

CONFIDENTIAL

050001-EI

DOCKET NO. 030001-EI: Fuel and purchased power cost recovery clause and generating performance incentive factor.

WITNESS: Supplemental Direct Testimony Of Joseph W. Rohrbacher, Appearing On Behalf Of Staff

DATE FILED: October 14, 2003

APR 4.21.05  
**DECLASSIFIED**  
**CONFIDENTIAL**

DOCUMENT NUMBER-DATE

10027 OCT 14 8

FPSC-COMMISSION CLERK

1 DIRECT TESTIMONY OF JOSEPH W. ROHRBACHER

2 Q. Please state your name and business address.

3 A. My name is Joseph W. Rohrbacher and my business address is 4950 West  
4 Kennedy Blvd., Suite 310, Tampa, Florida, 33609.

5 Q. By whom are you presently employed and in what capacity?

6 A. I am employed by the Florida Public Service Commission as a Regulatory  
7 Analyst Supervisor in the Division of Auditing and Safety.

8 Q. Are you the same Joseph Rohrbacher who submitted direct testimony in  
9 this proceeding?

10 A. Yes, I am. I filed my direct testimony in this docket on October 9,  
11 2003.

12 Q. What is the purpose of your supplemental testimony?

13 A. The purpose of my testimony is to sponsor the staff audit report  
14 regarding Progress Energy Florida, Inc. Waterborne Transportation Costs  
15 (Docket Number 030001-EI; Audit Control Number 03-045-2-1.) A copy of the  
16 audit report is filed with my testimony and is identified as JWR-4.

17 Q. Did you prepare this audit report?

18 A. Yes, I was the audit manager in charge of this audit.

19 Q. Could you discuss the work performed in this audit?

20 A. Yes, we determined the relationship of the companies involved in  
21 procuring fuel for Progress Energy Florida's Crystal River power plant and  
22 read contracts for fuel purchases and waterborne transportation services and  
23 verified invoice prices to contract amounts. We tested randomly selected  
24 items and reconciled coal purchases by PEF to coal sales of Progress Fuels  
25 Corporation (PFC). We also verified that the pricing for the waterborne

1 | transportation services provided by PFC to PEF was in compliance with the  
2 | market pricing mechanism authorized by Commission Order No. PSC-93-1331-FOF-EI  
3 | and calculated the average waterborne transportation costs for PFC and PEF.  
4 | We read PFC coal pricing procedures to PEF and scheduled the responses to the  
5 | Request For Proposal for bids on coal purchases by PFC. We verified that  
6 | General and Administrative (G&A) expenses included in the price computation  
7 | of PFC for procuring and transporting fuel to PEF's Crystal River plant were  
8 | consistent with the agreements and tested randomly selected G&A expenses.  
9 | Selected audit work papers from this audit are filed with my testimony and are  
10 | identified as JWR-5.

11 | Q. Could you summarize your findings in this audit?

12 | A. Yes. Disclosure No. 1 discusses Affiliate Companies. PEF purchases  
13 | coal and other related fuels for the production of electricity from PFC, an  
14 | affiliate company under Progress Energy, Inc. PFC purchases the coal and  
15 | other related fuels from various suppliers. In 2002, the bulk of these  
16 | purchases were from Black Hawk Synfuel LLC, Marmet Synfuel LLC, and New River  
17 | Synfuel LLC. All of these companies are affiliates under Progress Energy,  
18 | Inc. The fuel is trucked from the mines to an upriver terminal by Kanawha  
19 | River Terminals, Inc. (KRT), for transloading to river barges which will  
20 | transport the fuel down river to the New Orleans, Louisiana area. From here  
21 | the coal will be shipped across the Gulf of Mexico to PEF's Crystal River  
22 | complex by Dixie Fuels Limited. KRT and Dixie Fuels are also affiliates of  
23 | PEF under Progress Energy, Inc.

24 | Disclosure No. 2 discusses Coal Purchases. PFC has contracts with its  
25 | suppliers, setting the prices and terms of delivery. In May 2001 PFC issued

1 a Request For Proposal for bids on 2002 coal purchases. The prices under the  
2 contracts reviewed varied but all were FOB dock.

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

8 The cost to PFC is at the contracted price. In reviewing the invoices  
9 for PFC from its suppliers, I noted that prior to delivery to PEF a portion  
10 of the invoice cost is charged to "non-regulated" operations with the  
11 remainder charged to PEF. The utility spokesperson stated this non regulated  
12 portion was for the trucking of the coal from the mine to the KRT dock. This  
13 adjustment recognizes that the proxy price for transportation, in accordance  
14 with Order No. PSC-93-1331-FOF-EI, includes the cost from the mine to the  
15 generating plant.

16 Disclosure No. 3 discusses the Waterborne Transportation Cost.  
17 Commission Order No. PSC-93-1331-FOF-EI authorized a market pricing mechanism  
18 for waterborne transportation services. The base price of \$23.00 per ton was  
19 effective January 1, 1993, adjusted January 1 of each year thereafter, using  
20 a composite index. The audit report discusses the escalated rate for 2002 and  
21 the split between the amount for transportation from the mine to the Gulf  
22 terminal and the amount for transportation across the Gulf to Crystal River.  
23 The market price for PFC's deliveries cover the transportation components from  
24 the coal mine to the Crystal River plant site. This includes short-haul  
25 rail/truck transportation from the mine to the up-river dock, up-river barge

1 | transloading, river barge transportation, Gulf barge transloading, Gulf barge  
2 | transportation, and transportation to the Crystal River plant, as well as  
3 | other charges, such as port fees and assist tug.

4 |         We determined the average cost of waterborne transportation for Progress  
5 | Fuels Corporation for 2002. The companies providing transportation from the  
6 | mines to the up-river dock and transloading to river barges and Gulf barge  
7 | transportation to Crystal River is provided by Kanawha River Terminals, Inc.  
8 | and Dixie Fuels Limited, both affiliated companies. Since the contracts were  
9 | not put out for bid, we are unable to determine if the costs reflect a true  
10 | market price.

11 | Q.     Does this conclude your testimony?

12 | A.     Yes, it does.

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*DOCKET NO. 030001-EI:* Fuel and purchased power cost recovery clause and generating performance incentive factor.

*WITNESS:* Supplemental Direct Testimony Of Joseph W. Rohrbacher, Appearing On Behalf Of Staff

*EXHIBIT:* JWR-4 - Progress Energy Florida, Inc. Waterborne Transportation Cost Audit



**FLORIDA PUBLIC SERVICE COMMISSION**

*DIVISION OF AUDITING AND SAFETY  
BUREAU OF AUDITING*

*TAMPA DISTRICT OFFICE*

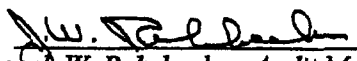
**PROGRESS ENERGY FLORIDA  
(FORMERLY FLORIDA POWER CORPORATION)**

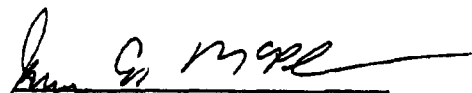
**WATERBORNE TRANSPORTATION AUDIT**

**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002**

**DOCKET NO. 030001-EI**

**AUDIT CONTROL NO. 03-045-2-1**

  
*Joseph W. Rohrbacher, Audit Manager*

  
*James A. McPherson, Tampa District Supervisor*

## TABLE OF CONTENTS

<b>I.</b>	<b>AUDITOR'S REPORT</b>	<b>PAGE</b>
	PURPOSE.....	1
	DISCLAIM PUBLIC USE.....	1
	SUMMARY OF SIGNIFICANT PROCEDURES.....	2
<b>II.</b>	<b>DISCLOSURES</b>	
1.	AFFILIATE COMPANIES.....	3
2.	COAL PURCHASES.....	4
3.	WATERBORNE TRANSPORTATION COST.....	5



**DIVISION OF AUDITING AND SAFETY  
AUDITOR'S REPORT**

**MAY 5, 2003**

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES**

We have applied the procedures described later in this report to determine the difference between the 2002 benchmark price paid by Progress Energy Florida (PEF) for waterborne coal transportation service and the actual cost of providing the service by Progress Fuels Corporation (PFC) for the historical twelve month period ended December 31, 2002. The attached schedules were prepared by the auditor as part of our work in Docket No. 030001-EI. There is confidential information associated with this audit.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

## SUMMARY OF SIGNIFICANT FINDINGS

Progress Energy Florida purchases coal and other related fuels for the production of electricity from Progress Fuels Corporation, an affiliate company under Progress Energy, Inc. Progress Fuels Corporation, in turn, purchases some of the coal and transportation services from other affiliate companies.

## SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining, on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

**Compiled** - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

**Verify** - The item was tested for accuracy, and substantiating documentation was examined.

**Work Performed:** Determined the relationship of the companies involved in procuring fuel for Progress Energy Florida's Crystal River power plant. Read contracts for fuel purchases and waterborne transportation services and verified invoice prices to contract amounts. Tested randomly selected items for same. Reconciled coal purchases by Progress Energy Florida (PEF) to coal sales of Progress Fuels Corporation (PFC). Verified that the pricing for the waterborne transportation services provided by PFC to PEF was in compliance with the market pricing mechanism authorized by Commission Order No. PSC-93-1331-FOF-EI. Calculated the average waterborne transportation costs for PFC and PEF. Read PFC coal pricing procedures to PEF. Scheduled responses to Request For Proposal for bids on coal purchases by PFC. Verified that General and Administrative expenses included in the price computation of PFC for procuring and transporting fuel to PEF's Crystal River plant were consistent with the agreements. Tested randomly selected G&A expenses to verify same.

## **DISCLOSURES**

### **Disclosure No. 1**

#### **Subject: Affiliate Companies**

Progress Energy Florida (PEF) purchases coal and other related fuels for the production of electricity from Progress Fuels Corporation (PFC), an affiliate company under Progress Energy, Inc.

Progress Fuels Corporation purchases the coal and other related fuels from various suppliers. In 2002 the bulk of these purchases were from Black Hawk Synfuel LLC, Marmet Synfuel LLC, and New River Synfuel LLC. All of these companies are affiliates under Progress Energy, Inc.

The fuel is trucked from the mines to an upriver terminal by Kanawha River Terminals, Inc. (KRT), for transloading to river barges which will transport the fuel down river to the New Orleans, Louisiana area. From here the coal will be shipped across the Gulf of Mexico to PEF's Crystal River complex by Dixie Fuels Limited.

KRT and Dixie Fuels are also affiliates of PEF under Progress Energy, Inc.

**Disclosure No. 2**

**Subject: Coal Purchases**

**Statement of Fact:**

Progress Fuels Corporation (PFC) purchases its coal from various suppliers and through its affiliates acting as agents. The per ton coal prices reviewed ranged from \$29.77 per ton from Pen Coal Corporation, a non-affiliated entity, under a contract originating in 1998 to \$47.09 per ton from Black Hawk Synfuel, an affiliated company, under a 2001 contract. The coal specifications in both contracts were similar.

In May 2001 PFC issued a Request For Proposal for bids on 2002 coal purchases. Progress Fuels Corporation has contracts with its suppliers, setting the prices and terms of delivery. The prices under the contracts reviewed varied but all were FOB dock..

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

**Auditor Opinion:**

The cost to PFC is at the contracted price. In reviewing the invoices for PFC from its suppliers, the auditor noted that prior to delivery to PEF a portion of the invoice cost is charged to "non-regulated" operations with the remainder charged to PEF. The utility spokesperson stated this non regulated portion was for the trucking of the coal from the mine to the KRT dock. This adjustment recognizes that the proxy price for transportation, in accordance with Order No. PSC-93-1331-FOF-EI, includes the cost from the mine to the generating plant .

**Disclosure No. 3**

**Subject: Waterborne Transportation Cost**

**Statement of Fact:**

Commission Order No. PSC-93-1331-FOF-EI authorized a market pricing mechanism for water borne transportation services provided by Electric Fuels Corporation (now called Progress Fuels Corporation) to Florida Power Corporation (now Progress Energy Florida). The base price of \$23.00 per ton was effective January 1, 1993 adjusted January 1 of each year, thereafter, using a composite index approved by the Commission. Based on the escalation, the rate charged by PFC to PEF for 2002 was \$29.31 per ton. PFC estimates that \$19.82 of this amount relates to transportation from the mine to the Gulf terminal and \$9.49 is for transportation across the Gulf to Crystal River.

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

**Auditor Opinion:**

We determined the average cost of waterborne transportation for Progress Fuels Corporation for 2002 was \$24.45 based on company records.

The companies providing transportation from the mines to the up-river dock and transloading to river barges and Gulf barge transportation to Crystal River is provided by Kanawha River Terminals, Inc. and Dixie Fuels Limited, both affiliated companies. Since the contracts were not put out for bid, we are unable to determine if the costs reflect a true market price.

Market proxy charged to PEF	\$29.31
Average direct cost for PFC	<u>24.45</u>
Gross Profit	<u>\$ 4.86</u>

*DOCKET NO. 030001-EI:* Fuel and purchased power cost recovery clause and generating performance incentive factor.

***WITNESS:*** Supplemental Direct Testimony Of Joseph W. Rohrbacher, Appearing On Behalf Of Staff

*EXHIBIT:* JWR-5 - Selected Audit Work Papers from the Progress Energy Florida, Inc. Waterborne Transportation Cost Audit

**Exhibit JWR-5**  
**List of Selected Audit Work Papers from the**  
**Progress Energy Florida, Inc. Waterborne Transportation Audit**  
**Docket No. 030001-EI**  
**Audit Control No. 03-045-2-1**

<b>Workpaper Title</b>	<b>Staff Workpaper Number</b>	<b>Company Workpaper Number</b>
PFC Income Statement Jan-Jun 2002	2A , 5 pages	3-7
PFC Income Statement Jul-Dec 2002	2B , 5 pages	8-12
Summary Transportation Contracts	42, 42-1	33, 34
Coal Purchase Contracts	42-2, 2 pages	35, 36
Waterborne Transportation Contracts	42-3, 5 pages	39-43
Dixie Fuels - Crew Cost & Insurance Adjustment	42-3/1	44
Inventory Accrual	45-1, 12 pages	50-61
Average Transportation Costs	45-3	71
Adjustment for Mine to Dock Trucking	46-3	75
Average Coal & Transportation Charges to PEF	47-1	79
Coal Solicitation Proposals	47-2	80
Analysis of the Escalation of the costs of Waterborne Coal Transportation	48	81
Utility Calculation of the Transportation Rate	48-1	82

PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

REPORT ID: DELISI  
 UNIT CODE: F

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
<b>INCOME -</b>							
COAL SALES	3000-100	25,667,279.30	23,637,072.24	25,004,629.34	26,830,408.80	24,621,861.16	22,836,145.42
REVENUE ADJUSTMENT	3000-400	(592,385.85)	267,772.15	31,840.45	(858,466.60)	877,776.04	(272,944.86)
TOTAL OPERATING REVENUES	OPERREV	25,074,893.45	23,904,844.39	25,036,469.79	25,971,942.20	25,499,637.20	22,363,200.56
<b>EQUITY EARNINGS -</b>							
<b>OTHER INCOME</b>							
INTEREST INCOME - LOCOMOTIVES	4230-030	113,602.86	113,602.86	113,602.86	113,602.86	113,602.86	109,589.50
TOTAL INTEREST INCOME		113,602.86	113,602.86	113,602.86	113,602.86	113,602.86	109,589.50
GAIN/(LOSS) ON DISPOSAL ASSET	4300-200	-	-	-	-	-	50,372.86
MISCELLANEOUS INCOME	MISCINC	-	-	-	-	-	50,372.86
TOTAL REVENUES	REVENUES	25,188,496.31	24,018,447.25	25,150,072.65	26,085,545.06	25,613,240.06	22,523,162.92
<b>EXPENSES -</b>							
COAL COGS - INVENTORY	5310-010	14,986,352.32	14,543,863.07	15,362,570.74	15,438,691.85	15,653,307.60	14,024,652.88
COAL COGS - PRICE ADJUSTMENT	5310-020	-	-	(3,806.28)	33,560.50	(9,167.92)	-
COAL COGS - PRICE ADJ. P/P	5310-025	(2,861.35)	-	(10,640.17)	67,602.44	823.14	-
COAL COGS - TONNAGE ADJ	5310-050	(14,535.14)	-	(43,051.45)	(6,698.45)	-	-
COAL COGS - OTHER COST	5310-100	-	(684,000.00)	-	-	-	-
COAL COGS - QUALITY ADJUSTMENT	5310-110	115,074.01	223,219.84	(85,665.02)	144,589.34	122,574.89	25,923.71
COAL COGS - QUALITY ANALYSIS	5310-120	35,339.83	27,353.84	11,121.52	92,380.23	38,973.87	14,226.82
COAL COST OF GOODS SOLD	COALCOGS	15,119,369.47	14,110,436.55	15,230,509.34	15,770,125.91	15,807,511.58	14,064,803.41
RAIL COGS - INVENTORY	5320-010	4,411,985.89	3,535,577.29	4,389,715.50	4,379,471.77	3,955,484.96	3,942,765.62
RAIL COGS - PRICE ADJUSTMENT	5320-020	-	-	-	3,933.26	-	-
RAIL COGS - PRICE ADJ P/P	5320-025	-	-	2,269.27	-	-	-
COGS - RAIL - OTHER COST	5320-100	-	-	1,711.63	-	-	-
COGS-WATER TRANSPORTATION	5380-010	4,712,909.30	5,385,851.35	4,431,784.90	5,025,217.98	4,926,890.49	3,628,226.57
FREIGHT COST OF GOODS SOLD	FRTCOST	9,124,875.19	8,921,426.84	8,825,481.30	9,408,623.01	8,884,375.45	7,570,992.19

441

PEF Pg. 3  
 PSC Staff W/P No. 2A, Pg. 1 of 5



453 26238- DLS 8227



PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

REPORT ID: DELISF  
 UNIT CODE: R

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
PROPERTY TAXES - RAILCARS	6530-100	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
RAILCAR LEASING EXPENSE	6710-000	375.00	375.00	374.69	375.00	375.00
MAINTENANCE - RAILCAR	6820-000	141,666.67	141,666.67	141,666.67	141,666.66	141,666.67
RAIL CAR OPERATING COST	RCCOGS	154,541.67	154,541.67	154,541.36	154,541.66	154,541.67
TOTAL COST OF GOODS SOLD	COGS	24,396,766.33	23,186,406.66	24,210,532.00	25,333,290.60	24,846,428.70
GENERAL AND ADMINISTRATIVE -						
PAYROLL EXPENSES -						
WAGES	6010-000	62,524.40	64,331.70	120,151.81	66,286.25	66,939.55
P/R TAXES - FICA	6020-001	4,672.70	4,959.50	9,191.61	4,804.32	5,120.88
ALLOCATED EMPLOYEE BENEFITS	6030-999	4,789.37	3,255.16	3,820.83	5,077.88	5,127.57
EMPLOYEE BENEFITS-PENSION	6040-010	(8,057.00)	(8,057.00)	(8,057.00)	(8,057.00)	(8,057.00)
EMPLOYEE BENEFITS-EDC	6040-025	-	-	-	3,676.36	-
EMPLOYEE BENEFITS-FAS106(OPEB)	6040-030	3,972.00	3,972.00	3,972.00	3,972.00	3,972.00
EMPLOYEE BENEFITS-SERP	6040-040	15,198.00	15,196.00	15,196.00	15,196.00	15,196.00
TEMPORARY LABOR	6050-000	2,512.23	-	299.89	-	-
PAYROLL EXPENSES	PAYROLL	85,609.70	83,657.36	144,575.14	90,957.61	88,299.00
PROFESSIONAL FEES -						
PROFESSIONAL FEES-LEGAL	6310-020	(43.81)	-	-	-	-
PROFESSIONAL FEES-AUDIT	6310-031	(2,175.20)	-	-	-	-
PROFESSIONAL FEES-CONSULTANT	6310-035	(115.20)	4,728.09	-	1,527.16	3,046.27
DIRECTOR FEES	6340-000	(14.91)	-	-	-	-
FLA POWER OVERHEAD	6320-000	491.98	491.98	(491.98)	3,000.00	4,000.00
FLORIDA PROGRESS OVERHEAD	6330-000	-	-	-	11,000.00	10,000.00
PROGRESS ENERGY SERVICES	6331-300	7,632.90	95,471.50	149,514.51	-	-
ENERGY VENTURES SERVICES	6331-400	50,682.88	16,889.31	8,689.23	3,154.52	3,273.04
PROFESSIONAL FEES	PROF-FEE	56,458.64	117,580.88	157,711.76	18,681.68	20,321.31

PEF Pg. 4  
 PSC Staff W/P No. 2A, Pg. 2 of 5



BUILDING & OFFICE EXPENSE -

PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

	ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
RENT EXPENSE	6410-000	13,611.44	-	26,878.67	13,355.26	14,808.23	14,808.23
BUILDING SERVICES	6420-000	122.87	188.01	281.81	157.72	180.03	19.28
UTILITIES	6430-000	3,577.66	4,452.32	2,954.21	1,856.47	5,198.67	2,112.43
OFFICE SERVICES	6440-005	3,858.77	2,704.93	7,774.87	6,007.73	6,564.51	6,128.42
OFFICE SUPPLY - GENERAL	6440-010	6.10	-	-	-	-	23.72
OFFICE SUPPLY - SUPPLIES	6440-020	205.73	144.48	771.99	672.29	660.96	753.27
OFFICE SUPPLY - COPY RENTAL	6440-025	(21.58)	-	-	-	-	-
SUBSCRIPTION & PUBLICATIONS	6440-030	71.81	371.02	8.39	3,894.12	404.36	422.80
OFFICE SUPPLY - EQUIPMENT	6440-040	106.91	-	-	-	-	1,402.88
OFFICE SUPPLY-DATA PROCESSING	6440-050	4,049.99	1,147.05	948.63	717.30	1,224.59	679.96
BUILDING & OFFICE EXPENSE	BUILD-OF	25,389.70	6,987.81	39,619.57	26,660.89	29,039.35	26,350.99
OTHER GENERAL & ADMINISTRATIVE -							
EXPENSE ACCT & TRAVEL - TAX	6510-100	127.81	150.66	333.07	499.12	74.50	252.69
NONTAX MEALS/ENTERTAINMENT	6510-210	253.45	203.04	506.50	328.95	406.12	500.03
NONTAXABLE OTHER	6510-220	(430.22)	1,170.78	2,998.81	1,023.75	2,746.99	5,026.10
CORPORATE AIRCRAFT EXPENSE	6510-225	(358.12)	-	-	-	-	-
INSURANCE EXPENSE	6520-000	90.88	-	-	-	-	-
EXCESS LIABILITY INSURANCE	6520-010	(162.48)	-	-	-	-	-
OFFICER & DIRECTOR LIAB. INS.	6520-011	(112.91)	-	-	-	-	-
PROPERTY & CRIME INSURANCE	6520-013	105.11	-	-	-	-	-
MARINE CARGO INSURANCE	6520-014	9,558.87	9,500.00	-	-	9,500.00	-
PROPERTY TAX REAL ESTATE	6530-200	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
LICENSES	6540-000	1.87	-	-	-	98.64	(717.59)
OTHER TAXES	6550-000	159.19	490.90	-	4,652.91	23.51	976.19
EMPLOYEE DEVELOPMENT	6560-000	339.23	-	-	525.86	194.56	30.82
SEMINARS	6560-010	(14.44)	355.00	67.14	304.45	207.92	29.59
TUITION REIMBURSEMENT	6560-015	-	-	-	38.51	-	75.15
PROFESSIONAL AFFILIATIONS	6560-020	243.68	21,375.00	-	16.68	-	273.16
EMPLOYMENT - ADVERTISING	6565-010	2.01	-	-	-	-	-
EMPLOYMENT - MOVING EXPENSE	6565-030	3.06	-	-	-	-	-
EMPLOYMENT - MISC EXPENSE	6565-040	2.96	-	-	27.91	-	-
MISCELLANEOUS EXPENSE	6570-000	1,159.01	47.83	54.43	5.70	129.08	30.84

PEF Pg. 5  
 PSC Staff W/P No. 2A, Pg. 3 of 5

PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
MISC EXPENSE - RECORD STORAGE	6570-007	552.51	48.87	-	267.91	307.21	-
AUTO OPERATING EXPENSE	6570-040	188.47	147.11	171.50	217.00	188.00	206.50
AUTO EXPENSE REIMBURSEMENTS	6570-050	1,720.92	1,567.63	1,206.26	1,310.73	1,333.04	1,341.65
CONTRIBUTION	6570-060	(2.69)	-	-	-	-	-
PENALTIES	6570-070	(0.18)	-	-	-	-	-
MAINTENANCE - GENERAL	6810-000	5.44	-	1,187.44	10.33	-	-
MAINTENANCE - AUTO	6810-020	17.97	24.97	32.91	14.28	16.99	-
MAINTENANCE - DP EQUIPMENT	6810-030	2,422.76	362.46	1,876.27	945.31	10,239.60	691.66
OTHER GENERAL & ADMINISTRATION	OTHG-A	17,354.16	36,944.25	9,714.33	11,887.40	26,966.16	10,216.78
<b>TOTAL GENERAL &amp; ADMINISTRATION</b>	<b>GENLADM</b>	<b>184,812.20</b>	<b>247,170.32</b>	<b>351,620.80</b>	<b>147,987.58</b>	<b>164,625.82</b>	<b>141,549.46</b>
<b>OTHER EXPENSES -</b>							
<b>DEPRECIATION EXPENSES -</b>							
DEPRECIATION - RAILCARS	6230-020	145,386.91	145,386.63	145,386.86	145,386.91	145,386.62	145,386.87
DEPRECIATION - EQUIPMT GENERAL	6230-010	166.69	166.69	166.69	166.69	166.69	-
DEPRECIATION - DP EQUIPMENT	6230-030	1,938.12	1,938.13	1,938.12	1,938.12	1,938.13	1,938.12
DEPRECIATION - FURN & FIXTURES	6240-000	3,250.86	3,075.10	2,793.12	2,556.71	2,521.04	2,370.20
AMORTIZATION - LEASEHOLDS	6260-000	6.29	6.29	6.29	-	-	-
<b>DEPRECIATION EXPENSES</b>	<b>DEPREC</b>	<b>150,748.97</b>	<b>150,574.84</b>	<b>150,291.08</b>	<b>150,048.43</b>	<b>150,014.46</b>	<b>149,695.19</b>
<b>INTEREST EXPENSE -</b>							
ALLOCATION INTEREST EXPENSE	6100-999	(298.00)	-	(297.00)	(210.63)	-	-
INTEREST EXPENSE - PCH MTN	6120-102	54,488.89	29,118.67	28,800.00	28,800.00	28,800.00	28,800.00
INTEREST EXPENSE - PEC LINE	6120-105	17,758.00	20,476.91	26,459.91	50,365.03	44,927.08	36,365.38
INTEREST EXPENSE - PEC L/T NOTE PAY	6120-106	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00
COMMITMENT FEE - PCH	6160-101	2,917.62	2,767.13	2,917.62	2,842.38	2,917.62	2,842.38
COMMITMENT FEE - MTN	6160-102	824.49	305.96	306.05	306.05	306.05	306.05
<b>INTEREST EXPENSE</b>	<b>INTEREST</b>	<b>139,941.00</b>	<b>116,918.67</b>	<b>122,436.58</b>	<b>146,352.83</b>	<b>141,200.75</b>	<b>132,563.81</b>
<b>TOTAL EXPENSES</b>		<b>24,874,286.50</b>	<b>23,701,070.69</b>	<b>24,834,880.46</b>	<b>25,777,679.44</b>	<b>25,302,269.75</b>	<b>22,214,145.73</b>

PEF Pg. 6  
 PSC Staff W/P No. 2A, Pg. 4 of 5

PBC

PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

REPORT ID: DELISR01  
 UNIT CODE: REG

PROGRESS FUELS CORPORATION  
 WATERBORNE TRANSPORTATION AUDIT  
 INCOME STATEMENT - JAN TO JUN 2002  
 12 MONTHS ENDED 12/31/02

ACCOUNT NUMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
INCOME BEFORE INCOME TAXES	314,207.81	317,376.56	315,192.19	307,865.62	310,970.31	309,017.19
PROVISION (BENEFIT) FOR INC TAXES -						
CURRENT FIT - CURRENT YEAR	6900-101 406,667.81	92,933.56	165,668.19	496,990.62	(113,065.69)	267,643.19
CURRENT FEDERAL INCOME TAXES	CUR-FED 406,667.81	92,933.56	165,668.19	496,990.62	(113,065.69)	267,643.19
CURRENT SIT - CURRENT YEAR	6900-111 17,335.00	3,961.00	7,062.00	21,185.00	(4,820.00)	11,409.00
CURRENT STATE INCOME TAXES	CUR-STAT 17,335.00	3,961.00	7,062.00	21,185.00	(4,820.00)	11,409.00
DEFERRED FIT - CURRENT YEAR	6900-201 (298,177.00)	16,652.00	(56,838.00)	(390,690.00)	220,439.00	(160,945.00)
DEFERRED FEDERAL INCOME TAXES	DEF-FED (298,177.00)	16,652.00	(56,838.00)	(390,690.00)	220,439.00	(160,945.00)
DEFERRED SIT - CURRENT YEAR	6900-211 (12,711.00)	709.00	(2,423.00)	(16,654.00)	9,396.00	(8,861.00)
DEFERRED STATE INCOME TAXES	DEF-STAT (12,711.00)	709.00	(2,423.00)	(16,654.00)	9,396.00	(8,861.00)
REGULAR DEFERRED TAX CREDITS	RDEFTC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
INVESTMENT TAX CREDIT	ITC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
TOTAL INCOME TAXES	TAXES 111,387.81	112,528.56	111,742.19	109,104.62	110,222.31	109,519.19
INCOME FROM CONTINUING OPERATIONS	202,820.00	204,848.00	203,450.00	198,761.00	200,748.00	199,498.00
NET INCOME	\$ 202,820.00	\$ 204,848.00	\$ 203,450.00	\$ 198,761.00	\$ 200,748.00	\$ 199,498.00

PEF Pg. 7  
 PSC Staff W/P No. 2A, Pg. 5 of 5

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SOURCE: PBC

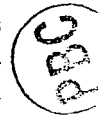
PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

REPORT ID: DELIS  
 UNIT CODE: F

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<b>INCOME -</b>						
COAL SALES	30,916,607.87	31,689,170.18	30,715,501.66	33,361,309.16	27,737,695.83	31,918,765.86
REVENUE ADJUSTMENT	(23,182.62)	76,482.53	(106,427.08)	(383,149.78)	(919,395.52)	213,980.35
<b>TOTAL OPERATING REVENUES</b>	<b>30,893,425.25</b>	<b>31,765,652.71</b>	<b>30,609,074.58</b>	<b>32,978,159.38</b>	<b>26,818,300.31</b>	<b>32,132,746.21</b>
<b>EQUITY EARNINGS -</b>						
<b>OTHER INCOME</b>						
INTEREST INCOME - LOCOMOTIVES	109,589.48	109,589.48	109,589.48	109,589.48	109,589.48	105,464.27
<b>TOTAL INTEREST INCOME</b>	<b>109,589.48</b>	<b>109,589.48</b>	<b>109,589.48</b>	<b>109,589.48</b>	<b>109,589.48</b>	<b>105,464.27</b>
MISCELLANEOUS OTHER INCOME	-	-	-	-	-	699,528.13
GAIN/(LOSS) ON DISPOSAL ASSET	-	-	2,073.75	-	726,590.93	-
MISCELLANEOUS INCOME	-	-	2,073.75	-	726,590.93	699,528.13
<b>TOTAL REVENUES</b>	<b>31,003,014.73</b>	<b>31,875,242.19</b>	<b>30,720,737.81</b>	<b>33,087,748.86</b>	<b>27,654,480.72</b>	<b>32,937,738.81</b>
<b>EXPENSES -</b>						
COAL COGS - INVENTORY	19,407,250.03	19,774,137.54	19,486,638.28	21,102,416.31	17,815,804.65	20,994,685.56
COAL COGS - PRICE ADJUSTMENT	-	0.07	(1.67)	59,813.08	-	(0.02)
COAL COGS - TONNAGE ADJ	(20,664.36)	(28,983.21)	-	-	(10,798.76)	(15,570.53)
COAL COGS - OTHER COST	(18,144.00)	-	2,802.22	-	-	-
COAL COGS - QUALITY ADJUSTMENT	81,429.09	66,533.53	221,484.23	97,459.92	98,583.42	164,972.58
COAL COGS - QUALITY ANALYSIS	51,594.83	40,590.29	46,536.03	3,685.19	60,752.34	12,328.05
<b>COAL COST OF GOODS SOLD</b>	<b>19,501,465.59</b>	<b>19,852,278.22</b>	<b>19,757,457.09</b>	<b>21,263,374.50</b>	<b>17,964,341.65</b>	<b>21,156,415.64</b>
RAIL COGS - INVENTORY	5,238,573.42	5,165,276.73	6,248,832.46	6,151,733.48	5,865,494.69	6,048,507.43
RAIL COGS - PRICE ADJUSTMENT	-	-	147,518.30	(47,519.75)	-	-
RAIL COGS - PRICE ADJ P/P	-	-	(35,775.22)	-	-	-
COGS-WATER TRANSPORTATION	5,317,256.57	5,908,390.08	3,546,480.37	4,789,264.74	2,950,803.78	5,053,441.44
<b>FREIGHT COST OF GOODS SOLD</b>	<b>10,555,829.99</b>	<b>11,073,666.81</b>	<b>9,907,055.91</b>	<b>10,903,478.47</b>	<b>8,816,298.47</b>	<b>11,101,948.87</b>

u11

PEF Pg. 8  
 PSC Staff W/P No. 2B, Pg. 1 of 5



45-3

PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

REPORT ID: DELIS  
 UNIT CODE: F

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
PROPERTY TAXES - RAILCARS	6530-100	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00
RAILCAR LEASING EXPENSE	8710-000	375.00	375.00	375.00	375.00	(1,125.00)
MAINTENANCE - RAILCAR	8820-000	141,666.67	141,666.67	141,666.67	141,666.67	141,666.67
RAIL CAR OPERATING COST	RCCOGS	154,541.67	154,541.67	154,541.67	154,541.67	153,041.67
TOTAL COST OF GOODS SOLD	COGS	30,211,837.25	31,080,486.70	29,819,054.67	32,321,394.64	26,933,681.79
GENERAL AND ADMINISTRATIVE - PAYROLL EXPENSES -						
WAGES	6010-000	64,015.32	102,943.36	71,112.46	66,893.65	67,907.30
P/R TAXES - FICA	6020-001	4,628.24	6,737.85	4,220.77	3,536.29	3,543.51
ALLOCATED EMPLOYEE BENEFITS	6030-999	4,903.57	7,885.46	5,447.21	5,124.05	5,201.70
EMPLOYEE BENEFITS-PENSION	6040-010	(8,057.00)	(8,057.00)	152,662.00	(8,057.00)	(8,057.00)
EMPLOYEE BENEFITS-EDC	6040-025	-	-	-	(817.10)	-
EMPLOYEE BENEFITS-FAS 106(OPEB)	6040-030	3,972.00	3,972.00	19,674.00	3,972.00	3,972.00
EMPLOYEE BENEFITS-SERP	6040-040	15,196.00	15,196.00	16,957.00	15,196.00	15,196.00
TEMPORARY LABOR	6050-000	(65.25)	-	-	-	343.62
PAYROLL EXPENSES	PAYROLL	84,592.88	128,677.67	270,073.44	85,847.89	87,763.51
PROFESSIONAL FEES -						
PROFESSIONAL FEES-LEGAL	6310-020	(43.98)	-	-	-	-
PROFESSIONAL FEES-AUDIT	6310-031	(2,183.90)	-	-	-	-
PROFESSIONAL FEES-CONSULTANT	6310-035	22,657.14	20,808.95	1,267.20	(452.16)	116.67
DIRECTOR FEES	6340-000	(14.96)	-	-	-	-
FLA POWER OVERHEAD	6320-000	4,000.00	4,000.00	4,000.00	3,000.00	4,000.00
FLA POWER SERVICE - OTHER	6320-090	24,847.97	-	-	23,824.04	-
FLORIDA PROGRESS OVERHEAD	6330-000	11,000.00	10,000.00	11,000.00	11,000.00	10,000.00
ENERGY VENTURES SERVICES	6331-400	3,273.04	3,273.04	5,079.44	3,442.92	3,442.92
PROFESSIONAL FEES	PROF-FEE	63,535.31	38,081.99	21,346.64	40,814.80	17,559.59
BUILDING & OFFICE EXPENSE -						
RENT EXPENSE	6410-000	16,227.83	14,149.43	14,600.24	12,581.80	11,785.92

PEF Pg. 9  
 PSC Staff W/P No. 2B, Pg. 2 of 5

PBC

PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

REPORT ID: DELI  
 UNIT CODE:

	ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
BUILDING SERVICES	6420-000	214.19	165.61	175.46	208.97	144.88	118.20
UTILITIES	6430-000	3,674.78	1,875.74	1,475.81	1,860.79	1,602.94	839.91
OFFICE SERVICES	6440-005	8,005.57	7,249.46	6,221.59	4,884.74	4,957.93	4,325.32
OFFICE SUPPLY - GENERAL	6440-010	(3.58)	134.30	80.15	10.24	51.55	146.29
OFFICE SUPPLY - SUPPLIES	6440-020	965.75	359.61	533.94	935.99	234.88	676.57
OFFICE SUPPLY - COPY RENTAL	6440-025	(56.81)	-	-	-	-	-
SUBSCRIPTION & PUBLICATIONS	6440-030	10,423.48	1,166.00	744.07	565.71	1,570.72	1,463.23
OFFICE SUPPLY - EQUIPMENT	6440-040	(23.81)	335.60	-	-	-	-
OFFICE SUPPLY-DATA PROCESSING	6440-050	3,407.17	2,885.29	1,060.54	301.96	580.57	1,545.28
<b>BUILDING &amp; OFFICE EXPENSE</b>	<b>BUILD-OF</b>	<b>40,834.55</b>	<b>28,321.04</b>	<b>24,891.80</b>	<b>21,350.20</b>	<b>20,929.39</b>	<b>20,669.21</b>
<b>OTHER GENERAL &amp; ADMINISTRATIVE -</b>							
EXPENSE ACCT & TRAVEL - TAX	6510-100	436.71	522.13	245.53	231.98	165.92	113.66
NONTAX MEALS/ENTERTAINMENT	6510-210	510.90	688.22	380.06	540.95	544.59	891.87
NONTAXABLE OTHER	6510-220	4,352.34	6,095.41	1,462.52	3,327.13	2,094.38	7,291.81
CORPORATE AIRCRAFT EXPENSE	6510-225	(359.55)	-	-	-	-	-
INSURANCE EXPENSE	6520-000	(180.62)	-	-	-	(2,312.28)	4,167.58
EXCESS LIABILITY INSURANCE	6520-010	(163.14)	-	-	-	-	-
OFFICER & DIRECTOR LIAB. INS.	6520-011	(113.37)	-	-	-	-	-
PROPERTY & CRIME INSURANCE	6520-013	(105.11)	-	-	-	398.83	158.19
MARINE CARGO INSURANCE	6520-014	-	-	-	13,000.00	-	11,125.98
PROPERTY TAX REAL ESTATE	6530-200	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
LICENSES	6540-000	(102.36)	(988.56)	-	-	193.00	-
OTHER TAXES	6550-000	801.05	(1,727.09)	-	4,847.37	2,333.53	-
FRANCHISE TAX	6550-010	0.83	-	-	-	2,283.94	-
EMPLOYEE DEVELOPMENT	6560-000	30.85	-	2,053.28	52.33	16.49	17.31
SEMINARS	6560-010	492.94	-	4.69	82.69	190.00	-
PROFESSIONAL AFFILIATIONS	6560-020	123.96	79.88	-	138.37	145.00	-
EMPLOYMENT - ADVERTISING	6565-010	2.01	-	-	-	-	-
EMPLOYMENT - MOVING EXPENSE	6565-030	(3.06)	-	-	-	-	-
EMPLOYMENT - MISC EXPENSE	6565-040	0.63	-	-	-	-	-
MISCELLANEOUS EXPENSE	6570-000	(294.51)	101.71	1,098.01	(2.51)	10.60	36.40
MISC EXPENSE - RECORD STORAGE	6570-007	32.22	219.44	-	360.59	235.02	88.71

PEF Pg. 10  
 PSC Staff W/P No. 2B. Pa. 3 of 5



PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY



	ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
MISC EXPENSE-EQUIPMENT RENTAL	6570-013	(10.08)	-	-	-	-	-
AUTO OPERATING EXPENSE	6570-040	259.50	235.45	189.00	153.75	80.62	-
AUTO EXPENSE REIMBURSEMENTS	6570-050	1,295.05	1,133.78	1,063.47	1,256.81	1,187.47	1,218.92
CONTRIBUTION	6570-060	(1.35)	-	-	-	-	-
PENALTIES	6570-070	(0.18)	-	-	-	-	-
MAINTENANCE - GENERAL	6810-000	70.24	-	43.94	363.10	-	1,129.60
MAINTENANCE - AUTO	6810-020	16.99	40.99	4.00	622.96	9.00	16.00
MAINTENANCE - DP EQUIPMENT	6810-030	1,729.57	1,103.98	1,010.57	3,262.92	373.85	2,613.38
OTHER GENERAL & ADMINISTRATION	OTHG-A	10,322.46	9,007.32	9,655.05	29,738.44	9,449.96	30,369.41
<b>TOTAL GENERAL &amp; ADMINISTRATION</b>	<b>GENLADMI</b>	<b>199,285.20</b>	<b>204,088.02</b>	<b>325,966.93</b>	<b>177,751.33</b>	<b>135,702.45</b>	<b>159,804.23</b>
OTHER EXPENSES -							
DEPRECIATION EXPENSES -							
DEPRECIATION - RAILCARS	6230-020	144,956.44	144,738.88	149,685.15	149,685.17	143,277.24	143,275.26
DEPRECIATION - DP EQUIPMENT	6230-030	1,843.33	1,843.35	1,829.16	1,829.17	1,829.19	1,829.16
DEPRECIATION - FURN & FIXTURES	6240-000	2,011.87	2,061.83	2,107.57	2,016.11	2,274.12	2,255.28
DEPRECIATION EXPENSES	DEPREC	148,811.64	148,644.06	153,621.88	153,530.45	147,380.55	147,359.70
INTEREST EXPENSE -							
ALLOCATION INTEREST EXPENSE	6100-999	-	-	(20.97)	-	-	(582.64)
INTEREST EXPENSE - PCH MTN	6120-102	28,800.00	34,868.52	28,800.00	28,800.00	28,800.00	28,800.00
INTEREST EXPENSE - PEC LINE	6120-105	45,472.59	35,306.22	23,577.81	44,194.08	43,939.37	36,053.15
INTEREST EXPENSE - PEC L/T NOTE PAY	6120-106	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00	64,250.00
COMMITMENT FEE - PCH	6160-101	2,917.62	2,917.62	2,842.38	2,917.62	2,842.38	2,917.62
COMMITMENT FEE - MTN	6160-102	306.05	306.05	306.05	306.05	306.05	306.05
INTEREST EXPENSE	INTEREST	141,746.26	137,648.41	119,755.27	140,467.75	140,137.80	131,744.18
<b>TOTAL EXPENSES</b>		<b>30,701,680.35</b>	<b>31,570,867.19</b>	<b>30,418,398.75</b>	<b>32,793,144.17</b>	<b>27,356,902.59</b>	<b>32,582,774.55</b>
<b>INCOME BEFORE INCOME TAXES</b>		<b>301,334.38</b>	<b>304,375.00</b>	<b>302,339.08</b>	<b>294,604.69</b>	<b>297,578.13</b>	<b>354,964.06</b>

PEE Pg. 11

PSC Staff W/P No. 2B, Pg. 4 of 5





PROGRESS FUELS CORPORATION  
 INCOME STATEMENT DETAIL  
 FOR THE PERIOD ENDED DECEMBER 31, 2002  
 EFC REGULATED SUMMARY

REPORT ID: DELISR02  
 UNIT CODE: REG

PROGRESS FUELS CORPORATION  
 WATERBORNE TRANSPORTATION AUDIT  
 INCOME STATEMENT - JUL TO DEC 2002  
 12 MONTHS ENDED 12/31/02

ACCOUNT NUMBER	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
PROVISION (BENEFIT) FOR INC TAXES -						
CURRENT FIT - CURRENT YEAR	6900-101 137,117.38	159,565.00	221,834.06	278,277.69	625,581.13	34,866.06
CURRENT FIT - PRIOR YEAR	6900-102 -	-	-	-	-	23,680.00
CURRENT FEDERAL INCOME TAXES	CUR-FED 137,117.38	159,565.00	221,834.06	278,277.69	625,581.13	58,546.06
CURRENT SIT - CURRENT YEAR	6900-111 5,845.00	6,802.00	9,448.00	11,862.00	26,666.00	1,406.00
CURRENT SIT - PRIOR YEAR	6900-112 -	-	-	-	-	28,452.00
CURRENT STATE INCOME TAXES	CUR-STAT 5,845.00	6,802.00	9,448.00	11,862.00	26,666.00	29,838.00
DEFERRED FIT - CURRENT YEAR	6900-201 (33,072.00)	(54,470.00)	(117,242.00)	(176,556.00)	(522,832.00)	87,897.00
DEFERRED FIT - PRIOR YEAR	6900-202 -	-	-	-	-	(18,764.00)
DEFERRED FEDERAL INCOME TAXES	DEF-FED (33,072.00)	(54,470.00)	(117,242.00)	(176,556.00)	(522,832.00)	68,833.00
DEFERRED SIT - CURRENT YEAR	6900-211 (1,410.00)	(2,322.00)	(4,998.00)	(7,526.00)	(22,287.00)	3,738.00
DEFERRED SIT - PRIOR YEAR	6900-212 -	-	-	-	-	4,813.00
DEFERRED STATE INCOME TAXES	DEF-STAT (1,410.00)	(2,322.00)	(4,998.00)	(7,526.00)	(22,287.00)	8,651.00
REGULAR DEFERRED TAX CREDITS	RDEFTC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
INVESTMENT TAX CREDIT	ITC (1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)	(1,727.00)
TOTAL INCOME TAXES	TAXES 106,753.38	107,848.00	107,115.06	104,330.69	105,401.13	164,341.06
INCOME FROM CONTINUING OPERATIONS	194,581.00	196,527.00	195,224.00	190,274.00	192,177.00	190,623.00
NET INCOME	\$ 194,581.00	\$ 196,527.00	\$ 195,224.00	\$ 190,274.00	\$ 192,177.00	\$ 190,623.00

280

SOURCE: PBC

PEF Pg. 12

PSC Staff W/P No. 2B, Pg. 5 of 5

Docket No. 030001-EI  
 Exhibit JWR-5 (Page 12 of 39)  
 Selected Audit Work Papers

COMPANY: PROGRESS FUELS CORPORATION  
 SUBJECT: SUMMARY TRANSPORTATION CONTRACTS  
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002  
 AUDITOR: J. W. ROHRBACHER JWR 7/15

AUDIT: WATERBORNE TRANSPORTATION  
 FILENAME: CONTRACTS  
 SHEET: CONTRACT SUMMARY

Vendor	Contract Amount	Utility Summary From 42-1	Comments
Kanawha River Terminals (KRT)	42-3 p1 7.88	7.88	
<b>International Marine Terminals (IMT)</b>			
Despatch Calculations 1/1-12/31/02			
Dockage	42-3 0.0925	0.0500	Contract for 12 hour period, utility based 6 hours
Line Handling	3 1,200.00	0.08	@ transfer 15,000 tons
Direct Unload	1.50	1.50	
Storage	1.95	1.95	
Conveyor Discharge	1.80	1.80	
Plaquemines Harbor Fee	0.007500		
<b>MEMCO</b>			
Demurrage	42-3 200.00 day	0.02	@10,000 tons
Freight - Kanawha River - Dec July	p2 8.60	8.60	
<b>Dixie Fuels Limited</b>			
Demurrage		0.73	
Charter of Dixie Rebel	42-3 p4 500.00 day		
Freight - Dec July	p3 4.0825 4.2500	4.0825 4.2500	Rate for less than initial 1.6 mm tons Rate greater than initial 1.6mm tons

NOTE: All rates are per ton unless otherwise noted

Avg 2002 costs per company

Rail & truck - Kanawhaq River Terminals (KRT)	42-1 7.88
River - MEMCO	8.60
Demurrage	0.02
International Marine Terminal (IMT)	1.95
Other charges	0.21
Gulf - Dixie Fuels (Avg rate paid)	4.88
Other charges	1.13
	24.45
Amt charged PEF (\$19.82+9.49)	43-1 29.31
Difference	4.86

PEF Pg. 33  
 PSC Staff W/P No. 42

**PROGRESS FUELS CORPORATION**  
**WATERBORNE TRANSPORTATION AUDIT**  
**UTILITY SUMMARY OF TRANSPORTATION CONTRACTS**  
**12 MONTHS ENDED 12/31/02**

CONFIDENTIAL								
Progress Fuels Corporation								
Summary of Transportation Contracts for Shipments to Crystal River								
Line	Contract Term	Contract Rates per Ton			Estimated Charges Kanawha River		Notes	
		2001	2002	2003	2003/2004	2005		
1	Rail & Truck - Kanawha River Terminals (KRT)	01/02-12/03						
2	Elk Run to KRT Kanawha River Docks		\$6.00	\$7.88	\$7.88	\$7.88	\$7.88	1
3	Martin County to KRT Big Sandy River Dock		\$5.90	\$5.90	\$5.90			
4								
5	River - MEMCO	07/01-07/04						
6	Kanawha River		\$8.80	\$8.80	\$9.80	\$9.80	\$9.80	4
7	Big Sandy River		\$7.00	\$7.00	\$7.98			
8	Ohio River		\$6.80	\$6.80	\$7.87			
9	Demurrage		\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	2
10								
11	Terminal at New Orleans - International Marine Terminals (IMT)	01/02-10/04						
12	Storage		\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	
13	Direct		\$1.50	\$1.50	\$1.50			
14	Import of Foreign Coal							
15	- Terminal crane discharge through storage including barge charges		\$3.97	\$3.97	\$3.97			
16	- Terminal crane discharge through storage excluding barge charges		\$3.80	\$3.50	\$3.50			
17	- Terminal crane discharge through CBU direct to gulf barge		\$3.47	\$3.47	\$3.47			
18	- Full service package for vessel crane discharge through storage		\$3.07	\$3.07	\$3.07			
19	- Terminal crane discharge through CBU direct to gulf barge		\$3.00	\$3.00	\$3.00			
20	- Vessel crane discharge through storage		\$2.35	\$2.35	\$2.35			
21	- Vessel crane discharge through CBU direct to gulf barge		\$1.85	\$1.85	\$1.85			
22	- Vessel conveyor discharge through inbound hopper through storage		\$1.80	\$1.80	\$1.80			
23	Harbor Fee							
24	Additional charges							
25	- Demurrage		\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	
26	- Line Handling		\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	
27	- Port Fees		\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	
28	- Dockage		\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	
29								
30	Gulf - Dixie Fuels Limited (Dixie)	4/02-4/05						
31	Rate less than initial 1.6 million tons		-	\$4.06	N/A			
32	Rate greater than initial 1.6 million tons		-	\$4.25	\$4.25			
33	Average adjusted rate actually paid		\$6.30	\$4.88	\$4.53	\$4.53	\$6.30	3 & 5
34	Additional charges							
35	- Port Fees		\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	2
36	- Assist Tug		\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	2
37	- Demurrage/Repairs		\$0.27	\$0.73	\$0.73	\$0.73	\$0.73	2
38	- Insurance/Labor Adjustment		\$0.00	\$0.20	\$0.20	\$0.20	\$0.20	2
39	- Customs/Surveys		\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	2
40								
41								
42	Notes:					\$25.50	\$27.27	6
43	1 Increase is expected in WV truck bill due to road reconstruction, not reflected above							
44	2 2001 and 2003 are estimated based on 2002 rates, except demurrage 2001.							
45	3 Dixie Fuels current rate is based upon an inadequate IRR for the partnership. We anticipate the rate to increase in 2005.							
46	4 The MEMCO contract has a rate adjustment clause for increases/decreases in diesel fuel prices. 2003-2005 reflects current increase							
47	5 The Dixie contract has a rate adjustment clause for increases/decreases in diesel fuel prices, PPI, direct labor and insurance costs.							
48	2003-2005 reflect current increase.							
49	- Drydocking repairs estimated at \$37 million over next 10 years, or \$3.7 million per year @ 2.1 million tons = \$1.76 per ton							
50	6 Other costs not included in total 2003 estimated charges include but are not limited to the following:							
51	a. Lost coal at IMT due to hurricanes/flooding.							
52	b. Potential damage to Gulf barge or loss of Gulf barge.							
53	c. Increase cost for drydocking repairs to Gulf barges.							



SOURCE: PBC

PEF Pg. 34

PSC Staff W/P No. 42-1

## COAL PURCHASE CONTRACTS

### **Pen Coal Corporation and Electric Fuels Corporation (now PFC)**

Term - April 1, 1998 to July 31, 2001. May elect to extend term for additional 36 months.

Base Price Per Ton of Coal - Beginning April 1, 1998, **FOB Seller's barge loading site, loaded in the barge**, was \$28.30 per ton. On October 1, 1998, and each April 1 and October 1 thereafter the Base Price shall be adjusted by adding an amount equal to .85 percent (.0085) of the prior period's Base Price. As of April 1, 2001 this price was \$29.77<sup>42</sup> per ton and October 1, 2001 it would be \$30.02 per ton. <sup>47</sup>

In the event of any changes in law after January 1, 1998 which increases or decreases the seller's cost to mine, produce, or process coal to be supplied, an appropriate adjustment shall be made to the then effective base price. There shall be no adjustments for changes in costs associated with labor related benefits or taxes, real or property taxes, franchise taxes, income taxes, or any taxes the computation of which is based upon income.

Delivery and Shipment - Delivery is **FOB barge** at Seller's river terminals on the Big Sandy River or other mutually agreeable barge delivery point. Contract stated that coal sold will be shipped by barge from Seller's Big Sandy Dock (M. P. 4.7) or Wayne County River Terminal loading facilities (M. P. 7.65) on the Big Sandy River to destinations specified by purchaser.

### Black Hawk Synfuel LLC and as Agent for New River Synfuel LLC

Term - letters for "spot:" purchases

Approximately 60,000 tons (30 barges) of 1.2 LB "compliance" synfuel during each of the months July through December 2001. The price on these synfuels is **\$46.75 FOB barge at seller's Quincy Terminal on the Kanawha River**. Extended to 2002.

As agent for New River Synfuel, 40,000 tons of 1.2 LB "compliance" synfuel each month for the period January 1, 2002 through December 31, 2002. The price on these synfuels is fixed at **\$39.25 FOB barge at seller's Quincy Terminal on the Kanawha River**.

As agent for New River Synfuel, 950,000 tons at **\$37.50 per ton FOB barge, shipped from KRT's Marmet or Quincy Dock**. Shipping period May 1, 2002 - October 31, 2003. Letter January 10, 2003 revises previous sales agreement Synfuel will be blended with crushed run of mine coal (CROM) at contract price of \$39.50 per ton.

As agent for New River Synfuel, 45,000 tons of 1.2 LB "compliance" synfuel each month for the period January 1, 2001 through December 31, 2001. The price on these synfuels is fixed at **\$28.20 FOB barge at seller's Quincy Terminal on the Kanawha River**. By letter of March 1, 2002 this purchase order was extended through April 30, 2002.



**WATERBORNE TRANSPORTATION CONTRACTS**

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

Term - January 1, 2002 through December 31, 2003

Services Provided:

Ohio River Rail facility - Ceredo Dock

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

Kanawha River Truck Facilities

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

Big Sandy River Truck Facility

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

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

KRT Ceredo Dock - Direct transloading rates:

Without Thaw Shed Services \$.85 - With Thaw Shed Services \$1.00

KRT Kanawha River Docks

Truck, transfer and storage from Elk Run Mines \$6.00

Revised to \$7.86 per letter Feb. 5, 2002 42

Straight transloading and storage \$1.40

KRT Big Sandy River Dock

Truck, transfer and storage from Martin County \$5.90

Straight transloading and storage \$1.40

**AEP MEMCO LLC and Electric Fuels Corporation (now PCF)**

Term - August 1, 2001 - July 31, 2004

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

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

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

Quantity - The base quantity of DBF to be shipped will be 1,400,000 net tons per twelve month period beginning on the commencement date (a “Contact Year”). In any Contract Year, PFC will tender no less than 90% of the base quantity and MEMCO shall not be obligated to transport more than 110% of the base quantity.

In any contract year in which PFC ships less than 90% of the base quantity of 1,400,000 tons of DBF, MEMCO shall have the option to either (a) provide PFC with the opportunity to make up such shortfall during the remaining term of this Agreement or (b) require PFC to pay an amount equal to \$2.00 per ton of shortfall less than 90% of the base quantity.

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

<u>Rates</u>	<u>Origin</u>	<u>Milepoint</u>
		<u>Kanawha river</u>
\$8.60 <sup>42</sup>	Kanawha River Terminals	69.0
\$8.60	Amherst	74.0
\$8.60	Hughes Creek	81.5
\$8.70	Cannelton	84.3
\$8.70	Eagle/Hawks Nest	87.1
		<u>Big Sandy River</u>
\$7.00	All docks	
		<u>Ohio River</u>
\$7.00	ORC Huntington	306.5
\$6.90	Ceredo	315.0
\$6.70	TTI	406.0
\$6.20	Louisville & Jefferson Riverport	618.5
\$6.70	CBT Cincinnati	471.8

*OK don't blacken*

The initial base price for raw fuel is \$0.85 per gallon, excluding any applicable taxes. The Initial

Base Rate will be subject to fuel escalation/de-escalation, calculated on a ~~quarterly~~ basis beginning January 1, 2002 and based in the prior quarter's average fuel price on Friday of each week. There will be no change in the freight rates if the raw fuel price remains between \$0.75 and \$0.95 per gallon. In the event the raw fuel price falls below \$0.75 per gallon or rises above \$0.95 per gallon, the freight rate will increase or decrease as follows: for each \$0.03 decrease or increase, or fraction thereof above the initial base price of \$0.85, the base freight rates will decrease or increase one percent (1%) or fraction thereof.

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

### **Dixie Fuels Limited and Progress Fuels Corporation**

Term - April 1, 2002 - March 31, 2005

This contract replaces prior contract dated December 2, 1977.

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

Base Freight Rates and Freight Rate Adjustments - The Base Freight Rate is \$4.0625 per ST for the initial 1,600,000 ST transported and thereafter \$4.25 per ST or prorate portion thereof. Freight rates for load ports other than the Terminal will be calculated on an equivalent revenue per day basis net of fuel, port and voyage related expenses. <sup>42</sup>

Fuel Price Adjustment - For each 1% increase or decrease in the weighted average price for all marine diesel fuel purchased, rates shall be adjusted by 0.12%. Rates shall be adjusted on the first day of each calendar quarter, based on the fuel price calculated for the calendar quarter preceding the adjustment date as compared to the Base Fuel Price. The Base Fuel Price is \$0.85.

Labor Cost Adjustment - For each 1% increase or decrease in operator's crew costs (wages only), all rates shall be adjusted by 0.13%. Rates shall be adjusted annually based on the labor cost on the adjusting date as compared to the Base Labor Cost on April 1, 2002.

Producer Price Index Adjustment - For each 1% increase or decrease in the Base Producer Price Index, Industrial Commodities Less Fuels and Related Products and Power (Table 3) unadjusted, published by U.S. Department of Labor, Bureau of Labor Statistics (PPI) all rates shall be adjusted by 0.5%. Rates shall be so adjusted annually based on the PPI on the date three months prior to the adjustment date as compared to the base PPI. The Base PPI is the PPI for January 1, 2002.



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

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

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

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

Assist Tug, Dixie Rebel - DFL will provide an assist tug suitable for its needs at Crystal River. PFC will reimburse DFL \$500 per day for providing said assist tug. No other fees, expenses, or costs of any kind will apply. This agreement will expire on April 1, 2005, unless terminated or extended by mutual agreement of the parties.

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

Term - January 1, 2002 - October 31, 2004

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

Rates Per Net Ton of Coal - Storage \$1.95 - Direct \$1.50

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

Terminal crane discharge through storage: Rate includes all services including barging and associated barge charges.	\$3.97
Terminal crane discharge through storage: Rate includes all services except barge chartering/handling/ fleeting/shifting.	\$3.50

**PROGRESS FUELS CORPORATION**  
**WATERBORNE TRANSPORTATION AUDIT**  
**WATERBORNE TRANSPORTATION CONTRACTS**  
**12 MONTHS ENDED 12/31/02**

<p>Terminal crane discharge through CBU direct to gulf barge:          Rate includes all services including barging and associated barge charges.</p>	<p>\$3.47</p>
<p>Full service package for vessel crane discharge through storage:          Rate includes receiving coal from vessel in river barges: barge chartering, handling, fleetng, shifting, and lashing to side of vessel; draftsmen and supervision to coordinate swap-out of loads/empties at the vessel; blade cleaning of vessel holds (inclusive of labor and equipment); later reclaim of coal to gulf barge. Rate does not include labor or equipment to operate the shipboard cranes.</p>	<p>\$3.07</p>
<p>Terminal crane discharge through CBU direct to gulf barge:          Rate includes all services except barge chartering/handling/fleetng/shifting.</p>	<p>\$3.00</p>
<p>Vessel crane discharge through storage:          Rate <u>excludes</u> all services listed in the full service package but includes later reclaim from storage to gulf barge.</p>	<p>\$2.35</p>
<p>Vessel crane discharge through CBU direct to gulf barge:          Rate <u>excludes</u> all services listed in the full service package.</p>	<p>\$1.85</p>
<p>Vessel conveyor discharge through inbound hopper through storage:          Rate <u>excludes</u> any barging and barge services, hold cleaning, crane operations, and all other services not necessary for a vessel conveyor boom discharge direct to and compatible with Terminal's inbound "Nelvana" hopper.</p>	<p>\$1.80</p>

Shipper must declare an above rate option for each import vessel at least 15 days prior to each vessel arrival. Plaquemines Parish Supplemental Harbor Fee is currently \$.0075 per short ton. Rates include all fees, taxes, rolls, duties, or port charges applicable to Terminal as of the effective date of agreement. See Attachment III for vessel fees.

42-3  
3

5085

SOURCE: <u>Rec'd Contracts</u>
<small>INTEGRITY BUSINESS FORMS, INC. (847) 899-2626 FAX (847) 898-4608</small>



04-Feb-02  
 05:37 PM

CRYSTAL RIVER 4 AND 5

\* denotes UC

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		25.44	0.00		
A CBT/S to KCT		24.85	0.00		
A May/S to KCT		20.75	0.00		
Sandy River/S to Cyrus Dock		20.35	0.00		
Labody/S to Rvr Eagle		21.95	0.00		
BB KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock	3,390.20	30.02	101,773.80		
E Pen to Placer Dock		30.02	0.00		
E Coal Net/S to WhiteCreek		21.70	0.00	3,390.20	101,773.80
F Massey to Ceredo		24.60	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
G Quaker to Ceredo		24.75	0.00		
H BlackHawk/S to Ceredo	#6	43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT/Eagle to KRT/Quincy	36,701.50	37.50	1,376,308.25		
J KRT/Eagle to KRT/Quincy		37.50	0.00		
J BlackHawk/Spot to Quincy	27,122.28	35.50	962,840.94		
K Black Hawk/S to KRT/Quincy	#5 20,041.01	46.25	928,896.71		
K Black Hawk/S to KRT/Quincy	#6 19,683.99	43.00	846,411.57		
L New River/S to KRT/Quincy	84,241.05	22.20	1,428,151.31	167,789.83	5,538,806.78
S Glencore/S to IMT		40.15	0.00		
S Glencore/S to IMT		41.30	0.00	0.00	0.00
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	171,180.03	32.95	5,640,380.58	171,180.03	5,640,380.58
		Average Rate			

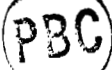
RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock	3,390.20		0.00		
N Pen to Placer Dock			0.00	3,390.20	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Frkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk/S to Ceredo			0.00		
O DMay/S to Ceredo			0.00	0.00	0.00
O T/Eagle to KRT/Quincy	36,701.50		0.00		
O BlackHawk/Spot to Quincy	27,122.28		0.00		
O Black Hawk/S to KRT/Quincy	39,725.00		0.00		
O New River/S to KRT/Quincy	84,241.05		0.00	167,789.83	0.00
	171,180.03	0.00	0.00	171,180.03	0.00
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
I From KCT/Cyrus Memco			0.00		
I From KCT/Rvr Eagle ACBL/S			0.00		
I From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
I From Pen/Whitcrk on ACBL/S			0.00		
I From Pen/Placer on Memco	3,390.20		0.00		
I From Pen/Whitcrk on OHRV/S			0.00	3,390.20	0.00
I From Ceredo on Memco			0.00		
I From Ceredo on OHRV/S			0.00		
I From Ceredo on ACBL/S			0.00	0.00	0.00
I From KRT/Quincy on OHRV/S			0.00		
I From KRT/Quincy on Memco	167,789.83		0.00		
I From Kanawha on ACBL/S			0.00	167,789.83	0.00
	171,180.03	0.00	0.00	171,180.03	0.00
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
From Pen Dock/Placer Dk	11,021.23	19.82	218,440.78	R From Pen Dock		19.82	0.00
From Ceredo/Ohio Rvr Dk	26,742.86	19.82	\$30,043.49	R From Ceredo/Ohio Rvr Dk		19.82	0.00
From Kanawha/Quincy	129,841.72	19.82	2,569,498.89	R From Kanawha/Quincy		19.82	0.00
From Glencore/S		5.11	0.00	R From Glencore/S		5.11	0.00
From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	167,405.81	19.82	3,317,983.16		0.00	#DIV/0!	0.00
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
From IMT	161,530.85	0.00	0.00
From Electro-Coal & Other		0.00	0.00
	161,530.85	0.00	0.00
		Average Rate	

ILF FREIGHT	Tons	Cost/Ton	Dollars
As delivered-IMT	160,131.70	9.49	1,519,849.83
Tons delivered-Electro & Other		9.49	0.00
	160,131.70	9.49	1,519,849.83
		Average Rate	



Electric Fuels Corporation  
 Regulated (FPC) Business  
 Inventory Accrual  
 February 2002

04-Mar-02  
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CRYSTAL RIVER 4 AND 5

\* denotes UC

COST OF COAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A	CBT/S to KCT		21.71	0.00		
A	CBT/Replace to KCT		26.44	0.00		
A	CBT/S to KCT		24.35	0.00		
A	May/S to KCT		20.75	0.00		
	Sandy River/S to Cyrus Dock		20.35	0.00		
	Body/S to Rvr Eagle		21.95	0.00		
BB	KMay/S to KCT Dock		20.75	0.00		
C	DMay/S to KCT		21.50	0.00		
CC	Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D	Pen to Pen Dock	7,108.27	29.77	211,553.66		
E	Pen to Placer Dock		29.77	0.00		
E	Coal Net/S to WhiteCreek		21.70	0.00	7,108.27	211,553.66
F	Massey to Carado		24.80	0.00		
G	Mapco/S to Carado		24.25	0.00		
G	Franklin to Carado		24.50	0.00		
G	Quaker to Carado		24.75	0.00		
H	BlackHawk/S to Carado	#8	43.00	0.00		
I	DMay/S to Carado		21.50	0.00	0.00	0.00
J	KRT/Eagle to KRT/Quincy	35,684.84	41.25	1,471,999.65		
J	KRT/Eagle to KRT/Quincy		41.25	0.00		
J	BlackHawk/Spot to Quincy	39,509.14	39.25	1,550,733.75		
K	Black Hawk/S to KRT/Quincy	#5 19,542.08	46.25	903,821.20		
K	Black Hawk/S to KRT/Quincy	#6 19,560.17	43.00	841,087.31		
L	New River/S to KRT/Quincy	48,696.28	22.20	1,078,657.42	160,992.51	5,804,299.33
S	Glencore/S to IMT		40.15	0.00		
S	Glencore/S to IMT		41.30	0.00	0.00	0.00
T	InterAmer/S to IMT		45.99	0.00	0.00	0.00
		<u>168,098.78</u>	<u>35.79</u>	<u>8,015,852.99</u>	<u>168,098.78</u>	<u>8,015,852.99</u>
			Average Rate			

RIVER TERMINAL		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	CBT/S to KCT			0.00		
M	KMay/S to KCT			0.00		
M	Sandy River/S to Cyrus Dock			0.00		
M	KMay/S to KCT Dock			0.00		
M	DMay/S to KCT			0.00		
M	Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N	Pen to Pen Dock	7,108.27		0.00		
N	Pen to Placer Dock			0.00	7,108.27	0.00
N	Massey to Carado			0.00		
O	Mapco/S to Carado			0.00		
O	Frkin to Carado			0.00		
O	Quaker to Carado			0.00		
O	BlackHawk/S to Carado			0.00		
O	DMay/S to Carado			0.00	0.00	0.00
	IT/Eagle to KRT/Quincy	35,684.84		0.00		
	BlackHawk/Spot to Quincy	39,509.14		0.00		
P	Black Hawk/S to KRT/Quincy			0.00		
P	New River/S to KRT/Quincy	48,696.28		0.00	160,992.51	0.00
		<u>168,098.78</u>	<u>0.00</u>	<u>0.00</u>	<u>168,098.78</u>	<u>0.00</u>
			Average Rate			

RIVER FREIGHT		Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	From KCT/Cyrus Memco			0.00		
M	From KCT/Rvr Eagle ACBL/S			0.00		
M	From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N	From Pen/Whitark on ACBL/S			0.00		
N	From Pen/Placer on Memco	7,108.27		0.00		
N	From Pen/Whitark on OHRV/S			0.00	7,108.27	0.00
O	From Carado on Memco			0.00		
O	From Carado on OHRV/S			0.00		
O	From Carado on ACBL/S			0.00	0.00	0.00
	From KRT/Quincy on OHRV/S			0.00		
	From KRT/Quincy on Memco	160,992.51		0.00		
	From Kanawha on ACBL/S			0.00	160,992.51	0.00
		<u>168,098.78</u>	<u>0.00</u>	<u>0.00</u>	<u>168,098.78</u>	<u>0.00</u>
			Average Rate			

GULF TERMINAL - IMT		Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER		Tons	Cost/Ton	Dollars
1	From KCT DK/Cyrus Dock		19.82	0.00	R	From KCT Dock		19.82	0.00
1	From Pen Dock/Placer Dk	3,449.26	19.82	68,364.33	R	From Pen Dock		19.82	0.00
1	From Carado/Ohio Rvr Dk		19.82	0.00	R	From Carado/Ohio Rvr Dk		19.82	0.00
1	From Kanawha/Quincy	131,923.69	19.82	2,614,727.54	R	From Kanawha/Quincy		19.82	0.00
	From Glencore/S		5.11	0.00	R	From Glencore/S		5.11	0.00
	From InterAmer/S		5.11	0.00	R	From InterAmer/S		5.11	0.00
		<u>135,372.95</u>	<u>19.82</u>	<u>2,683,091.87</u>			<u>0.00</u>	<u>#DIV/0!</u>	<u>0.00</u>
			Average Rate					Average Rate	

GULF FREIGHT		Tons	Cost/Ton	Dollars
	From IMT	157,941.17	0.00	0.00
	From Electro-Coal & Other		0.00	0.00
			0.00	0.00
			0.00	0.00
		<u>157,941.17</u>	<u>0.00</u>	<u>0.00</u>
			Average Rate	

GULF FREIGHT		Tons	Cost/Ton	Dollars
	Tons delivered-IMT	190,207.54	9.49	1,805,069.55
	Tons delivered-Electro & Other		9.49	0.00
				0.00
		<u>190,207.54</u>	<u>9.49</u>	<u>1,805,069.55</u>
			Average Rate	



CRYSTAL RIVER 4 AND 5

\* denotes I/C

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		26.44	0.00		
A CBT/S to KCT		24.85	0.00		
A KMay/S to KCT		20.75	0.00		
F Sandy River/S to Cyrus Dock		20.35	0.00		
F Sandy River/S to Rvr Eagle		21.95	0.00		
Bb KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock	1,830.78	29.77	54,501.73		
E Pen to Placer Dock		29.77	0.00		
E Coal NevS to WhiteCreek		21.70	0.00	1,830.78	54,501.73
F Massey to Ceredo		24.60	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
H Quaker to Ceredo		24.75	0.00		
H BlackHawk/S to Ceredo	#6	43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT/Eagle to KRT/Quincy	36,276.58	41.25	1,496,408.93		
J KRT/Eagle to KRT/Quincy		41.25	0.00		
K BlackHawk/Spot to Quincy	43,882.80	39.25	1,722,399.90		
K Black Hawk/S to KRT/Quincy	#5	46.25	915,972.93		
K Black Hawk/S to KRT/Quincy	#6	21,327.36	917,076.48		
L New River/S to KRT/Quincy	56,449.42	20.34	1,148,181.20	177,740.98	6,200,039.44
S Guasare/S to IMT	47,873.14	49.664	2,377,571.82		
S Guasare/S to IMT		41.30	0.00	47,873.14	2,377,571.82
T InterAmer/S to IMT		43.89	0.00	0.00	0.00
	227,444.88	37.95	8,632,112.79	227,444.88	8,632,112.79
		Average Rate			

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy River/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock	1,830.78		0.00		
N Pen to Placer Dock			0.00	1,830.78	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Frkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk/S to Ceredo			0.00		
O DMay/S to Ceredo			0.00	0.00	0.00
F KRT/Eagle to KRT/Quincy	36,276.58		0.00		
K BlackHawk/Spot to Quincy	43,882.80		0.00		
K Black Hawk/S to KRT/Quincy	41,132.18		0.00		
L New River/S to KRT/Quincy	56,449.42		0.00	177,740.98	0.00
	179,571.74	0.00	0.00	179,571.74	0.00
		Average Rate			

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
I From KCT/Cyrus Memco			0.00		
I From KCT/Rvr Eagle ACBUS			0.00		
I From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
I From Pen/Whitck on ACBUS			0.00		
I From Pen/Placer on Memco	1,830.78		0.00		
I From Pen/Whitck on OHRV/S			0.00	1,830.78	0.00
I From Ceredo on Memco			0.00		
I From Ceredo on OHRV/S			0.00		
I From Ceredo on ACBUS			0.00	0.00	0.00
I From KRT/Quincy on OHRV/S			0.00		
I From KRT/Quincy on Memco	177,740.98		0.00		
I From Kanawha on ACBUS			0.00	177,740.98	0.00
	179,571.74	0.00	0.00	179,571.74	0.00
		Average Rate			

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
From KCT Dk/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
From Pen Dock/Placer Dk	7,177.65	19.82	142,261.02	R From Pen Dock		19.82	0.00
From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
From Kanawha/Quincy	154,431.38	19.82	3,060,829.95	R From Kanawha/Quincy		19.82	0.00
From Guasare/S	47,873.14	5.11	244,631.75	R From Guasare/S		5.11	0.00
From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
	209,482.17	16.46	3,447,722.72		0.00	#DIV/0!	0.00
		Average Rate				Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
From IMT	178,109.48	0.00	0.00
From Electro-Coal & Other		0.00	0.00
	178,109.48	0.00	0.00
		Average Rate	

GULF FREIGHT	Tons	Cost/Ton	Dollars
As delivered-IMT	159,646.43	9.49	1,515,044.82
As delivered-Electro & Other		9.49	0.00
			0.00
	159,646.43	9.49	1,515,044.82
		Average Rate	



CRYSTAL RIVER 4 AND 5

02-May-02  
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\* denotes IC

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
<b>CCST OF COAL</b>					
A CBT/S to KCT		21.71	0.00		
A CBT/Replace to KCT		26.44	0.00		
A CBT/S to KCT		24.85	0.00		
A <sup>*</sup> KMay/S to KCT		20.75	0.00		
ndy Rvr/S to Cyrus Dock		20.35	0.00		
body/S to Rvr Eagle		21.95	0.00		
Bb KMay/S to KCT Dock		20.75	0.00		
C DMay/S to KCT		21.50	0.00		
CC Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D Pen to Pen Dock		29.77	0.00		
E Pen to Placer Dock		29.77	0.00		
E Coal Net/S to WhiteCreek		21.70	0.00	0.00	0.00
F Massey to Ceredo		24.80	0.00		
G Mapco/S to Ceredo		24.25	0.00		
G Franklin to Ceredo		24.50	0.00		
G Quaker to Ceredo		24.75	0.00		
H BlackHawk/S to Ceredo	#8	43.00	0.00		
I DMay/S to Ceredo		21.50	0.00	0.00	0.00
J KRT/Eagle to KRT/Quincy	23,380.48	41.25	964,444.80		
J Marmet/Eagle to KRT/Quincy	10,482.83	41.25	431,583.49		
K BlackHawk/Spot to Quincy	1,727.27	35.50	61,318.09		
K Black Hawk/S to KRT/Quincy	#5 12,842.05	46.25	584,894.81		
K Black Hawk/S to KRT/Quincy	#6 12,947.81	43.00	556,755.83		
L New River/S to KRT/Quincy	55,787.48	20.34	1,134,717.34	118,947.72	3,733,514.36
S Guasara/S to IMT		49.664	0.00		
S Guasara/S to IMT		41.30	0.00	0.00	0.00
T InterAmer/S to IMT		45.89	0.00	0.00	0.00
	118,947.72	31.92	3,733,514.36	118,947.72	3,733,514.36
		Average Rate			

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
<b>RIVER TERMINAL</b>					
M CBT/S to KCT			0.00		
M KMay/S to KCT			0.00		
M Sandy Rvr/S to Cyrus Dock			0.00		
M KMay/S to KCT Dock			0.00		
M DMay/S to KCT			0.00		
M Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N Pen to Pen Dock			0.00		
N Pen to Placer Dock			0.00	0.00	0.00
N Massey to Ceredo			0.00		
O Mapco/S to Ceredo			0.00		
O Frkin to Ceredo			0.00		
O Quaker to Ceredo			0.00		
O BlackHawk/S to Ceredo			0.00		
O DM- to Ceredo			0.00	0.00	0.00
met/Eagle to Quincy	33,843.11		0.00		
Hawk/Spot to Quincy	1,727.27		0.00		
P Black Hawk/S to KRT/Quincy	25,589.86		0.00		
P New River/S to KRT/Quincy	55,787.48		0.00	118,947.72	0.00
	118,947.72	0.00	0.00	118,947.72	0.00
		Average Rate			

	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
<b>RIVER FREIGHT</b>					
W From KCT/Cyrus Memco			0.00		
W From KCT/Rvr Eagle ACBL/S			0.00		
W From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
V From Pen/Whitck on ACBL/S			0.00		
V From Pen/Placer on Memco			0.00		
V From Pen/Whitck on OHRV/S			0.00	0.00	0.00
J From Ceredo on Memco			0.00		
J From Ceredo on OHRV/S			0.00		
J From Ceredo on ACBL/S			0.00	0.00	0.00
From KRT/Quincy on OHRV/S			0.00		
From KRT/Quincy on Memco	118,947.72		0.00		
From Kanawha on ACBL/S			0.00	118,947.72	0.00
	118,947.72	0.00	0.00	118,947.72	0.00
		Average Rate			

	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER Tons	Cost/Ton	Dollars
<b>GULF TERMINAL - IMT</b>						
From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock	19.82	0.00
From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock	19.82	0.00
From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk	19.82	0.00
From Kanawha/Quincy	213,118.60	19.82	4,223,971.01	R From Kanawha/Quincy	19.82	0.00
From Guasara/S		5.11	0.00	R From Guasara/S	5.11	0.00
From InterAmer/S		5.11	0.00	R From InterAmer/S	5.11	0.00
	213,118.60	19.82	4,223,971.01		0.00	#DIV/0!
		Average Rate			Average Rate	

	Tons	Cost/Ton	Dollars
<b>GULF FREIGHT</b>			
From IMT	179,917.80	0.00	0.00
From Electro-Coal & Other		0.00	0.00
		0.00	0.00
	179,917.80	0.00	0.00
		Average Rate	

	Tons	Cost/Ton	Dollars
<b>IF FREIGHT</b>			
delivered-IMT	178,833.38	9.49	1,697,128.78
delivered-Electro & Other		9.49	0.00
		0.00	0.00
	178,833.38	9.49	1,697,128.78
		Average Rate	







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CRYSTAL RIVER 4 AND 5

\* denotes VC

COST OF COAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
A	CBT/S to KCT	21.71	0.00	
A	CBT/Replace to KCT	26.44	0.00	
A	CBT/S to KCT	24.85	0.00	
A	May/S to KCT	20.75	0.00	
I	Sandy River/S to Cyrus Dock	20.35	0.00	
E	Mapco/S to Rvr Eagle	21.95	0.00	
BB	KMay/S to KCT Dock	20.75	0.00	
C	DMay/S to KCT	21.50	0.00	
CC	Sandy Rvr(Pen) to Cyrus Dock	28.02	0.00	0.00
D	Pen to Pen Dock	29.77	0.00	
E	Pen to Placer Dock	29.77	0.00	
E	Coal Net/S to WhiteCreek	21.70	0.00	0.00
F	Massey to Ceredo	24.60	0.00	
G	Mapco/S to Ceredo	24.25	0.00	
G	Franklin to Ceredo	24.50	0.00	
G	Quaker to Ceredo	24.75	0.00	
H	BlackHawk to Ceredo	#8 43.00	0.00	
I	DMay/S to Ceredo	21.50	0.00	0.00
J	KRT to KRT/Quincy	40,131.37	29.64	1,189,511.59
J	Marmet/Eagle to KRT/Quincy	33,238.08	41.25	1,371,070.80
K	BlackHawk/Spot to Quincy	42,515.54	35.50	1,509,301.87
K	Black Hawk to KRT/Quincy	#5 3,395.70	46.25	157,051.13
K	Black Hawk to KRT/Quincy	#6 5,100.88	43.00	219,328.38
L	New River to KRT/Quincy	24,742.83	20.34	503,265.09
S	Guasare/S to IMT	49.664	0.00	
S	Guasare/S to IMT	41.30	0.00	0.00
T	InterAmer/S to IMT	45.89	0.00	0.00
		149,124.58	33.19	4,949,528.66
			Average Rate	
			149,124.58	4,949,528.66

RIVER TERMINAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
M	CBT/S to KCT		0.00	
M	KMay/S to KCT		0.00	
M	Sandy River/S to Cyrus Dock		0.00	
M	KMay/S to KCT Dock		0.00	
M	DMay/S to KCT		0.00	
M	Sandy Rvr(Pen) to Cyrus Dock		0.00	0.00
N	Pen to Pen Dock		0.00	
N	Pen to Placer Dock		0.00	0.00
N	Massey to Ceredo		0.00	
O	Mapco/S to Ceredo		0.00	
O	Frkin to Ceredo		0.00	
O	Quaker to Ceredo		0.00	
O	BlackHawk to Ceredo		0.00	
O	May/S to Ceredo		0.00	0.00
I	T-Marmet/Eagle to Quincy	73,370.05	0.00	
I	BlackHawk/Spot to Quincy	42,515.54	0.00	
P	Black Hawk to KRT/Quincy	8,496.38	0.00	
P	New River to KRT/Quincy	24,742.83	0.00	149,124.58
		149,124.58	0.00	0.00
			Average Rate	
			149,124.58	0.00

RIVER FREIGHT			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
M	From KCT/Cyrus Memco		0.00	
M	From KCT/Rvr Eagle ACBUS		0.00	
M	From KCT/Rvr Eagle OHRV/S		0.00	0.00
N	From Pen/Whitck on ACBUS		0.00	
N	From Pen/Placer on Memco		0.00	
N	From Pen/Whitck on OHRV/S		0.00	0.00
O	From Ceredo on Memco		0.00	
O	From Ceredo on OHRV/S		0.00	
O	From Ceredo on ACBUS		0.00	0.00
P	From KRT/Quincy on OHRV/S		0.00	
P	From KRT/Quincy on Memco	149,124.58	0.00	
P	From Kanawha on ACBUS		0.00	0.00
		149,124.58	0.00	0.00
			Average Rate	
			149,124.58	0.00

GULF TERMINAL - IMT			GULF TERM-ECT&OTHER					
	Tons	Cost/Ton	Dollars	Tons	Cost/Ton	Dollars		
I	From KCT Dk/Cyrus Dock	19.82	0.00	R	From KCT Dock	19.82	0.00	
I	From Pen Dock/Placer Dk	19.82	0.00	R	From Pen Dock	19.82	0.00	
I	From Ceredo/Ohio Rvr Dk	19.82	0.00	R	From Ceredo/Ohio Rvr Dk	19.82	0.00	
I	From KRT/Quincy, Marmet	127,057.81	19.82	2,518,285.79	R	From KRT/Quincy, Marmet	19.82	0.00
I	From Guasare/S		5.11	0.00	R	From Guasare/S	5.11	0.00
I	From InterAmer/S		5.11	0.00	R	From InterAmer/S	5.11	0.00
		127,057.81	19.82	2,518,285.79			0.00	#DIV/0!
			Average Rate				Average Rate	

GULF FREIGHT			
	Tons	Cost/Ton	Dollars
	From IMT	98,432.79	0.00
	From Electro-Coal & Other		0.00
			0.00
			0.00
			0.00
		98,432.79	0.00
			Average Rate

GULF FREIGHT				
	Tons	Cost/Ton	Dollars	
	is delivered-IMT	131,223.91	9.49	1,245,314.91
	is delivered-Electro & Other		9.49	0.00
				0.00
				0.00
				0.00
		131,223.91	9.49	1,245,314.91
			Average Rate	





CRYSTAL RIVER 4 AND 5

\* denotes I/C

COST OF COAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
A	CBT/S to KCT	21.71	0.00	
A	CBT/Replace to KCT	26.44	0.00	
A	CBT/S to KCT	24.85	0.00	
A	DMay/S to KCT	20.75	0.00	
	Sandy River/S to Cyrus Dock	20.35	0.00	
B	Labody/S to Rvr Eagle	21.95	0.00	
BB	KMay/S to KCT Dock	20.75	0.00	
C	DMay/S to KCT	21.50	0.00	
CC	Sandy Rvr(Pen) to Cyrus Dock	28.02	0.00	0.00
D	Pen to Pen Dock	29.77	0.00	
E	Pen to Placer Dock	29.77	0.00	
E	Coal Net/S to WhiteCreek	21.70	0.00	0.00
F	Massey to Ceredo	24.80	0.00	
G	Mapco/S to Ceredo	24.25	0.00	
G	Franklin to Ceredo	24.50	0.00	
G	Quaker to Ceredo	24.75	0.00	
H	BlackHawk to Ceredo #5	43.00	0.00	
I	DMay/S to Ceredo	21.50	0.00	0.00
J	KRT to KRT/Quincy	29.84	1,595,116.32	
J	Marmet/Eagle to KRT/Quincy	41.25	1,559,584.38	
K	BlackHawk/Spot to Quincy	35.50	1,285,883.13	
K	Black Hawk to KRT/Quincy #5	46.25	81,865.94	
K	Black Hawk to KRT/Quincy #6	43.00	224,549.20	
L	New River to KRT/Quincy	20.34	0.00	134,839.08
S	Guasare/S to IMT	49.664	0.00	
S	Guasare/S to IMT	41.30	0.00	0.00
T	InterAmer/S to IMT	45.89	0.00	0.00
		<u>35.20</u>	<u>4,748,998.95</u>	<u>134,839.08</u>
		Average Rate		<u>4,748,998.95</u>

RIVER TERMINAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
M	CBT/S to KCT		0.00	
M	KMay/S to KCT		0.00	
M	Sandy River/S to Cyrus Dock		0.00	
M	KMay/S to KCT Dock		0.00	
M	DMay/S to KCT		0.00	
M	Sandy Rvr(Pen) to Cyrus Dock		0.00	0.00
N	Pen to Pen Dock		0.00	
N	Pen to Placer Dock		0.00	0.00
N	Massey to Ceredo		0.00	
O	Mapco/S to Ceredo		0.00	
O	Fritin to Ceredo		0.00	
O	Quaker to Ceredo		0.00	
O	BlackHawk to Ceredo		0.00	
O	DMay/S to Ceredo		0.00	0.00
I	T-Marmet/Eagle to Quincy	91,826.87	0.00	
I	BlackHawk/Spot to Quincy	36,222.06	0.00	
P	Black Hawk to KRT/Quincy	8,990.15	0.00	
P	New River to KRT/Quincy		0.00	134,839.08
		<u>0.00</u>	<u>0.00</u>	<u>134,839.08</u>
		Average Rate		<u>0.00</u>

RIVER FREIGHT			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
M	From KCT/Cyrus Memco		0.00	
M	From KCT/Rvr Eagle ACBL/S		0.00	
M	From KCT/Rvr Eagle OHRV/S		0.00	0.00
N	From Pen/Whitck on ACBL/S		0.00	
N	From Pen/Placer on Memco		0.00	
N	From Pen/Whitck on OHRV/S		0.00	0.00
O	From Ceredo on Memco		0.00	
O	From Ceredo on OHRV/S		0.00	
O	From Ceredo on ACBL/S		0.00	0.00
P	From KRT/Quincy on OHRV/S		0.00	
P	From KRT/Quincy on Memco	134,839.08	0.00	
P	From Kanawha on ACBL/S		0.00	0.00
		<u>0.00</u>	<u>0.00</u>	<u>134,839.08</u>
		Average Rate		<u>0.00</u>

GULF TERMINAL - IMT			GULF TERM-ECT&OTHER			
	Tons	Cost/Ton	Dollars	Tons	Cost/Ton	Dollars
J	From KCT DK/Cyrus Dock	19.82	0.00	R From KCT Dock	19.82	0.00
J	From Pen Dock/Placer Dk	19.82	0.00	R From Pen Dock	19.82	0.00
J	From Ceredo/Ohio Rvr Dk	19.82	0.00	R From Ceredo/Ohio Rvr Dk	19.82	0.00
J	From KRT/Quincy,Marmet	140,192.20	2,778,609.40	R From KRT/Quincy,Marmet	19.82	0.00
J	From Guasare/S	5.11	0.00	R From Guasare/S	5.11	0.00
J	From InterAmer/S	5.11	0.00	R From InterAmer/S	5.11	0.00
		<u>19.82</u>	<u>2,778,609.40</u>		<u>0.00</u>	<u>#DIV/0!</u>
		Average Rate			Average Rate	

GULF FREIGHT			
	Tons	Cost/Ton	Dollars
I	From IMT	231,312.41	0.00
I	From Electro-Coal & Other		0.00
		<u>0.00</u>	<u>0.00</u>
		Average Rate	

GULF FREIGHT			
	Tons	Cost/Ton	Dollars
I	is delivered-IMT	214,460.52	9.49
I	ions delivered-Electro & Other		9.49
		<u>9.49</u>	<u>2,035,231.28</u>
		Average Rate	



CRYSTAL RIVER 4 AND 5

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\* denotes 1/C

COST OF COAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
A	CBT/S to KCT	21.71	0.00	
A	CBT/Replace to KCT	26.44	0.00	
A	CBT/S to KCT	24.85	0.00	
	May/S to KCT	20.75	0.00	
	Sandy River/S to Cyrus Dock	20.35	0.00	
	Mapco/S to Rvr Eagle	21.95	0.00	
BB	KMay/S to KCT Dock	20.75	0.00	
C	DMay/S to KCT	21.50	0.00	
CC	Sandy Rvr(Pen) to Cyrus Dock	28.02	0.00	0.00
D	Pen to Pen Dock	29.77	0.00	
E	Pen to Placer Dock	29.77	0.00	
E	Coal Net/S to WhiteCreek	21.70	0.00	0.00
F	Massey to Ceredo	24.60	0.00	
G	Mapco/S to Ceredo	24.25	0.00	
G	Franklin to Ceredo	24.50	0.00	
G	Quaker to Ceredo	24.75	0.00	
H	BlackHawk to Ceredo	43.00	0.00	
I	DMay/S to Ceredo	21.50	0.00	0.00
J	Marmet(KRT) to Marmet	66,834.49	29.64	1,975,046.28
J	Marmet/Eagle to Marmet	35,476.13	41.25	1,463,390.36
K	BlackHawk/Spot to Quincy	35,066.75	35.50	1,244,859.63
K	Black Hawk to KRT/Quincy	1,552.76	46.25	71,815.15
K	Black Hawk to KRT/Quincy	5,061.53	43.00	217,845.79
K	BlackHawk(KRT) to Quincy	88.73	29.64	2,629.96
L	New River to KRT/Quincy		20.34	
S	Guasare/S to IMT	60,981.66	49.664	3,028,593.16
S	Guasare/S to IMT		41.30	
T	InterAmer/S to IMT		45.89	
		204,862.05	39.07	8,003,990.33
			Average Rate	

RIVER TERMINAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
M	CBT/S to KCT		0.00	
M	KMay/S to KCT		0.00	
M	Sandy River/S to Cyrus Dock		0.00	
M	KMay/S to KCT Dock		0.00	
M	DMay/S to KCT		0.00	
M	Sandy Rvr(Pen) to Cyrus Dock		0.00	0.00
N	Pen to Pen Dock		0.00	
N	Pen to Placer Dock		0.00	0.00
N	Massey to Ceredo		0.00	
O	Mapco/S to Ceredo		0.00	
O	Frkin to Ceredo		0.00	
O	Quaker to Ceredo		0.00	
O	BlackHawk to Ceredo		0.00	
	May/S to Ceredo		0.00	0.00
	Marmet/Eagle to KRT/Marmet	102,110.82	0.00	
P	BlackHawk/Spot to KRT/Quincy	35,066.75	0.00	
P	Black Hawk to KRT/Quincy	8,703.02	0.00	
P	New River to KRT/Quincy		0.00	
		143,880.39	0.00	143,880.39
			Average Rate	

RIVER FREIGHT			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
V	From KCT/Cyrus Memco		0.00	
V	From KCT/Rvr Eagle ACBUS		0.00	
V	From KCT/Rvr Eagle OHRVS		0.00	0.00
V	From Pen/Whitck on ACBUS		0.00	
V	From Pen/Placer on Memco		0.00	
V	From Pen/Whitck on OHRVS		0.00	0.00
V	From Ceredo on Memco		0.00	
V	From Ceredo on OHRVS		0.00	
V	From Ceredo on ACBUS		0.00	0.00
V	From KRT/Quincy on OHRVS		0.00	
V	From KRT/Quincy, Marmet on Memco	143,880.39	0.00	
V	From Kanawha on ACBUS		0.00	
		143,880.39	0.00	143,880.39
			Average Rate	

GULF TERMINAL - IMT			GULF TERM-ECT&OTHER				
	Tons	Cost/Ton	Dollars	Tons	Cost/Ton	Dollars	
I	From KCT DK/Cyrus Dock	19.82	0.00	R	From KCT Dock	19.82	0.00
I	From Pen Dock/Placer Dk	19.82	0.00	R	From Pen Dock	19.82	0.00
I	From Ceredo/Ohio Rvr Dk	19.82	0.00	R	From Ceredo/Ohio Rvr Dk	19.82	0.00
I	From KRT/Quincy, Marmet	106,923.39	19.82	R	From KRT/Quincy, Marmet	19.82	0.00
I	From Guasare/S	80,981.66	5.11	R	From Guasare/S	5.11	0.00
I	From InterAmer/S		5.11	R	From InterAmer/S	5.11	0.00
		167,905.05	14.48			0.00	#DIV/0!
			Average Rate			Average Rate	

GULF FREIGHT			
	Tons	Cost/Ton	Dollars
I	From IMT	130,941.04	0.00
I	From Electro-Coal & Other		0.00
		130,941.04	0.00
			Average Rate

FREIGHT			
	Tons	Cost/Ton	Dollars
I	Tons delivered-IMT	131,741.47	9.49
I	Tons delivered-Electro & Other		9.49
		131,741.47	9.49
			Average Rate



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CRYSTAL RIVER 4 AND 5

\* denotes 1/0

	COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
A	CBT/S to KCT		21.71	0.00		
A	CBT/Replace to KCT		26.44	0.00		
A	CBT/S to KCT		24.85	0.00		
	ly/S to KCT		20.75	0.00		
	ly River/S to Cyrus Dock		20.35	0.00		
B	body/S to Rvr Eagle		21.95	0.00		
BB	KMay/S to KCT Dock		20.75	0.00		
C	DMay/S to KCT		21.50	0.00		
CC	Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
D	Pen to Pen Dock		29.77	0.00		
E	Pen to Placer Dock		29.77	0.00		
E	Coal Nav/S to WhiteCreek		21.70	0.00	0.00	0.00
F	Massey to Ceredo		24.60	0.00		
G	Mapco/S to Ceredo		24.25	0.00		
G	Franklin to Ceredo		24.50	0.00		
G	Quaker to Ceredo		24.75	0.00		
H	BlackHawk to Ceredo	#8	43.00	0.00		
I	DMay/S to Ceredo		21.50	0.00	0.00	0.00
J	Marmet(KRT) to Marmet	31,059.49	29.84	920,603.28		
J	Marmet/Eagle to Marmet	29,415.04	41.25	1,213,370.40		
K	BlackHawk/Spot to Quincy	42,528.10	35.50	1,509,747.55		
K	Black Hawk to KRT/Quincy	#5 1,883.22	46.25	76,923.93		
K	Black Hawk to KRT/Quincy	#6 5,115.22	43.00	219,954.46		
K	BlackHawk(KRT) to Quincy	16,548.09	29.84	490,485.39		
L	New River to KRT/Quincy		20.34	0.00	126,329.16	4,431,085.01
S	Guasare/S to IMT	58,768.96	49.884	2,918,602.30		
S	Guasare/S to IMT		41.30	0.00	58,768.96	2,918,602.30
T	InterAmer/S to IMT		45.89	0.00	0.00	0.00
		185,096.12	39.71	7,349,687.31	185,096.12	7,349,687.31
			Average Rate			

	RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	CBT/S to KCT			0.00		
M	KMay/S to KCT			0.00		
M	Sandy River/S to Cyrus Dock			0.00		
M	KMay/S to KCT Dock			0.00		
M	DMay/S to KCT			0.00		
M	Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
N	Pen to Pen Dock			0.00		
N	Pen to Placer Dock			0.00	0.00	0.00
N	Massey to Ceredo			0.00		
O	Mapco/S to Ceredo			0.00		
O	Frkin to Ceredo			0.00		
O	Quaker to Ceredo			0.00		
O	BlackHawk to Ceredo			0.00		
	ly/S to Ceredo			0.00	0.00	0.00
P	met/Eagle to KRT/Marmet	80,474.53		0.00		
P	BlackHawk/Spot to KRT/Quincy	42,528.10		0.00		
P	Black Hawk to KRT/Quincy	23,326.53		0.00		
P	New River to KRT/Quincy			0.00	126,329.16	0.00
		126,329.16	0.00	0.00	126,329.16	0.00
			Average Rate			

	RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
M	From KCT/Cyrus Memco			0.00		
M	From KCT/Rvr Eagle ACBL/S			0.00		
M	From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
N	From Pen/Whitck on ACBL/S			0.00		
N	From Pen/Placer on Memco			0.00		
N	From Pen/Whitck on OHRV/S			0.00	0.00	0.00
O	From Ceredo on Memco			0.00		
O	From Ceredo on OHRV/S			0.00		
O	From Ceredo on ACBL/S			0.00	0.00	0.00
P	From KRT/Quincy on OHRV/S			0.00		
P	From KRT/Quincy,Marmet on Memco	126,329.16		0.00		
P	From Kanawha on ACBL/S			0.00	126,329.16	0.00
		126,329.16	0.00	0.00	126,329.16	0.00
			Average Rate			

	GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
Q	From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
Q	From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
Q	From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
Q	From KRT/Quincy,Marmet	182,590.90	19.82	3,222,551.84	R From KRT/Quincy,Marmet		19.82	0.00
Q	From Guasare/S	58,768.96	5.11	300,299.17	R From Guasare/S		5.11	0.00
Q	From InterAmer/S		5.11	0.00	R From InterAmer/S		5.11	0.00
		221,357.86	15.91	3,522,850.81		0.00	#DIV/0!	0.00
			Average Rate			Average Rate		

	GULF FREIGHT	Tons	Cost/Ton	Dollars
V	From IMT	184,778.91	0.00	0.00
V	From Electro-Coal & Other		0.00	0.00
			0.00	0.00
		184,778.91	0.00	0.00
			Average Rate	

	F FREIGHT	Tons	Cost/Ton	Dollars
	Tons delivered-IMT	181,104.33	9.49	1,718,680.09
	Tons delivered-Electro & Other		9.49	0.00
			0.00	0.00
		181,104.33	9.49	1,718,680.09
			Average Rate	



CRYSTAL RIVER 4 AND 5

03-Dec-02  
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\* denotes UC

COST OF COAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
A	CBT/S to KCT	21.71	0.00	
A	CBT/Replace to KCT	26.44	0.00	
A	CBT/S to KCT	24.85	0.00	
A	ly/S to KCT	20.75	0.00	
I	ly River/S to Cyrus Dock	20.35	0.00	
B	eadbody/S to Rvr Eagle	21.95	0.00	
BB	KMay/S to KCT Dock	20.75	0.00	
C	DMay/S to KCT	21.50	0.00	
CC	Sandy Rvr(Pen) to Cyrus Dock	28.02	0.00	0.00
D	Pen to Pen Dock	29.77	0.00	
E	Pen to Placer Dock	29.77	0.00	
E	Coal Net/S to WhiteCreek	21.70	0.00	0.00
F	Massey to Ceredo	24.80	0.00	
G	Mapco/S to Ceredo	24.25	0.00	
G	Franklin to Ceredo	24.50	0.00	
G	Quaker to Ceredo	24.75	0.00	
H	BlackHawk to Ceredo	43.00	0.00	
I	DMay/S to Ceredo	21.50	0.00	0.00
J	Marmet(KRT) to Marmet	38,165.89	29.64	1,131,231.05
J	Marmet/Eagle to Marmet	29,464.08	41.25	1,215,393.30
K	BlackHawk/Spot to Quincy	48,396.19	35.50	1,718,064.75
K	Black Hawk to KRT/Quincy	#5 1,876.96	46.25	86,809.40
K	Black Hawk to KRT/Quincy	#6 8,819.87	43.00	379,245.81
K	BlackHawk(KRT) to Quincy		29.64	0.00
L	New River to KRT/Quincy		20.34	0.00
S	Guasare/S to IMT		49.664	0.00
S	Guasare/S to IMT		41.30	0.00
T	InterAmer/S to IMT		45.89	0.00
		126,722.59	35.75	4,530,744.31
			Average Rate	
				126,722.59
				4,530,744.31

RIVER TERMINAL			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
M	CBT/S to KCT		0.00	
M	KMay/S to KCT		0.00	
M	Sandy River/S to Cyrus Dock		0.00	
M	KMay/S to KCT Dock		0.00	
M	DMay/S to KCT		0.00	
M	Sandy Rvr(Pen) to Cyrus Dock		0.00	0.00
N	Pen to Pen Dock		0.00	
N	Pen to Placer Dock		0.00	0.00
N	Massey to Ceredo		0.00	
O	Mapco/S to Ceredo		0.00	
O	Frkin to Ceredo		0.00	
O	Quaker to Ceredo		0.00	
C	BlackHawk to Ceredo		0.00	
C	ly/S to Ceredo		0.00	0.00
P	Marmet/Eagle to KRT/Marmet	87,829.77	0.00	
P	BlackHawk/Spot to KRT/Quincy	48,396.19	0.00	
P	Black Hawk to KRT/Quincy	10,696.83	0.00	
P	New River to KRT/Quincy		0.00	
		126,722.59	0.00	0.00
			Average Rate	
				126,722.59
				0.00

RIVER FREIGHT			Total Tons	Total Dollars
	Tons	Cost/Ton	Dollars	
M	From KCT/Cyrus Memco		0.00	
M	From KCT/Rvr Eagle ACBUS		0.00	
M	From KCT/Rvr Eagle OHRV/S		0.00	0.00
N	From Pen/Whitck on ACBUS		0.00	
N	From Pen/Placer on Memco		0.00	
N	From Pen/Whitck on OHRV/S		0.00	0.00
O	From Ceredo on Memco		0.00	
O	From Ceredo on OHRV/S		0.00	
O	From Ceredo on ACBUS		0.00	0.00
P	From KRT/Quincy on OHRV/S		0.00	
P	From KRT/Quincy, Marmet on Memco	126,722.59	0.00	
P	From Kanawha on ACBUS		0.00	
		126,722.59	0.00	0.00
			Average Rate	
				126,722.59
				0.00

GULF TERMINAL - IMT			GULF TERM-ECT&OTHER						
	Tons	Cost/Ton	Dollars	Tons	Cost/Ton	Dollars			
J	From KCT CK/Cyrus Dock	19.82	0.00	R	From KCT Dock	19.82	0.00		
J	From Pen Dock/Placer Dk	19.82	0.00	R	From Pen Dock	19.82	0.00		
J	From Ceredo/Ohio Rvr Dk	19.82	0.00	R	From Ceredo/Ohio Rvr Dk	19.82	0.00		
J	From KRT/Quincy, Marmet	118,573.02	19.82	2,350,117.26	R	From KRT/Quincy, Marmet	19.82	0.00	
J	From Guasare/S		5.11	0.00	R	From Guasare/S	5.11	0.00	
J	From InterAmer/S		5.11	0.00	R	From InterAmer/S	5.11	0.00	
		118,573.02	19.82	2,350,117.26			0.00	#DIV/0!	0.00
			Average Rate				Average Rate		

GULF FREIGHT			
	Tons	Cost/Ton	Dollars
V	From IMT	155,917.25	0.00
V	From Electro-Coal & Other		0.00
			0.00
		155,917.25	0.00
			Average Rate

GULF FREIGHT				
	Tons	Cost/Ton	Dollars	
	Tons delivered-IMT	110,063.55	9.49	1,044,503.09
	Tons delivered-Electro & Other		9.49	0.00
				0.00
				0.00
		110,063.55	9.49	1,044,503.09
			Average Rate	

PBC

**PROGRESS FUELS CORPORATION  
WATERBORNE TRANSPORTATION AUDIT  
INVENTORY ACCRUAL  
12 MONTHS ENDED 12/31/02**

Docket No. 030001-EI  
Exhibit JMR-5 (Page 33 of 39)  
Selected Audit Work Papers

Electric Fuels Corporation  
Regulated (PPC) Business  
Inventory Accrual  
December 2002

03-Jan-03  
12:18 PM

CRYSTAL RIVER 4 AND 5

\* denotes UC

COST OF COAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
CBT/S to KCT		21.71	0.00		
CBT/Replace to KCT		26.44	0.00		
CBT/S to KCT		24.85	0.00		
ty/S to KCT		20.75	0.00		
ty River/S to Cyrus Dock		20.35	0.00		
r eabody/S to Rvr Eagle		21.95	0.00		
3 KMay/S to KCT Dock		20.75	0.00		
DMay/S to KCT		21.50	0.00		
3 Sandy Rvr(Pen) to Cyrus Dock		28.02	0.00	0.00	0.00
Pen to Pen Dock		29.77	0.00		
Pen to Placer Dock		29.77	0.00		
Coal Nel/S to WhiteCreek		21.70	0.00	0.00	0.00
Massey to Ceredo		24.60	0.00		
Mapco/S to Ceredo		24.25	0.00		
Franklin to Ceredo		24.50	0.00		
Quaker to Ceredo		24.75	0.00		
BlackHawk to Ceredo	#8	43.00	0.00		
DMay/S to Ceredo		21.50	0.00	0.00	0.00
BlackHawk/Spot to Marmet	8,889.13	35.50	314,854.12		
Marmet/Eagle to Marmet	29,098.48	41.25	1,200,312.30		
BlackHawk/Spot to Quincy	36,572.12	35.50	1,298,310.28		
Black Hawk to KRT/Quincy	#5	48.25	0.00		
Black Hawk to KRT/Quincy	#6	43.00	0.00		
BlackHawk(KRT) to Quincy	59,348.01	29.64	1,759,075.02		
New River to KRT/Quincy		20.34	0.00	133,887.74	4,572,551.70
Guasara/S to IMT		49.664	0.00		
Guasara/S to IMT		41.30	0.00	0.00	0.00
Emerald/S to IMT	1,400.70	25.50	35,717.85	1,400.70	35,717.85
<b>135,288.44</b>	<b>34.06</b>	<b>4,608,269.55</b>	<b>135,288.44</b>	<b>4,608,269.55</b>	
Average Rate					

RIVER TERMINAL	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
CBT/S to KCT			0.00		
KMay/S to KCT			0.00		
Sandy River/S to Cyrus Dock			0.00		
KMay/S to KCT Dock			0.00		
DMay/S to KCT			0.00		
Sandy Rvr(Pen) to Cyrus Dock			0.00	0.00	0.00
Pen to Pen Dock			0.00		
Pen to Placer Dock			0.00	0.00	0.00
Massey to Ceredo			0.00		
Mapco/S to Ceredo			0.00		
Frkin to Ceredo			0.00		
Quaker to Ceredo			0.00		
Hawk to Ceredo			0.00		
y/S to Ceredo			0.00	0.00	0.00
mevBHS to KRT/Marmet	37,967.81		0.00		
BlackHawk/Spot to KRT/Quincy	36,572.12		0.00		
Black Hawk to KRT/Quincy	59,348.01		0.00		
New River to KRT/Quincy			0.00	133,887.74	0.00
<b>133,887.74</b>	<b>0.00</b>	<b>0.00</b>	<b>133,887.74</b>	<b>0.00</b>	
Average Rate					

RIVER FREIGHT	Tons	Cost/Ton	Dollars	Total Tons	Total Dollars
From KCT/Cyrus Memco			0.00		
From KCT/Rvr Eagle ACBL/S			0.00		
From KCT/Rvr Eagle OHRV/S			0.00	0.00	0.00
From Pen/Whitck on ACBL/S			0.00		
From Pen/Placer on Memco			0.00		
From Pen/Whitck on OHRV/S			0.00	0.00	0.00
From Ceredo on Memco			0.00		
From Ceredo on OHRV/S			0.00		
From Ceredo on ACBL/S			0.00	0.00	0.00
From KRT/Quincy on OHRV/S			0.00		
From KRT/Quincy, Marmet on Memco	132,058.02		0.00		
From Kanawha on ACBL/S			0.00	132,058.02	0.00
<b>132,058.02</b>	<b>0.00</b>	<b>0.00</b>	<b>132,058.02</b>	<b>0.00</b>	
Average Rate					

GULF TERMINAL - IMT	Tons	Cost/Ton	Dollars	GULF TERM-ECT&OTHER	Tons	Cost/Ton	Dollars
From KCT DK/Cyrus Dock		19.82	0.00	R From KCT Dock		19.82	0.00
From Pen Dock/Placer Dk		19.82	0.00	R From Pen Dock		19.82	0.00
From Ceredo/Ohio Rvr Dk		19.82	0.00	R From Ceredo/Ohio Rvr Dk		19.82	0.00
From KRT/Quincy, Marmet	124,556.28	19.82	2,468,705.07	R From KRT/Quincy, Marmet		19.82	0.00
From Guasara/S		5.11	0.00	R From Guasara/S		5.11	0.00
From Emerald/S	1,400.70	5.11	7,157.58	R From InterAmer/S		5.11	0.00
<b>125,956.98</b>	<b>19.66</b>	<b>2,475,862.65</b>		<b>0.00</b>	<b>#DIV/0!</b>	<b>0.00</b>	
Average Rate							

GULF FREIGHT	Tons	Cost/Ton	Dollars
From IMT	170,538.81	0.00	0.00
From Electro-Coal & Other		0.00	0.00
		0.00	0.00
		0.00	0.00
<b>170,538.81</b>	<b>0.00</b>	<b>0.00</b>	
Average Rate			

GULF FREIGHT	Tons	Cost/Ton	Dollars
Tons delivered-IMT	186,405.07	9.49	1,768,984.11
Tons delivered-Electro & Other		9.49	0.00
		0.00	0.00
		0.00	0.00
<b>186,405.07</b>	<b>9.49</b>	<b>1,768,984.11</b>	
Average Rate			

*Diesel Freight - Gulf*



COMPANY: PROGRESS FUELS CORPORAION  
 SUBJECT: AVERAGE TRANSPORTATION COSTS  
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002  
 AUDITOR: J. W. ROHRBACHER

AUDIT: WATERBORNE TRANSPORTATION  
 FILENAME: A-5 TO GL RECON.123  
 SHEET: PFC TRANSPORTATION

Month	Tons to CR From IMT	Average Transp Cost Per Ton	Average Transp Cost	Barge Frght @\$9.49	Total Transp Cost
Jan-02	160,132	18.61	2,980,051	1,519,650	4,499,701
CR 1 & 2	7,579	18.61	141,045	71,925	212,970
Feb-02	190,208	18.83	3,581,608	1,805,070	5,386,678
Mar-02	159,646	18.27	2,916,740	1,515,045	4,431,785
Apr-02	178,833	18.61	3,328,089	1,697,129	5,025,218
May-02	179,167	18.02	3,228,593	1,700,297	4,928,890
Jun-02	131,224	18.16	2,383,026	1,245,315	3,628,341
Jul-02	195,416	17.72	3,462,763	1,854,493	5,317,257
Aug-02	214,461	18.06	3,873,159	2,035,231	5,908,390
Sep-02	131,741	17.43	2,296,254	1,250,227	3,546,480
Oct-02	181,104	17.01	3,080,585	1,718,680	4,799,265
Nov-02	110,064	17.32	1,906,301	1,044,503	2,950,804
Dec-02	186,405	17.62	<sup>45.2</sup> 3,284,457	1,768,984	5,053,441
	<u>2,025,980</u>		<u>36,462,672</u>	<u>19,226,548</u>	<u>55,689,220</u>
		Avg Gulf Freight	9.49		
		Avg Other Transp	18.00		
		Avg Water Transp	<u>27.49</u>	- Chg PEF	

SOURCE: Acct 5380-010, JE02E (From IMT inventory accrual)

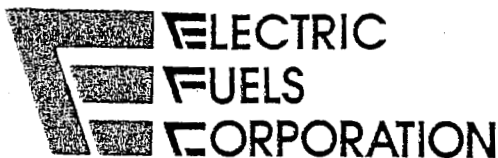
PEF Pg. 71

PSC Staff W/P No. 45-3



PROGRESS FUELS CORPORATION  
WATERBORNE TRANSPORTATION AUDIT  
ADJUSTMENT FOR MINE TO DOCK TRUCKING  
12 MONTHS ENDED 12/31/02

Docket No. 030001-EI  
Exhibit JWR-5 (Page 35 of 39)  
Selected Audit Work Papers



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

January 2, 2002

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

Dear Mr. Gatens:

This letter is to confirm our recent conversations wherein spot coal bids submitted to Progress Fuels Corporation (formerly Electric Fuels Corporation) from the Quincy and Marmet docks for calendar year 2002 include a trucking, storage, and transfer fee of \$3.75 (transportation fee).<sup>46.2</sup> Therefore, if one deducts this transportation fee from the spot bid price, one derives an equivalent f.o.b. mine price.

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

Sincerely,

PROGRESS FUELS CORPORATION

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

FML/ro

Agreed to and accepted this the 5 day of Jan 2002.

KANAWHA RIVER TERMINALS, INC.

By: *Michael Gatens*  
Michael Gatens, Vice President



A Progress Energy Company

SOURCE: PBC

PEF Pg. 75

PSC Staff W/P No. 46-2

Docket No. 030001-EI  
 Exhibit JWR-5 (Page 36 of 39)  
 Selected Audit Work Papers

COMPANY: PROGRESS FUELS CORPORAION  
 SUBJECT: AVERAGE COAL & TRANSPORTATION CHARGES TO PEF  
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002  
 AUDITOR: J. W. ROHRBACHER *Aug 13*

AUDIT: WATERBORNE TRANSPORTATION  
 FILENAME: A-5 TO GL RECON.123  
 SHEET: PFC TRANSPORTATION  
*Aug Cost*

Month	Tons to CR From IMT	Average Coal Cost Per Ton	Total Coal Cost	Average Transp Cost Per Ton	Average Transp Cost	Barge Frght @\$9.49	Total Transp Cost	
Jan-02	160,132	35.54	5,691,081	453	18.61	2,980,051	1,519,650	4,499,701
CR 1 & 2	7,579	35.54	269,358		18.61	141,045	71,925	212,970
Feb-02	190,208	35.46	6,744,759		18.83	3,581,608	1,805,070	5,386,678
Mar-02	159,646	36.14	5,769,622		18.27	2,916,740	1,515,045	4,431,785
Apr-02	178,833	35.18	6,291,358		18.61	3,328,089	1,697,129	5,025,218
May-02	179,167	35.46	6,353,270		18.02	3,228,593	1,700,297	4,928,890
Jun-02	131,224	35.15	4,612,520		18.16	2,383,026	1,245,315	3,628,341
Jul-02	195,416	35.71	6,978,289		17.72	3,462,763	1,854,493	5,317,257
Aug-02	214,461	35.55	7,624,075		18.06	3,873,159	2,035,231	5,908,390
Sep-02	131,741	36.36	4,790,120		17.43	2,296,254	1,250,227	3,546,480
Oct-02	181,104	37.01	6,702,671		17.01	3,080,585	1,718,680	4,799,265
Nov-02	110,064	36.9	4,061,345		17.32	1,906,301	1,044,503	2,950,804
Dec-02	186,405	36.61	6,824,290	17.62	3,284,457	1,768,984	5,053,441	
	<u>2,025,980</u>		<u>72,712,758</u>		<u>36,462,672</u>	<u>19,226,548</u>	<u>55,689,220</u>	
		Avg Coal Cost	35.89		18.00	9.49	27.49	
		Avg Transp	27.49					
		Avg Total Cost to PEF	63.38					

SOURCE: Acct 5380-010, JE02E (From IMT inventory accrual)

Docket No. 030001-EI  
 Exhibit JWR-5 (Page 37 of 39)  
 Selected Audit Work Papers

COMPANY: PROGRESS ENERGY FLORIDA  
 SUBJECT: COAL SOLICITATION PROPOSALS  
 PERIOD: 12 MONTHS ENDED DECEMBER 31, 2002  
 AUDITOR: J. W. ROHRBACHER *JWR 4/30*

AUDIT: WATERBORNE TRANSPORTATION  
 FILENAME: COAL PURCHASE.123  
 SHEET: BID RESPONSE

47-6

Response to PFC coal purchase bid packages

Company	FOB Mine Bid 2002	Transp Cost	Total Bid Price	Term of Contract	Submitted Bid	Accepted By PFC	Used in 2002	
Black Hawk Synfuel LLC	39.25	3.75	43.00	1/1-12/31/2	Yes	Yes	Yes	Price coal is FOB Barge - Quincy
Massey Utility Sales Company	39.75 38.50	0.00	39.75 38.50	04/02-04/04 03/02-03/04	Yes	Yes	Yes	FOB Barge Pit Elk Run Black Castle
ENRON (Panther Coal)	43.25	0.00	43.25	01/02-12/31/03	Yes	Yes	Yes	FOB Quincy Dock
Alliance Coal, LLC	48.00	0.00	48.00	2002-2006	Yes	Yes	Yes	Prices for years 2003-2006 vary between 42.00 - \$56.00
AEI Coal Sales Co.					No			
Clinchfield Coal Company	58.00	0.00	58.00	05/02-12/31/06	Yes	No		Prices to be negotiated for 2003+
Appalachian Fuels, LLC	43.00	0.00	43.00	2002-2006	Yes	No		Price for synfuel
Arch Coal Sales	11.30 38.25 39.75	0.00	11.30 38.25 39.75	01/03-12/04 05/02-12/03 05/02-12/03	Yes		No	Prices to be negotiated for 2004+
Cardigan Coal & Coke Corporation					No			
Coal Energy Resources, Inc.					No			
Commonwealth Coal services, Inc.	27.00	0.00	27.00	1/1-12/31/02	Yes	No		
Electric Fuels Corporation ? Cincinnati, Ohio					No			
Guasare Coal America, Inc.	48.99	0.00	48.99 47.17 45.36	05/02-12/02 2003 2004	Yes	Yes	Yes	Price for barge at IMT
James River Coal Sales					No			
Kentucky-Cumberland Coal Company					No			
Pen Coal Corporation					No			
PS Energy Group					No			
RAG Coal Sales of America					No			
Smoky Mountain Coal Corporation					No			
Solar Services, Inc.	38.50	0.00	38.50	05/02-12/04	Yes	No		FOB Wheatland, Indiana, via CSX Railroad
Triton Coal Company, LLC	9.50-11.00 13.25,15.50			05/02-12/04	Yes	No		FOB Mine in Wyoming

SOURCE: Bid Proposals

*W/P 47-2*

PEF Pg. 80

PSC Staff W/P No. 47-2

CONFIDENTIAL

PEF Pg. 81  
PSC Staff W/P No. 48

Company: Florida Power Corporation  
Subject: Analysis of the Escalation of the Costs of Waterborne Coal Transportation  
Period: Year Ended 12/31/02

Filename: Waterborne Coal Transportation  
Range: A37..Y115  
Auditor: Tom Stambaugh *TJS 04/02/03*

Purpose: Verify that the escalation of the benchmark price for waterborne coal transportation has been calculated accurately and with the use of the proper factors and weighting of factors.

Verification of Calculation of Basic Components of Benchmark Price and Escalation:

Escalation of Total Benchmark Price by Total Change

Benchmark price as recalculated by auditor	\$23.00	1.342%	\$23.31	-0.030%	\$23.30	2.455%	\$23.87	6.235%	\$25.36	-0.436%	\$25.25	-5.216%	\$23.93	5.460%	\$25.24	15.780%	\$29.22	-0.476%	\$29.09	-1.045%	\$28.71
Benchmark price as recalculated by Utility	\$23.00	1.340%	\$23.31	-0.030%	\$23.30	2.460%	\$23.87	6.240%	\$25.36	-0.440%	\$25.25	-5.220%	\$23.93	5.460%	\$25.24	15.780%	\$29.22	-0.480%	\$29.08	-1.050%	\$28.71
Unaccounted Difference	\$0.00		\$0.00		\$0.00		(\$0.00)		(\$0.00)		(\$0.00)		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

Verification of Weighted Percentage Change:

Component	Weights	(CY 1993)		(CY 1994)		(CY 1995)		(CY 1996)		(CY 1997)		(CY 1998)		(CY 1999)		(CY 2000)		(CY 2001)		(CY 2002)	
		Factors By year	Base Year	Factors By year	Escalated Year	Factors By year	Escalated Year	Factors By year	Escalated Year	Factors By year	Escalated Year	Factors By year	Escalated Year	Factors By year	Escalated Year	Factors By year	Escalated Year	Factors By year	Escalated Year	Factors By year	Escalated Year
Fixed	10.00%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%	0.00%	0.00000%
Consumer Price Index-U	20.00%	2.99%	0.59800%	2.56%	0.51200%	2.83%	0.56600%	2.95%	0.59000%	2.29%	0.45800%	1.56%	0.31200%	2.21%	0.44200%	3.36%	0.67200%	2.85%	0.57000%	1.64%	0.32800%
Rail Cost Adjustment Factor-Unadjusted	20.00%	2.62%	0.52400%	2.46%	0.49200%	2.97%	0.59400%	1.12%	0.22400%	1.93%	0.38600%	-0.50%	-0.10000%	1.40%	0.28000%	4.94%	0.98800%	1.41%	0.28200%	0.72%	0.14400%
Producer Price Index-All Commodities	20.00%	1.54%	0.30800%	1.26%	0.25200%	3.57%	0.71400%	2.33%	0.46600%	0.00%	0.00000%	-2.51%	-0.50200%	0.88%	0.17600%	5.66%	1.13200%	1.13%	0.22600%	-2.16%	-0.43200%
Average Hourly Earnings Index	10.00%	2.36%	0.23600%	2.58%	0.25800%	2.97%	0.29700%	3.23%	0.32300%	3.72%	0.37200%	4.16%	0.41600%	3.68%	0.36800%	3.76%	0.37600%	4.22%	0.42200%	3.21%	0.32100%
Producer Price Index-#2 Diesel Fuel	20.00%	-1.62%	-0.32400%	-7.72%	-1.54400%	1.42%	0.28400%	23.16%	4.63200%	-8.26%	-1.65200%	-26.71%	-5.34200%	20.97%	4.19400%	63.05%	12.61000%	-9.88%	-1.97600%	-7.03%	-1.40600%
Calculation of Weighted Factors	100.00%		1.34200%		-0.03000%		2.45500%		6.23500%		-0.43600%		-5.21600%		5.46000%		15.78000%		-0.47600%		-1.04500%
Calculations by Utility			1.34000%		-0.03000%		2.46000%		6.24000%		-0.44000%		-5.22000%		5.46000%		15.78000%		-0.48000%		-1.05000%
Unaccounted Difference			0.00200%		-0.00000%		-0.00500%		-0.00500%		0.00400%		0.00400%		0.00000%		0.00000%		0.00400%		0.00500%

Conclusion: The Utility has apparently used the weighted average of the factors to calculate the annual escalation of the benchmark price. Accept the Utility calculation of the benchmark price.

A C Audit

**PROGRESS FUELS CORP  
 WATERBORNE TRANSPORTATION AUDIT  
 UTILITY CALCULATION OF TRANSPORTATION RATE  
 12 MONTHS ENDED 12/31/02**

**PROGRESS FUELS CORPORATION**  
 Average Indices - FPC Waterborne Rate  
 2002 Rate

**CONFIDENTIAL**

Waterborne rate estimated based upon YTD average indices.

		Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	AVERAGE			WATER RATE				
														2001	2000	% CHG	2001	2002	Variance		
FIXED	10%																				
CPI-U	20%	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	172.2	2.85%					
RCAF-U	20%			107.6			107.9			107.8			107.6	107.7	106.2	1.41%					
				96.9			97.2			97.3			96.9	97.1							
PPI-ALL COMMODITIES	20%	138.8	136.5	135.9	136.3	136.6	135.7	133.9	133.5	133.4	130.2	130.1	128.0	134.1	132.6	1.13%					
AHE-TOTAL PRIVATE	10%	14.0	14.1	14.2	14.2	14.3	14.3	14.4	14.4	14.5	14.5	14.5	14.6	14.3	13.7	4.22%					
PPI-#2 DIESEL FUEL	20%	96.6	93.4	86.3	84.7	89.8	92.6	85.0	80.9	91.2	75.4	74.4	56.2	83.9	93.1	-9.88%					
	100%																				
														TOTAL WEIGHTED AVERAGE PERCENT CHANGE			-0.48%	\$29.22	\$29.08	48	(\$0.14)
														Waterway User Tax			48-3	0.23	0.23		
														Total Waterborne rate				\$29.45	\$29.31	42	(\$0.14)
														Offshore rate - 50.2%			48-3	\$14.67	\$14.60		(\$0.07)

Note: 2002 Rate calculation is based on 2001 YTD Average Indices.

AVGWTR.XLS

2/18/2003 10:09 AM rah



PEF Pg. 82

PSC Staff W/P No. 48-1

SOURCE: PBC

# ORIGINAL

## MEMORANDUM

OCTOBER 14, 2003

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03 OCT 14 PM 3:25

COMMISSION  
CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (RODAN) *JAR*

RE: DOCKET NO. 030001-EI - FUEL AND PURCHASED POWER COST RECOVERY CLAUSE WITH GENERATING PERFORMANCE INCENTIVE FACTOR.

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Attached is the DIRECT TESTIMONY OF WILLIAM B. MCNULTY and SUPPLEMENTAL DIRECT TESTIMONY OF JOSEPH W. ROHRBACHER on behalf of Commission Staff to be filed in the above-referenced docket.

*10027-03*

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
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MMS \_\_\_\_\_  
SEC   1    
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

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