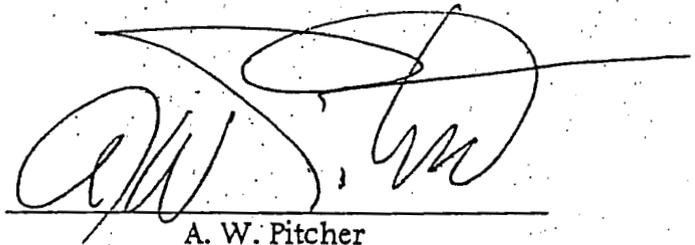
We anticipate a burn of 2.3 million tons for Crystal River Units 1 and 2 for both 2005 and 2006 and 4.3 and 4.4 million tons for Crystal River Units 4 and 5 for 2005 and 2006, respectively. The total burn is estimated at 6.6 million tons for 2005 and 6.7 million tons for 2006.

Our CR 1 & 2 open position for 2005 is approximately 330,000 tons, while it is 1.9 million tons for 2006; and it will be delivered 100 percent via rail.

Regarding Crystal River Units 4 and 5, our open position for 2005 is approximately 230,000 tons and approximately 920,000 tons for 2006. We will deliver 2.3 million tons via barge each year and 2.0-2.1 million tons by rail.

We will continue to fulfill the open positions from the spot and contract markets.

I would like to schedule a meeting with you at your earliest convenience to discuss the details of this report and answer any questions you may have.



A. W. Pitcher

AWP/ro

Attachments

cc/att: Rufus Jackson
Kyle Crake

**COAL SOLICITATION—"A" & "D" COAL
CRYSTAL RIVER UNITS 1, 2, 4 & 5**

RFP'S RELEASED 04/12/04

EVALUATION WORKPAPERS

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RFP/Bids/Purchases
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Pitcher, Al (PFC)

Docket No. 070001-EI
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From: Crake, Kyle on behalf of Crake, Kyle (Energy)
Sent: Thursday, May 20, 2004 7:52 AM
To: Pitcher, Al (PFC)
Subject: RE: Memo to Kyle

Approved

-----Original Message-----

From: Pitcher, Al (PFC) [mailto:APitcher@progressfuels.com]
Sent: Tuesday, May 18, 2004 8:27 AM
To: Crake, Kyle
Subject: FW: Memo to Kyle

As requested.

Al Pitcher

-----Original Message-----

From: Ott, Robin (PFC)
Sent: Tuesday, May 18, 2004 8:19 AM
To: Pitcher, Al (PFC)
Subject: Memo to Kyle

Robin Ott

Progress Fuels Corporation
One Progress Plaza, BT10C
200 Central Avenue
St. Petersburg, FL 33701
Phone No. 727-824-0670
Fax No. 727-824-0801
E-mail Address: robin.ott@progressfuels.com

**PROGRESS
FUELS**
Corporation**INTER-OFFICE CC**Fuel Transportation
OfficeBT10E
MAC727/824-8692
Phone No.**SUBJECT: COAL PURCHASE AUTHORIZATION****TO: Kyle Crake****DATE: May 17, 2004**

We have evaluated the bids received in response to our April 12, 2004, Request for Proposals. Preliminary discussions have been conducted with several suppliers. Based upon these discussions, I request permission to purchase the following coals.

Crystal River Units 1 & 2

	<u>Year 2005</u>	<u>Year 2006</u>
Sequoia Energy LLC/Black Gold, LLC		
Tons	120,000	240,000
\$/Ton of Coal	\$47.00	\$47.00
¢/MMBtu Delivered	\$2.586	\$2.586
Massey		
Tons	720,000	N/A
\$/Ton	\$44.00	N/A
¢/MMBtu Delivered	\$2.596	N/A

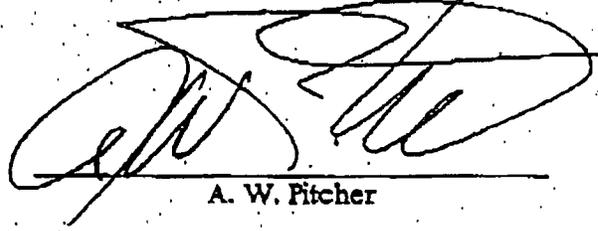
Crystal River Units 4 & 5

<u>Rail Coals</u>	<u>Year 2005</u>	<u>Year 2006</u>
Massey Utility Sales Company		
Tons	720,000	N/A
\$/Ton of Coal	\$45.00	N/A
¢/MMBtu Delivered	\$2.693	N/A
<u>Progress Fuels</u>		
Tons	360,000	360,000
\$/Ton	\$48.50	\$48.50
¢/MMBtu Delivered	\$2.735	\$2.735
<u>Water Coals</u>		
Central Coal Company		
Tons	300,000	300,000
\$/Ton of Coal	\$50.50	\$50.50
¢/MMBtu Delivered	\$2.672	\$2.672

Mr. Kyle Crake
May 17, 2004
Page 2

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Additional coals will be required and on-going information gathering is taking place. Prior to other coals being purchased, I will submit a formal request.



A. W. Fitcher

AWP/ro



**PROGRESS
FUELS**
Corporation

INTER-OFFICE CORRESPONDENCE

Fuel Transportation
Office

BT10E
MAC

727/824-6692
Phone No.

**SUBJECT: 2005-2007 REQUEST FOR PROPOSALS (RFP), PURCHASE ACTIVITY AND
CONTRACT RE-OPENERS (RE-OPENERS)**

TO: Charlie Gates

DATE: June 22, 2004

Since the beginning of the year, coal prices have continued to escalate to unprecedented levels. At the present time, there does not appear to be anything that will allow these prices to recede from their current levels. Most projections show a very strong coal market, at least through 2005 and probably well into 2006. Coal has been affected, like other fuels, by a worldwide mix of uncertainties, regulatory indecision, improving and in some cases "booming" (China) economies, transportation shortages and inefficiencies, and regional coal supply shortages. As discussed during each of our past meetings, we at Progress Fuels Corporation (PFC) are committed to continue to seek the most opportune times to enter the coal market to insure the competitiveness of the Crystal River plants. In addition to participating in the 2004 spot coal market, when we deemed it advantageous, PFC successfully renegotiated agreements with various suppliers in conjunction with their contract price re-opener provisions. Additionally, PFC has just completed evaluating and purchasing coal from the results of the 2005-2007 Request for Proposals (RFP).

Last year, we had eight contracts with price re-openers, five of which were for the Delta coal and three of which were for the Alpha coal. We successfully renegotiated six contracts (three Alpha and three Delta) and were unsuccessful with two Delta suppliers. A portion of the tonnage for the unsuccessful contracts was placed with other existing suppliers and the balance was secured in the 2004 spot market. More importantly, we negotiated renewed prices, tons, and two-year terms (2004 and 2005) with two suppliers; and in each case, we have re-openers for 2006. Our 2004 RFP purchases and the renegotiated contracts are currently at least \$15.00-20.00 below the current market.

Our challenge this year was to attempt timing the market for our 2005-2007 RFP and any other purchases that we deemed of value. Although the prices are dramatically higher than last year, we were able to time the market such that the purchases we made, based on the results of the RFP just one month ago, are \$3.00-\$5.00 dollars below the current market; and in the case of the March Colombian purchase, it is at least \$15.00 to \$17.00 below the current market for that coal.

The remainder of this memo will address the results from the 2005-2007 RFP and the Drummond Colombian coal purchase noted above. The 2005-2007 RFP provided PFC a reasonable selection of potential suppliers. We received bids from 20 domestic and foreign suppliers who submitted 37 bids. Last year we received bids from 21 domestic and foreign suppliers, submitting approximately 75 bids. This year we were offered 33.0 million tons of which 13% were foreign offers and 87% were water, rail-eastern, and rail-western offers. Last year we were offered 42.0 million tons spread fairly evenly between the foreign and domestic suppliers.

Mr. Charlie Gates
June 22, 2004
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Because of the strength of the current market, we only purchased for 2005 and 2006. Our plan is to watch the market, and re-enter for both spot and contract coal during late 2004 and early 2005. I have enclosed with this memo the purchases and the economic evaluation from the RFP (See Attachment "A"), a Supply Assessment for 2005 and 2006 (See Attachment "B"), and the 2005 and 2006 scheduled purchases including their economic evaluations (See Attachment "C").

As always, we attempted to improve the economics, as compared to the prices offered, while increasing the tonnage purchased and the term offered.

2005-2006 PURCHASES

FOREIGN WATER

Choice:

- During the latter part of March and early April, we began negotiations with Drummond for an extension of our 2004 agreement. This decision was made because all indicators pointed to the beginning of another round of price increases and supply shortages for both domestic and foreign coals. We purchased 800,000 tons for 2005 and 1 million tons for 2006 from Drummond's Mina Pribbenow mines; this is "Delta" coal. The delivered cost to Crystal River (CR) is 2.509 \$/MMBTU and 2.531 \$/MMBTU, respectively.

No additional purchases were made for foreign coal from the RFP because the prices submitted from other foreign suppliers were not competitive. Their prices ranged from 2.828 to 2.948 \$/MMBTU. These prices compared to 2.672 to 3.082 \$/MMBTU, for offers from the domestic suppliers.

Explanation:

During 2004, we began shipments of Drummond's Colombian coal. The results economically, environmentally, and operationally have been excellent. This coal, besides being very low in ash and sulfur, reduces NO_x emissions by almost 25%. This purchase will assist CR in achieving their NO_x goals, while providing them with a competitively priced product.

DOMESTIC WATER

Choices:

- We purchased "Delta" coal from two suppliers for delivery on the river system. We were offered and purchased 300,000 tons per year for 2005 and 2006 from Central Coal Company. This "Delta" coal will ship via truck to the Kanawha River and will deliver into CR at 2.672 \$/MMBTU. We also purchased 360,000 and 180,000 tons of "Delta" coal for 2005 and 2006 from Massey Energy. This coal will be rail-delivered to the Ohio River, and it will deliver into CR at 2.698 \$/MMBTU.

Mr. Charlie Gates

June 22, 2004

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Explanation:

- We have had previous experience with both of these suppliers and are very satisfied they will meet or exceed the specifications bid.

DOMESTIC RAIL

Choices:

- We purchased "Delta" coal from two companies and "Alpha" coal from three others. We have previous experience with three of the suppliers and have added two new companies.

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We purchased 360,000 for 2005 and 180,000 tons for 2006 from Massey Energy. This coal will deliver into CR at \$2.693 \$/MMBTU. We also purchased 360,000 each year from Progress Fuels-Marketing and Trading. This product will deliver into CR at 2.735 \$/MMBTU.

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Explanation:

- Massey Energy has been a consistently reliable supplier over the past 20 years. Progress Fuels-Marketing & Trading has very good quality coal and a reliable track record. Because of the shortage of coals in the Central Appalachian region, we felt it imperative to add to our base of suppliers. Both Sequoia Energy and B&W Resources will fulfill this need. Prior to contracting with them we had our field representative visit their mining operations, and we called other utility buyers to verify their performance. No problems were noted in either case.

RE-OPENERS

We have only one contract with a re-opener during 2004. Consol Energy (Consol) has a price, quantity, and terms re-opener, which needs to be completed by November 1, 2004. We have already had several discussions with Consol regarding tonnage for next year. Current estimates are that they will have 750,000 to 1 million tons to offer. The current contract is for 1 million tons.

Mr. Charlie Gates
June 22, 2004
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SUMMARY OF 2005 and 2006 PURCHASES

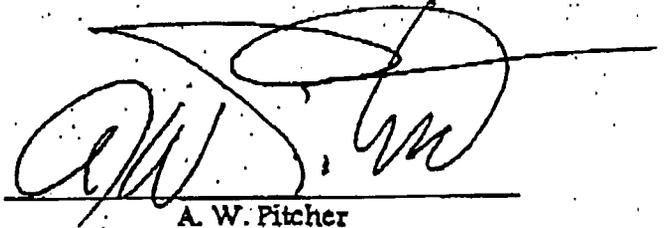
We anticipate a burn of 2.3 million tons for Crystal River Units 1 and 2 for both 2005 and 2006, and 4.3 and 4.4 million tons for Crystal River Units 4 and 5 for 2005 and 2006, respectively. The total burn is estimated at 6.6 million tons for 2005 and 6.7 million tons for 2006.

Our CR 1 & 2 open position for 2005 is approximately 330,000 tons, while it is 1.9 million tons for 2006; and it will be delivered 100 percent via rail.

Regarding Crystal River Units 4 and 5, our open position for 2005 is approximately 230,000 tons and approximately 920,000 tons for 2006. We will deliver 2.3 million tons via barge each year and 2.0-2.1 million tons by rail.

We will continue to fulfill the open positions from the spot and contract markets.

I would like to schedule a meeting with you at your earliest convenience to discuss the details of this report and answer any questions you may have.



A. W. Fitcher

AWP/ro

Attachments

cc/att: Rufus Jackson
Kyle Crake

PROGRESS FUELS CORPORATION
 CR Units 1,2, 4 and 5
 PURCHASES from
 2005-2006
 RFP

Attachment A

Supplier	Contract	Term	Location	Contract	Contract	Contract	Price	Price	Price	Price	Price	Price	Price	Price	Price	Price	Price	Price
Water																		
Drummond/Intercean	D (CR4&5)	1/05-12/06	FOB Mobile	1800	800	1000	8.50%	0.70%	11,700	14.00%	32.00%	43	1.20					
Central Coal Co.	D (CR4&5)	1/05-12/06	Winifred Dock	600	300	300	12.00%	0.74%	12,300	8.00%	31.00%	42	1.20					
Massey	D (CR4&5)	1/05-6/06	FOB Colorado	540	360	180	13.80%	0.73%	12,100	8.00%	31.00%	42	1.20					
Roll																		
Massey	D (CR4&5)	1/05-6/06	Bandmill	540	360	180	12.80%	0.73%	12,100	8.00%	31.00%	42	1.20					
Progress Fuels	D (CR4&5)	1/05-12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20					
CAM-KY	D (CR4&5)	1/05-12/06	Diamond May	720	360	360	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20					
Sequola Energy LLC	A (CR1&2)	1/05-12/06	CSX Harlan	360	120	240	10.00%	1.34%	12,700	8.00%	31.00%	42	1.50	2.10				
Massey	A (CR1&2)	1/05-6/06	CSX BS	1080	720	360	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10				
B&W Resources	A (CR1&2)	1/05-12/06	CSX Jellico	480	240	240	11.60%	1.26%	12,500	7.00%	32.00%	42	1.50	2.00				
Total Tons				5040	2820	2220								801				

PUBLIC USE

800-666-6666

10/10/06 11:41

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SUPPLY ASSESSMENT
"DELTA" WATER

	<u>2005</u>	<u>2006</u>	<u>Notes</u>
PROJECTED WATER DELIVERY	2,300,000	2,300,000	
Existing contracts:			
Guasare #1 (Venezuelan)	150,000	<u>0</u>	
Guasare #2 (Venezuelan)	650,000	650,000	(2)
Drummond (Colombian)	800,000	1,000,000	
Total Existing Contracts	1,600,000	1,650,000	
Open Position	700,000	650,000	(1)
New Contract Suppliers:			(3)
Massey Energy	360,000	180,000	
Central Coal	300,000	300,000	
Total New Contracts	660,000	480,000	
Total Existing & New	2,260,000	2,130,000	
Total Open Position	40,000	170,000	
Potential Add'l Suppliers:			
Asset Mgmt Group	0	0	
Central Coal	0	0	
Keystone	0	0	
A.T. Massey	0	0	
Peabody PRB coal	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	0	0	
Total New and Potential	2,260,000	2,130,000	
Potential Spot or Additional Contract Purchases:	40,000	170,000	
Allocation:			
% Existing contracts to delivery	69.6%	71.7%	
% New contracts to delivery	28.7%	20.9%	
% Total contract to delivery	98.3%	92.6%	
% Potential spot or additional contract to requirement	1.7%	7.4%	

Notes:

- (1) BOLD denotes open position.
 (2) The Guasare contract has a price reopener for 2006.
 (3) Purchases based upon the 2005 RFP results and various other purchases.

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SUPPLY ASSESSMENT
"DELTA" RAIL

	<u>2005</u>	<u>2006</u>	<u>Notes</u>
PROJECTED REQUIREMENTS**	4,311,000	4,390,000	
Minus Water Delivered Coal	2,300,000	2,300,000	
Equals Net Rail "D" Deliveries	<u>2,011,000</u>	<u>2,090,000</u>	
Existing contracts:			
CAM-Kentucky LLC	500,000	200,000	
Alliance Coal LLC	600,000	600,000	
Total Existing Contracts	<u>1,100,000</u>	<u>800,000</u>	
Open Position	911,000	1,290,000	(1)
New Contract Suppliers:			(2)
Massey Energy	360,000	180,000	
Progress Fuels Marketing & Trading	360,000	360,000	
Total New Contracts	<u>720,000</u>	<u>540,000</u>	
Total Existing & New	<u>1,820,000</u>	<u>1,340,000</u>	
Total Open Position	191,000	750,000	
Potential Add'l Suppliers:			
Asset Mgmt Group	0	0	
A.T. Massey	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	<u>0</u>	<u>0</u>	
Total New and Potential	<u>1,820,000</u>	<u>1,340,000</u>	
Potential Spot or Additional Contract Purchases:	191,000	750,000	
Allocation:			
% Existing contracts to delivery	54.7%	38.3%	
% New contracts to delivery	<u>35.8%</u>	25.8%	
% Total contract to delivery	90.5%	64.1%	
% Potential spot or additional contract to requirement	9.5%	35.9%	

Notes:

(1) BOLD denotes open position.

(2) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn requirements

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SUPPLY ASSESSMENT
"ALPHA" RAIL

	<u>2005</u>	<u>2006</u>	<u>Notes</u>
PROJECTED REQUIREMENTS**	2,309,000	2,257,000	
Existing contracts:			
Consol Energy	750,000	0	(2)
Massey Energy	150,000	0	
<u>CAM-Kentucky LLC</u>	0	0	
Total Existing Contracts	900,000	0	
Open Position	1,409,000	2,257,000	(1)
New Contract Suppliers:			(3)
Massey Energy	720,000	380,000	
Sequoia Energy LLC	120,000	240,000	
B&W Resources	240,000	240,000	
Total New Contracts	1,080,000	840,000	
Total Existing & New	1,980,000	840,000	
Total Open Position	329,000	1,417,000	(1)
Potential Add'l Suppliers:			
Massey Energy	0	0	
Central Coal	0	0	
Sequoia Energy LLC	0	0	
B&W Resources	0	0	
<u>CAM Kentucky LLC</u>	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	0	0	
Total New and Potential	1,980,000	840,000	
Potential Spot or Additional Contract Purchases:	329,000	1,417,000	
Allocation:			
% Existing contracts to delivery	39.0%	0.0%	
% New contracts to delivery	46.8%	37.2%	
% Total contract to delivery	85.8%	37.2%	
% Potential spot or additional contract to requirement	14.2%	62.8%	

Corrected

Notes:

- (1) BOLD denotes open position.
- (2) These contract has a price reopener for 2006.
- (3) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn projections

SUPPLY ASSESSMENT
"ALPHA" RAIL

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	<u>2005</u>	<u>2006</u>	<u>Notes</u>
PROJECTED REQUIREMENTS**	2,309,000	2,257,000	
Existing contracts:			
Consol Energy	750,000	0	(2)
Massey Energy	150,000	0	
CAM-Kentucky LLC	0	0	
Total Existing Contracts	900,000	0	
Open Position	1,409,000	2,257,000	(1)
New Contract Suppliers:			(3)
Massey Energy	720,000	380,000	
Sequoia Energy LLC	120,000	240,000	
B&W Resources	240,000	240,000	
Total New Contracts	1,080,000	360,000	
Total Existing & New	1,980,000	360,000	
Total Open Position	329,000	1,897,000	(1)
Potential Add'l Suppliers:			
Massey Energy	0	0	
Central Coal	0	0	
Sequoia Energy LLC	0	0	
B&W Resources	0	0	
CAM Kentucky LLC	0	0	
2004 Carry over	0	0	
Total Potential Suppliers	0	0	
Total New and Potential	1,980,000	360,000	
Potential Spot or Additional Contract Purchases:	329,000	1,897,000	
Allocation:			
% Existing contracts to delivery	39.0%	0.0%	
% New contracts to delivery	48.8%	16.0%	
% Total contract to delivery	85.8%	16.0%	
% Potential spot or additional contract to requirement	14.2%	84.0%	

Notes:

- (1) BOLD denotes open position.
- (2) These contract has a price reopener for 2006.
- (3) Purchases based upon the 2005 RFP results and various other purchases.

**Based upon burn projections

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PROGRESS FUELS CORPORATION
CR Units 4 and 5
May 2004
Solicitation
ALL BIDS

Workpapers Only

Westport Creek																							
DATE	2004	PRB/Cost	884	\$18.82	804	\$18.82	8	14.36	8	30.28	8	3.34%	0.20%	8,888	34.79%	31.89%	81	0.88	238.88	8,744	222.17	11.85	
Hannacoil	04-07	Barge Contracts	1188		808	\$22.88	280		880			4.08%	8.30%	8,380	23.38%	31.79%	41	0.88	234.87	1,876	234.87	11.84	
Arch	10-1-2007	Thermostat Books	4508		280	17.35	380		880			3.80%	8.30%	8,880	28.80%	30.78%	50	0.88	232.82	1,876	234.87	12.88	
Tylen	04	PRB H. Rochelle	988	\$8.88	1808	\$8.88	8	38.38	8	38.08	8	8.30%	8.38%	8,880	28.80%	31.89%	83	0.88	233.87	1,876	234.87	12.88	
Tylen	03-07	PRB-Buchholz	2088		1808	\$8.88	1808		1808			8.30%	8.34%	4,448	38.38%	31.89%	68	0.88	231.87	1,876	234.87	12.88	
Tylen	05-07	PRB H. Rochelle	3088		1808	\$8.88	1080		1988			8.30%	8.37%	8,880	28.84%	31.89%	83	0.88	233.82	1,888	235.12	12.08	
Probody	05-07	Arducope	980		200	\$8.78	288		388			8.58%	8.77%	8,880	38.88%	30.80%	68	0.88	234.84	1,872	238.88	12.08	
Kearnscoil	04-07	Barge Contracts	1088		208	\$17.78	880		400			8.08%	8.80%	8,883	33.33%	30.78%	61	1.18	238.81	1,888	238.87	11.87	
Ochow	05-04	Colapsa	1888		80	\$28.88	280		380			12.00%	8.77%	11,888	8.08%	31.80%	80	1.28	233.84	2,888	234.88	12.88	
Total Westport			13854		8844	1.28	4280	118	4288	111	888												
Ochow And Cost																							
Messy	05	NR-Sydney	800	\$47.08	880	\$47.88	8	38.88	8	38.08	0	12.88%	8.74%	12,380	8.88%	31.89%	42	1.28	248.88	1,882	248.88	12.01	
Conrad	10-1-2006	Wentford Dock	880		280	\$28.88	280		880			12.00%	8.74%	12,380	8.88%	31.89%	42	1.28	248.78	2,872	248.84	12.88	
Messy	04	Randall	728	\$43.88	728	\$46.88	0	38.08	8	38.88	8	12.00%	8.77%	12,180	8.88%	31.89%	42	1.28	248.18	2,888	248.14	12.72	
Progress	06-07	Ochow May	1888		380	\$48.88	288		388			12.80%	8.77%	12,380	8.88%	31.89%	42	1.28	248.88	2,778	248.78	12.72	
Messy	05	FOR Canada	720	\$51.88	720	\$51.88	8	38.88	0	38.08	0	12.00%	8.77%	12,380	8.88%	31.89%	42	1.28	248.43	2,748	247.28	12.78	
Messy	08	Sydney-Canada	880	\$52.88	880	\$58.88	8	38.08	8	38.88	8	12.00%	8.74%	12,380	8.88%	31.89%	42	1.28	248.43	2,782	248.88	12.81	
Alliance	05-07	MC Mining	880		180	\$47.88	158		888			12.88%	8.74%	12,380	8.88%	31.89%	38	1.28	278.82	2,882	278.84	12.12	
Total Cost App			8230		3430	2.88	818	188	348	183	0												
Flycatcher Creek																							
Intercoast	07	Columbia-Middle	1080		8	\$8.08	8		888			8.80%	8.77%	11,788	14.88%	31.89%	41	1.28	238.81	2,812	238.87	12.88	
CAC	05	Columbia-Middle	280	\$8.84	208	\$88.78	8	38.88	0	38.08	0	8.88%	8.77%	11,888	12.08%	31.89%	46	1.28	248.78	2,828	248.81	12.84	
Overcoast	2003	Columbia-BIT	180	\$81.28	158	\$81.28	0	38.08	8	38.88	8	8.80%	8.88%	11,888	18.00%	34.00%	41	1.25	248.74	2,864	248.88	12.88	
CAC	06	Columbia-BIT	288	\$88.42	208	\$88.42	8	38.88	8	38.88	8	8.30%	8.71%	11,888	12.80%	31.89%	48	1.28	247.81	2,872	247.87	12.88	
Overcoast	2003	Columbia-BIT	180	\$88.88	158	\$88.88	8	38.88	8	38.88	8	8.88%	8.77%	11,488	8.88%	31.89%	46	1.28	272.48	2,822	272.88	12.88	
Overcoast	06-07	Pass Dishes - BIT	838		238	\$88.78	238		238			7.00%	8.77%	11,888	8.88%	34.88%	41	1.28	278.38	2,842	278.00	12.88	
Overcoast	06-07	Mira Works-BIT	788		238	\$78.18	200		238			8.80%	8.78%	11,888	8.88%	31.89%	41	1.28	278.88	2,842	278.82	12.88	
Total Flycatcher			2388		1228	2.83	588	137	1588	180	8												
Total Total			22844		8734	8.77	5388	463	6720	488	888			12.00%	8.77%	12,888	8.88%	31.89%	48				

Docket No. 070001-EJ
 Robert L. Sansom Exhibit No. (RLS-6)
 RFP/Bids/Purchases
 Page 105 of 107

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

Workpapers Only

Supplier	Term	Contract	Offered	Accepted	Rejected	Other	Ash	Sulfur	Btu	Moisture	Vol	HCI	Price	Weight	Value	Other		
Massey	05	CSX BS	720	720	0	0	12.80%	1.27%	12,100	8.00%	31.00%	42	2.10	\$62.82	2,598	\$85.78	\$2.72	
B&W Resources	05-07	CSX Jellico	720	240	240	240	11.80%	1.25%	12,500	7.00%	32.00%	42	2.00					
Marshall	05-08	CSX Clinchfield	500	250	250	0	13.00%	1.31%	12,500	7.00%	28.00%	50	2.10					
Massey	05	CSX Kan	720	720	0	0	12.50%	1.27%	12,100	8.00%	30.00%	42	2.10	\$64.18	2,852	\$67.11	\$2.77	
Central App	05-07	CSX BS	720	240	240	240	12.00%	1.32%	12,500	8.00%	32.00%	42	2.10					
Black Gold	05-07	CSX Harlan	600	120	240	240	10.00%	1.34%	12,700	8.00%	31.00%	42	2.10					
Horizon	05-07	CSX-Evergreen	1500	500	500	500	13.00%	1.28%	12,300	8.00%	31.00%	45	2.10					
Central Coal Co	05-06	CSX Kan	480	240	240	0	12.00%	0.98%	12,300	8.00%	32.00%	45	1.60					
CMC	05	Colombia-Mobile	400	400	0	0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$63.19	2,724	\$63.24	\$2.73	
Logan/Kanawha	05-07	CSX Kan	1080	360	360	360	13.00%	1.00%	12,500	8.00%	30.00%	42	1.60					
CMC	05	Colombia-ECT	400	400	0	0	9.20%	0.78%	11,600	12.30%	32.00%	45	1.34	\$64.25	2,789	\$64.30	\$2.77	
Peabody	05-07	CSX Kan	720	240	240	240	13.50%	1.28%	12,200	6.70%	30.00%	40	2.10					
Horizon	05-07	CSX Haz- Typo	1500	500	500	500	13.00%	1.27%	12,100	8.00%	31.00%	42	2.10					
Smolkey Mtn	05	CSX Kan	240	240	0	0	13.00%	1.28%	12,000	8.00%	31.00%	42	2.10	\$70.23	2,928	\$73.35	\$3.08	
Total Tons							10300											
									CR 12 Economic Base Specifications									
									Ash	Sulfur	Btu	Moisture	Vol	HCI				
									10.00%	1.05%	12,000	8.00%	34.00%	40				

Docket No. 070001-EJ
 Robert L. Sansom Exhibit No. (RL-S-6)
 RFP/Bids/Purchases
 Page 106 of 107

PROGRESS FUELS CORPORATION
 CR Units 1, 2, 4 and 5
 PURCHASES
 2005-2006

Attachment C

[REDACTED]																			
Contract	Type	Term	Supplier	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gussare (1)	D (CR4&5)	1/04-12/05	Pasa Diablo -IMT	650	650	0	7.00%	0.77%	12,800	8.00%	34.00%	45	1.20	\$47.60	1.983	\$46.38	\$1.81		
Gussare	D (CR4&5)	1/04-12/05	Mina Norte-IMT	150	150	0	8.00%	0.78%	13,000	8.00%	31.00%	45	1.20	\$48.80	1.969	\$47.45	\$1.83		
Drummond / InterOcean	D (CR4&5)	1/05-12/06	FOB Mobile	1800	800	1800	6.50%	8.70%	11,700	14.00%	32.00%	43	1.20	[REDACTED]					
Central Coal Co.	D (CR4&5)	1/05-12/06	Winfred Dock	600	300	300	12.00%	8.74%	12,300	8.00%	31.00%	42	1.20	[REDACTED]					
Maxxey	D (CR4&5)	1/05-6/06	FOB Cerado	540	380	180	13.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[REDACTED]					
Ref																			
CAM	D (CR4&5)	1/04-12/06	CSX BS	700	608	200	11.00%	0.75%	12,500	8.00%	31.00%	42	1.20	[REDACTED]					
Alliance	D (CR4&5)	1/12-12/08	MC Mining	608	800	0	10.00%	8.74%	12,300	9.00%	32.00%	39	1.20	\$33.77	2.188	\$54.79	\$2.23		
Maxxey	D (CR4&5)	1/05-6/06	Beadmill	540	380	180	12.00%	0.73%	12,100	8.00%	31.00%	42	1.20	[REDACTED]					
Progress Fuels	D (CR4&5)	1/05-12/06	Diamond Mxy	720	388	380	12.00%	0.75%	12,500	8.00%	32.00%	43	1.20	[REDACTED]					
Maxxey	A (CR1&2)	ends 3/05	CSX BS	180	160	0	12.00%	1.31%	12,800	7.00%	33.00%	45	1.50	2.10	\$50.87	2.027	\$52.17	\$2.09	
Seywola Energy LLC	A (CR1&2)	1/05-12/06	CSX Hartas	360	120	240	10.00%	1.34%	12,700	8.00%	31.00%	42	1.50	2.10	[REDACTED]				
Maxxey	A (CR1&2)	1/05-6/06	CSX BS	1800	720	380	12.00%	1.27%	12,100	8.00%	31.00%	42	1.50	2.10	[REDACTED]				
B&W Resources	A (CR1&2)	1/08-12/08	CSX Jalisco	480	240	240	11.50%	1.28%	12,500	7.00%	32.00%	42	1.50	2.00	[REDACTED]				
Consol (2)	A (CR1&2)	1/05-12/05	CSX BS	780	750	0	10.00%	1.35%	12,800	8.00%	32.00%	42	1.50	2.10	\$68.82	2.688	\$69.73	\$2.72	
Black - New Contract			Total Tons	9120	8060	3080							800						

Supp. to the Contract

(1) Gussare has reopening for 2005

(2) Consol Reopener Pricing is estimated

2005-11-02 10:41 AM

Docket No. 070001-EI

EXHIBIT NO. ____ (RLS-7)

PRB BID SUMMARY

SUMMARY OF PRB BIDS SUBMITTED TO PEF'S 2004 SOLICITATION

2006 Tons	Company	Mine	Delivery Point	Btu/lb	Prices (\$/Ton)		
					2005	2006	2007
500,000	Arch	B. Thunder	FOB Mine	8,800	7.85	7.85	7.85
500,000	Arch	B. Thunder Escalated	FOB Mine	8,800	7.45	7.85	8.25
300,000	Peabody	N. Antelope Rochelle	FOB Mine	8,800	8.75	9.25	9.50
1,000,000	Triton	N. Rochelle	FOB Mine	8,800	8.25	8.25	8.25
500,000	Kennecott	Spring Creek	FOB Barge Miss R	9,350	22.90*	22.90*	22.90*
504,000	DTE	Unspecified coal plus rail	FOB Barge	8,800	18.62		
504,000	DTE	Rail Only include. cars	FOB Barge	N/A	11.22		

* 65% of price subject to RCAF escalation and fuel surcharge.

Docket No. 070001-EI

EXHIBIT NO. ___(RLS-8)

CASH/AS UTILIZED BIDS

BIDS TO SUPPLY PRB COAL IN 2006
EXPRESSED AS "CASH" AND "AS UTILIZED" VALUES

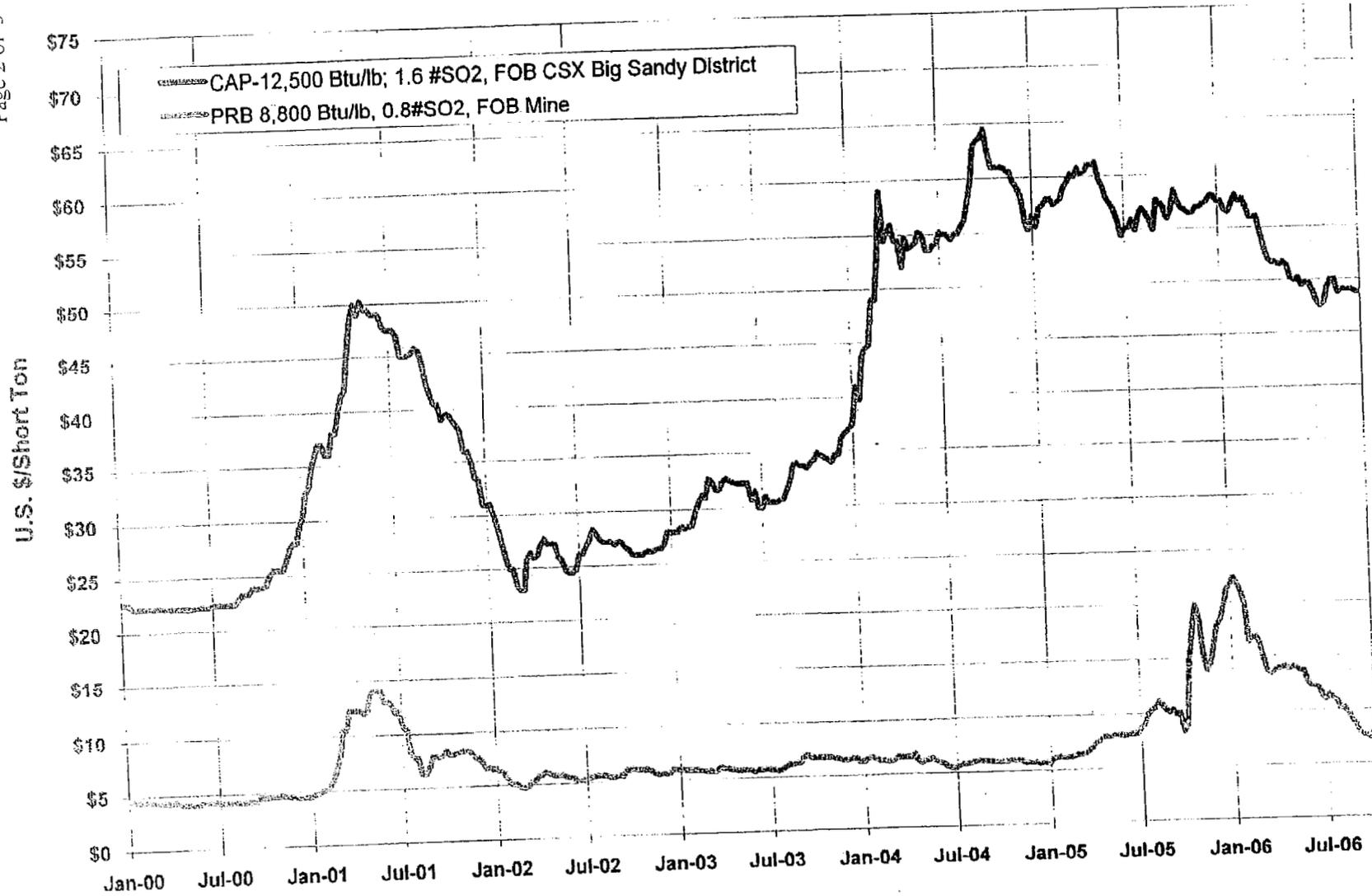
PRB Company	PRB Mine	Btu/lb	\$/MMBtu	
			Cash Dlvd	"As Utilized" Dlvd
Kennecott	Spring Creek	9350	1.87	1.84
Arch Fixed	Black Thunder	8800	1.87	2.02
Triton	North Rochelle	8800	1.88	1.98
Peabody	NARC	8800	1.92	2.05

Docket No. 070001-EI

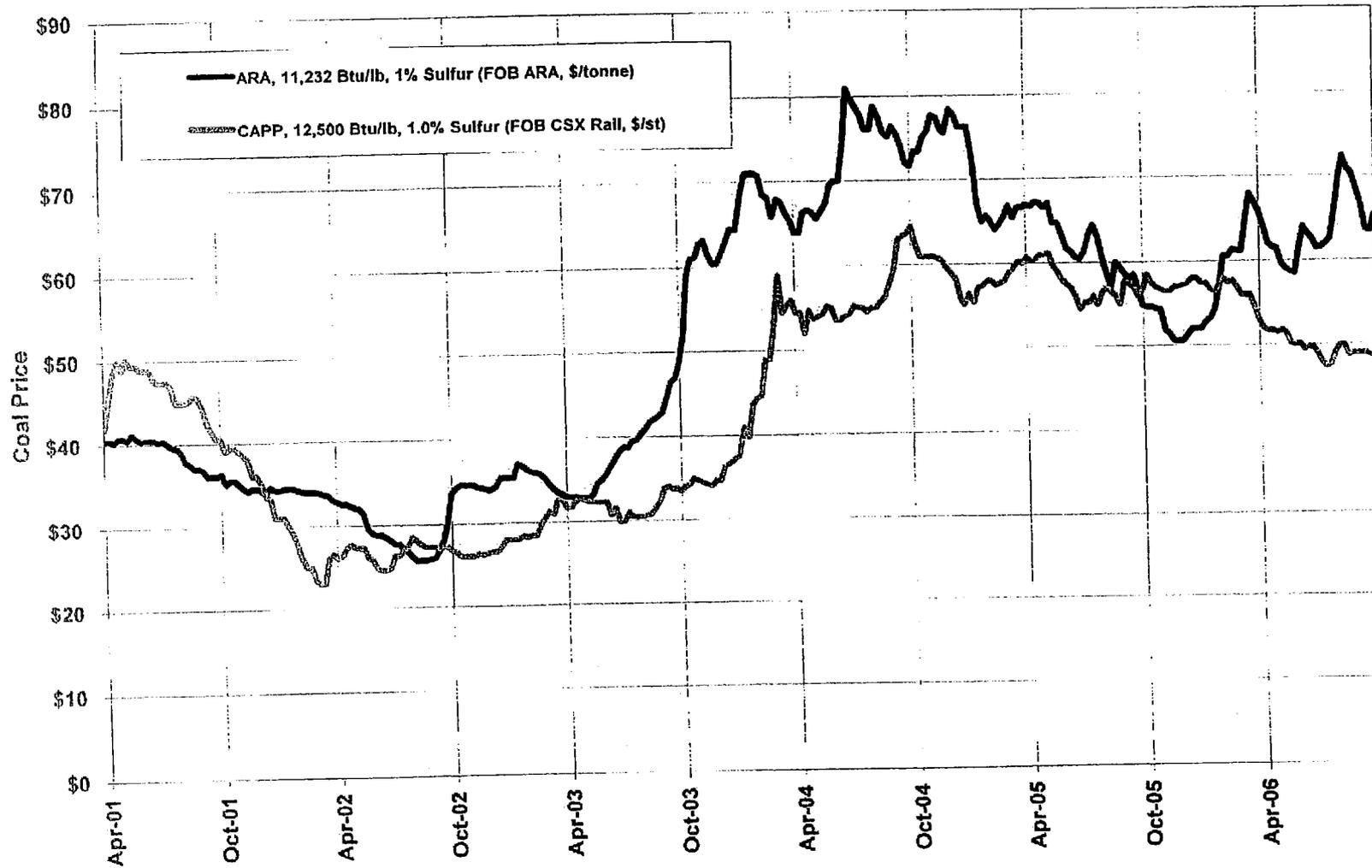
EXHIBIT NO. ___(RLS-9)

PRB/CAPP PRICE COMPARISON

HISTORICAL COAL PRICES



WORLD VS. CAPP STEAM COAL PRICES



Docket No. 070001-EI

EXHIBIT NO. ____ (RLS-10)

2006 423 FORMS

ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___(RLS-10)
2006 423 Forms
Page 1 of 206

Request for Specified Confidential Treatment

423 Forms for January 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

PEF-07FL-000405

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

- 1. Report for: Mo. January 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

**SPECIFIED
CONFIDENTIAL**

James A. King
James A. King / Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	41,853	[REDACTED]	[REDACTED]	\$55.42	0.55	11,682	4.69	11.71
2	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	38,761	[REDACTED]	[REDACTED]	\$54.18	0.64	11,538	4.75	12.70

PEF-07FL-000408

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	26,902			\$62.70	0.71	12,452	11.80	5.91
2	Coal Marketing Company Ltd	999, IM, 45	MTC	OB	65,211			\$66.72	0.60	11,730	8.06	10.80
3	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	21,654			\$72.24	0.65	12,329	12.16	7.02
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	9,618			\$71.17	0.69	12,319	12.47	6.06

PEF-07FL-000409

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

**SPECIFIED
CONFIDENTIAL**

- 1. Reporting Company: Florida Power Corporation
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	B&W Resources Inc.	8, KY, 51	MTC	UR	20,235	[REDACTED]	[REDACTED]	\$70.23	1.06	12,068	12.66	6.13
2	Coalsales LLC	8, WV, 5	S	UR	423	[REDACTED]	[REDACTED]	\$74.55	0.81	13,300	5.31	6.89
3	Consol Energy Inc.	8, KY, 119	MTC	UR	92,071	[REDACTED]	[REDACTED]	\$90.45	0.92	12,753	8.42	6.53
4	Constellation Energy Commodities Group Inc.	8, WV, 5	S	UR	11,312	[REDACTED]	[REDACTED]	\$85.63	0.78	12,269	12.08	6.38
5	Constellation Energy Commodities Group Inc.	8, WV, 5	S	UR	9,444	[REDACTED]	[REDACTED]	\$86.13	0.90	12,360	13.06	6.15
6	Massey Utility Sales Company	8, KY, 195	MTC	UR	49,003	[REDACTED]	[REDACTED]	\$75.62	1.00	11,997	12.30	7.44
7	Sequoyia Energy LLC	8, KY, 95	MTC	UR	9,986	[REDACTED]	[REDACTED]	\$71.45	0.91	12,887	8.98	5.04
8	Transfer Facility	N/A	N/A	GB	2,966	[REDACTED]	[REDACTED]	\$62.67	0.67	12,238	12.20	7.10

PEF-07FL-000410

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

**SPECIFIED
CONFIDENTIAL**

James A. King
James A. King, Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	67,288			\$59.04	0.66	12,782	8.16	6.49
2	CAM-Kentucky LLC	8, KY, 195	MTC	UR	39,923			\$58.87	0.69	12,570	10.19	6.18
3	Diamond May Coal Company	8, KY, 119	MTC	UR	20,418			\$74.77	0.75	12,632	9.80	5.96
4	Diamond May Coal Company	8, VA, 105	MTC	UR	9,859			\$73.42	0.75	12,555	8.18	8.04
5	Massey Utility Sales Company	8, WV, 5	MTC	UR	26,057			\$86.49	0.75	12,911	11.08	4.77
6	Transfer Facility	N/A	N/A	GB	69,529			\$63.37	0.57	11,592	4.93	12.11
7	Transfer Facility	N/A	N/A	GB	135,214			\$70.18	0.67	12,162	10.79	8.02

PEF-07FL-000411

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

- 1. Report for: Mo. January 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King

James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
CONFIDENTIAL**

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	41,853	█	\$0.00	█	\$0.00	█	█	█
2	Interocean Coal Sales Ldc	999, IM, 45	MTC	38,761	█	\$0.00	█	\$0.00	█	█	█

PEF-07FL-000412

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report
James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	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)	(l)
1	Central Coal Company	8, WV, 39	MTC	6,389	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Coal Marketing Company Ltd	999, IM, 45	MTC	19,635	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Kanawha River Terminals Inc.	8, WV, 39	MTC	21,654	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	9,618	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000413

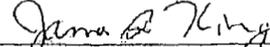
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. January 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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)	(j)	(k)	(l)
1	B&W Resources Inc.	8, KY, 51	MTC	20,235	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Coalsales LLC	8, WV, 5	S	423	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Consol Energy Inc.	8, KY, 119	MTC	92,071	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Constellation Energy Commodities Group Inc.	8, WV, 5	S	11,312	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Constellation Energy Commodities Group Inc.	8, WV, 5	S	9,444	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Massey Utility Sales Company	8, KY, 195	MTC	49,003	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Sequola Energy LLC	8, KY, 95	MTC	9,986	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
8	Transfer Facility	N/A	N/A	2,966	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000414

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	57,288	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	CAM-Kentucky LLC	8, KY, 195	MTC	39,923	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Diamond May Coal Company	8, KY, 119	MTC	20,418	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Diamond May Coal Company	8, VA, 105	MTC	9,859	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Massey Utility Sales Company	8, WV, 5	MTC	26,057	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Transfer Facility	N/A	N/A	69,529	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]
7	Transfer Facility	N/A	N/A	135,214	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000415

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	41,853	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$55.42
2	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	38,761	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$54.18

PEF-07FL-000416

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

- 1. Report for: Mo. January 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	8, WV, 39	Winifrede Dock, WV	B	26,902	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	[REDACTED]	\$62.70	
2	Coal Marketing Company Ltd	999, IM, 45	Colombia, S.A.	OB	65,211	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	[REDACTED]	\$66.72	
3	Kanawha River Terminals Inc	8, WV, 39	Quincy Dock, WV	B	21,654	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	[REDACTED]	\$72.24	
4	Kanawha River Terminals Inc	8, WV, 39	Winifrede Dock, WV	B	9,618	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	[REDACTED]	\$71.17	

PEF-07FL-000417

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

SPECIFIED
CONFIDENTIAL

- 5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

- 6. Date Completed: April 10, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	B&W Resources Inc.	B, KY, 51	Resourca, KY	UR	20,235	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$70.23
2	Coalsales LLC	B, WV, 5	Wells Prep Plant, WV	UR	423	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.55
3	Consol Energy Inc.	B, KY, 119	Mousie, KY	UR	92,071	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$90.45
4	Constellation Energy Commodite	B, WV, 5	Kohlsaat, WV	UR	11,312	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$85.63
5	Constellation Energy Commodite	B, WV, 5	Sylvester, WV	UR	9,444	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$85.13
6	Massey Utility Sales Company	B, KY, 195	Goff, KY	UR	49,003	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$75.62
7	Sequola Energy LLC	B, KY, 95	Bardo, KY	UR	9,986	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.45
8	Transfer Facility	N/A	Plaquemines, Pa	GB	2,966	[REDACTED]	N/A	N/A	N/A	N/A	N/A	\$7.03	\$0.02	N/A	[REDACTED]	\$62.67

PEF-07FL-000418

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	57,288	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$59.04
2	CAM-Kentucky LLC	8, KY, 195	Damron Fork, KY	UR	39,923	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$58.87
3	Diamond May Coal Company	8, KY, 119	Yellow Creek, KY	UR	20,418	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.77
4	Diamond May Coal Company	8, VA, 105	Mayflower, VA	UR	9,859	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$73.42
5	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	26,057	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$86.49
6	Transfer Facility	N/A	Mobile, Al	GB	69,529	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$63.37
7	Transfer Facility	N/A	Plaquemines, Pa	GB	135,214	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$70.18

PEF-07FL-000419

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

- 1. Report for: Mo. January 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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)	(l)	(m)
1	12/05	McDuffie Coal Terminal	Drummond Coal Sales, Inc.		1	74,983	2A	(k) Quality Adjustments			\$ 55.20	Quality Adjustment

PEF-07FL-000420

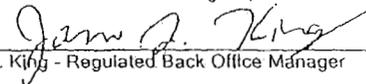
Docket No. 070001-EI
Robert L. Sansom Exhibit No. (R1S-10)
2006 423 Forms
Page 14 of 206

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

- 1. Report for: Mo. January 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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)	(l)	(m)
1	09/05	Transfer Facility - IMT		Guasare Coal American, Inc.	10	31,116	2A	(k) Quality Adjustments			\$ 40.72	Quality Adjustment
2	09/05	Transfer Facility - IMT		Guasare Coal American, Inc.	11	16,476	2A	(k) Quality Adjustments			\$ 42.27	Quality Adjustment
3	10/05	Transfer Facility - IMT		Guasare Coal American, Inc.	9	50,838	2A	(k) Quality Adjustments			\$ 41.54	Quality Adjustment
4	12/05	Transfer Facility - IMT		Guasare Coal American, Inc.	7	14,389	2A	(k) Quality Adjustments			\$ 41.53	Quality Adjustment
5	12/05	Transfer Facility - IMT		Guasare Coal American, Inc.	8	36,121	2A	(k) Quality Adjustments			\$ 43.08	Quality Adjustment

PEF-07FL-000421

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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)	(l)	(m)
1	12/05	CR 1&2	CR 1&2	Sequoia Energy	5	10,116	2A	(k) Quality Adjustments			\$ 73.65	Quality Adjustment
2	12/05	CR 1&2	CR 1&2	Constellation Energy	6	9,606	2A	(k) Quality Adjustments			\$ 93.93	Quality Adjustment
3	12/05	CR 1&2	CR 1&2	Constellation Energy	7	9,587	2A	(k) Quality Adjustments			\$ 76.73	Quality Adjustment
4	11/05	CR 1&2	CR 1&2	Constellation Energy	7	7,975	2A	(k) Quality Adjustments			\$ 88.45	Quality Adjustment
5	03/05	CR 1&2	CR 1&2	Consolidated Coal Sales	7	47,984	2C	(k) New value			\$ 74.11	Quality Adjustment
6	03/05	CR 1&2	CR 1&2	Consolidated Coal Sales	8	9,763	2C	(k) New value			\$ 74.44	Quality Adjustment
7	04/05	CR 1&2	CR 1&2	Consolidated Coal Sales	1	50,213	2C	(k) New value			\$ 59.15	Quality Adjustment
8	04/05	CR 1&2	CR 1&2	Consolidated Coal Sales	2	9,388	2C	(k) New value			\$ 59.15	Quality Adjustment
9	05/05	CR 1&2	CR 1&2	Consolidated Coal Sales	1	68,295	2C	(k) New value			\$ 61.39	Quality Adjustment
10	06/05	CR 1&2	CR 1&2	Consolidated Coal Sales	1	10,495	2C	(k) New value			\$ 59.69	Quality Adjustment
11	06/05	CR 1&2	CR 1&2	Consolidated Coal Sales	2	47,519	2C	(k) New value			\$ 59.69	Quality Adjustment
12	06/05	CR 1&2	CR 1&2	Consolidated Coal Sales	3	28,681	2C	(k) New value			\$ 60.92	Quality Adjustment
13	06/05	CR 1&2	CR 1&2	Consolidated Coal Sales	4	29,024	2C	(k) New value			\$ 60.92	Quality Adjustment

PEF-07FL-000422

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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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)	(l)	(m)
14	08/05	CR 1&2	CR 1&2	Consolidated Coal Sales	1	59,769	2C	(k) New value			\$ 60.22	Quality Adjustment
15	08/05	CR 1&2	CR 1&2	Consolidated Coal Sales	2	18,980	2C	(k) New value			\$ 60.22	Quality Adjustment
16	09/05	CR 1&2	CR 1&2	Consolidated Coal Sales	1	47,358	2A	(k) Quality Adjustments			\$ 56.33	Quality Adjustment
17	09/05	CR 1&2	CR 1&2	Consolidated Coal Sales	2	9,603	2A	(k) Quality Adjustments			\$ 56.33	Quality Adjustment
18	10/05	CR 1&2	CR 1&2	Consolidated Coal Sales	2	79,288	2C	(k) New value			\$ 80.91	Quality Adjustment
19	10/05	CR 1&2	CR 1&2	Consolidated Coal Sales	3	10,604	2C	(k) New value			\$ 80.91	Quality Adjustment
20	10/05	CR 1&2	CR 1&2	Consolidated Coal Sales	4	70,991	2C	(k) New value			\$ 81.85	Quality Adjustment
21	11/05	CR 1&2	CR 1&2	Consolidated Coal Sales	11	47,911	2C	(k) New value			\$ 80.80	Quality Adjustment
22	11/05	CR 1&2	CR 1&2	Consolidated Coal Sales	12	19,179	2C	(k) New value			\$ 80.17	Quality Adjustment
23	11/05	CR 1&2	CR 1&2	Consolidated Coal Sales	1	39,145	2A	(k) Quality Adjustments			\$ 81.77	Quality Adjustment
24	12/05	CR 1&2	CR 1&2	Consolidated Coal Sales	1	92,176	2A	(k) Quality Adjustments			\$ 88.79	Quality Adjustment
25	04/05	CR 1&2	CR 1&2	Massey Coal Sales Company, Inc	4	9,517	2A	(k) Quality Adjustments			\$ 66.41	Quality Adjustment
26	04/05	CR 1&2	CR 1&2	Massey Coal Sales Company, Inc	5	57,761	2A	(k) Quality Adjustments			\$ 64.64	Quality Adjustment
27	05/05	CR 1&2	CR 1&2	Massey Coal Sales Company, Inc	4	100,658	2A	(k) Quality Adjustments			\$ 64.40	Quality Adjustment

PEF-07FL-000423

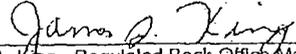
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. January 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report :


James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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)	(l)	(m)
28	06/05	CR 1&2	CR 1&2	Massey Coal Sales Company, Inc	4	59,545	2A	(k) Quality Adjustments			\$ 64.93	Quality Adjustment
29	07/05	CR 1&2	CR 1&2	Massey Coal Sales Company, Inc	4	19,339	2A	(k) Quality Adjustments			\$ 65.88	Quality Adjustment
30	08/05	CR 1&2	CR 1&2	Massey Coal Sales Company, Inc	4	34,389	2A	(k) Quality Adjustments			\$ 65.24	Quality Adjustment
31	09/05	CR 1&2	CR 1&2	Massey Coal Sales Company, Inc	3	47,081	2A	(k) Quality Adjustments			\$ 65.14	Quality Adjustment

PEF-07FL-000424

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

- 1. Report for: Mo. January 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King, Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(l)	(m)
1	11/05	CR 4&5	CR 4&5	Arch Coal Sales	5	10,151	2A	(k) Quality Adjustments			\$ 89.16	Quality Adjustment
2	12/05	CR 4&5	CR 4&5	Arch Coal Sales	5	9,945	2A	(k) Quality Adjustments			\$ 92.13	Quality Adjustment
3	08/05	CR 4&5	CR 4&5	Central Appalachian Mining, formerly	1	49,230	2A	(k) Quality Adjustments			\$ 59.02	Quality Adjustment
4	09/05	CR 4&5	CR 4&5	Central Appalachian Mining, formerly	3	47,711	2A	(k) Quality Adjustments			\$ 58.44	Quality Adjustment
5	10/05	CR 4&5	CR 4&5	Central Appalachian Mining, formerly	1	37,523	2A	(k) Quality Adjustments			\$ 59.57	Quality Adjustment
6	11/05	CR 4&5	CR 4&5	Central Appalachian Mining, formerly	1	28,191	2A	(k) Quality Adjustments			\$ 60.05	Quality Adjustment
7	12/05	CR 4&5	CR 4&5	Central Appalachian Mining, formerly	1	29,410	2A	(k) Quality Adjustments			\$ 61.26	Quality Adjustment
8	11/05	CR 4&5	CR 4&5	Alliance Coal Sales Corp	3	28,612	2A	(k) Quality Adjustments			\$ 60.98	Quality Adjustment
9	12/05	CR 4&5	CR 4&5	Alliance Coal Sales Corp	3	49,072	2A	(k) Quality Adjustments			\$ 61.91	Quality Adjustment
10	04/05	CR 4&5	CR 4&5	Massey Coal Sales	2	9,399	2A	(k) Quality Adjustments			\$ 70.26	Quality Adjustment
11	07/05	CR 4&5	CR 4&5	Massey Coal Sales	4	25,620	2A	(k) Quality Adjustments			\$ 70.59	Quality Adjustment
12	08/05	CR 4&5	CR 4&5	Massey Coal Sales	4	38,391	2A	(k) Quality Adjustments			\$ 70.75	Quality Adjustment
13	09/05	CR 4&5	CR 4&5	Massey Coal Sales	4	47,440	2A	(k) Quality Adjustments			\$ 71.47	Quality Adjustment

PEF-07FL-000425

ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Request for Specified Confidential Treatment

423 Forms for February 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

PEF-07FL-000426

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

- 1. Report for: Feb. February 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

PEF-07FL-000429

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 133	S	UR	10,331	[REDACTED]	[REDACTED]	\$82.72	0.90	12,419	10.91	6.56
2	B&W Resources Inc.	8, KY, 51	MTC	UR	19,687	[REDACTED]	[REDACTED]	\$70.10	1.08	12,194	13.10	5.26
3	Consol Energy Inc.	8, KY, 119	MTC	UR	76,490	[REDACTED]	[REDACTED]	\$77.74	1.23	12,862	8.22	6.02
4	Consol Energy Inc.	8, KY, 133	MTC	UR	19,384	[REDACTED]	[REDACTED]	\$77.79	1.12	12,526	10.63	5.57
5	Massey Utility Sales Company	8, KY, 195	MTC	UR	48,426	[REDACTED]	[REDACTED]	\$75.52	1.10	12,122	11.81	7.14
6	Massey Utility Sales Company	8, WV, 5	MTC	UR	9,204	[REDACTED]	[REDACTED]	\$77.41	0.82	12,314	12.40	6.04
7	Sequoia Energy LLC	8, KY, 95	MTC	UR	9,960	[REDACTED]	[REDACTED]	\$72.43	1.00	13,182	7.51	4.49
8	Transfer Facility	N/A	N/A	GB	15,419	[REDACTED]	[REDACTED]	\$49.73	1.03	12,924	7.82	6.09

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

- 1. Report for: Mo. February 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

PEF-07FL-000430

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	41,132	[REDACTED]	[REDACTED]	\$59.25	0.64	12,730	9.02	6.20
2	CAM-Kentucky LLC	8, KY, 195	MTC	UR	20,208	[REDACTED]	[REDACTED]	\$59.06	0.70	12,605	10.30	5.74
3	Constellation Energy Commodities Group Inc.	8, VA, 105	S	UR	10,283	[REDACTED]	[REDACTED]	\$83.43	0.78	12,452	8.98	7.64
4	Constellation Energy Commodities Group Inc.	8, WV, 5	S	UR	9,211	[REDACTED]	[REDACTED]	\$92.93	0.57	12,633	11.49	4.71
5	Diamond May Coal Company	8, KY, 119	MTC	UR	8,901	[REDACTED]	[REDACTED]	\$75.62	0.77	12,851	9.91	4.98
6	Diamond May Coal Company	8, VA, 105	MTC	UR	30,933	[REDACTED]	[REDACTED]	\$73.65	0.73	12,560	8.11	7.80
7	Transfer Facility	N/A	N/A	GB	72,658	[REDACTED]	[REDACTED]	\$64.23	0.69	11,890	6.34	10.72
8	Transfer Facility	N/A	N/A	GB	123,330	[REDACTED]	[REDACTED]	\$71.53	0.68	12,127	10.22	8.75

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

- 1. Report for: Mo. February 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King, Regulated Back Office Manager

6. Date Completed: April 10, 2006

PEF-07FL-000431

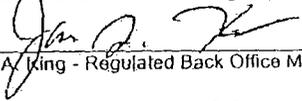
Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Intercean Coal Sales Ldc	999, IM, 45	MTC	OB	47,372			\$54.69	0.60	11,672	5.70	11.76

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

- 1. Report for: Mo. February 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000432

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Ash (%)	Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	26,306			\$61.77	0.70	12,333	12.27	6.15
2	Coal Marketing Company Ltd	999, IM, 45	MTC	OB	10,021			\$66.47	0.60	11,730	8.06	10.88
3	Guasare Coal International NV	999, IM, 50	MTC	OB	47,039			\$42.03	0.79	12,990	7.88	5.41
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	18,612			\$72.89	0.67	12,369	11.65	7.11
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	1,906			\$71.07	0.71	12,265	12.79	5.50

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

- 1. Report for: Mo. February 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIAL
CONFIDENTIAL**

PEF-07FL-000433

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)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8, KY, 133	S	10,331	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	B&W Resources Inc.	8, KY, 51	MTC	19,687	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Consol Energy Inc.	8, KY, 119	MTC	76,490	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Consol Energy Inc.	8, KY, 133	MTC	19,384	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Massey Utility Sales Company	8, KY, 195	MTC	48,426	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Massey Utility Sales Company	8, WV, 5	MTC	9,204	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Sequoia Energy LLC	8, KY, 95	MTC	9,960	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
8	Transfer Facility	N/A	N/A	15,419	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

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

- 1. Report for: Mo. February 2006
- 2. Reporting Company: Florida Power Corporallon
- 3. Plant Name: Crystal River 4 & 5

**SPECIFIED
CONFIDENTIAL**

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

PEF-07FL-000434

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	41,132	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	CAM-Kenlucky LLC	8, KY, 195	MTC	20,208	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Constellation Energy Commodities Group Inc.	8, VA, 105	MTC	10,283	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Constellation Energy Commodities Group Inc.	8, WV, 5	MTC	9,211	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Diamond May Coal Company	8, KY, 119	MTC	8,901	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Diamond May Coal Company	8, VA, 105	MTC	30,933	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Transfer Facility	N/A	N/A	72,658	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]
8	Transfer Facility	N/A	N/A	123,330	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

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

- 1. Report for: Mo. February 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000435

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	47,372	██████████	\$0.00	██████████	\$0.00	██████████	██████████	██████████

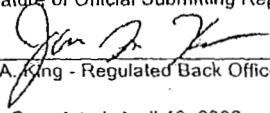
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. February 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

PEF-07FL-000436

Line No.	Supplier Name	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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Central Coal Company	8, WV, 39	MTC	6,389	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
2	Coal Marketing Company Ltd	999, IM, 45	MTC	19,635	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
3	Guasare Coal International NV	999, IM, 50	MTC	47,039	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	18,612	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	1,906	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

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

- 1. Report for: Mo. February 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000437

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co. LLC	8, KY, 133	Roxana, KY	UR	10,331	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$82.72
2	B&W Resources Inc.	8, KY, 51	Resource, KY	UR	19,687	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$70.10
3	Consol Energy Inc.	8, KY, 119	Mousie, KY	UR	76,490	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.74
4	Consol Energy Inc.	8, KY, 133	Rapid Loader, KY	UR	19,384	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.79
5	Massey Utility Sales Company	8, KY, 195	Goff, KY	UR	48,426	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$75.52
6	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	9,204	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.41
7	Sequoia Energy LLC	8, KY, 95	Bardo, KY	UR	9,960	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$72.43
8	Transfer Facility	N/A	Plaquemines, Pa	GB	15,419	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$49.73

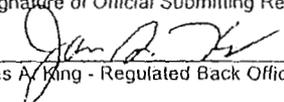
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. February 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

PEF-07FL-000438

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	41,132	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$59.25
2	CAM-Kentucky LLC	8, KY, 195	Damron Fork, KY	UR	20,208	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$59.06
3	Constellation Energy Commoditie	8, VA, 105	Mayflower, VA	UR	10,283	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$83.43
4	Constellation Energy Commoditie	8, WV, 5	Wells Prep Plant, WV	UR	9,211	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$92.93
5	Diamond May Coal Company	8, KY, 119	Yellow Creek, KY	UR	8,901	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$75.62
6	Diamond May Coal Company	8, VA, 105	Mayflower, VA	UR	30,933	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$73.65
7	Transfer Facility	N/A	Mobile, Al	GB	72,658	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$64.23
8	Transfer Facility	N/A	Plaquemines, Pa	GB	123,330	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$71.53

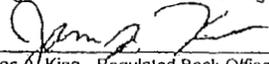
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
 ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. February 2006
- 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
 Amy B. Futrell - Business Financial Analyst
 (919) 546-2678

5. Signature of Official Submitting Report


 James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

PEF-07FL-000439

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	47,372		N/A	N/A	N/A	N/A		N/A	N/A	N/A		\$54.69

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

- 1. Report for: Mo. February 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000440

Line No.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	B, WV, 39	Winifrede Dock, WV	B	26,306	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$61.77	
2	Coal Marketing Company Ltd	999, IM, 45	Colombla, S.A.	OB	10,021	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$66.47	
3	Guasare Coal International N	999, IM, 50	Mina Norte, S.A.	OB	47,039	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$42.03	
4	Kanawha River Terminals Inc	B, WV, 39	Quincy Dock, WV	B	18,612	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.89	
5	Kanawha River Terminals Inc	B, WV, 39	Winifrede Dock, WV	B	1,906	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$71.07	

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

- 1. Report for: Mo. February 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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)	(l)	(m)
---NONE---												

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 Robert L. Sansom Exhibit No. ____ (RLS-10)
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PEF-07FL-000441

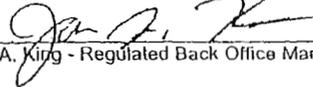
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. February 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

- 5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

- 6. Date Completed: April 10, 2006

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)	(l)	(m)
---NONE---												

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 Robert L. Sansom Exhibit No. (RLS-10)
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PEF-07FL-000442

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

- 1. Report for: Mo. February 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
 Person Concerning Data Submitted on this Form
 Amy B. Futrell - Business Financial Analyst
 (919) 546-2678

5. Signature of Official Submitting Report



 James R. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

**SPECIFIED
 CONFIDENTIAL**

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)	(l)	(m)
---NONE---												

PEF-07FL-000443

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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 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

**SPECIAL
CONFIDENTIAL**

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: April 10, 2006

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)	(l)	(m)
----NONE----												

PEF-07FL-000444

Docket No. 070001-EI
Robert L. Sanson Exhibit No. _____ (RLS-10)
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ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Request for Specified Confidential Treatment

423 Forms for March 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

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

- 1. Report for: Mo. March 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000448

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Blu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 133	S	UR	9,663			\$84.09	0.90	12,372	11.24	6.12
2	B&W Resources Inc.	8, KY, 51	MTC	UR	30,206			\$71.48	1.11	12,329	11.32	5.57
3	Consol Energy Inc.	8, KY, 119	MTC	UR	19,331			\$79.62	1.20	12,723	8.39	6.81
4	Consol Energy Inc.	8, KY, 133	MTC	UR	41,008			\$79.60	1.20	12,548	11.17	4.95
5	Massey Utility Sales Company	8, KY, 195	MTC	UR	60,663			\$76.89	1.17	12,098	11.99	7.13
6	Saquoia Energy LLC	8, KY, 95	MTC	UR	18,867			\$74.56	1.02	13,396	6.95	4.19
7	Transfer Facility	N/A	N/A	GB	48,100			\$62.21	0.94	13,394	6.69	5.24

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

Report for: Mo. March 2006

Reporting Company: Florida Power Corporation

Plant Name: Crystal River 1 & 2

**SPECIFIED
CONFIDENTIAL**

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

PEF-07FL-000449

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8, KY, 133	S	9,663	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
2	B&W Resources Inc.	8, KY, 51	MTC	30,206	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
3	Consol Energy Inc.	8, KY, 119	MTC	19,331	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
4	Consol Energy Inc.	8, KY, 133	MTC	41,008	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
5	Massey Utility Sales Company	8, KY, 195	MTC	60,663	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
6	Sequoia Energy LLC	8, KY, 95	MTC	18,667	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
7	Transfer Facility	N/A	N/A	48,100	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	\$ [REDACTED]	N/A	\$ [REDACTED]

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

- 1. Report for: Mo. March 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000450

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co. LLC	8, KY, 133	Roxana, KY	UR	9,663	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$84.09
2	B&W Resources Inc.	8, KY, 51	Resource, KY	UR	30,206	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.48
3	Consol Energy Inc.	8, KY, 119	Mousie, KY	UR	19,331	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.62
4	Consol Energy Inc.	8, KY, 133	Rapid Loader, KY	UR	41,008	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.60
5	Massey Utility Sales Company	8, KY, 195	Golf, KY	UR	60,663	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$76.89
6	Sequoia Energy LLC	8, KY, 95	Bardo, KY	UR	18,667	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.56
7	Transfer Facility	N/A	Plaquemines, Pa	GB	48,100	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$62.21

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

- 1. Report for: Mo. March 2006
- 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
 Amy B. Futrell - Business Financial Analyst
 (919) 546-2678

**SPECIFIED
 CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
 James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

PEF-07FL-000451

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)	(l)	(m)
1	01/06	CR 1&2	CR 1&2	Consol Energy Inc.	3	76,596	2	(f) Tons			\$ 77.74	Tonnage adjustment

Docket No. 070001-EI
 Robert L. Sanson Exhibit No. _____ (RLS-10)
 2006 423 Forms
 Page 41 of 206

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

- 1. Report for: Mo. March 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000452

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	15,930	[REDACTED]	[REDACTED]	\$62.97	0.63	12,806	8.77	5.90
2	Alliance MC Mining	8, KY, 195	LTC	UR	55,514	[REDACTED]	[REDACTED]	\$89.02	0.64	12,767	8.83	5.97
3	CAM-Kentucky LLC	8, KY, 195	MTC	UR	19,786	[REDACTED]	[REDACTED]	\$59.30	0.69	12,492	11.30	5.76
4	Constellation Energy Commodities Group Inc.	8, WV, 45	S	UR	9,269	[REDACTED]	[REDACTED]	\$91.90	0.68	12,388	12.99	4.70
5	Constellation Energy Commodities Group Inc.	8, WV, 5	S	UR	10,716	[REDACTED]	[REDACTED]	\$92.80	0.72	12,561	11.52	6.16
6	Diamond May Coal Company	8, KY, 119	MTC	UR	28,803	[REDACTED]	[REDACTED]	\$75.85	0.75	12,788	8.91	6.10
7	Diamond May Coal Company	8, VA, 105	MTC	UR	29,492	[REDACTED]	[REDACTED]	\$74.07	0.70	12,613	8.21	7.50
8	Massey Utility Sales Company	8, WV, 5	MTC	UR	19,863	[REDACTED]	[REDACTED]	\$86.96	0.71	12,449	11.72	6.59
9	Massey Utility Sales Company	8, WV, 5	MTC	UR	10,623	[REDACTED]	[REDACTED]	\$86.97	0.69	12,235	11.72	7.20
10	Transfer Facility	N/A	N/A	GB	32,288	[REDACTED]	[REDACTED]	\$65.78	0.62	11,477	5.44	12.35
11	Transfer Facility	N/A	N/A	GB	171,968	[REDACTED]	[REDACTED]	\$73.20	0.68	12,306	9.16	8.64

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

- 1. Report for: Mo. March 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	15,930	\$	\$0.00	\$	\$0.00	\$		
2	Alliance MC Mining	8, KY, 195	MTC	55,514	\$	\$0.00	\$	\$0.00	\$		
3	CAM-Kentucky LLC	8, KY, 195	MTC	19,786	\$	\$0.00	\$	\$0.00	\$		
4	Constellation Energy Commodities Group Inc.	8, WV, 45	MTC	9,269	\$	\$0.00	\$	\$0.00	\$		
5	Constellation Energy Commodities Group Inc.	8, WV, 5	MTC	10,716	\$	\$0.00	\$	\$0.00	\$		
6	Diamond May Coal Company	8, KY, 119	MTC	28,803	\$	\$0.00	\$	\$0.00	\$		
7	Diamond May Coal Company	8, VA, 105	MTC	29,492	\$	\$0.00	\$	\$0.00	\$		
8	Massey Utility Sales Company	8, WV, 5	MTC	19,863	\$	\$0.00	\$	\$0.00	\$		
9	Massey Utility Sales Company	8, WV, 5	MTC	10,623	\$	\$0.00	\$	\$0.00	\$		
10	Transfer Facility	N/A	N/A	32,288	\$	\$0.00	\$	\$0.00	\$	N/A	
11	Transfer Facility	N/A	N/A	171,968	\$	\$0.00	\$	\$0.00	\$	N/A	

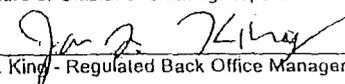
PEF-07FL-000453

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

- 1. Report for: Mo. March 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

PEF-07FL-000454

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Darge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	15,930	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$62.97
2	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	55,514	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.02
3	CAM-Kentucky LLC	8, KY, 195	Damron Fork, KY	UR	19,786	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$59.30
4	Constellation Energy Commoditie	8, WV, 45	Pardee, WV	UR	9,269	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$91.90
5	Constellation Energy Commoditie	8, WV, 5	Sylvester, WV	UR	10,716	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$92.80
6	Diamond May Coal Company	8, KY, 119	Yellow Creek, KY	UR	28,803	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$75.85
7	Diamond May Coal Company	8, VA, 105	Mayflower, VA	UR	29,492	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.07
8	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	19,863	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$86.96
9	Massey Utility Sales Company	8, WV, 5	Hutchinson, WV	UR	10,623	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$86.97
10	Transfer Facility	N/A	Mobile, AL	GB	32,288	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$65.78
11	Transfer Facility	N/A	Plaquemines, PA	GB	171,968	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$73.20

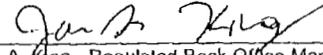
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
 ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. March 2006
- 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
 Amy B. Fulrell - Business Financial Analyst
 (919) 546-2678

5. Signature of Official Submitting Report



 James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

PEF-07FL-000455

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)	(l)	(m)
1	01/06	CR 4&5	CR 4&5	Alliance MCMining	1	57,288	2A	(k) Quality Adjustments			\$ 63.09	Quality Adjustment
2	02/06	CR 4&5	CR 4&5	Alliance MCMining	1	41,132	2A	(k) Quality Adjustments			\$ 62.46	Quality Adjustment

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

- 1. Report for: Mo. March 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000456

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	58,234			\$55.00	0.62	11,504	5.34	12.34

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

Report for: Mo. March 2006
Reporting Company: Florida Power Corporation
Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000457

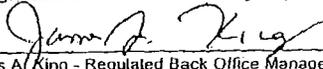
Line No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Retro-active Price Increases (\$/Ton)	Base Price (\$/Ton)	Quality Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	58,234	██████████	\$0.00	██████████	\$0.00	██████████	0	██████████

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

- 1. Report for: Mo. March 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2878

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45 Cartagena, S.A.		OB	58,234		N/A	N/A	N/A	N/A		N/A	N/A	N/A		\$55.00

PEF-07FL-000458

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

- 1. Report for: Mo. March 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000459

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)	(l)	(m)
---NONE---												

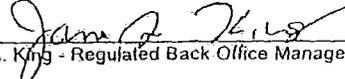
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. March 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

PEF-07FL-000460

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	26,774			\$62.87	0.72	12,473	11.15	6.05
2	Guasare Coal International NV	999, IM, 50	MTC	OB	46,748			\$42.75	0.80	13,140	7.04	5.43
3	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	37,866			\$72.66	0.68	12,359	11.76	6.79
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	1,926			\$72.71	0.68	12,297	11.19	6.92
5	Keystone Industries, LLC	8, WV, 39	S	B	3,458			\$56.72	0.69	12,160	12.37	6.41
6	Keystone Industries, LLC	8, WV, 39	S	OB	36,051			\$73.83	0.73	12,817	8.40	7.27

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

- 1. Report for: Mo. March 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000461

Line No.	Supplier Name	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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Central Coal Company	8, WV, 39	MTC	6,389	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Guasare Coal International NV	999, IM, 50	MTC	19,635	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Kanawha River Terminals Inc.	8, WV, 39	MTC	37,866	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	1,926	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Keystone Industries, LLC	8, WV, 39	S	3,458	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Keystone Industries, LLC	8, WV, 39	S	36,051	\$ [REDACTED]	\$0.00	\$ [REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

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

- 1. Report for: Mo. March 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000462

no.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	B, WV, 39	Winifrede Dock, WV	B	26,774	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$62.87
2	Guasare Coal International N 999, IM, 50	Mina Norte, S.A.		OB	46,748	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$42.75
3	Kanawha River Terminals Inc	B, WV, 39	Quincy Dock, WV	B	37,866	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.66
4	Kanawha River Terminals Inc	B, WV, 39	Winifrede Dock, WV	B	1,926	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.71
5	Keystone Industries, LLC	B, WV, 39	Winifrede Dock, WV	B	3,458	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$56.72
6	Keystone Industries, LLC	B, WV, 39	Winifrede Dock, WV	OB	36,051	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$73.83

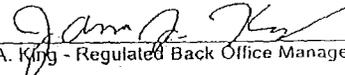
Docket No. 070001-El
Robert L. Sansom Exhibit No. _____ (RLS-10)
2006 423 Forms
Page 52 of 206

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

- 1. Report for: Mo. March 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: May 15, 2006

**SPECIFIED
CONFIDENTIAL**

PEF-07FL-000463

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)	(l)	(m)
----NONE----												

Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-10)
2006 423 Forms
Page 53 of 206

ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-10)
2006 423 Forms
Page 54 of 206

Request for Specified Confidential Treatment

423 Forms for April 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

PEF-07FL-000464

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

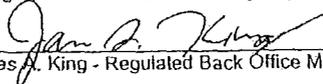
Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	9,845			\$87.63	0.75	12,545	8.36	7.60
2	Alpha Coal Sales Co. LLC	8, KY, 133	S	UR	10,212			\$83.88	0.90	12,189	11.98	6.40
3	B&W Resources Inc	8, KY, 51	MTC	UR	10,704			\$77.45	1.08	12,195	12.57	4.96
4	B&W Resources Inc	8, KY, 51	MTC	UR	31,711			\$71.49	1.09	12,252	12.24	5.17
5	Consol Energy Inc.	8, KY, 119	MTC	UR	103,668			\$81.46	1.10	12,590	9.43	6.50
6	Massey Utility Sales Company	8, KY, 195	MTC	UR	50,376			\$76.85	1.10	12,109	12.13	6.88
7	Massey Utility Sales Company	8, WV, 81	MTC	UR	8,850			\$78.44	0.86	13,609	6.94	5.54
8	Sequoia Energy LLC	8, KY, 95	MTC	UR	9,664			\$73.98	0.90	13,230	6.96	4.81
9	Transfer Facility	N/A	N/A	GB	16,126			\$53.11	0.98	13,000	7.90	5.11

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	30,650	[REDACTED]	[REDACTED]	\$89.04	0.70	12,702	8.59	6.70
2	CAM-Kentucky LLC	8, KY, 195	MTC	UR	19,780	[REDACTED]	[REDACTED]	\$61.26	0.70	12,640	10.40	5.36
3	Constellation Energy Commodities Group Inc.	8, KY, 193	S	UR	9,693	[REDACTED]	[REDACTED]	\$94.17	0.69	12,573	9.62	6.14
4	Massey Utility Sales Company	8, WV, 5	MTC	UR	77,957	[REDACTED]	[REDACTED]	\$88.65	0.67	12,397	11.42	7.43
5	Transfer Facility	N/A	N/A	GB	53,566	[REDACTED]	[REDACTED]	\$64.44	0.59	11,590	4.90	12.35
6	Transfer Facility	N/A	N/A	GB	194,188	[REDACTED]	[REDACTED]	\$67.90	0.71	12,513	8.61	7.76

PEF-07FL-000468

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

- 1. Report for: Mo. April 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King, Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	53,997			\$54.45	0.59	11,585	4.92	12.33

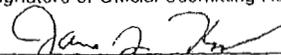
PEF-07FL-000469

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

- 1. Report for: Mo. April 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	26,468			\$62.42	0.74	12,396	11.79	6.07
2	Coal Marketing Company LTD	999, IM, 45	MTC	OB	50,402			\$67.77	0.56	11,781	6.92	11.39
3	Gasare Coal International NV	999, IM, 50	MTC	OB	95,059			\$42.88	0.59	12,961	5.78	7.56
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	46,334			\$72.19	0.70	12,440	11.78	5.99
5	Keystone Industries, LLC	8, WV, 39	S	OB	15,778			\$74.29	0.74	12,897	7.08	8.74

PEF-07FL-000470

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

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(Disc) (\$/Ton)	Base Price (\$/Ton)	Quality Adjust-ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alliance MC Mining	8,KY,195	LTC	9,845	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Alpha Coal Sales Co. LLC	8, KY, 133	S	10,212	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	B&W Resources Inc	8, KY, 51	MTC	10,794	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	B&W Resources Inc	8, KY, 51	MTC	31,711	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Consol Energy Inc.	8, KY, 119	MTC	103,668	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Massey Utility Sales Company	8, KY, 195	MTC	50,376	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Massey Utility Sales Company	8, WV, 81	MTC	8,850	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
8	Sequoia Energy LLC	8, KY, 95	MTC	9,664	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
9	Transfer Facility	N/A	N/A	16,128	\$ [REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000471

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	30,650	████████	\$0.00	████████	\$0.00	████████	████████	████████
2	CAM-Kentucky LLC	8, KY, 195	MTC	19,780	████████	\$0.00	████████	\$0.00	████████	████████	████████
3	Constellation Energy Commodities Group Inc.	8, KY, 193	MTC	9,693	████████	\$0.00	████████	\$0.00	████████	████████	████████
4	Massey Utility Sales Company	8, WV, 5	MTC	77,957	████████	\$0.00	████████	\$0.00	████████	████████	████████
5	Transfer Facility	N/A	N/A	53,566	████████	\$0.00	████████	\$0.00	████████	N/A	████████
6	Transfer Facility	N/A	N/A	194,188	████████	\$0.00	████████	\$0.00	████████	N/A	████████

PEF-07FL-000472

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

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)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	53,997	██████████	\$0.00	██████████	\$0.00	██████████	██████████	██████████

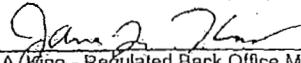
PEF-07FL-000473

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

- 1. Report for: Mo. April 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	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)	(l)
1	Central Coal Company	8, WV, 39	MTC	6,389	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Coal Marketing Company LTD	999, IM, 45	MTC	19,635	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Guasare Coal International NV	999, IM, 50	MTC	19,635	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	46,334	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Keystone Industries, LLC	8, WV, 39	S	15,778	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEP-07FL-000474

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James R. King
James R. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	9,845	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$87.63
2	Alpha Coal Sales Co. LLC	8, KY, 133	Roxana, KY	UR	10,212	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$83.88
3	B&W Resources Inc	8, KY, 51	Resource, KY	UR	10,794	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.45
4	B&W Resources Inc	8, KY, 51	Resource, KY	UR	31,711	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.49
5	Consol Energy Inc.	8, KY, 119	Mouise, KY	UR	103,668	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$81.46
6	Massey Utility Sales Company	8, KY, 195	Goff, KY	UR	50,376	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$76.85
7	Massey Utility Sales Company	8, WV, B1	Goals, WV	UR	8,850	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$78.44
8	Sequoia Energy LLC	8, KY, 95	Bardo, KY	UR	9,664	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$73.96
9	Transfer Facility	N/A	Plaquemines, Pa	GD	16,126	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	[REDACTED]	\$53.11	

PEF-07FL-000475

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	30,650	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.04
2	CAM-Kentucky LLC	8, KY, 195	Danron Fork, KY	UR	19,780	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$61.26
3	Constellation Energy Commodities	8, KY, 193	Charlene, KY	UR	9,693	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$94.17
4	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	77,957	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$88.65
5	Transfer Facility	N/A	Mobile, AL	GB	53,566	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$64.44
6	Transfer Facility	N/A	Plaquemines, PA	GB	194,188	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$67.90

PEF-07FL-000476

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

- 1. Report for: Mo. April 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	53,997	██████████	N/A	N/A	N/A	N/A	██████████	N/A	N/A	N/A	██████████	\$54.45

PEF-07FL-000477

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

- 1. Report for: Mo. April 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	8, WV, 39	Winifrede Dock, WV	B	26,468	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$62.42	
2	Coal Marketing Company	LT1999, IM, 45	Colombia, SA	OB	50,402	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$67.77	
3	Guasare Coal International	N 999, IM, 50	Paso Diablo, SA	OB	95,059	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$42.88	
4	Kanawha River Terminals Inc	8, WV, 39	Quincy Dock, WV	B	46,334	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.19	
5	Keystone Industries, LLC	8, WV, 39	Winifrede Dock, WV	OB	15,778	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$74.29	

PEF-07FL-000478

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

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)	(l)	(m)
1	03/06	CR 1&2	CR 1&2	Consol Energy Inc.	4	41,008	2	(k) BTU Content				Correction to quality results
2	03/06	CR 1&2	CR 1&2	Consol Energy Inc.	4	41,008	2	(l) Percent Ash				Correction to quality results
3	03/06	CR 1&2	CR 1&2	Consol Energy Inc.	4	41,008	2	(m) Percent Moisture				Correction to quality results

PEF-07FL-000479

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

- 1. Report for: Mo. April 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(l)	(m)
1	02/06	CR 4&5	CR 4&5	Alliance MCMining	1	41,132	2	(k) BTU Content	12,730	12,738		Correction to quality results
2	02/06	CR 4&5	CR 4&5	Alliance MCMining	1	41,132	2	(l) Percent Ash	9.02	9.00		Correction to quality results
3	02/06	CR 4&5	CR 4&5	Alliance MCMining	1	41,132	2	(m) Percent Moisture	6.20	6.17		Correction to quality results
4	02/06	CR 4&5	CR 4&5	Alliance MCMining	1	41,132	2A	(k) Quality Adjustments			\$ 62.46	Quality adjustment
5	03/06	CR 4&5	CR 4&5	Transfer Facility	10	32,288	2	(f) tons	32,288	47,850		Tonnage correction
6	03/06	CR 4&5	CR 4&5	Transfer Facility	11	171,968	2	(f) tons	171,968	156,407		Tonnage correction
7	03/06	CR 4&5	CR 4&5	Transfer Facility	10	47,850	2	(j) Percent Sulfur	0.62	0.64		Correction to quality results
8	03/06	CR 4&5	CR 4&5	Transfer Facility	10	47,850	2	(k) BTU Content	11,477	11,573		Correction to quality results
9	03/06	CR 4&5	CR 4&5	Transfer Facility	10	47,850	2	(l) Percent Ash	5.44	5.40		Correction to quality results
10	03/06	CR 4&5	CR 4&5	Transfer Facility	10	47,850	2	(m) Percent Moisture	12.35	12.39		Correction to quality results
11	03/06	CR 4&5	CR 4&5	Diamond May Coal Company	7	29,492	2A	(k) Quality Adjustments			\$ 74.44	Quality adjustment

PEF-07FL-000480

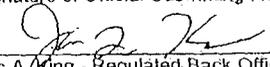
Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
 2006 423 Forms
 Page 68 of 206

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

- 1. Report for: Mo. April 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(l)	(m)
1	03/06	McDuffie Coal Terminal	Interocean Coal Sales	Interocean Coal Sales	1	58,234	2	(j) Percent Sulfur	0.62	0.63		Correction to quality results
2	03/06	McDuffie Coal Terminal	Interocean Coal Sales	Interocean Coal Sales	1	58,234	2	(k) BTU Content	11,504	11,582		Correction to quality results
3	03/06	McDuffie Coal Terminal	Interocean Coal Sales	Interocean Coal Sales	1	58,234	2	(l) Percent Ash	5.34	5.32		Correction to quality results
4	03/06	McDuffie Coal Terminal	Interocean Coal Sales	Interocean Coal Sales	1	58,234	2	(m) Percent Moisture	12.34	12.37		Correction to quality results
5	03/06	McDuffie Coal Terminal	Interocean Coal Sales	Interocean Coal Sales	1	58,234	2A	(k) Quality Adjustments			\$ 54.37	Quality adjustment

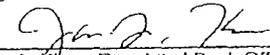
PEF-07FL-000481

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

- 1. Report for: Mo. April 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: June 15, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(l)	(m)
1	02/06	Transfer Facility - IMT		Guasare Coal International	3	47,039	2B	(l) Transloading rate			\$ 42.25	Rate correction
2	03/06	Transfer Facility - IMT		Keystone Industries LLC	5	3,458	2A	(k) Quality Adjustments			\$ 56.90	Quality adjustment

PEP-07FL-000482

ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Request for Specified Confidential Treatment

423 Forms for May 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

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

- 1. Report for: Mo. May 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
 Person Concerning Data Submitted on This Form
 Amy B. Futrell - Business Financial Analyst
 (919) 546-2678

5. Signature of Official Submitting Report

James A. King

 James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
 CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ltd.	999, IM, 45	MTC	OB	42,807			\$53.33	0.52	11,379	5.72	12.95

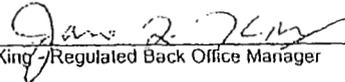
PEF-07FL-000486

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

- 1. Report for: Mo. May 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	25,287			\$62.38	0.71	12,456	11.54	5.75
2	Coaltrade LLC	19, WY, 5	S	B	3,330			\$47.34	0.41	8,585	6.65	27.84
3	Glencore Ltd	999, IM, 50	MTC	OB	76,288			\$65.32	0.70	12,246	6.55	8.69
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	46,314			\$72.02	0.67	12,360	11.53	6.92

PEF-07FL-000487

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

- 1. Report For: Mo. May 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 133	MTC	UR	9,910	[REDACTED]	[REDACTED]	\$69.39	0.97	12,412	11.90	5.49
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	20,603	[REDACTED]	[REDACTED]	\$69.39	0.90	12,788	8.85	6.00
3	B&W Resources Inc.	8, KY, 51	MTC	UR	20,079	[REDACTED]	[REDACTED]	\$77.49	0.97	12,151	12.59	5.47
4	B&W Resources Inc.	8, KY, 51	MTC	UR	21,123	[REDACTED]	[REDACTED]	\$71.49	1.08	12,313	12.11	4.94
5	Consol Energy Inc.	8, KY, 119	MTC	UR	81,764	[REDACTED]	[REDACTED]	\$77.12	1.03	12,416	10.00	6.59
6	Consol Energy Inc.	8, KY, 119	MTC	UR	29,046	[REDACTED]	[REDACTED]	\$79.12	1.01	12,507	9.67	6.68
7	Consol Energy Inc.	8, KY, 133	MTC	UR	20,232	[REDACTED]	[REDACTED]	\$77.12	1.17	12,384	11.76	5.16
8	Massey Utility Sales Company	8, KY, 195	MTC	UR	39,989	[REDACTED]	[REDACTED]	\$76.91	1.07	12,337	10.77	6.88
9	Massey Utility Sales Company	8, WV, 5	MTC	UR	9,993	[REDACTED]	[REDACTED]	\$87.30	0.78	12,791	11.89	5.50
10	Massey Utility Sales Company	8, WV, 81	MTC	UR	19,068	[REDACTED]	[REDACTED]	\$78.51	0.93	13,530	7.31	5.49
11	Sequoia Energy LLC	8, KY, 95	MTC	UR	20,062	[REDACTED]	[REDACTED]	\$72.05	1.08	12,816	9.72	4.65
	Transfer Facility	N/A	N/A	GB	23,294	[REDACTED]	[REDACTED]	\$69.60	0.75	12,162	10.58	8.26

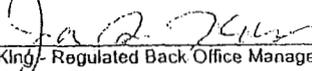
PEF-07FL-000488

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

- 1. Report for: Mo. May 2006
- 2. Reporting Company: Florida Power Corporallon
- 3. Plant Name: Crystal River 4 & 5

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	61,267			\$91.61	0.69	12,743	8.84	6.21
2	CAM-Kentucky LLC	8, KY, 195	MTC	UR	19,981			\$63.36	0.67	12,652	10.58	5.42
3	Massey Utility Sales Company	8, WV, 5	MTC	UR	20,252			\$90.74	0.72	12,581	11.99	5.65
4	Transfer Facility	N/A	N/A	GB	53,828			\$65.88	0.52	11,420	5.60	12.80
5	Transfer Facility	N/A	N/A	GB	169,548			\$68.75	0.65	12,114	9.27	9.45

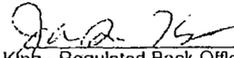
PEF-07FL-000489

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

- 1. Report for: Mo. May 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
 Person Concerning Data Submitted on this Form
 Amy B. Fulrell - Business Financial Analyst
 (919) 546-2678

5. Signature of Official Submitting Report


 James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
 CONFIDENTIAL**

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)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	42,807		\$0.00		\$0.00			

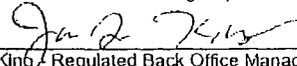
PEF-07FL-000490

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

- 1. Report for: Mo. May 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King, Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Central Coal Company	8, WV, 39	MTC	6,389		\$0.00					
2	Coalrado LLC	19, WY, 5	S	19,635		\$0.00					
3	Glencore Ltd.	999, IM, 50	MTC	19,635		\$0.00					
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	46,314		\$0.00					

PEF-07FL-000491

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

- 1. Report for: Mo. May 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King, Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8, KY, 133	MTC	9,910	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	20,603	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	B&W Resources Inc	8, KY, 51	MTC	20,079	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	B&W Resources Inc	8, KY, 51	MTC	21,123	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Consol Energy Inc.	8, KY, 119	MTC	81,764	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Consol Energy Inc.	8, KY, 119	MTC	29,046	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Consol Energy Inc.	8, KY, 133	MTC	20,232	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
8	Massey Utility Sales Company	8, KY, 195	MTC	39,989	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
9	Massey Utility Sales Company	8, WV, 5	MTC	9,983	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
10	Massey Utility Sales Company	8, WV, 81	MTC	19,068	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
11	Sequola Energy LLC	8, KY, 95	MTC	20,062	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
12	Transfer Facility	N/A	N/A	23,294	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000492

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

- 1. Report for: Mo. May 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. Kling
James A. Kling - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	61,267	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	CAM-Kentucky LLC	8, KY, 195	MTC	19,981	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Massey Utility Sales Company	8, WV, 5	MTC	20,252	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Transfer Facility	N/A	N/A	53,828	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]
5	Transfer Facility	N/A	N/A	169,548	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000493

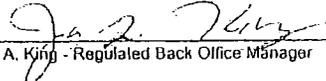
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. May 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

- 5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

- 6. Date Completed: July 14, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45 Cartagana, S.A.		OB	42,807		N/A	N/A	N/A	N/A		N/A	N/A	N/A		\$53.33

PEF-07FL-000494

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

- 1. Report for: Mo. May 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Short-haul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	B, WV, 39 Winifrede Dock, WV	B	25,287	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	\$62.38	
2	Coaltrade LLC	19, WY, 5 Campbell, WV	B	3,330	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	\$47.34	
3	Glencore Ltd.	999, IM, 50 La Jagua, S.A.	OB	76,288	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$65.32	
4	Kanawha River Terminals Inc	B, WV, 39 Quincy Dock, WV	B	46,314	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	\$72.02	

PEF-07FL-000495

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

- 1. Report for: Mo. May 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Roll Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co. LLC	8, KY, 133	Roxana, KY	UR	9,910	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$69.39
2	Alpha Coal Sales Co. LLC	8, KY, 119	Yellow Creek, KY	UR	20,603	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$69.39
3	B&W Resources Inc	8, KY, 51	Resource, KY	UR	20,079	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.49
4	B&W Resources Inc	8, KY, 51	Resource, KY	UR	21,123	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.49
5	Consol Energy Inc.	8, KY, 119	Mouise, KY	UR	81,764	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.12
6	Consol Energy Inc.	8, KY, 119	Mouise, KY	UR	29,046	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.12
7	Consol Energy Inc.	8, KY, 133	Rapid Loader, KY	UR	20,232	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.12
8	Massey Utility Sales Company	8, KY, 195	Goff, KY	UR	39,989	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$76.91
9	Massey Utility Sales Company	8, WV, 5	Sylvestra, WV	UR	9,993	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$87.30
10	Massey Utility Sales Company	8, WV, 81	Goals, WV	UR	19,068	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$78.51
11	Sequoia Energy LLC	8, KY, 95	Bardo, KY	UR	20,062	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$72.05
1	Inster Facility	N/A	Plaquemine, Pa	GB	23,294	[REDACTED]	N/A	N/A	N/A	N/A	N/A	\$6.98	\$0.01	N/A	[REDACTED]	\$69.60

PEF-07FL-000496

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

- 1. Report for: Mo. May 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	0, KY, 195	Scotts Branch, KY	UR	61,267	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$91.61
2	CAM-Kentucky LLC	0, KY, 195	Danron Fork, KY	UR	19,981	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$63.36
3	Massey Utility Sales Company	0, WV, 5	Sylvester, WV	UR	20,252	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$90.74
4	Transfer Facility	N/A	Mobile, AL	GB	53,828	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$65.88
5	Transfer Facility	N/A	Plaquemines, PA	GB	169,548	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$68.75

PEF-07FL-000497

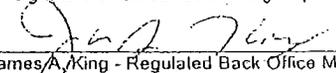
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. May 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

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)	(l)	(m)
-----NONE-----												

PEF-07FIL-000498

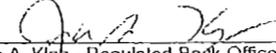
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. May 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

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)	(l)	(m)
1	04/06	Transfer Facility - IMT		Keystone Industries LLC	2	3,458	2C	(k) New Value			\$ 56.57	Quality adjustment

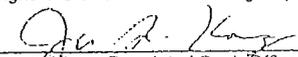
PEF-07FL-000499

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

- 1. Report for: Mo. May 2006
- 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
Amy B. Futrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

SPECIFIED
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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)	(l)	(m)
1	01/06	CR 1&2	CR 1&2	B&W Resources Inc.	1	20,235	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$70.75	Correction to rate
2	01/06	CR 1&2	CR 1&2	Coalsales LLC	2	423	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$74.82	Correction to rate
3	01/06	CR 1&2	CR 1&2	Consol Energy Inc	3	92,071	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$90.95	Correction to rate
4	01/06	CR 1&2	CR 1&2	Constellation Energy Commodities Group	4	11,312	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$85.90	Correction to rate
5	01/06	CR 1&2	CR 1&2	Constellation Energy Commodities Group	5	9,444	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$86.40	Correction to rate
6	01/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	49,003	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$76.12	Correction to rate
7	01/06	CR 1&2	CR 1&2	Sequoia Energy	7	9,886	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$71.97	Correction to rate
8	02/06	CR 1&2	CR 1&2	Transfer Facility	8	15,419	2A	(f) F.O.B. Mine Price	[REDACTED]	[REDACTED]	\$49.83	Correction to rate
9	02/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	10,331	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$82.59	Correction to rate
10	02/06	CR 1&2	CR 1&2	B&W Resources Inc	2	19,687	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$70.21	Correction to rate
11	02/06	CR 1&2	CR 1&2	Consol Energy Inc	3	76,596	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$77.82	Correction to rate
	02/06	CR 1&2	CR 1&2	Consol Energy Inc	4	19,384	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$77.87	Correction to rate
13	02/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	48,426	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$75.60	Correction to rate
14	02/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	9,204	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$77.23	Correction to rate
15	02/06	CR 1&2	CR 1&2	Sequoia Energy	7	9,960	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$72.54	Correction to rate

PEF-07FL-000500

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

- 1. Report for: Mo. May 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

SPECIFIED
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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)	(l)	(m)
16	02/06	CR 1&2	CR 1&2	B&W Resources Inc.	2	19,697	2B	(j) Other Rail Charges			\$70.15	Correction to rate
17	03/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	9,663	2B	(l) Rail Rate			\$83.51	Correction to rate
18	03/06	CR 1&2	CR 1&2	B&W Resources Inc.	2	30,206	2B	(l) Rail Rate			\$71.17	Correction to rate
19	03/06	CR 1&2	CR 1&2	Consol Energy Inc.	3	19,331	2B	(l) Rail Rate			\$79.28	Correction to rate
20	03/06	CR 1&2	CR 1&2	Consol Energy Inc.	4	41,008	2B	(l) Rail Rate			\$79.26	Correction to rate
21	03/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	60,663	2B	(l) Rail Rate			\$76.55	Correction to rate
22	03/06	CR 1&2	CR 1&2	Sequoia Energy LLC	6	18,667	2B	(l) Rail Rate			\$74.25	Correction to rate
23	03/06	CR 1&2	CR 1&2	Alliance MC Mining	1	9,845	2B	(l) Rail Rate			\$88.18	Correction to rate
24	03/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	10,212	2B	(l) Rail Rate			\$84.45	Correction to rate
25	03/06	CR 1&2	CR 1&2	B&W Resources Inc.	3	10,794	2B	(l) Rail Rate			\$76.00	Correction to rate
26	03/06	CR 1&2	CR 1&2	B&W Resources Inc.	4	31,711	2B	(l) Rail Rate			\$72.04	Correction to rate
27	03/06	CR 1&2	CR 1&2	Consol Energy Inc.	5	103,668	2B	(l) Rail Rate			\$82.01	Correction to rate
28	03/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	50,376	2B	(l) Rail Rate			\$77.40	Correction to rate
29	03/06	CR 1&2	CR 1&2	Massey Utility Sales Company	7	8,850	2B	(l) Rail Rate			\$79.01	Correction to rate
30	03/06	CR 1&2	CR 1&2	Sequoia Energy LLC	8	9,664	2B	(l) Rail Rate			\$74.53	Correction to rate

PEF-07FL-000501

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

1. Report for: Mo. May 2006
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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

**SPECIFIED
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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)	(l)	(m)
1	01/06	CR 4&5	CR 4&5	Alliance MCMining	1	57,288	2B	(i) Rail Rate			\$63.59	Correction to rate
2	01/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	39,923	2B	(i) Rail Rate			\$59.37	Correction to rate
3	01/06	CR 4&5	CR 4&5	Diamond May Coal Company	3	20,418	2B	(i) Rail Rate			\$75.09	Correction to rate
4	01/06	CR 4&5	CR 4&5	Diamond May Coal Company	3	20,418	2B	(i) Other Rail Charges			\$74.87	Correction to rate
5	01/06	CR 4&5	CR 4&5	Diamond May Coal Company	4	9,859	2B	(i) Rail Rate			\$73.94	Correction to rate
6	01/06	CR 4&5	CR 4&5	Maesey Utility Sales Company	5	26,057	2B	(i) Rail Rate			\$86.76	Correction to rate
7	02/06	CR 4&5	CR 4&5	Transfer Facility	8	123,330	2A	(f) F.O.B. Mine Price			\$71.63	Correction to rate
8	02/06	CR 4&5	CR 4&5	Alliance MCMining	1	41,132	2B	(i) Rail Rate			\$62.54	Correction to rate
9	02/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	20,200	2B	(i) Rail Rate			\$59.14	Correction to rate
10	02/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group	3	10,203	2B	(i) Rail Rate			\$83.54	Correction to rate
11	02/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group	4	9,211	2B	(i) Rail Rate			\$92.75	Correction to rate
12	02/06	CR 4&5	CR 4&5	Diamond May Coal Company	5	8,901	2B	(i) Rail Rate			\$75.49	Correction to rate
13	02/06	CR 4&5	CR 4&5	Diamond May Coal Company	6	30,933	2B	(i) Rail Rate			\$73.76	Correction to rate
14	03/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group	5	10,716	2A	(f) F.O.B. Mine Price			\$92.37	Correction to rate
15	03/06	CR 4&5	CR 4&5	Transfer Facility	11	156,407	2A	(f) F.O.B. Mine Price			\$73.26	Correction to rate
16	03/06	CR 4&5	CR 4&5	Alliance MCMining	1	15,930	2B	(i) Rail Rate			\$62.63	Correction to rate
17	03/06	CR 4&5	CR 4&5	Alliance MCMining	2	55,514	2B	(i) Rail Rate			\$88.68	Correction to rate
18	03/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	3	19,786	2B	(i) Rail Rate			\$58.96	Correction to rate
19	03/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group	4	9,269	2B	(i) Rail Rate			\$91.26	Correction to rate
20	03/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group	5	10,716	2B	(i) Rail Rate			\$92.16	Correction to rate

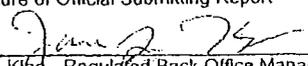
PEF-07FL-000502

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

- 1. Report for: Mo. May 2006
- 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
Amy B. Fulrell - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King - Regulated Back Office Manager

6. Date Completed: July 14, 2006

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)	(l)	(m)
21	03/06	CR 4&5	CR 4&5	Diamond May Coal Company	6	28,803	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$75.27	Correction to rate
22	03/06	CR 4&5	CR 4&5	Diamond May Coal Company	7	29,492	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$74.13	Correction to rate
23	03/06	CR 4&5	CR 4&5	Massey Utility Sales Company	8	19,863	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$86.32	Correction to rate
24	03/06	CR 4&5	CR 4&5	Massey Utility Sales Company	9	10,623	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$86.33	Correction to rate
25	03/06	CR 4&5	CR 4&5	Diamond May Coal Company	6	28,803	2B	(j) Other Rail Charges	[REDACTED]	[REDACTED]	\$75.05	Correction to rate
26	04/06	CR 4&5	CR 4&5	Alliance MC Mining	1	30,650	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$89.59	Correction to rate
27	04/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	19,780	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$61.81	Correction to rate
28	04/06	CR 4&5	CR 4&5	Constellation Energy Commodities	3	9,693	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$94.74	Correction to rate
29	04/06	CR 4&5	CR 4&5	Massey Utility Sales Company	4	77,957	2B	(i) Rail Rate	[REDACTED]	[REDACTED]	\$89.22	Correction to rate

PEF-07FL-000503

ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
2006 423 Forms
Page 90 of 206

Request for Specified Confidential Treatment

423 Forms for June 2006

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(Confidential information denoted with shading)

PEF-07FL-000504

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

- 1. Report for: Feb. June 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

CONFIDENTIAL

5. Signature of Official Submitting Report
James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	19,825	[REDACTED]	[REDACTED]	\$74.58	0.95	13,006	8.28	5.21
2	B&W Resources Inc	8, KY, 51	MTC	UR	10,943	[REDACTED]	[REDACTED]	\$79.89	0.98	12,235	12.12	5.42
3	B&W Resources Inc	8, KY, 51	MTC	UR	10,106	[REDACTED]	[REDACTED]	\$73.89	0.97	12,475	11.11	4.11
4	Consol Energy Inc.	8, KY, 119	MTC	UR	51,675	[REDACTED]	[REDACTED]	\$79.47	1.00	12,273	10.64	6.70
5	Massey Utility Sales Company	8, KY, 195	MTC	UR	30,607	[REDACTED]	[REDACTED]	\$79.26	1.08	12,161	12.00	6.66
6	Massey Utility Sales Company	8, WV, 81	MTC	UR	9,259	[REDACTED]	[REDACTED]	\$80.86	0.76	12,482	12.50	6.23
7	Southern Energy LLC	8, KY, 95	MTC	UR	9,192	[REDACTED]	[REDACTED]	\$74.52	1.08	12,730	9.31	5.90

PEF-07FL-000507

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

CONFIDENTIAL

- 1. Report for: Mo. June 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

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)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8,KY,119	MTC	19,825	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	B&W Resources Inc	8, KY, 51	MTC	10,943	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	B&W Resources Inc	8, KY, 51	MTC	10,108	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Consol Energy Inc	8, KY,119	MTC	51,675	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Massey Utility Sales Company	8, KY, 195	MTC	30,607	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Massey Utility Sales Company	8, WV, 81	MTC	9,259	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Sequoia Energy LLC	8, KY, 95	MTC	9,192	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000508

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

- 1. Report for: Mo. June 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

CONFIDENTIAL

5. Signature of Official Submitting Report

James A. King
James A. King Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co LLC	8, KY, 119	Yellow Creek, KY	UR	19,825	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.58
2	B&W Resources Inc	8, KY, 51	Resource, KY	UR	10,943	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.89
3	B&W Resources Inc	8, KY, 51	Resource, KY	UR	10,106	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.47
4	Consol Energy Inc.	8, KY, 119	Mouise, KY	UR	51,675	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.26
5	Massey Utility Sales Company	8, KY, 195	Goff, KY	UR	30,607	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$80.86
6	Massey Utility Sales Company	8, WV, 81	Goals, WV	UR	9,259	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.52
7	Sequoia Energy LLC	8, KY, 95	Bardo, KY	UR	9,192	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.52

PEF-07FL-000509

Docket No. 070001-EI
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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. June 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

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)	(l)	(m)
1	2/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	10,331	2A	(k) Quality Adjustments			\$82.68	Quality Price Adjustment
2	3/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	9,663	2A	(k) Quality Adjustments			\$83.38	Quality Price Adjustment
3	3/06	CR 1&2	CR 1&2	Transfer Facility	7	48,100	2A	(f) FOB Mine Price			\$62.25	Correction to Rate
4	3/06	CR 1&2	CR 1&2	B&W Resources Inc.	2	30,206	2B	(j) Other Rail Charges			\$71.19	Correction to Rate
5	3/06	CR 1&2	CR 1&2	Sequoia Energy	6	18,667	2B	(j) Other Rail Charges			\$74.27	Correction to Rate
6	4/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	10,212	2A	(k) Quality Adjustments			\$83.48	Quality Price Adjustment
7	4/06	CR 1&2	CR 1&2	Transfer Facility	9	16,126	2A	(f) FOB Mine Price			\$52.75	Correction to Rate
8	4/06	CR 1&2	CR 1&2	B&W Resources Inc.	3	10,794	2B	(j) Other Rail Charges			\$78.05	Correction to Rate
9	4/06	CR 1&2	CR 1&2	Consol Energy Inc	5	103,668	2B	(j) Other Rail Charges			\$82.04	Correction to Rate
10	5/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	9,910	2A	(k) Quality Adjustments			\$69.09	Quality Price Adjustment
11	5/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	20,603	2A	(k) Quality Adjustments			\$70.95	Quality Price Adjustment
	5/06	CR 1&2	CR 1&2	Consol Energy Inc	5	81,764	2A	(k) Quality Adjustments			\$79.72	Quality Price Adjustment
	5/06	CR 1&2	CR 1&2	Consol Energy Inc	6	29,046	2A	(k) Quality Adjustments			\$81.72	Quality Price Adjustment
14	5/06	CR 1&2	CR 1&2	Consol Energy Inc	7	20,232	2A	(k) Quality Adjustments			\$79.72	Quality Price Adjustment
15	5/06	CR 1&2	CR 1&2	B&W Resources Inc.	3	20,079	2B	(j) Other Rail Charges			\$77.55	Correction to Rate
16	5/06	CR 1&2	CR 1&2	B&W Resources Inc	4	21,123	2B	(j) Other Rail Charges			\$71.54	Correction to Rate
17	5/06	CR 1&2	CR 1&2	Sequoia Energy	11	20,062	2B	(j) Other Rail Charges			\$72.12	Correction to Rate

PEF-07FL-000510

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

CONFIDENTIAL

- 1. Report for: Mo. June 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	51,035	[REDACTED]	[REDACTED]	\$89.59	0.70	12,658	9.16	6.55
2	Arch Coal Sales	8, KY, 95	S	UR	21,467	[REDACTED]	[REDACTED]	\$82.58	0.69	12,577	11.57	5.32
3	CAM-Kentucky LLC	8, KY, 195	MTC	UR	20,613	[REDACTED]	[REDACTED]	\$62.55	0.69	12,757	9.98	5.74
4	Constellation Energy Commodities Group Inc	8, KY, 193	S	UR	11,159	[REDACTED]	[REDACTED]	\$83.87	0.64	12,440	11.05	5.69
5	Massey Utility Sales Company	8, WV, 5	MTC	UR	41,430	[REDACTED]	[REDACTED]	\$89.23	0.71	12,589	11.73	6.13
6	Massey Utility Sales Company	8, WV, 81	MTC	UR	10,241	[REDACTED]	[REDACTED]	\$89.20	0.75	12,897	8.00	6.90
7	Transfer Facility	N/A	N/A	GB	177,663	[REDACTED]	[REDACTED]	\$75.88	0.66	12,142	8.60	9.12
8	Transfer Facility	N/A	N/A	GB	46,528	[REDACTED]	[REDACTED]	\$68.70	0.55	11,340	6.26	12.60

PEF-07FL-000511

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

1. Report for: Mo. June 2006
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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report
James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	51,035	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Arch Coal Sales	8, KY, 95	MTC	21,467	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	CAM-Kentucky LLC	8, KY, 195	MTC	20,613	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Constellation Energy Commodities Group Inc	8, KY, 193	S	11,159	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Massey Utility Sales Company	8, WV, 5	MTC	41,430	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Massey Utility Sales Company	8, WV, 81	MTC	10,241	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Transfer Facility	N/A	N/A	177,663	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]
8	Transfer Facility	N/A	N/A	46,528	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000512

CONFIDENTIAL

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. June 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	51,035	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.59
2	Arch Coal Sales	8, KY, 95	Long Mountain	UR	21,467	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$82.58
3	CLM-Kentucky LLC	8, KY, 195	Danron Fork, KY	UR	20,613	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$62.55
4	Constellation Energy Commodities	8, KY, 193	Charlena, KY	UR	11,159	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$83.87
5	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	41,430	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.23
6	Massey Utility Sales Company	8, WV, 81	Goals, WV	UR	10,241	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.20
7	Transfer Facility	N/A	Plaquemines, PA	GB	177,663	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	[REDACTED]	\$75.88
8	Transfer Facility	N/A	Mobile, AL	GB	46,528	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	[REDACTED]	\$68.76

PEF-07FL-000513

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-10)
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CONFIDENTIAL

FPSC FORM NO. 423-2C

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

- 1. Report for: Mo. June 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

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)	(l)	(m)
1	1/06	CR 4&5	CR 4&5	Transfer Facility	7	135,214	2A	(f) FOB Mine Price				Correction to Rate
2	1/06	CR 4&5	CR 4&5	Transfer Facility	6	69,529	2B	(n) Other Water Charges				Correction to Rate
3	2/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	20,200	2A	(k) Quality Adjustments				Quality Price Adjustment
4	2/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	20,200	2B	(j) Other Rail Charges				Correction to Rate
5	3/06	CR 4&5	CR 4&5	Diamond May Coal Company	7	29,492	2	(k) BTU Content	12,613	12,708		Quality Adjustment
6	3/06	CR 4&5	CR 4&5	Diamond May Coal Company	7	29,492	2	(l) Percent Ash	8.21	7.91		Quality Adjustment
7	3/06	CR 4&5	CR 4&5	Diamond May Coal Company	7	29,492	2	(m) Percent Moisture	7.50	7.29		Quality Adjustment
8	3/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	3	19,786	2A	(k) Quality Adjustments				Quality Price Adjustment
9	4/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	19,780	2	(k) BTU Content	12,640	12,642		Quality Adjustment
10	4/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	19,780	2	(l) Percent Ash	10.40	10.32		Quality Adjustment
11	4/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	19,780	2	(m) Percent Moisture	5.36	5.48		Quality Adjustment
	4/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	19,780	2A	(k) Quality Adjustments				Quality Price Adjustment
	5/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	19,981	2A	(k) Quality Adjustments				Quality Price Adjustment

PEF-07FL-000514

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

CONFIDENTIAL

- 1. Report for: Mo. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

- 4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

- 5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

- 6. Date Completed: August 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ltd.	999, IM, 45	MTC	OB	46,152			\$52.89	0.55	11,341	6.26	12.60

PEF-07FL-000515

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ___ (RLS-10)
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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. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
 Person Concerning Data Submitted on this Form
 Jon Pulnam - Business Financial Analyst
 (919) 546-6368

5. Signature of Official Submitting Report

John A. King
 James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	46,152	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000516

CONFIDENTIAL

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. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S A	OB	46,152	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$52.89

PEF-07FL-000517

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
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CONFIDENTIAL

FPSC FORM NO. 423-2C

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

- 1. Report for: Mo. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King, Regulated Back Office Manager

6. Date Completed: August 11, 2006

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)	(l)	(m)
-----NONE-----												

PEF-07FL-000518

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
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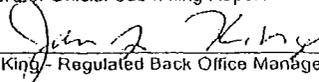
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6360

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	21,172			\$62.35	0.73	12,426	11.18	6.32
2	Coal Marketing Company Ltd	999, IM, 45	MTC	OB	77,787			\$67.33	0.59	11,784	7.61	10.89
3	Glencore Ltd	999, IM, 45	MTC	OB	72,355			\$59.48	0.50	11,355	7.48	11.66
4	Gasare Coal International NV	999, IM, 50	MTC	OB	42,525			\$70.23	0.64	13,298	5.24	6.47
5	Kanawha River Terminals Inc	8, WV, 39	MTC	B	17,722			\$73.34	0.65	12,536	11.00	6.44
6	Kanawha River Terminals Inc	8, WV, 39	MTC	B	33,488			\$72.76	0.65	12,424	11.57	6.67
7	Keystone Industries LLC	8, WV, 39	S	OB	15,822			\$74.68	0.73	12,966	7.76	7.42

PEF-07FL-000519

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

CONFIDENTIAL

- 1. Report for: Mo. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No.	Supplier Name	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)	(l)
1	Central Coal Company	8, WV, 39	MTC	21,172	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Coal Marketing Company Ltd	999, IM, 45	MTC	77,787	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Glencore Ltd.	999, IM, 45	MTC	72,355	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Guasare Coal International NV	999, IM, 50	MTC	42,525	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	17,722	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Kanawha River Terminals Inc.	8, WV, 39	MTC	33,488	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Keystone Industries LLC	8, WV, 39	S	15,822	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000520

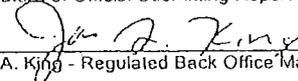
Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-10)
2006 423 Forms
Page 104 of 206

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

- 1. Report for: Mo. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

Line No.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1	Central Coal Company	8, WV, 39	Winifrede Dock, WV	B	21,172	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$62.35
2	Coal Marketing Company Ltd	999, IM, 45	Columbia, S.A.	OB	77,787	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$67.33
3	Glencore Ltd.	999, IM, 45	Catenturitas, S.A.	OB	72,355	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$59.48
4	Guasare Coal International N	999, IM, 50	Paso Diablo, S.A.	OB	42,525	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$70.23
5	Kanawha River Terminals Inc	8, WV, 39	Marmet Dock, WV	B	17,722	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$73.34
6	Kanawha River Terminals Inc	8, WV, 39	Quincy Dock, WV	B	33,488	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.76
7	Keystone Industries LLC	8, WV, 39	Winifrede Dock, WV	OB	15,822	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.60

PEF-07FL-000521

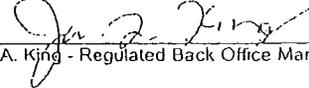
FPSC FORM NO. 423-2C

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

- 1. Report for: Mo. June 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: August 11, 2006

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)	(l)	(m)
1	5/06	Transfer Facility - IMT	Coaltrade		2	3,330	2	(j) Percent Sulfur	0.41	0.35		Quality Adjustment
2	5/06	Transfer Facility - IMT	Coaltrade		2	3,330	2	(k) BTU Content.	8,585	8,806		Quality Adjustment
3	5/06	Transfer Facility - IMT	Coaltrade		2	3,330	2	(l) Percent Ash	6.65	6.29		Quality Adjustment
4	5/06	Transfer Facility - IMT	Coaltrade		2	3,330	2	(m) Percent Moisture	27.84	27.00		Quality Adjustment

PEF-07FL-000522

CONFIDENTIAL

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ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
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Request for Specified Confidential Treatment

423 Forms for July 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

CONFIDENTIAL

PEF-07FL-000523

DOCUMENT NUMBER-DATE

08659 SEP 20 08

FPSC-COMMISSION CLERK

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

- 1. Report for: Mo. July 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 548-6388

- 5. Signature of Official Submitting Report


James King - Regulated Back Office Manager

- 6. Date Completed: September 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ltd	999, IM, 45	MTC	OB	40,821			\$53.95	0.57	11,507	5.64	11.60

PEF-07PL-000526

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

- 1. Report for: Mo. July 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	25,541	[REDACTED]	[REDACTED]	\$63.16	0.71	12,339	11.96	5.85
2	Guasare Coal International NV	999, IM, 50	MTC	OB	48,366	[REDACTED]	[REDACTED]	\$70.18	0.56	13,077	7.29	5.56
3	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	41,116	[REDACTED]	[REDACTED]	\$73.12	0.65	12,349	11.52	7.03

PEF-07FL-000527

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

- 1. Report for: Mo. July 2006
- 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
Jon Pulnam - Business Financial Analyst
(918) 546-6368

- 5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

- 6. Date Completed: September 11, 2006

**Specified
CONFIDENTIAL**

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	9,906	[REDACTED]	[REDACTED]	\$79.24	0.80	12,543	8.93	7.41
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	30,433	[REDACTED]	[REDACTED]	\$71.52	0.95	12,760	9.90	5.16
3	B&W Resources Inc	8, KY, 51	MTC	UR	10,016	[REDACTED]	[REDACTED]	\$79.20	0.98	12,146	11.35	6.09
4	B&W Resources Inc	8, KY, 51	MTC	UR	20,845	[REDACTED]	[REDACTED]	\$73.16	1.04	12,408	11.01	5.40
5	Consol Energy Inc	8, KY, 119	MTC	UR	59,926	[REDACTED]	[REDACTED]	\$81.35	1.10	12,480	9.57	6.66
6	Massey Utility Sales Company	8, KY, 195	MTC	UR	41,868	[REDACTED]	[REDACTED]	\$78.57	1.04	12,176	11.43	7.29
7	Massey Utility Sales Company	8, WV, 5	MTC	UR	3,618	[REDACTED]	[REDACTED]	\$88.97	0.74	12,524	10.73	7.18
8	Massey Utility Sales Company	8, WV, 81	MTC	UR	9,909	[REDACTED]	[REDACTED]	\$80.22	1.05	12,736	11.54	5.53
9	Sequoia Energy LLC	8, KY, 95	MTC	UR	31,811	[REDACTED]	[REDACTED]	\$75.34	0.99	13,151	7.61	4.61
10	Transfer Facility	N/A	N/A	GB	6,982	[REDACTED]	[REDACTED]	\$79.65	0.66	11,830	8.78	10.51

PEF-07FL-000528

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

- 1. Report for: Mo. July 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

- 5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

- 6. Date Completed: September 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Sulfur (%)	Btu Content (Btu/lb)	Ash (%)	Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	10,483	[REDACTED]	[REDACTED]	\$90.07	0.77	12,491	9.61	6.14
2	Amvest Coal Sales	8, KY, 67	S	UR	11,057	[REDACTED]	[REDACTED]	\$89.42	0.71	12,515	11.02	5.60
3	CAM-Kentucky LLC	8, KY, 195	MTC	UR	21,408	[REDACTED]	[REDACTED]	\$67.18	0.66	12,545	11.08	5.66
4	Constellation Energy Commodities Group Inc	8, KY, 193	S	UR	11,162	[REDACTED]	[REDACTED]	\$87.51	0.75	12,526	11.00	5.41
5	Massey Utility Sales Company	8, WV, 5	MTC	UR	15,847	[REDACTED]	[REDACTED]	\$94.64	0.73	12,658	11.79	5.38
6	Transfer Facility	N/A	N/A	GB	24,750	[REDACTED]	[REDACTED]	\$64.07	0.54	11,509	5.51	11.62
7	Transfer Facility	N/A	N/A	GB	225,774	[REDACTED]	[REDACTED]	\$75.99	0.67	12,000	7.78	9.90

PEF-07FL-000529

Docket No. 070001-EI
Robert L. Sansom Exhibit No. _____ (RLS-10)
2006 423 Forms
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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. July 2006
- 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
 Jon Putnam - Business Financial Analyst
 (919) 646-6368

5. Signature of Official Submitting Report

James A. King
 James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Tons	F.O.B. Mine Price (\$/Ton)	Short Haul & Loading Charges (\$/Ton)	Original Invoice Price (\$/Ton)	Reetro-active Price Increases (\$/Ton)	Base Price (\$/Ton)	Quality Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	40,821		\$0.00		\$0.00			

PEF-07FL-000530

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

- 1. Report for: Mo. July 2006
- 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
 Jon Putnam - Business Financial Analyst
 (919) 546-6368

- 5. Signature of Official Submitting Report

James A. King
 James A. King - Regulated Back Office Manager

- 6. Date Completed: September 11, 2006

Line No.	Supplier Name	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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Central Coal Company	8, WV, 39	MTC	25,541	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Guasare Coal International NV	999, IM, 50	MTC	48,366	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Kanawha River Terminals Inc.	8, WV, 39	MTC	41,116	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000531

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

- 1. Report for: Mo. July 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

- 5. Signature of Official Submitting Report

James R. King
James R. King - Regulated Back Office Manager

- 6. Date Completed: September 11, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	9,906		\$0.00		\$0.00			
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	30,433		\$0.00		\$0.00			
3	B&W Resources Inc	8, KY, 51	MTC	10,015		\$0.00		\$0.00			
4	B&W Resources Inc	8, KY, 51	MTC	20,845		\$0.00		\$0.00			
5	Consol Energy Inc.	8, KY, 119	MTC	59,926		\$0.00		\$0.00			
6	Massey Utility Sales Company	8, KY, 195	MTC	41,888		\$0.00		\$0.00			
7	Massey Utility Sales Company	8, WV, 5	MTC	3,618		\$0.00		\$0.00			
8	Massey Utility Sales Company	8, WV, 81	MTC	9,909		\$0.00		\$0.00			
9	Sequoia Energy LLC	8, KY, 95	MTC	31,811		\$0.00		\$0.00			
10	Transfer Facility	N/A	N/A	6,962		\$0.00		\$0.00		N/A	

PEF-07FL-000532

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

- 1. Report for: Mo. July 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

- 5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

- 6. Date Completed: September 11, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	10,483	██████████	\$0.00	██████████	\$0.00	██████████	██████████	██████████
2	Amvest Coal Sales	8, KY, 67	MTC	11,057	██████████	\$0.00	██████████	\$0.00	██████████	██████████	██████████
3	CAM-Kentucky LLC	8, KY, 195	MTC	21,408	██████████	\$0.00	██████████	\$0.00	██████████	██████████	██████████
4	Constellation Energy Commodities Group Inc	8, KY, 193	S	11,162	██████████	\$0.00	██████████	\$0.00	██████████	██████████	██████████
5	Massey Utility Sales Company	8, WV, 5-	MTC	15,847	██████████	\$0.00	██████████	\$0.00	██████████	██████████	██████████
6	Transfer Facility	N/A	N/A	24,750	██████████	\$0.00	██████████	\$0.00	██████████	N/A	██████████
7	Transfer Facility	N/A	N/A	225,774	██████████	\$0.00	██████████	\$0.00	██████████	N/A	██████████

PEF-07FL-000533

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RIS-10)
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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. July 2006
- 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
 Jon Putnam - Business Financial Analyst
 (919) 548-0388

5. Signature of Official Submitting Report


 James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	40,821	██████████	N/A	N/A	N/A	N/A	██████████	N/A	N/A	N/A	██████████	\$53.95

PEF-07FL-000534

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. _____ (RLS-10)
 2006 423 Forms
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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. July 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
 Jon Putnam - Business Financial Analyst
 (919) 546-6368

**SPECIFIED
 CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
 James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

Line No.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	B, WV, 39	Winifrede Dock, WV	B	25,541	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$63.16	
2	Guasare Coal International NV	999, IM, 50	Peso Diablo, S.A.	OB	48,368	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$70.18	
3	Kanawha River Terminals Inc.	B, WV, 39	Marmet Dock, WV	B	41,116	[REDACTED]	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$73.12	

PF-07FL-000535

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
 2006 423 Forms
 Page 117 of 206

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

- 1. Report for: Mo. July 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	9,906	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.24
2	Alpha Coal Sales Co. LLC	8, KY, 119	Yellow Creek, KY	UR	30,433	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.52
3	B&W Resources Inc	8, KY, 51	Resource, KY	UR	10,015	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.20
4	B&W Resources Inc	8, KY, 51	Resource, KY	UR	20,845	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$73.16
5	Consol Energy Inc.	8, KY, 119	Mouise, KY	UR	50,926	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$81.35
6	Massey Utility Sales Company	8, KY, 195	Golf, KY	UR	41,868	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$78.57
7	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	3,818	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$88.97
8	Massey Utility Sales Company	8, WV, 81	Goals, WV	UR	9,909	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$80.22
9	Sequoia Energy LLC	8, KY, 95	Bardo, KY	UR	31,811	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$75.34
10	Transfer Facility	N/A	Plaquemines, Pa	GB	6,962	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	[REDACTED]	\$79.65

PEF-07FL-000536

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

- 1. Report for: Mo. July 2006
- 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
Jon Putnam - Business Financial Analyst
(819) 546-6368

**SPECIFIED
CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	10,483	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$90.07
2	Amvest Coal Sales	8, KY, 67	Fola, WV	UR	11,057	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.42
3	CAM-Kentucky LLC	8, KY, 195	Damron Fork, KY	UR	21,408	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$67.18
4	Constellation Energy Commodities Grc	8, KY, 193	Charlene, KY	UR	11,162	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$87.51
5	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	15,847	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$94.64
6	Transfer Facility	N/A	Mobile, AL	GB	24,750	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$64.07
7	Transfer Facility	N/A	Plaquemines, PA	GB	225,774	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$75.99

PEF-07FL-000537

Docket No. 070001-E1
Robert L. Sansom Exhibit No. ____ (RLS-10)
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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. July 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
 Jon Putnam - Business Financial Analyst
 (919) 546-2678

**SPECIFIED
 CONFIDENTIAL**

5. Signature of Official Submitting Report

James A. King

 James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

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)	(l)	(m)
-----NONE-----												

PEF-07FL-000538

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

- 1. Report for: Mo. July 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(l)	(m)
1	4/06	Transfer Facility - IMT		Central Coal Company	1	26,468	2	(f) Tons	6,389	26,468		Correction to Tons
2	4/06	Transfer Facility - IMT		Coal Marketing Company	2	50,402	2	(f) Tons	19,635	50,402		Correction to Tons
3	4/06	Transfer Facility - IMT		Guasare Coal International NV	3	95,059	2	(f) Tons	19,635	95,059		Correction to Tons
4	5/06	Transfer Facility - IMT		Coaltrade	2	3,522	2	(f) Tons	3,330	3,522		Correction to Tons
5	5/06	Transfer Facility - IMT		Coaltrade	2	3,522	2A	(k) Quality Adjustments			\$ 47.40	Quality Price Adjustment

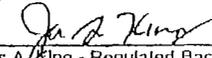
PEF-07FL-000539

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

- 1. Report for: Mo. July 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

**SPECIFIED
CONFIDENTIAL**

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)	(l)	(m)
1	2/06	CR 1&2	CR 1&2	Consol Energy Inc	3	76,596	2	(j) Percent Sulfur	1.23	1.22		Quality Adjustment
2	2/06	CR 1&2	CR 1&2	Consol Energy Inc	3	76,596	2A	(k) Quality Adjustments			\$80.71	Quality Price Adjustment
3	2/06	CR 1&2	CR 1&2	Consol Energy Inc	4	19,384	2A	(k) Quality Adjustments			\$80.76	Quality Price Adjustment
4	2/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	48,426	2B	(j) Other Rail Charges			\$75.61	Correction to Rate
5	5/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	20,603	2A	(k) Quality Adjustments			\$70.95	Quality Price Adjustment
6	5/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	9,910	2A	(k) Quality Adjustments			\$69.09	Quality Price Adjustment
7	5/06	CR 1&2	CR 1&2	B&W Resources Inc.	3	20,079	2B	(j) Other Rail Charges			\$77.55	Correction to Rate
8	5/06	CR 1&2	CR 1&2	B&W Resources Inc.	4	21,123	2B	(j) Other Rail Charges			\$71.54	Correction to Rate
9	5/06	CR 1&2	CR 1&2	Consol Energy Inc	5	81,764	2A	(k) Quality Adjustments			\$79.72	Quality Price Adjustment
10	5/06	CR 1&2	CR 1&2	Consol Energy Inc	6	29,146	2A	(k) Quality Adjustments			\$81.72	Quality Price Adjustment
11	5/06	CR 1&2	CR 1&2	Consol Energy Inc	7	20,232	2A	(k) Quality Adjustments			\$79.72	Quality Price Adjustment
12	5/06	CR 1&2	CR 1&2	Sequola Energy LLC	11	20,062	2B	(j) Other Rail Charges			\$72.12	Correction to Rate
13	6/06	CR 1&2	CR 1&2	Transfer Facility	7	16,126	2C	(l) FOB Mine Price			\$53.11	Correction to Rate

PF-07FL-000540

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

- 1. Report for: Mo. July 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: September 11, 2006

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)	(l)	(m)
1	4/06	CR 4&5	CR 4&5	Transfer Facility	6	194,188	2A	(f) FOB Mine Price			\$68.30	Correction to Rate
2	6/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group Inc	4	11,159	2A	(k) Quality Adjustments			\$83.60	Quality Price Adjustment
3	6/06	CR 4&5	CR 4&5	Massey Utility Sales Company	5	41,430	2B	(j) Other Rail Charges			\$89.24	Correction to Rate

PEF-07FL-000541

ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___(RLS-10)
2006 423 Forms
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Request for Specified Confidential Treatment

423 Forms for August 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

PEF-07FL-000542

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

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
 Jon Putnam - Business Financial Analyst
 (919) 546-6388

5. Signature of Official Submitting Report

James A. King
 James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	86,988			\$54.44	0.50	11,581	5.27	12.02

PEF-07FL-000545

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

CONFIDENTIAL

- 1. Report for: Mo August 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Tch)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	10,722	[REDACTED]	[REDACTED]	\$70.36	0.80	12,700	9.68	5.75
2	B&W Resources Inc	8, KY, 51	MTC	UR	10,469	[REDACTED]	[REDACTED]	\$82.15	0.90	12,362	11.57	5.20
3	B&W Resources Inc	8, KY, 51	MTC	UR	10,800	[REDACTED]	[REDACTED]	\$76.17	0.96	12,318	11.70	4.81
4	Consol Energy Inc.	8, KY, 119	MTC	UR	46,693	[REDACTED]	[REDACTED]	\$86.36	0.98	12,523	9.62	6.20
5	Constellation Energy Commodities Inc.	8, VA, 105	S	UR	3,290	[REDACTED]	[REDACTED]	\$85.42	0.77	12,029	7.34	5.95
6	Massey Utility Sales Company	8, WV, 5	MTC	UR	1,076	[REDACTED]	[REDACTED]	\$83.25	0.75	12,322	12.82	6.05
7	Massey Utility Sales Company	8, WV, 81	MTC	UR	10,161	[REDACTED]	[REDACTED]	\$83.20	0.86	12,952	9.60	6.02
8	Sequoia Energy LLC	8, KY, 95	MTC	UR	19,030	[REDACTED]	[REDACTED]	\$78.60	1.02	13,220	7.99	3.83

PEF-07FL-000546

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

1. Report for: Mo. August 2006
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
Jon Putnam - Business Financial Analyst
(919) 546-6368

CONFIDENTIAL

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Blu Content (Blu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	48,940	[REDACTED]	[REDACTED]	\$90.35	0.71	12,641	9.04	6.60
2	CAM-Kentucky LLC	8, KY, 195	MTC	UR	21,686	[REDACTED]	[REDACTED]	\$64.13	0.73	12,798	9.90	5.08
3	Constellation Energy Commodities Group Inc	8, WV, 45	S	UR	10,933	[REDACTED]	[REDACTED]	\$85.26	0.71	12,209	11.64	6.51
4	Constellation Energy Commodities Group Inc	8, WV, 45	S	UR	8,909	[REDACTED]	[REDACTED]	\$85.08	0.64	12,155	12.60	7.68
5	Constellation Energy Commodities Group Inc	8, VA, 105	S	UR	6,604	[REDACTED]	[REDACTED]	\$86.02	0.77	12,829	7.34	5.95
6	Massey Utility Sales Company	8, WV, 5	MTC	UR	34,641	[REDACTED]	[REDACTED]	\$91.58	0.72	12,573	12.62	5.07
7	Transfer Facility	N/A	N/A	GB	141,687	[REDACTED]	[REDACTED]	\$75.20	0.65	12,143	8.18	9.30
8	Transfer Facility	N/A	N/A	GB	103,868	[REDACTED]	[REDACTED]	\$62.81	0.52	11,568	5.36	11.95

PEF-07FL-000547

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

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	86,888		\$0.00		\$0.00			

PEF-07FL-000548

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

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Central Coal Company	8, WV, 39	MTC	24,562	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Glencore Ltd.	999, IM, 45	MTC	77,164	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Guasare Coal International NV	999, IM, 50	MTC	96,241	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	18,173	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	25,134	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000549

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

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James D. King
James D. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

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)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	10,722		\$0.00		\$0.00			
2	B&W Resources Inc	8, KY, 51	MTC	10,469		\$0.00		\$0.00			
3	B&W Resources Inc	8, KY, 51	MTC	10,800		\$0.00		\$0.00			
4	Consol Energy Inc.	8, KY, 119	MTC	46,693		\$0.00		\$0.00			
5	Constellation Energy Commodities Inc.	8, VA, 105	S	3,230		\$0.00		\$0.00			
6	Massey Utility Sales Company	8, WV, 5	MTC	1,076		\$0.00		\$0.00			
7	Massey Utility Sales Company	8, WV, 81	MTC	10,161		\$0.00		\$0.00			
8	Sequola Energy LLC	8, KY, 95	MTC	19,830		\$0.00		\$0.00			

PEF-07FL-000550

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

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King, Regulated Back Office Manager

6. Date Completed: October 10, 2006

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)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	49,940	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	CAM-Kentucky LLC	8, KY, 195	MTC	21,686	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Constellation Energy Commodities Group Inc	8, WV, 45	S	10,933	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Constellation Energy Commodities Group Inc	8, WV, 45	S	9,909	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Constellation Energy Commodities Group Inc	8, VA, 105	S	6,684	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Massey Utility Sales Company	8, WV, 5	MTC	34,641	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Transfer Facility	N/A	N/A	141,887	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]
8	Transfer Facility	N/A	N/A	103,868	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000551

Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
 ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
 Jon Putnam - Business Financial Analyst
 (919) 546-6368

5. Signature of Official Submitting Report

James A. King
 James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	86,988		N/A	N/A	N/A	N/A		N/A	N/A	N/A		\$54.44

PEF-07FL-000552

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. _____ (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King, Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	8, WV, 39	Winifrede Dock, WV	B	24,562	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$63.05
2	Glencore Ltd.	999, IM, 45	La Jagua, S.A.	OB	77,164	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$66.13
3	Guasare Coal International NV	999, IM, 50	Paso Diablo, S.A.	OB	96,241	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$70.38
4	Kanawha River Terminals Inc.	8, WV, 39	Marmet Dock, WV	B	18,173	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.92
5	Kanawha River Terminals Inc.	8, WV, 39	Quincy Dock, WV	B	25,134	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$74.04

PER-07FL-000553

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

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F O B Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co. LLC	B, KY, 119	Yellow Creek, KY	UR	10,722	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$76.36
2	B&W Resources Inc	B, KY, 51	Resource, KY	UR	10,469	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$82.15
3	B&W Resources Inc	B, KY, 51	Resource, KY	UR	10,800	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$76.17
4	Consol Energy Inc.	B, KY, 119	Mousta, KY	UR	46,693	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$86.36
5	Constellation Energy Commodities Inc.	B, VA, 105	Mayflower, VA	UR	3,230	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$85.42
6	Massey Utility Sales Company	B, WV, 5	Sylvester, WV	UR	1,076	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$83.25
7	Massey Utility Sales Company	B, WV, 81	Goals, WV	UR	10,161	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$83.20
8	Sequoia Energy LLC	B, KY, 95	Bardo, KY	UR	18,830	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$78.60

PEF-07FL-000554

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

- 1. Report for: Mo. August 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	B, KY, 195	Scotts Branch, KY	UR	49,940		N/A			N/A	N/A	N/A	N/A	N/A		\$90.35
2	CAM-Kentucky LLC	B, KY, 195	Darnon Fork, KY	UR	21,686		N/A			N/A	N/A	N/A	N/A	N/A		\$64.13
3	Constellation Energy Commodities Grc	B, WV, 45	Charlene, KY	UR	10,933		N/A			N/A	N/A	N/A	N/A	N/A		\$85.26
4	Constellation Energy Commodities Grc	B, WV, 45	Charlene, KY	UR	9,909		N/A			N/A	N/A	N/A	N/A	N/A		\$85.08
5	Constellation Energy Commodities Grc	B, VA, 105	Charlene, KY	UR	6,664		N/A			N/A	N/A	N/A	N/A	N/A		\$85.02
6	Massey Utility Sales Company	B, WV, 5	Sylvester, WV	UR	34,641		N/A			N/A	N/A	N/A	N/A	N/A		\$91.58
7	Transfer Facility	N/A	Mobile, AL	GB	141,687		N/A	N/A	N/A	N/A	N/A			N/A		\$75.20
8	Transfer Facility	N/A	Plaquemines, PA	GB	103,868		N/A	N/A	N/A	N/A	N/A			N/A		\$62.81

PEF-07FL-000555

Docket No. 070001-E1
Robert L. Sansom Exhibit No. _____ (RLS-10)
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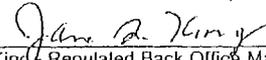
CONFIDENTIAL

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

- 1. Report for: Mo. August 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report


James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

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)	(l)	(m)
1	3/06	Trans Fac - McDuffie	Interocean Coal Sales LDC		1	58,234	2	(j) Percent Sulfur	11.504	11.582		Quality Adjustment
2	3/06	Trans Fac - McDuffie	Interocean Coal Sales LDC		1	58,234	2	(k) BTU Content	5.34	5.32		Quality Adjustment
3	3/06	Trans Fac - McDuffie	Interocean Coal Sales LDC		1	58,234	2	(l) Percent Ash	12.34	12.37		Quality Adjustment
4	3/06	Trans Fac - McDuffie	Interocean Coal Sales LDC		1	58,234	2	(n) Percent Moisture	0.67	0.66		Quality Adjustment

PEF-07FL-000556

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

- 1. Report for: Mo. August 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

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)	(l)	(m)
1	2/06	Transfer Facility - IMT		Kanawha River Terminals Inc	4	18,612	2	(j) Percent Sulfur	0.67	0.66		Quality Adjustment
2	2/06	Transfer Facility - IMT		Guasare Coal International NV	3	47,039	2B	(l) Transloading Rate			\$ 42.25	Correction to Rate
3	6/06	Transfer Facility - IMT		Glencore Ltd	3	72,355	2B	(l) Transloading Rate			\$ 59.44	Correction to Rate

PEF-07FL-000557

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

CONFIDENTIAL

- 1. Report for: Mo. August 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

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)	(l)	(m)
1	1/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	49,003	2A	(k) Quality Adjustments			\$75.26	Quality Price Adjustment
2	2/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	48,426	2A	(k) Quality Adjustments			\$75.28	Quality Price Adjustment
3	2/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	9,204	2A	(k) Quality Adjustments			\$77.71	Quality Price Adjustment
4	3/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	60,663	2A	(k) Quality Adjustments			\$76.12	Quality Price Adjustment
5	4/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	50,376	2A	(k) Quality Adjustments			\$77.02	Quality Price Adjustment
6	4/06	CR 1&2	CR 1&2	Massey Utility Sales Company	7	8,850	2A	(k) Quality Adjustments			\$84.99	Quality Price Adjustment
7	4/06	CR 1&2	CR 1&2	B&W Resources Inc.	4	31,711	2B	(j) Other Rail Charges			\$72.05	Correction to Rate
8	4/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	50,376	2B	(j) Other Rail Charges			\$77.02	Correction to Rate
9	5/06	CR 1&2	CR 1&2	Massey Utility Sales Company	8	39,989	2A	(k) Quality Adjustments			\$77.49	Quality Price Adjustment
10	5/06	CR 1&2	CR 1&2	Massey Utility Sales Company	9	9,993	2A	(k) Quality Adjustments			\$80.76	Quality Price Adjustment
11	5/06	CR 1&2	CR 1&2	Massey Utility Sales Company	10	19,068	2A	(k) Quality Adjustments			\$84.15	Quality Price Adjustment
12	5/06	CR 1&2	CR 1&2	Transfer Facility	12	23,294	2A	(f) FOB Mine Price			\$69.72	Correction to Price
13	6/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	30,607	2A	(k) Quality Adjustments			\$79.09	Quality Price Adjustment
14	6/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	9,259	2A	(k) Quality Adjustments			\$82.06	Quality Price Adjustment
15	7/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	30,433	2	(j) Percent Sulfur	0.95	0.93		Quality Adjustment
16	7/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	30,433	2	(k) BTU Content	12,760	12,717		Quality Adjustment
17	7/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	30,433	2	(i) Percent Ash	9.90	9.91		Quality Adjustment
18	7/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	30,433	2	(m) Percent Moisture	5.16	5.37		Quality Adjustment
19	7/06	CR 1&2	CR 1&2	Sequola Energy LLC	9	31,811	2B	(j) Other Rail Charges			\$75.35	Correction to Rate
20	7/06	CR 1&2	CR 1&2	Consol Energy Inc	2	76,896	2C	(k) Quality Adjustments			\$80.16	Quality Price Adjustment
21	7/06	CR 1&2	CR 1&2	Consol Energy Inc	3	19,384	2C	(k) Quality Adjustments			\$80.21	Quality Price Adjustment

PEF-07FL-000558

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. (RLS-10)
 2006 423 Forms
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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. August 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

James A. King
James A. King - Regulated Back Office Manager

6. Date Completed: October 10, 2006

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)	(l)	(m)
1	1/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	2	39,923	2A	(k) Quality Adjustments			\$59.56	Quality Price Adjustment
2	1/06	CR 4&5	CR 4&5	Massey Utility Sales Company	5	26,057	2A	(k) Quality Adjustments			\$90.81	Quality Price Adjustment
3	3/06	CR 4&5	CR 4&5	Massey Utility Sales Company	8	19,863	2A	(k) Quality Adjustments			\$88.07	Quality Price Adjustment
4	3/06	CR 4&5	CR 4&5	Massey Utility Sales Company	9	10,623	2A	(k) Quality Adjustments			\$87.00	Quality Price Adjustment
5	4/06	CR 4&5	CR 4&5	Massey Utility Sales Company	4	77,957	2	(k) BTU Content	12,397	12,392		Quality Adjustment
6	4/06	CR 4&5	CR 4&5	Massey Utility Sales Company	4	77,957	2	(l) Percent Ash	11.42	11.41		Quality Adjustment
7	4/06	CR 4&5	CR 4&5	Massey Utility Sales Company	4	77,957	2	(m) Percent Moisture	7.43	7.49		Quality Adjustment
8	4/06	CR 4&5	CR 4&5	Massey Utility Sales Company	4	77,957	2A	(k) Quality Adjustments			\$90.68	Quality Price Adjustment
9	4/06	CR 4&5	CR 4&5	Transfer Facility	5	53,566	2B	(n) Other Water Charges			\$64.45	Correction to Rate
10	5/06	CR 4&5	CR 4&5	Massey Utility Sales Company	3	20,252	2A	(k) Quality Adjustments			\$93.14	Quality Price Adjustment
11	5/06	CR 4&5	CR 4&5	Transfer Facility	5	169,548	2A	(l) FOB Mine Price			\$68.79	Correction to Price
12	6/06	CR 4&5	CR 4&5	Massey Utility Sales Company	5	41,430	2A	(k) Quality Adjustments			\$81.68	Quality Price Adjustment
13	6/06	CR 4&5	CR 4&5	Massey Utility Sales Company	6	10,241	2A	(k) Quality Adjustments			\$93.19	Quality Price Adjustment
14	6/06	CR 4&5	CR 4&5	Transfer Facility	7	177,663	2A	(l) FOB Mine Price			\$75.94	Correction to Price
15	7/06	CR 4&5	CR 4&5	Amvest Coal Sales	2	11,057	2B	(l) Rail Rate			\$91.26	Correction to Rate
16	7/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group Inc	4	11,162	2B	(j) Other Rail Charges			\$87.56	Correction to Rate
17	7/06	CR 4&5	CR 4&5	Massey Utility Sales Company	5	15,847	2B	(j) Other Rail Charges			\$94.68	Correction to Rate

PER-07FL-000559

Progress Energy Florida, Inc.
Docket No. 060001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
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Request for Specified Confidential Treatment

423 Forms for September 2006

CONFIDENTIAL COPY

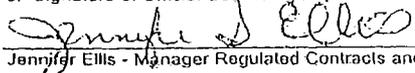
(Confidential information denoted with shading)

CONFIDENTIAL

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

- 1. Report for Mo: September 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Eills - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Blu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	10,781			\$73.19	0.73	12,476	9.39	7.19
2	D&W Resources Inc	8, KY, 51	MTC	UR	10,526			\$79.84	0.88	11,928	12.47	7.21
3	D&W Resources Inc	8, KY, 51	MTC	UR	20,162			\$73.83	0.87	12,061	12.48	5.99
4	Consol Energy Inc	8, KY, 119	MTC	UR	78,391			\$82.50	1.08	12,552	9.07	6.73
5	Massey Utility Sales Company	8, WV, 5	MTC	UR	10,353			\$80.71	0.75	12,414	12.53	5.49
6	Massey Utility Sales Company	8, KY, 195	MTC	UR	10,884			\$79.21	0.99	11,976	12.11	7.55
7	Sequoia Energy LLC	8, KY, 95	MTC	UR	30,633			\$76.00	1.08	13,150	6.75	5.76

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
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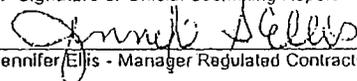
PEF-07FL-000563

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 September 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	10,781	\$	\$0.00		\$0.00			
2	B&W Resources Inc	8, KY, 51	MTC	10,526	\$	\$0.00		\$0.00			
3	B&W Resources Inc	8, KY, 51	MTC	20,162	\$	\$0.00		\$0.00			
4	Consol Energy Inc.	8, KY, 119	MTC	78,391	\$	\$0.00		\$0.00			
5	Massey Utility Sales Company	8, WV, 5	MTC	10,353	\$	\$0.00		\$0.00			
6	Massey Utility Sales Company	8, KY, 195	MTC	10,884	\$	\$0.00		\$0.00			
7	Sequoia Energy LLC	8, KY, 95	MTC	30,633	\$	\$0.00		\$0.00			

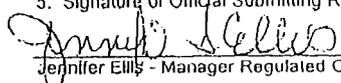
PEF-07FL-000564

CONFIDENTIAL

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

- 1. Report for: Mo. September 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	Mine Locallon	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co. LLC	B, KY, 119	Yellow Creek, KY	UR	10,781	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$73.19
2	B&W Resources Inc	B, KY, 51	Resource, KY	UR	10,526	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.84
3	B&W Resources Inc	B, KY, 51	Resource, KY	UR	20,162	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$73.83
4	Consol Energy Inc.	B, KY, 119	Mousie, KY	UR	78,391	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$82.50
5	Massey Utility Sales Company	B, WV, 5	Sylvester, WV	UR	10,353	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$80.71
6	Massey Utility Sales Company	B, KY, 195	Goff, KY	UR	10,884	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.21
7	Sequoia Energy LLC	B, KY, 95	Bardo, KY	UR	30,633	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$76.00

PEF-07FL-000565

CONFIDENTIAL

FPSC FORM NO. 423-2C

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

- 1. Report for: Mo. September 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

Jennifer Ellis
Jennifer Ellis - Manager Regulated Contracts and Fuel Account

6. Date Completed: November 9, 2006

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)	(l)	(m)
1	1/06	CR 1&2	CR 1&2	Constellation Energy Commodities Group Inc	5	9,444	2B	(j) Other Rail Charges			\$86.43	Correction to Rate
2	6/06	CR 1&2	CR 1&2	Consol Energy Inc.	4	51,675	2A	(k) Quality Adjustments			\$82.03	Quality Price Adjustment
3	7/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	2	30,433	2A	(k) Quality Adjustments			\$72.23	Quality Price Adjustment
4	7/06	CR 1&2	CR 1&2	B&W Resources Inc.	4	20,845	2B	(j) Other Rail Charges			\$73.19	Correction to Rate
5	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	13,076	2	(f) Tons	1,076	13,076		Typographical Error
6	8/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	10,722	2A	(k) Quality Adjustments			\$74.76	Quality Price Adjustment

PEF-07FL-000566

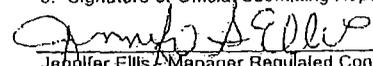
Docket No. 070901-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
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CONFIDENTIAL

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

- 1. Report for: Mo. September 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	28,796	[REDACTED]	[REDACTED]	\$88.81	0.72	12,501	8.98	7.45
2	Alpha Coal Sales Co LLC	8, KY, 119	MTC	UR	10,088	[REDACTED]	[REDACTED]	\$72.12	0.69	12,632	8.98	6.41
3	CAM-Kentucky LLC	8, KY, 195	MTC	UR	22,687	[REDACTED]	[REDACTED]	\$72.12	0.62	12,579	10.85	5.79
4	Constellation Energy Commodities Group Inc.	8, WV, 39	S	UR	11,040	[REDACTED]	[REDACTED]	\$62.29	0.72	12,206	12.72	6.18
5	Massey Utility Sales Company	8, WV, 5	MTC	UR	51,026	[REDACTED]	[REDACTED]	\$80.19	0.70	12,762	12.18	4.53
6	Massey Utility Sales Company	8, WV, 5	MTC	UR	21,351	[REDACTED]	[REDACTED]	\$89.55	0.68	11,990	13.32	6.87
7	NRG Power Marketing Inc	8, WV, 39	S	UR	9,424	[REDACTED]	[REDACTED]	\$89.55	0.63	12,491	8.64	6.72
8	Transfer Facility	N/A	N/A	GB	112,194	[REDACTED]	[REDACTED]	\$83.57	0.55	11,644	5.24	11.58
9	Transfer Facility	N/A	N/A	GB	177,051	[REDACTED]	[REDACTED]	\$61.26	0.64	12,238	8.72	8.76

PEF-07FL-000567

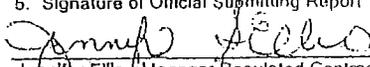
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. September 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

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(Doc) (\$/Ton)	Base Price (\$/Ton)	Quality Adjust-ments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	28,796		\$0.00		\$0.00			
2	Alpha Coal Sales Co LLC	8, KY, 119	MTC	10,088		\$0.00		\$0.00			
3	CAM-Kentucky LLC	8, KY, 195	MTC	22,687		\$0.00		\$0.00			
4	Constellation Energy Commodities Group Inc	8, WV, 39	S	11,040		\$0.00		\$0.00			
5	Massey Utility Sales Company	8, WV, 5	MTC	51,026		\$0.00		\$0.00			
6	Massey Utility Sales Company	8, WV, 5	MTC	21,351		\$0.00		\$0.00			
7	NRG Power Marketing Inc	8, WV, 39	S	9,424		\$0.00		\$0.00			
8	Transfer Facility	N/A	N/A	112,194		\$0.00		\$0.00		N/A	
9	Transfer Facility	N/A	N/A	177,051		\$0.00		\$0.00		N/A	

PEF-07FL-000568

CONFIDENTIAL

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

- 1. Report for: Mo. September 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis
Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.D. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alianco MC Mining	8, KY, 195	Scotts Branch, KY	UR	28,796	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$88.81
2	Alpha Coal Sales Co LLC	8, KY, 119	Yellow Creek, KY	UR	10,088	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$72.12
3	CAM-Kentucky LLC	8, KY, 195	Damron Fork, KY	UR	22,687	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$62.29
4	Constellation Energy Commodities Grc	8, WV, 39	Toms Fork	UR	11,040	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$80.19
5	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	51,026	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.56
6	Massey Utility Sales Company	8, WV, 5	Hutchinson, WV	UR	21,351	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$89.55
7	NRG Power Marketing Inc	8, WV, 39	Hobet	UR	9,424	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$83.57
8	Transfer Facility	N/A	Mobile, AL	GB	112,194	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$61.26
9	Transfer Facility	N/A	Plaquemines, Pa	GB	177,051	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$78.13

PEF-07FL-000569

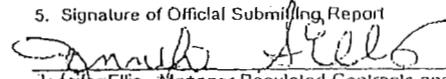
Docket No. 070001-EI
Robert L. Sansom Exhibit No. (R)S-10)
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CONFIDENTIAL

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

- 1. Report for: Mo. September 2006
- 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
 Jon Putnam - Business Financial Analyst
 (919) 546-2678

5. Signature of Official Submitting Report

 Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

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)	(l)	(m)
1	5/06	CR 4&5	CR 4&5	Massey Utility Sales Company	3	20,252	2A	(k) Quality Adjustments			\$93.14	Quality Price Adjustment

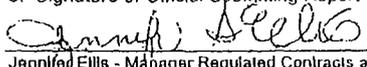
PEF-07FL-000570

CONFIDENTIAL

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

- 1. Report for: Mo. September 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
 Person Concerning Data Submitted on this Form
 Jon Putnam - Business Financial Analyst
 (919) 546-6368

5. Signature of Official Submitting Report

 Jennifer Eills - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	111,106			\$54.73	0.54	11,644	5.24	11.50

PEF-07FL-000571

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

CONFIDENTIAL

- 1. Report for: Mo. September 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
 Person Concerning Data Submitted on this Form
 Jon Pulnam - Business Financial Analyst
 (919) 546-6368

5. Signature of Official Submitting Report

 Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ltd	999, IM, 45	MTC	111,106	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FL-000572

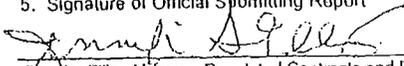
CONFIDENTIAL

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. September 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jon Eills - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Intercoastal Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	111,106	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$54.73

PEF-07FL-000573

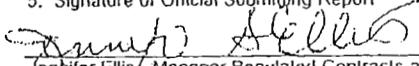
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

- 1. Report for: Mo. September 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 646-2678

5. Signature of Official Submitting Report

Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

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)	(l)	(m)
-NONE-												

PEF-07FL-000574

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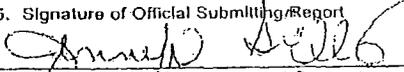
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

1. Report for: Mo. September 2006

2. Reporting Company: Florida Power Corporation

3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	22,125			\$63.24	0.72	12,487	11.02	6.16
2	Glencore Ltd.	999, IM, 45	MTC	OB	76,397			\$65.44	0.63	12,002	6.48	10.36
3	Guasare Coal International NV	999, IM, 50	MTC	OB	109,288			\$70.55	0.58	13,079	5.99	6.67
4	Kanawha River Terminals Inc	8, WV, 39	MTC	B	14,632			\$74.20	0.62	12,550	10.81	6.86
5	Kanawha River Terminals Inc	8, WV, 39	MTC	B	44,016			\$73.81	0.64	12,458	11.17	6.91

PEP-07FL-000575

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

CONFIDENTIAL

- 1. Report for: Mo. September 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
 Person Concerning Data Submitted on this Form
 Jon Putnam - Business Financial Analyst
 (919) 546-6368

5. Signature of Official Submitting Report

 Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No.	Supplier Name	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)	(l)
1	Central Coal Company	8, WV, 39	MTC	22,125		\$0.00		\$0.00			
2	Glencore Ltd.	999, IM, 45	MTC	76,397		\$0.00		\$0.00			
3	Guasare Coal International NV	999, IM, 50	MTC	109,288		\$0.00		\$0.00			
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	14,632		\$0.00		\$0.00			
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	44,016		\$0.00		\$0.00			

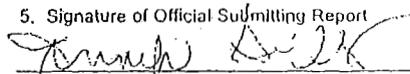
PEF-07FL-000576

CONFIDENTIAL

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

- 1. Report for: Mo. September 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

Line No	Supplier Name	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	8, WV, 39	Winifrede Dock, WV	B	22,125	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$63.24
2	Glencore Ltd.	999, IM, 45	La Jagua, S.A.	OB	76,397	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$65.44
3	Guasare Coal International NV	999, IM, 50	Paso Diablo, S.A.	OB	109,288	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$70.55
4	Kanawha River Terminals Inc.	8, WV, 39	Quincy Dock, WV	B	14,632	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$74.20
5	Kanawha River Terminals Inc.	8, WV, 39	Marmet Dock, WV	B	44,016	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$73.81

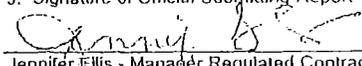
PEF-07FL-000577

CONFIDENTIAL

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

- 1. Report for: Mo. September 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report

Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: November 9, 2006

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)	(l)	(m)
1	2/06	Transfer Facility - IMT		Guasare Coal International NV	3	47,039	2A	(l) FOB Mine Price			\$ 43.62	Correction to Price
2	2/06	Transfer Facility - IMT		Guasare Coal International NV	3	47,039	2B	(l) Transloading Rate			\$ 43.62	Correction to Rate
3	3/06	Transfer Facility - IMT		Guasare Coal International NV	2	46,748	2A	(l) FOB Mine Price			\$ 44.02	Correction to Price
4	6/06	Transfer Facility - IMT		Coal Marketing Company	2	77,787	2	(j) Percent Sulfur	0.59	0.57		Quality Adjustment
5	6/06	Transfer Facility - IMT		Coal Marketing Company	2	77,787	2	(k) BTU Content	11,784	11,713		Quality Adjustment
5	6/06	Transfer Facility - IMT		Coal Marketing Company	2	77,787	2	(l) Percent Ash	7.61	7.34		Quality Adjustment
7	6/06	Transfer Facility - IMT		Coal Marketing Company	2	77,787	2	(m) Percent Moisture	10.89	11.45		Quality Adjustment
8	6/06	Transfer Facility - IMT		Coal Marketing Company	2	77,787	2A	(k) Quality Adjustments			\$ 66.97	Quality Price Adjustment
9	8/06	Transfer Facility - IMT		Central Coal Company	1	23,007	2B	(l) Transloading Rate			\$ 63.11	Correction to Rate

PEF-07FL-000578

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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. October 2006

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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report
Jennifer Ellis for JE
Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Data Completed: December 13, 2006

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)	(l)	(m)
1	9/06	CR 4&5	CR 4&5	Alpha Coal Sales Co. LLC	2	10,088	2A	(k) Quality Adjustments			\$73.61	Quality Price Adjustment

PEF-07FL-000597

Docket No. 070001-EI
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ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 060001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RLS-10)
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Request for Specified Confidential Treatment

423 Forms for October 2006

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(Confidential information denoted with shading)

PEF-07FL-000579

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

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis for JE
Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	InterOcean Coal Sales Ldc	999, IM, 45	MTC	OB	12,333			\$54.89	0.55	11,076	4.75	11.72

PEF-07FL-000582

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

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis for JE
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	B, WV, 39	MTC	B	27,052	[REDACTED]	[REDACTED]	\$63.12	0.71	12,342	11.79	6.53
2	Coal Marketing Company Ltd	999, IM, 45	MTC	OB	81,104	[REDACTED]	[REDACTED]	\$67.36	0.59	11,330	8.17	12.75
3	Kanawha River Terminals Inc.	B, WV, 39	MTC	B	48,861	[REDACTED]	[REDACTED]	\$73.18	0.64	12,357	11.59	7.18
4	Kanawha River Terminals Inc.	B, WV, 39	MTC	B	7,340	[REDACTED]	[REDACTED]	\$73.86	0.63	12,468	11.39	6.76

PEF-07FL-000583

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

CONFIDENTIAL

- 1. Report for: Mo October 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6388

5. Signature of Official Submitting Report

Jennifer Hills
Jennifer Hills - Manager Regulatory Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 133	MTC	UR	10,192			\$72.07	0.86	12,763	9.51	5.65
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	21,535			\$71.20	0.64	12,332	10.14	8.89
3	B&W Resources Inc	8, KY, 51	MTC	UR	11,002			\$77.99	0.82	12,209	12.69	4.97
4	B&W Resources Inc	8, KY, 51	MTC	UR	10,517			\$71.99	0.84	12,436	11.35	5.09
5	Consol Energy Inc.	8, KY, 119	MTC	UR	43,224			\$80.65	1.12	12,879	8.39	6.56
6	Massey Utility Sales Company	8, KY, 195	MTC	UR	10,204			\$77.36	1.02	12,218	11.84	6.29
7	Sequoyia Energy LLC	8, KY, 95	MTC	UR	30,925			\$74.24	1.06	13,171	7.38	4.52

PEF-07FL-000584

Docket No. 070001-EI
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 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
Jon Pulnam - Business Financial Analyst
(919) 648-6368

5. Signature of Official Submitting Report

Jane A King from JE
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Blu Content (Blu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	62,883	[REDACTED]	[REDACTED]	\$87.84	0.73	12,627	9.31	6.48
2	Constellation Energy Commodities Group Inc	8, WV, 39	S	UR	10,529	[REDACTED]	[REDACTED]	\$81.17	0.77	12,823	10.83	4.69
3	Mosey Utility Sales Company	8, WV, 5	MTC	UR	51,893	[REDACTED]	[REDACTED]	\$81.17	0.71	12,741	11.85	4.06
4	NRG Power Marketing Inc	8, WV, 39	S	UR	10,691	[REDACTED]	[REDACTED]	\$87.91	0.72	12,934	9.80	4.60
5	Transfer Facility	N/A	N/A	GB	12,459	[REDACTED]	[REDACTED]	\$83.85	0.55	11,676	4.76	11.72
6	Transfer Facility	N/A	N/A	GB	191,058	[REDACTED]	[REDACTED]	\$67.29	0.62	12,358	8.29	8.73

PER-07FL-000585

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis for JE
Jennifer Ellis / Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldo	999, IM, 45	MTC	12,333		\$0.00		\$0.00			

PEF-07FL-000586

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 548-8388

5. Signature of Official Submitting Report

Jana J. King for JE
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	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)	(l)
1	Central Coal Company	8, WV, 39	MTC	27,852		\$0.00		\$0.00			
2	Coal Marketing Company Ltd	999, IM, 45	MTC	81,104		\$0.00		\$0.00			
3	Kanawha River Terminals Inc.	8, WV, 39	MTC	48,861		\$0.00		\$0.00			
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	7,340		\$0.00		\$0.00			

PEF-07FL-000587

Docket No. 070001-EI
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report
Jane A King for JLE
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8, KY, 133	MTC	10,192	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	21,535	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	B&W Resources Inc	8, KY, 51	MTC	11,002	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	B&W Resources Inc	8, KY, 51	MTC	10,517	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Consol Energy Inc.	8, KY, 119	MTC	43,224	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Massey Utility Sales Company	8, KY, 195	MTC	10,204	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
7	Sequoia Energy LLC	8, KY, 95	MTC	30,925	[REDACTED]	\$0.00	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PEF-07FI-000588

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___ (RIS-10)
2006 423 Forms
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 548-6368

5. Signature of Official Submitting Report

Jennifer Ellis
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

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)	(j)	(k)	(l)
1	Alliance MC Mining	B, KY, 195	LTC	62,883		\$0.00		\$0.00			
2	Constellation Energy Commodities Group Inc	B, WV, 39	S	10,529		\$0.00		\$0.00			
3	Massey Utility Sales Company	B, WV, 5	MTC	51,693		\$0.00		\$0.00			
4	NRG Power Marketing Inc	B, WV, 39	S	10,691		\$0.00		\$0.00			
5	Transfer Facility	N/A	N/A	12,459		N/A		N/A			
6	Transfer Facility	N/A	N/A	191,058		N/A		N/A			

PEF-07FL-000589

Docket No. 070001-EI
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

1. Report for: Mo. October 2006

2. Reporting Company: Florida Power Corporation

3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(919) 546-8368

5. Signature of Official Submitting Report
Jennifer Ellis
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	12,333		N/A	N/A	N/A	N/A		N/A	N/A	N/A		\$54.89

PEF-07FL-000590

Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(919) 546-6368

5. Signature of Official Submitting Report

Jennifer Ellis
Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name		Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	B, WV, 39	Winfred Dock, WV	B	27,852		N/A	N/A	N/A			N/A	N/A	N/A		\$63.12
2	Coal Marketing Company Ltd	999, IM, 45	La Jagua, S.A.	OB	81,104		N/A	N/A	N/A	N/A		N/A	N/A	N/A		\$67.36
3	Kanawha River Terminals Inc.	B, WV, 39	Paso Diablo, S.A.	B	48,861		N/A	N/A	N/A			N/A	N/A	N/A		\$73.16
4	Kanawha River Terminals Inc.	B, WV, 39	Quincy Dock, WV	B	7,340		N/A	N/A	N/A			N/A	N/A	N/A		\$73.86

PEF-07FL-000591

Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 548-6368

5. Signature of Official Submitting Report

Jennifer Ellis
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co. LLC	8, KY, 133	Roxana, KY	UR	10,192	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$72.07
2	Alpha Coal Sales Co. LLC	8, KY, 119	Yellow Creek, KY	UR	21,535	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.20
3	B&W Resources Inc	8, KY, 51	Resource, KY	UR	11,002	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.99
4	B&W Resources Inc	8, KY, 51	Resource, KY	UR	10,517	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.99
5	Consol Energy Inc.	8, KY, 119	Mouale, KY	UR	43,224	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$80.65
6	Massey Utility Sales Company	8, KY, 195	Golf, KY	UR	10,204	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.36
7	Sequola Energy LLC	8, KY, 95	Bardo, KY	UR	30,925	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$74.24

PEF-07FL-000592

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

CONFIDENTIAL

- 1. Report for: Mo. October 2006
- 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
Jon Putnam - Business Financial Analyst
(918) 646-6368

5. Signature of Official Submitting Report

Jennifer Elms for JE
Jennifer Elms - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	0, KY, 195	Spotts Branch, KY	UR	62,863	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$87.04
2	Constellation Energy Commodities Group	0, WV, 39	Toms Fork	UR	10,529	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$81.17
3	Massey Utility Sales Company	0, WV, 5	Sylvester, WV	UR	51,693	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$87.91
4	NRG Power Marketing Inc	0, WV, 39	Hobet	UR	10,691	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$83.85
5	Transfer Facility	N/A	Mobile, AL	GB	12,459	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	\$67.29
6	Transfer Facility	N/A	Plaquemines, PA	GB	191,058	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	\$78.09

PEF-07FL-000593

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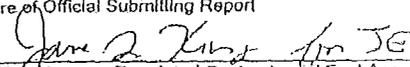
CONFIDENTIAL

FPSC FORM NO. 423-2C

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

- 1. Report for: Mo. October 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: McDuffie Coal Terminal

4. Name, Title and Telephone Number of Contact
Person Concerning Data Submitted on this Form
Jon Pulnam - Business Financial Analyst
(819) 546-2678

5. Signature of Official Submitting Report

Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

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)	(l)	(m)
-NONE-												

PEF-07FL-000594

CONFIDENTIAL

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

- 1. Report for: Mo. October 2006
- 2. Reporting Company: Florida Power Corporation
- 3. Plant Name: Transfer Facility - IMT

4. Name, Title and Telephone Number of Contact Person Concerning Data Submitted on this Form
Jon Putnam - Business Financial Analyst
(910) 546-2678

5. Signature of Official Submitting Report
Jennifer Ellis
Jennifer Ellis, Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

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)	(l)	(m)
1	9/06	Transfer Facility - IMT		Kanawha River Terminals Inc.	4	44,016	2B	(i) Transloading Rate			\$ 74.13	Correction to Rate

PEF-07FL-000595

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Robert L. Sansom Exhibit No. (RLS-10)
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CONFIDENTIAL

FPSC FORM NO. 423-2C

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

- 1. Report for: Mo. October 2006
- 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
Jon Putnam - Business Financial Analyst
(919) 546-2678

5. Signature of Official Submitting Report
Jennifer Ellis
Jennifer Ellis - Manager Regulated Contracts and Fuel Accounting

6. Date Completed: December 13, 2006

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)	(l)	(m)
1	9/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	1	10,781	2A	(k) Quality Adjustments	[REDACTED]	[REDACTED]	\$74.65	Quality Price Adjustment
2	9/06	CR 1&2	CR 1&2	Alpha Coal Sales Co. LLC	3	30,433	2C	(k) Quality Adjustments	[REDACTED]	[REDACTED]	\$72.91	Quality Price Adjustment

PEF-07FL-000596

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Robert L. Sansom Exhibit No. (RLS-10)
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ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 070001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ___(RLS-10)
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Request for Specified Confidential Treatment

423 Forms for November 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

PEF-07FL-000041

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 1 & 2

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joel Rutledge
Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	B&W Resources Inc	8, KY, 51	MTC	UR	10,857			\$79.59	1.03	12,189	12.19	5.70
2	B&W Resources Inc.	8, KY, 51	MTC	UR	10,729			\$73.75	0.87	12,368	11.12	5.58
3	Consol Energy Inc.	8, KY, 119	MTC	UR	32,248			\$81.13	1.25	12,782	7.78	6.70
4	Consol Energy Inc.	8, KY, 133	MTC	UR	11,002			\$81.13	1.11	12,360	12.25	5.04
5	Massey Utility Sales Company	8, KY, 195	MTC	UR	21,489			\$79.01	1.01	12,149	11.43	7.39

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	32,704			\$88.24	0.72	12,600	9.31	6.44
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	10,094			\$71.37	0.70	12,345	10.47	6.83
3	Constellation Energy Commodities Group Inc	8, WV, 39	S	UR	11,255			\$79.46	0.72	12,253	12.41	6.27
4	Massey Utility Sales Company	8, WV, 5	MTC	UR	43,565			\$88.62	0.69	12,597	11.34	5.92
5	NRG Power Marketing Inc	8, WV, 39	S	UR	10,227			\$81.90	0.69	12,325	12.34	5.63
6	Transfer Facility	N/A	N/A	GB	47,385			\$61.22	0.48	11,512	4.99	12.69
7	Transfer Facility	N/A	N/A	GB	174,048			\$77.82	0.64	12,235	8.48	9.08

PEF-07FL-000045

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	46,712			\$54.11	0.48	11,511	5.00	12.69

PEF-07FL-000046

Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Central Coal Company	8, WV, 39	MTC	B	22,987	[REDACTED]	[REDACTED]	\$63.06	0.69	12,204	12.20	7.19
2	Glencore Ltd.	999, IM, 45	MTC	OB	37,800	[REDACTED]	[REDACTED]	\$65.50	0.65	12,022	6.58	10.56
3	Guasare Coal International NV	999, IM, 50	MTC	OB	48,220	[REDACTED]	[REDACTED]	\$72.38	0.58	13,233	5.69	6.45
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	16,536	[REDACTED]	[REDACTED]	\$73.26	0.62	12,375	11.04	7.75
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	B	26,099	[REDACTED]	[REDACTED]	\$73.11	0.69	12,415	11.27	6.93

PEF-07FL-000047

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 1 & 2

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

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)	(j)	(k)	(l)
1	B&W Resources Inc	8, KY, 51	MTC	10,857	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	B&W Resources Inc.	8, KY, 51	MTC	10,729	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Consol Energy Inc.	8, KY, 119	MTC	32,248	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Consol Energy Inc.	8, KY, 133	MTC	11,002	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Massey Utility Sales Company	8, KY, 195	MTC	21,489	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

PF-07FL-000048

Docket No. 070001-EI
Robert L. Sansom Exhibit No. (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Purchas 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)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	32,704	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	10,094	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Constellation Energy Commodities Group Inc	8, WV, 39	S	11,255	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Massey Utilty Sales Company	8, WV, 5	MTC	43,565	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	NRG Power Marketing Inc	8, WV, 39	S	10,227	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Transfer Facility	N/A	N/A	47,385	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]
7	Transfer Facility	N/A	N/A	174,048	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000049

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joel Rutledge
Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	46,712	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst. (919) 546-6368

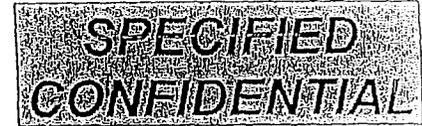
5. Signature of Official Submitting Report: Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Purchas 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)	(l)
1	Central Coal Company	8, WV, 39	MTC	22,987		N/A		\$0.00			
2	Glencore Ltd.	999, IM, 45	MTC	37,800		N/A		\$0.00			
3	Guasare Coal International NV	999, IM, 50	MTC	48,220		N/A		\$0.00			
4	Kanawha River Terminals Inc.	8, WV, 39	MTC	16,536		N/A		\$0.00			
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	26,099		N/A		\$0.00			

PEF-07FL-000051

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



1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, K	UR	32,704	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$88.24
2	Alpha Coal Sales Co. LLC	8, KY, 119	Yellow Creek, KY	UR	10,094	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$71.37
3	Constellation Energy Commodities Group	8, WV, 39	Toms Fork	UR	11,255	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$79.46
4	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	43,565	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$88.62
5	NRG Power Marketing Inc	8, WV, 39	Hobet	UR	10,227	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$81.90
6	Transfer Facility	N/A	Mobile, Al	GB	47,385	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	[REDACTED]	[REDACTED]	\$61.22
7	Transfer Facility	N/A	Plaquemines, Pa	GB	174,048	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	[REDACTED]	[REDACTED]	\$77.82

PEF-07FL-000052

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joel Rutledge
 Joel Rutledge, Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail	Other	River	Trans-loading	Ocean	Other Water	Other Related	Transportation	F.O.B. Price
								Rate (\$/Ton)	Charges (\$/Ton)	Rate (\$/Ton)	Rate (\$/Ton)	Rate (\$/Ton)	Charges (\$/Ton)	Charges (\$/Ton)	Charges (\$/Ton)	Charges (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	46,712	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$54.11

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
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PEF-07FL-000053

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
1	Central Coal Company	8, WV, 39	Winifrede Dock, 1	B	22,987	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$63.06
2	Glencore Ltd.	999, IM, 45	La Jagua, S.A.	OB	37,800	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$65.50
3	Guasare Coal International NV	999, IM, 50	Paso Diablo, S.A	OB	48,220	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.38
4	Kanawha River Terminals Inc.	8, WV, 39	Marmet Dock, W	B	16,536	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$73.26
5	Kanawha River Terminals Inc.	8, WV, 39	Quincy Dock, W	B	26,099	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$73.11

PEF-07FL-000054

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



1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Crystal River 1 & 2

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Pulnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: *Joel Rutledge*
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)
1	1/06	CR 1&2	CR 1&2	B&W Resources Inc	1	20,235	2A	(k) Quality Adjustments			\$68.35	Quality Price Adjustment
2	2/06	CR 1&2	CR 1&2	B&W Resources Inc	2	19,687	2A	(k) Quality Adjustments			\$68.23	Quality Price Adjustment
3	3/06	CR 1&2	CR 1&2	B&W Resources Inc	2	30,206	2A	(k) Quality Adjustments			\$70.82	Quality Price Adjustment
4	4/06	CR 1&2	CR 1&2	B&W Resources Inc	4	31,711	2A	(k) Quality Adjustments			\$71.07	Quality Price Adjustment
5	5/06	CR 1&2	CR 1&2	B&W Resources Inc	4	21,123	2A	(k) Quality Adjustments			\$70.87	Quality Price Adjustment
6	6/06	CR 1&2	CR 1&2	B&W Resources Inc	3	10,106	2A	(k) Quality Adjustments			\$74.65	Quality Price Adjustment
7	7/06	CR 1&2	CR 1&2	B&W Resources Inc	4	20,845	2	(j) Percent Sulfur	1.04	0.97		Quality Adjustment
8	7/06	CR 1&2	CR 1&2	B&W Resources Inc	4	20,845	2	(k) Blu Content	12,408	12,412		Quality Adjustment
9	7/06	CR 1&2	CR 1&2	B&W Resources Inc	4	20,845	2	(l) Percent Ash	11.01	10.88		Quality Adjustment
10	7/06	CR 1&2	CR 1&2	B&W Resources Inc	4	20,845	2	(m) Percent Moisture	5.40	5.22		Quality Adjustment
11	7/06	CR 1&2	CR 1&2	B&W Resources Inc	4	20,845	2A	(k) Quality Adjustments			\$73.60	Quality Price Adjustment
12	8/06	CR 1&2	CR 1&2	B&W Resources Inc	3	10,800	2A	(k) Quality Adjustments			\$76.05	Quality Price Adjustment
13	9/06	CR 1&2	CR 1&2	B&W Resources Inc	3	20,162	2A	(k) Quality Adjustments			\$71.37	Quality Price Adjustment
14	9/06	CR 1&2	CR 1&2	Alpha Coal Sales Co LLC	1	10,781	2B	(l) Rail Rate			\$72.51	Revised Rate
15	9/06	CR 1&2	CR 1&2	B&W Resources Inc	2	10,526	2B	(l) Rail Rate			\$79.28	Revised Rate
16	9/06	CR 1&2	CR 1&2	B&W Resources Inc	3	20,162	2B	(l) Rail Rate			\$71.37	Revised Rate
17	9/06	CR 1&2	CR 1&2	Consol Energy Inc	4	78,391	2B	(i) Rail Rate			\$81.95	Revised Rate
18	9/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	10,353	2B	(l) Rail Rate			\$80.30	Revised Rate
19	9/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	10,884	2B	(l) Rail Rate			\$78.66	Revised Rate
20	9/06	CR 1&2	CR 1&2	Sequoia Energy LLC	7	30,663	2B	(l) Rail Rate			\$75.44	Revised Rate
21	10/06	CR 1&2	CR 1&2	B&W Resources Inc	4	10,517	2A	(k) Quality Adjustments			\$70.54	Quality Price Adjustment
22	10/06	CR 1&2	CR 1&2	Alpha Coal Sales Co LLC	1	10,192	2B	(i) Rail Rate			\$71.19	Revised Rate
23	10/06	CR 1&2	CR 1&2	Alpha Coal Sales Co LLC	2	21,535	2B	(l) Rail Rate			\$70.32	Revised Rate
24	10/06	CR 1&2	CR 1&2	B&W Resources Inc	3	11,002	2B	(l) Rail Rate			\$77.02	Revised Rate
25	10/06	CR 1&2	CR 1&2	B&W Resources Inc	4	10,517	2B	(l) Rail Rate			\$70.54	Revised Rate
26	10/06	CR 1&2	CR 1&2	Consol Energy Inc	5	43,224	2B	(j) Rail Rate			\$79.70	Revised Rate
27	10/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	10,204	2B	(i) Rail Rate			\$76.00	Revised Rate
28	10/06	CR 1&2	CR 1&2	Sequoia Energy LLC	7	30,925	2B	(l) Rail Rate			\$73.27	Revised Rate

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 Robert L. Sansom Exhibit No. (R/S-10)
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PEF-07FL-000055

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report:

Joel Rutledge
Joel Rutledge, Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)
1	8/06	CR 4&5	CR 4&5	Alliance MC Mining	1	49,940	2	(j) Percent Sulfur	0.71	0.68		Quality Adjustment
2	8/06	CR 4&5	CR 4&5	Alliance MC Mining	1	49,940	2	(k) Btu Content	12,641	12,632		Quality Adjustment
3	8/06	CR 4&5	CR 4&5	Alliance MC Mining	1	49,940	2	(l) Percent Ash	9.04	9.05		Quality Adjustment
4	8/06	CR 4&5	CR 4&5	Alliance MC Mining	1	49,940	2	(m) Percent Moisture	6.50	6.76		Quality Adjustment
5	8/06	CR 4&5	CR 4&5	Alliance MC Mining	1	49,940	2A	(k) Quality Adjustments			\$92.02	Quality Price Adjustment
6	9/06	CR 4&5	CR 4&5	Alliance MC Mining	1	20,796	2B	(i) Rail Rate			\$88.27	Revised Rate
7	9/06	CR 4&5	CR 4&5	Alpha Coal Sales Co LLC	2	10,088	2B	(l) Rail Rate			\$73.17	Revised Rate
8	9/06	CR 4&5	CR 4&5	CAM-Kentucky LLC	3	22,687	2B	(l) Rail Rate			\$61.74	Revised Rate
9	9/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group Inc	4	11,040	2B	(l) Rail Rate			\$79.70	Revised Rate
10	9/06	CR 4&5	CR 4&5	Massey Utility Sales Company	5	21,351	2B	(l) Rail Rate			\$89.14	Revised Rate
11	9/06	CR 4&5	CR 4&5	Massey Utility Sales Company	6	51,026	2B	(l) Rail Rate			\$89.15	Revised Rate
12	9/06	CR 4&5	CR 4&5	NRG Power Marketing Inc	7	9,424	2B	(l) Rail Rate			\$83.16	Revised Rate
13	10/06	CR 4&5	CR 4&5	Alliance MC Mining	1	62,883	2B	(l) Rail Rate			\$86.88	Revised Rate
14	10/06	CR 4&5	CR 4&5	Constellation Energy Commodities Group Inc	2	10,529	2B	(l) Rail Rate			\$80.33	Revised Rate
15	10/06	CR 4&5	CR 4&5	Massey Utility Sales Company	3	51,693	2B	(i) Rail Rate			\$87.06	Revised Rate
16	10/06	CR 4&5	CR 4&5	NRG Power Marketing Inc	4	10,691	2B	(l) Rail Rate			\$83.01	Revised Rate

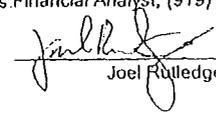
MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Pulnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report:


 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)

NONE

PEF-07FL-000057

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

**SPECIFIED
CONFIDENTIAL**

1. Report for. Mo. 11/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Pulnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report:

Joel Rutledge
 Joel Rutledge Lead Business Financial Analyst

6. DATE COMPLETED: 1/15/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)

NONE

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. (RLS-10)
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PEF-07FL-000058

ATTACHMENT C

Progress Energy Florida, Inc.
Docket No. 070001-EI

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
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Request for Specified Confidential Treatment

423 Forms for December 2006

CONFIDENTIAL COPY

(Confidential information denoted with shading)

PEF-07FL-000022

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	OB	45,834			\$54.00	0.46	11,487	5.11	12.74

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
 2006 423 Forms
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MONTHLY REPORT OF COST AND QUALITY OF COAL FOR ELECTRIC PLANTS
ORIGIN, TONNAGE, DELIVERED PRICE AND AS RECEIVED QUALITY

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
(a)	(b)	8, WV, 39	MTC	B	25,201			\$63.00	0.71	12,309	11.62	6.79
1	Central Coal Company	999, IM, 45	MTC	OB	80,056			\$64.22	0.57	11,349	8.08	12.82
2	Coal Marketing Company Ltd	999, IM, 45	MTC	OB	46,895			\$65.43	0.65	12,022	6.58	10.56
3	Glencore Ltd.	999, IM, 50	MTC	OB	61,384			\$71.12	0.53	13,180	5.62	6.70
4	Guasare Coal International NV	8, WV, 39	MTC	B	53,335			\$72.98	0.71	12,362	11.75	6.59
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	OB	15,233			\$53.00	0.73	12,222	11.85	8.46
6	Keystone Industries LLC											

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PEF-07FL-000026

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 1 & 2

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	UR	20,463	[REDACTED]	[REDACTED]	\$70.18	0.85	12,450	11.61	5.13
2	B&W Resources Inc	8, KY, 51	MTC	UR	10,680	[REDACTED]	[REDACTED]	\$77.51	1.06	12,142	12.69	5.60
3	B&W Resources Inc.	8, KY, 51	MTC	UR	21,805	[REDACTED]	[REDACTED]	\$72.50	0.96	12,512	10.20	5.53
4	Consol Energy Inc.	8, KY, 119	MTC	UR	21,472	[REDACTED]	[REDACTED]	\$78.55	1.22	12,651	8.37	6.81
5	Consol Energy Inc.	8, KY, 133	MTC	UR	21,120	[REDACTED]	[REDACTED]	\$78.55	1.15	12,380	13.00	4.28
6	Massey Utility Sales Company	8, KY, 195	MTC	UR	22,072	[REDACTED]	[REDACTED]	\$77.62	1.02	12,341	11.08	6.63
7	Sequoia Energy LLC	8, KY, 95	MTC	UR	31,726	[REDACTED]	[REDACTED]	\$73.67	0.96	13,119	7.49	4.98
8	Transfer Facility	N/A	N/A	GB	7,098	[REDACTED]	[REDACTED]	\$62.57	0.73	12,222	11.85	8.46

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Jon Rutledge
Jon Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Purchase Type	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Total Transportation Cost (\$/Ton)	F.O.B. Plant Price (\$/Ton)	As Received Coal Quality			
									Percent Sulfur (%)	Btu Content (Btu/lb)	Percent Ash (%)	Percent Moisture (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Alliance MC Mining	8, KY, 195	LTC	UR	42,596			\$88.72	0.69	12,666	8.87	6.37
2	Massey Utility Sales Company	8, WV, 5	MTC	UR	42,246			\$92.22	0.72	12,850	11.82	4.31
3	NRG Power Marketing Inc	8, WV, 39	S	UR	10,895			\$82.78	0.72	12,562	11.64	5.45
4	Transfer Facility	N/A	N/A	GB	30,963			\$64.80	0.50	11,371	5.20	13.49
5	Transfer Facility	N/A	N/A	GB	147,933			\$77.29	0.54	10,152	7.12	8.31

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Interocean Coal Sales Ldc	999, IM, 45	MTC	45,834		N/A		\$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. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Pulnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report :

Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

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)	(j)	(k)	(l)
1	Central Coal Company	8, WV, 39	MTC	25,201	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Coal Marketing Company Ltd	999, IM, 45	MTC	80,056	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	Glencore Ltd.	999, IM, 45	MTC	46,895	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Guasare Coal International NV	999, IM, 50	MTC	61,394	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
5	Kanawha River Terminals Inc.	8, WV, 39	MTC	53,335	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
6	Keystone Industries LLC	8, WV, 39	MTC	15,233	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 1 & 2

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joel Rutledge
Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

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)	(j)	(k)	(l)
1	Alpha Coal Sales Co. LLC	8, KY, 119	MTC	20,463		N/A		\$0.00			
2	B&W Resources Inc	8, KY, 51	MTC	10,680		N/A		\$0.00			
3	B&W Resources Inc.	8, KY, 51	MTC	21,805		N/A		\$0.00			
4	Consol Energy Inc.	8, KY, 119	MTC	21,472		N/A		\$0.00			
5	Consol Energy Inc.	8, KY, 133	MTC	21,120		N/A		\$0.00			
6	Massey Utility Sales Company	8, KY, 195	MTC	22,072		N/A		\$0.00			
7	Sequoia Energy LLC	8, KY, 95	MTC	31,726		N/A		\$0.00			
8	Transfer Facility	N/A	N/A	7,098		N/A		\$0.00		N/A	

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

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 Adjustments (\$/Ton)	Effective Purchase Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Alliance MC Mining	8, KY, 195	LTC	42,596	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
2	Massey Utility Sales Company	8, WV, 5	MTC	42,246	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
3	NRG Power Marketing Inc	8, WV, 39	S	10,895	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	[REDACTED]	[REDACTED]
4	Transfer Facility	N/A	N/A	30,963	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]
5	Transfer Facility	N/A	N/A	147,933	[REDACTED]	N/A	[REDACTED]	\$0.00	[REDACTED]	N/A	[REDACTED]

PEF-07FL-000032

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Jonel Rutledge
Jonel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Interocean Coal Sales Ldc	999, IM, 45	Cartagena, S.A.	OB	45,834	[REDACTED]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$54.00

PEF-07FL-000033

Docket No. 070001-EI
Robert L. Sansom Exhibit No. ____ (RLS-10)
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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. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Jon Putnam
 Jon Putnam - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Central Coal Company	B, WV, 39	Winifrede Dock,	B	25,201	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$63.00
2	Coal Marketing Company Ltd	999, IM, 45	Colombia, S.A.	OB	80,056	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$64.22
3	Glencore Ltd.	999, IM, 45	La Jagua, S.A.	OB	46,895	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$65.43
4	Guasare Coal International NV	999, IM, 50	Paso Diablo, S.A.	OB	61,394	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$71.12
5	Kanawha River Terminals Inc.	B, WV, 39	Quincy Dock, WV	B	53,335	[REDACTED]	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$72.98
6	Keystone Industries LLC	B, WV, 39	New Orleans, LA	OB	16,233	[REDACTED]	N/A	N/A	N/A	N/A	[REDACTED]	N/A	N/A	N/A	[REDACTED]	\$53.00

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. (RLS-10)
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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. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Crystal River 1 & 2

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report : Joel Rutledge
 Joel Rutledge Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alpha Coal Sales Co. LLC	8, KY, 119	Yellow Creek, KY	UR	20,463	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$70.10
2	B&W Resources Inc	8, KY, 51	Resource, KY	UR	10,680	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.51
3	B&W Resources Inc.	8, KY, 51	Resource, KY	UR	21,805	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$72.50
4	Consol Energy Inc.	8, KY, 119	Mousie, KY	UR	21,472	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$78.55
5	Consol Energy Inc.	8, KY, 133	Rapid Loader, KY	UR	21,120	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$78.55
6	Massey Utility Sales Company	8, KY, 195	Goff, KY	UR	22,072	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$77.62
7	Sequoia Energy LLC	8, KY, 95	Bardo, KY	UR	31,726	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$73.67
8	Transfer Facility	N/A	Plaquemines, Pa	GB	7,098	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	[REDACTED]	N/A	[REDACTED]	\$62.57

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. (RLS-10)
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PEF-07FL-000035

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

**SPECIFIED
CONFIDENTIAL**

1. Report for: Mo. 12/2006
2. Reporting Company: Florida Power Corporation
3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report: Joe Rutledge
Joe Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/13/2007

Line No.	Supplier Name	Mine Location	Shipping Point	Transportation Mode	Tons	Effective Purchase Price (\$/Ton)	Additional Shorthaul & Loading Charges (\$/Ton)	Rail Rate (\$/Ton)	Other Rail Charges (\$/Ton)	River Barge Rate (\$/Ton)	Trans-loading Rate (\$/Ton)	Ocean Barge Rate (\$/Ton)	Other Water Charges (\$/Ton)	Other Related Charges (\$/Ton)	Transportation Charges (\$/Ton)	F.O.B. Plant Price (\$/Ton)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Alliance MC Mining	8, KY, 195	Scotts Branch, KY	UR	42,596	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$88.72
2	Massey Utility Sales Company	8, WV, 5	Sylvester, WV	UR	42,246	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$92.22
3	NRG Power Marketing Inc	8, WV, 39	Hobet	UR	10,895	[REDACTED]	N/A	[REDACTED]	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	\$82.76
4	Transfer Facility	N/A	Mobile, Al	GB	30,963	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	[REDACTED]	[REDACTED]	\$64.80
5	Transfer Facility	N/A	Plaquemines, Pa	GB	147,933	[REDACTED]	N/A	N/A	N/A	N/A	N/A	[REDACTED]	N/A	[REDACTED]	[REDACTED]	\$77.29

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



1. Report for: Mo. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: McDuffie Coal Terminal

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report:

Jon Putnam
 Jon Putnam - Lead Business Financial Analyst

6. DATE COMPLETED: 2/12/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)

NONE

Docket No. 070001-EI
 Robert L. Sansom Exhibit No. ____ (RLS-10)
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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. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Transfer Facility - IMT

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

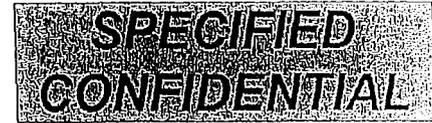
5. Signature of Official Submitting Report:

Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/12/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)
1	3/06	IMT	IMT	Central Coal Company	1	26,774	2A	(k) Quality Adjustments			\$63.51	Quality Price Adjustment
2	4/06	IMT	IMT	Central Coal Company	1	28,468	2A	(k) Quality Adjustments			\$60.78	Quality Price Adjustment
3	5/06	IMT	IMT	Central Coal Company	1	25,287	2A	(k) Quality Adjustments			\$62.77	Quality Price Adjustment
4	6/06	IMT	IMT	Central Coal Company	1	21,272	2A	(k) Quality Adjustments			\$62.87	Quality Price Adjustment
5	6/06	IMT	IMT	Guasare Coal International NV	4	42,525	2A	(k) Quality Adjustments			\$72.85	Quality Price Adjustment
6	7/06	IMT	IMT	Central Coal Company	1	25,541	2A	(k) Quality Adjustments			\$63.32	Quality Price Adjustment
7	7/06	IMT	IMT	Guasare Coal International NV	2	48,366	2A	(k) Quality Adjustments			\$70.50	Quality Price Adjustment
8	8/06	IMT	IMT	Central Coal Company	1	24,562	2A	(k) Quality Adjustments			\$63.67	Quality Price Adjustment
9	9/06	IMT	IMT	Central Coal Company	1	22,125	2A	(k) Quality Adjustments			\$63.91	Quality Price Adjustment
10	10/06	IMT	IMT	Central Coal Company	1	27,852	2A	(k) Quality Adjustments			\$63.38	Quality Price Adjustment
11	10/06	IMT	IMT	Coal Marketing Company Ltd	3	81,104	2A	(k) Quality Adjustments			\$65.50	Quality Price Adjustment
12	11/06	IMT	IMT	Central Coal Company	1	22,987	2A	(k) Quality Adjustments			\$62.31	Quality Price Adjustment
13	11/06	IMT	IMT	Kanawha River Terminals Inc	5	26,099	2B	(l) Transloading Rate			\$73.21	Revision to Rate

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



1. Report for: Mo. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Crystal River 1 & 2

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report:

Joel Rutledge

Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/12/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)
1	4/06	CR 1&2	CR 1&2	B&W Resources Inc	3	10,794	2A	(k) Quality Adjustments			\$77.92	Quality Price Adjustment
2	5/06	CR 1&2	CR 1&2	B&W Resources Inc	3	20,079	2A	(k) Quality Adjustments			\$77.42	Quality Price Adjustment
3	6/06	CR 1&2	CR 1&2	B&W Resources Inc	2	10,943	2A	(k) Quality Adjustments			\$79.76	Quality Price Adjustment
4	7/06	CR 1&2	CR 1&2	B&W Resources Inc	3	10,015	2A	(k) Quality Adjustments			\$79.08	Quality Price Adjustment
5	7/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	41,868	2A	(k) Quality Adjustments			\$78.39	Quality Price Adjustment
6	7/06	CR 1&2	CR 1&2	Massey Utility Sales Company	7	3,618	2A	(k) Quality Adjustments			\$91.62	Quality Price Adjustment
7	7/06	CR 1&2	CR 1&2	Massey Utility Sales Company	8	9,909	2A	(k) Quality Adjustments			\$82.49	Quality Price Adjustment
8	8/06	CR 1&2	CR 1&2	B&W Resources Inc	2	10,489	2A	(k) Quality Adjustments			\$82.03	Quality Price Adjustment
9	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	13,076	2A	(k) Quality Adjustments			\$83.78	Quality Price Adjustment
10	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	7	10,161	2A	(k) Quality Adjustments			\$86.79	Quality Price Adjustment
11	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	4	60,663	2C	(k) New Value			\$75.65	Quality Price Adjustment
12	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	8,850	2C	(k) New Value			\$86.08	Quality Price Adjustment
13	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	9	39,989	2C	(k) New Value			\$77.56	Quality Price Adjustment
14	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	10	9,993	2C	(k) New Value			\$87.73	Quality Price Adjustment
15	8/06	CR 1&2	CR 1&2	Massey Utility Sales Company	11	19,068	2C	(k) New Value			\$85.16	Quality Price Adjustment
16	9/06	CR 1&2	CR 1&2	B&W Resources Inc	2	10,526	2A	(k) Quality Adjustments			\$79.15	Quality Price Adjustment
17	9/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	13,076	2A	(k) Quality Adjustments			\$77.71	Quality Price Adjustment
18	9/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	10,161	2A	(k) Quality Adjustments			\$81.21	Quality Price Adjustment
19	10/06	CR 1&2	CR 1&2	B&W Resources Inc	3	11,002	2A	(k) Quality Adjustments			\$76.90	Quality Price Adjustment
20	10/06	CR 1&2	CR 1&2	Massey Utility Sales Company	6	10,204	2A	(k) Quality Adjustments			\$76.48	Quality Price Adjustment
21	11/06	CR 1&2	CR 1&2	B&W Resources Inc	1	10,857	2A	(k) Quality Adjustments			\$79.50	Quality Price Adjustment
22	11/06	CR 1&2	CR 1&2	Massey Utility Sales Company	5	21,489	2A	(k) Quality Adjustments			\$78.85	Quality Price Adjustment

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PEF-07FL-000039

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



1. Report for: Mo. 12/2006
 2. Reporting Company: Florida Power Corporation
 3. Plant Name: Crystal River 4 & 5

4. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: Jon Putnam, Business Financial Analyst, (919) 546-6368

5. Signature of Official Submitting Report:

Joel Rutledge
 Joel Rutledge - Lead Business Financial Analyst

6. DATE COMPLETED: 2/12/2007

Line No.	Month Reported	Form Plant Name	Intended Generating Plant	Supplier Name	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)	(l)	(m)
1	7/06	CR 4&5	CR 4&5	CAM Kentucky LLC	3	21,408	2A	(k) Quality Adjustments			\$67.31	Quality Price Adjustment
2	7/06	CR 4&5	CR 4&5	Massey Utility Sales Company	5	15,847	2A	(k) Quality Adjustments			\$97.68	Quality Price Adjustment
3	8/06	CR 4&5	CR 4&5	CAM Kentucky LLC	2	21,686	2A	(k) Quality Adjustments			\$64.83	Quality Price Adjustment
4	8/06	CR 4&5	CR 4&5	Massey Utility Sales Company	6	34,641	2A	(k) Quality Adjustments			\$93.98	Quality Price Adjustment
5	8/06	CR 4&5	CR 4&5	Massey Utility Sales Company	2	26,057	2C	(k) New Value			\$90.99	Quality Price Adjustment
6	8/06	CR 4&5	CR 4&5	Massey Utility Sales Company	8	77,957	2C	(k) New Value			\$90.81	Quality Price Adjustment
7	8/06	CR 4&5	CR 4&5	Massey Utility Sales Company	12	41,430	2C	(k) New Value			\$91.73	Quality Price Adjustment
8	8/06	CR 4&5	CR 4&5	Massey Utility Sales Company	13	10,241	2C	(k) New Value			\$93.75	Quality Price Adjustment
9	9/06	CR 4&5	CR 4&5	CAM Kentucky LLC	3	22,687	2A	(k) Quality Adjustments			\$61.96	Quality Price Adjustment
10	9/06	CR 4&5	CR 4&5	Massey Utility Sales Company	5	21,351	2A	(k) Quality Adjustments			\$88.34	Quality Price Adjustment
11	9/06	CR 4&5	CR 4&5	Massey Utility Sales Company	6	51,026	2A	(k) Quality Adjustments			\$92.51	Quality Price Adjustment
12	10/06	CR 4&5	CR 4&5	Massey Utility Sales Company	3	51,693	2A	(k) Quality Adjustments			\$90.31	Quality Price Adjustment
13	11/06	CR 4&5	CR 4&5	Massey Utility Sales Company	4	43,565	2A	(k) Quality Adjustments			\$91.22	Quality Price Adjustment

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EXHIBIT NO. ___ (RLS-11)

2006 WATER CONTRACTS

Pitcher, AJ (PFC)

From: Pitcher, AJ (PFC)
Sent: Tuesday, September 14, 2004 8:49 PM
To: Crake, Kyle (Energy)
Subject: Spot Barge Purchases 2005-2006

2005 - 2006
Offers and
Evaluations

The current coal market, both rail and barge, continues to be very strong because of lack of supply due to the trucking issues in both Kentucky and West Virginia and various environmental issues regarding permitting. There is no indication that any material decline in pricing will occur until late in 2005 or early 2006. In addition to the strong pricing, multiple utilities (TVA, South Carolina Gas & Electric, South Carolina Public Service, and Constellation) are currently in the market for large tonnage. Basically, many potential customers are chasing very few tons. TVA is seeking both rail and barge coal and this email concerns our Delta barge coal requirements for 2005 and 2006. 4-5

Based upon the above facts, it is my opinion that issuing an RFP for Delta barge coal, at this time to chase a very limited supply, is unwise. I have been calling various suppliers to determine availability for next year and I have found very few tons available and most of the companies want two year agreements (2005-2006). PFC's 2005 and 2006 open position for Delta barge delivered coal is approximately 800,000 tons and 550,000 tons respectively. These amounts are different than previously discussed because we have shifted the entire Massey Delta contract to rail delivery, because this is the most economical move for this coal, and our estimated beginning 2005 inventory at IMT will be higher due to increased deliveries resulting from a very active hurricane season. Previous projections had Massey Delta contract split 60% rail and 40% water to balance logistics.

Based upon our 2005 and 2006 requirements, I recommend purchasing the following:

Progress Fuels Corporation-
Marketing & Trading (M&T)

40,000 tons per month at a delivered price of 3.153 \$/mmbtu;
The term would be 1/1/2005-12/31/2006

CMAC Coal Marketing
Company Ltd. (Colombian)

25,000 tons per month at a delivered price of 3.176 \$/mmbtu;
The term would be 1/1/2005-12/31/2006

See the attached evaluations. Three bids were considered and only one other bid was near competitive. The Guasare bid was approximately 17.3 cents/mmbtu higher, on a delivered basis, than the either the M&T or the Colombian bid.

Please note the CMAC offer expires on Friday September 17. No time was given. Therefore, I am assuming the close of business.

A. W. Pitcher
Vice President, Coal Procurement
Progress Fuels Corporation
One Progress Plaza, #7100
St. Petersburg, FL 33701
Phone No. 727-824-8802
Fax No. 727-824-8801
E-mail: awpitcher@progressfuels.com

9/14/2004

Docket No. 070001-EI

EXHIBIT NO. __ (RLS-12)

RFP BITUMINOUS COAL PRICES

CONTRACTS FOR BITUMINOUS COAL AWARDED IN PEF'S 2004 RFP

Company	Source of Coal	MMBtu	Divd to CR 4/5 \$/MMBtu
Affiliate KRT	CAPP	[REDACTED]	[REDACTED]
Central Coal	CAPP	[REDACTED]	[REDACTED]
Guasare	Imported Venezuela	[REDACTED]	[REDACTED]

Docket No. 070001-EI

EXHIBIT NO. __ (RLS-13)

COMPONENTS OF SPRING CREEK BID

BREAKDOWN OF SPRING CREEK BID PRICE

	\$/Ton
FOB Mine	████████
Rail to Dock Transload and Rail Cars	████████
River Barge (includes blending)	████████
Ocean Barge	████████
Total	████████
\$/MMBtu	████████

Docket No. 070001-EI

EXHIBIT NO. ___(RLS-14)

COMPONENTS OF ARCH PRICE PER TON

**BREAKDOWN OF PEF'S COST OF ARCH BLACK THUNDER PRB COAL
BASED ON 2004 BID FOR DELIVERY IN 2006**

	\$/Ton
FOB Mine	██████
Rail and Rail Cars	██████
Dock	██████
River Barge (includes blending)	██████
Ocean Barge	██████
Total	██████
\$/MMBtu	██████

¹ The River Barge charge in May 2006 incurred by PEF for a PRB test burn coal movement according to the May 2006 FPSC 423 was \$9.74/ton. However, this charge includes a dock charge, estimated at \$1.10/ton which, due to the fact that PRB bids are FOB barge, is deducted from the FPSC 423 river rate.

Docket No. 070001-EI

EXHIBIT NO. __ (RLS-15)

CALCULATION OF PRB BID PRICES

**DETAIL SUPPORTING TIERED CALCULATION
OF EFFECTIVE PRB BID PRICES**

Tier	Price	Notes
Tier 1	\$2.40/MMBtu	For the first 500,000 tons or $9,350,000 \times 10^6$ Btu's
Tier 2	\$2.33/MMBtu	For the second 500,000 or $8,800,000 \times 10^6$ Btu's
Tier 3	\$2.35/MMBtu	For any additional Btu's above the Tier 1 and Tier 2 total of $18,150,000 \times 10^6$ Btu's

Docket No. 070001-EI

EXHIBIT NO. ___(RLS-16)

CALCULATION OF OVERCHARGES

**DETAIL SUPPORTING CALCULATION OF OVERCHARGES
ASSUMING 20% PRB BLEND IN 2006**

Displaced \$/MMBtu	PRB \$/MMBtu	Δ \$/MMBtu	10⁶ Btu's	\$'s
3.30/KRT	2.40	0.87	9,350,000	8,134,500
3.30/KRT	2.33	0.94	3,904,093	3,669,847
2.90/CCoal	2.33	0.54	899,000	485,460
Total			14,153,093	12,289,807

Docket No. 070001-EI

EXHIBIT NO. ___(RLS-17)

EXCESS OF SO2 ALLOWANCES

DERIVATION OF OVERCHARGES FOR 2006 EXCESS SO2 ALLOWANCES

1.	lbs. SO ₂ /MMBtu of KRT and Central IMT Tons		1.09
2.	Percent Removed Bit Coal		6.0
3.	Bit Coal SO ₂ /MMBtu		1.0246
4.	PRB lbs/MMBtu SO ₂		0.795
5.	Removed Percent From PRB		18.3
6.	PRB SO ₂ lbs/MMBtu		0.6495
7.	Difference		0.3751
8.	MMBtu PRB Coal 20% Blend		14,153,093
9.	MMBtu PRB Coal 30% Blend		20,704,055
10.	Δ lbs. SO ₂	20%	5,308,825
		30%	7,766,091
11.	Δ Tons SO ₂	20%	2,654
		30%	3,883
12.	Average 2006 SO ₂ Allowance Pirce (\$/Ton)		733
13.	Ratepayer Overpayments	20% Blend	\$1,945,684
		30% Blend	\$2,846,272

Sources:

1. Calculation from FPSC 2006 423 data.
2. See RS Reply Exhibit RS-44.
3. 95% of 1
- 4.
5. FPSC Form 423 June 2006 for Peabody PRB Coal.
6. See 2.
7. 81.7% of 4.
8. 3 minus 6.
9. See text.
10. See text.
11. Calculation.
12. Calculation.
13. Cantor Fitzgerald 12 month average for 2006.
14. Calculation.