

REDACTED

EXHIBIT B

DOCKET 070001-EI

Progress Energy

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

DOCUMENT NUMBER-DATE

08363 SEP 14 5

FPSC-COMMISSION CLERK

OPC
2nd PODs

2

070001-EI

REDACTED

PEF-07FL-001339 – PEF-07FL-001346
OPC'S 2nd POD #2

OPC
2nd PODs

3

070001-EI

1.02 Warranty of SELLER SELLER represents and warrants that SELLER or its affiliates own, lease or control mineral interests containing reserves in seams sufficient in quality and quantity to supply the coal covered by this Agreement (hereinafter the "Coal Property"). SELLER hereby represents to PURCHASER that it has access to sufficient reserves of coal meeting the quality specifications hereof and lying on or in the Coal Property so as to fulfill the quantity specifications hereof.

1.03 Quantity. During the initial term hereof, the quantity of coal to be delivered hereunder shall be [REDACTED] tons for 2005 and [REDACTED] for 2006.

1.04 Term. The initial term of this Agreement will commence on January 1, 2005, and will continue in effect for a period of [REDACTED] months.

1.05 Base Price. The base price per net ton of coal (hereinafter "base price") shall be [REDACTED] Dollars and [REDACTED] Cents (United States Dollars) (\$ [REDACTED] USD) FOB purchaser's barge loaded at the Alabama State Docks, per net ton for 2005 and [REDACTED] Dollars (United States Dollars) (\$ [REDACTED] USD) FOB purchaser's barge for 2006 loaded at the Alabama State Docks, adjusted on a per barge basis for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the initial term of this Agreement. A net ton is defined as 2,000 pounds "avoirdupois".

1.06 Billing and Payment. SELLER shall invoice PURCHASER for the coal delivered to PURCHASER on a per barge basis at the base price as shown in Section 1.05 hereof. Each invoice shall be paid by PURCHASER within twenty (20) days of the date of the invoice or fifteen (15) days from receipt of the invoice, whichever is later. Adjustments under Appendix A shall be

separately stated and if not calculated in time for preparation of the monthly invoice may be stated as a retroactive adjustment on the monthly invoice next following the calculation date. A statement showing the basis for the adjustment shall accompany said invoice.

In the event demurrage is incurred at the McDuffie Terminal in Mobile, Alabama (McDuffie"), SELLER shall pay the corresponding demurrage rate set forth in Appendix B within forty-five (45) days after receipt of the pertinent statement of facts and invoice PURCHASER.

2.01 Weighing. The net weight of coal sold and delivered hereunder shall be determined by certified draft survey at the load port by an independent surveyor mutually agreed upon by both parties. The cost of the survey shall be for SELLER'S account. PURCHASER reserves the right to witness the weighing procedure.

2.02 Delivery and Title. All coal to be supplied under this Agreement shall be from SELLER'S affiliate Pribbenow mine located in Colombia, South America. Delivery shall commence on or about January 1, 2005, and shipments shall be as uniform as practicable during contract period, plus or minus ten percent (10%). SELLER and PURCHASER shall mutually agree on actual shipment dates. For months in which SELLER, other than reasons of force majeure and defenses available to Seller, fails to achieve these delivery rates through no fault of PURCHASER'S (i.e., McDuffie can receive vessel, or gulf barges are available as scheduled), SELLER shall pay PURCHASER the difference, if any, over the amount of [REDACTED] United States Dollars (\$ [REDACTED] USD) per ton for all tons which Purchaser pays to others for coal to replace Seller's coal, which SELLER failed to load, ^{AS 6/7/05} ~~as scheduled in accordance with Section 2.03~~. Should Purchaser elect to replace coal which Seller fails to load, Seller will first have the option to provide replacement coal.

Make-up of tons not loaded as scheduled shall be at PURCHASER'S sole discretion.

APPENDIX B

Vessel Demurrage Provision

Demurrage rate escalates quarterly under PURCHASER'S contract with its barge carrier. Current demurrage is [REDACTED] per hour.

releases and discharges Assignor from any and all further duties, obligations and liability under and with respect to the Assigned Agreement as of and after the Effective Date.

2. Amendments.

- (a) Delivery Shortfalls. The Parties agree that [REDACTED] tons of coal that were originally schedule to be delivered, purchased and received, as applicable, during the term of the Contract remain outstanding (the "Shortfall Tons"). The Parties further agree that Interocean shall sell and deliver and PEF shall purchase and accept the Shortfall Tons during the period commencing January 1, 2007 and ending on [REDACTED], inclusive ("Contract Year 2007") on an approximately ratable basis during Contract Year 2007.
- (b) Price. The Price for the Shortfall Tons shall be the 2006 Contract Price of \$[REDACTED] per ton (USD), FOB PEF's or it's contractors', as applicable, barges loaded at the Alabama State Docks, adjusted on a per barge basis for quality in accordance with the provisions of Section 1.05 of the Contract.

3. Releases.

- (a) Release of Interocean. Upon delivery and acceptance hereunder of the Shortfall Tons PFC and PEF shall, without need for further documentation or action, release and forever discharge Interocean and its present and former shareholders, employees, agents, officers, directors, affiliates, guarantors, successors, assigns and representatives from any and all claims, obligations, causes of action, losses, or damages of any nature whatsoever, now in existence or occurring hereafter, known or unknown, whether in law, equity or otherwise, arising from or related to Interocean's failure to sell and deliver the Shortfall Tons.
- (b) Release of PFC and PEF. Upon delivery and acceptance hereunder of the Shortfall Tons Interocean shall, without need for further documentation or action, release and forever discharge PEF and PFC, and each of their respective present and former shareholders, employees, agents, officers, directors, affiliates, guarantors, successors, assigns and representatives from any and all claims, obligations, causes of action, losses, or damages of any nature whatsoever, now in existence or occurring hereafter, known or unknown, whether in law, equity or otherwise, arising from or related to any failure to purchase and receive the Shortfall Tons.
- (c) Claims Not Released. It is specifically understood and agreed that the foregoing releases shall not constitute a waiver, release or abandonment of any claim by any Party for breach by any Party of any term, condition, or provision of this Assignment Agreement or the Assigned Agreement.

Interocean Coal Sales, LDC

INVOICE

INVOICE NUMBER 23264

c/o Truman Bodden & Co., Anderson Square Bldg. (3rd Fl.) P.O.Box 866 George Town Gr: CI British West Indies TELEPHONE 345-949-7555

PLEASE REMIT TO:

Via Fed Wire from Inside the U.S. JPMorgan Chase Bank, N. A.

Credit Scotiabank (Cayman Islands) Ltd.

Interocean Coal Sales, LDC Scotiabank Account #20039-10

S
O
L
D
T
O
002027
Progress Fuels Corp
Attn: Regulated Back Office
410 South Wilmington Street
Mail Stop PEB 10A
Raleigh NC 27601
USA

S
H
I
P
T
O

CUSTOMER PURCHASE ORDER NUMBER	CARRIER	INVOICE DATE	SHIPMENT DATE		
	Ship EMI-1850	1/11/2007	1/2/2007		
CONTRACT NUMBER	TERMS				
	20 days aftr receipt of inv				
DESCRIPTION	WEIGHT	WT CODE	UNIT PRICE	CARRIER NUMBER	AMOUNT
Coal	[REDACTED]	NT	[REDACTED]		✓ [REDACTED]
Quality Adjustment (Penalty)	[REDACTED]	NT	[REDACTED]		✓ [REDACTED]
[REDACTED]					
INVOICE TOTALS:	[REDACTED]				✓ [REDACTED]

Interocean Coal Sales, LDC



INVOICE

c/o Truman Bodden & Co., Anderson
 Square Bldg. (3rd Fl.) P.O.Box 866
 George Town Gr: CI
 British West Indies
 TELEPHONE 345-949-7555

INVOICE NUMBER 23321

PLEASE REMIT TO:

Via Fed Wire from Inside the U.S.
 JPMorgan Chase Bank, N. A.
 [REDACTED]
 Credit Scotiabank (Cayman Islands) Ltd.
 [REDACTED]
 Interocean Coal Sales, LDC
 Scotiabank Account #20039-10

SOLD TO
 002027
 Progress Fuels Corp
 Attn: Regulated Back Office
 410 South Wilmington Street
 Mail Stop PEB 10A
 Raleigh NC 27601
 USA

SHIP TO

CUSTOMER PURCHASE ORDER NUMBER	CARRIER	INVOICE DATE	SHIPMENT DATE		
	Ship EMI-1850	2/9/2007	1/28/2007		
CONTRACT NUMBER	TERMS				
	20 days aftr receipt of inv				
DESCRIPTION	WEIGHT	WT CODE	UNIT PRICE	CARRIER NUMBER	AMOUNT
Coal	[REDACTED]	NT	[REDACTED]		[REDACTED]
Quality Adjustment (Penalty)	[REDACTED]	NT	[REDACTED]		[REDACTED]
Quality Adjustment (Penalty)	[REDACTED]	NT	[REDACTED]		[REDACTED]
INVOICE TOTALS:					[REDACTED]

ORIGINAL



COAL PURCHASE CONFIRMATION

Confirmation #: CCS_PEF_07-08 Coal (dated 2/15/06)

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St.
Raleigh, NC 27601
(P) 919-6002 (F) 919-546-2590

Seller: Central Coal Company
148 Bristol East Road
Bristol, VA 24202
(P)276-669-8599 (F) 276-669-3543

The purpose of this letter is to confirm the agreement entered into this 15th day of February, 2006, between Central Coal Company ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical CAAP Bituminous Coal
Seller: Central Coal Company
Buyer: Progress Energy Florida, Inc.
Term (Delivery Period): [REDACTED]
Contract Quantity: [REDACTED] tons total; shipped ratably at approximately [REDACTED] tons per month.
Contract Price: [REDACTED] per Ton FOB Barge
Delivery Point(s): FOB Barge Marnet Pool
Production Source(s): Kanawha Eagle Mine
Destination Plant(s): Buyer's Crystal River Units No. 4 and No.5 Bear Red Level, Citrus County, Florida.
Quality Specifications: All Coal delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria. The Rejection Limits shall be as specified in the following table for each of the listed criteria. All amounts are as measured on an as-received basis in accordance with ASTM standards.

	Quality Specification	Rejection Limit
BTU:	12,300 Btu/lb. monthly weighted average	12,000 Btu/lb. monthly weighted average
S0, lbs./MMBtu:	1.20 lbs. monthly weighted average	1.20 lbs.
Moisture:	8.0 % maximum	greater than 9.0 %
Ash:	12.50 % maximum	greater than 13.50 %
Volatile Matter:	32.0 % minimum	less than 31.0 %
HGI:	46 minimum	less than 42

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15407-1807-01-1116

Customer: Progress Fuels Corporation
Attn: Regulated Backoffice
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/18/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
Date Shipped 1/10/2007	Barge Number MEM 626	Net Tons [REDACTED]	Price F.O.B. [REDACTED]	Amount \$ [REDACTED]

[REDACTED] \$ [REDACTED] ✓

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15409-1807-01-1116

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/18/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
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1/12/2007	AEP 596	[REDACTED]	[REDACTED]	\$ [REDACTED]
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[REDACTED]	\$ [REDACTED]
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Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278



Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202



Invoice Number
15402-1807-01-1116

Customer: Progress Fuels Corporation
Attn: Regulated Backoffice
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/18/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
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1/5/2007	AEP 605	[REDACTED]	[REDACTED]	\$ [REDACTED]
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[REDACTED]	\$ [REDACTED]
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Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278



Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15403-1807-01-1116

Customer: Progress Fuels Corporation
Attn: Regulated Backoffice
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/18/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
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1/8/2007	AEP 8825	[REDACTED]	[REDACTED]	\$ [REDACTED]
1/8/2007	PEN 109	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED] \$ [REDACTED]



Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278



Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15405-1807-01-1116

Customer: Progress Fuels Corporation
Attn: Regulated Backoffice
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/18/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
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1/9/2007	AEP 199	[REDACTED]	[REDACTED]	\$ [REDACTED]
1/9/2007	AEP 840	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED] \$ [REDACTED]

✓

Remit To: Central Coal Company
P.O. Box 768753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

✓
Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15442-2307-01-1402

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/23/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
Date Shipped 1/22/2007	Barge Number EFC 157	Net Tons [REDACTED]	Price F.O.B. [REDACTED]	Amount \$ [REDACTED]

[REDACTED] \$ [REDACTED]
✓

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

✓
Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15457-2507-01-1319

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/25/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
1/24/2007	AEP 584	██████████	██████	\$ ██████████

✓

██████████	\$	██████████
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✓

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

████████████████████
████████████████████

Telephone: (276) 669-8599

Fax: (276) 669-3543

PEF-07FL-001405

Central Coal Company
148 Bristol East Road
Bristol, Va. 24202

Invoice Number
15436- 2207-01-1110

Cust: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

invoice Date 01-22-07	Cust / Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms 1: BY 10 OF FOLL	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B	Amount
01-19-07	PEN 208	[REDACTED]	[REDACTED]	[REDACTED]

Totals 1 Barge(s)

[REDACTED]

[REDACTED]

✓

Remit To: Central Coal Company
P. O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company

[REDACTED]

Telephone: (276)-669-8599

Fax: (276)-669-3543

PEF-07FL-001406

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15469-3007-01-1333

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/30/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
1/29/2007	EFC 9219	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED] \$ [REDACTED]

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15467-3007-01-1333

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/30/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
1/26/2007	MEM 651	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED]	\$ [REDACTED]
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Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278



Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15424-1807-01-1418

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 1/18/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
1/16/2007	PEN 221	[REDACTED]	[REDACTED]	\$ [REDACTED]
1/16/2007	TA 147	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED] \$ [REDACTED]

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

PEF-07FL-001409

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
Jan BTU

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St
Raleigh, NC 27601

Ship To: Florida

Invoice Date 2/5/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms	Producer 303 Kanawha Eagle
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Shipment BTU		[REDACTED]
Contract BTU		[REDACTED]
Difference		[REDACTED]
Difference/Contract BTU	X	[REDACTED]
Base Price		[REDACTED]
Shipment Net Tons	X	[REDACTED]
TOTAL BTU ADJUSTMENT DUE	\$	[REDACTED] ³²

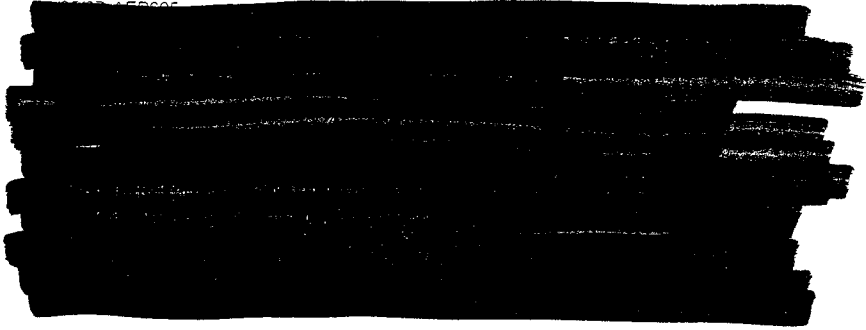
Remit To: Central Coal Company
P.O. Box 25549
Richmond, VA 23278

Wire To: Central Coal Company
Wachovia - Richmond, Va 23278
[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

Load Date Barge No. Quantity Loaded BTU BTU prem/pen/ton BTU Dollars



BTU - 12,300

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15533-1407-02-951

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 2/14/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
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2/10/2007	AEP 609	[REDACTED]	[REDACTED]	\$ [REDACTED]
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✓

[REDACTED]	\$ [REDACTED]
------------	---------------

✓

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

✓
 Central Coal Co.
 148 Bristol East Road
 Bristol, Virginia 24202

Invoice Number
 15541-1407-02-951

Customer: Progress Energy Florida
 Attn: Fuel Accounting
 410 S. Wilmington St.
 Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 2/14/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
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2/12/2007	MEM 94102	[REDACTED]	[REDACTED]	\$ [REDACTED]
2/12/2007	PEN 234	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED]	\$	✓ [REDACTED]
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Remit To: Central Coal Company
 P.O. Box 758753
 Baltimore, MD 21275-8753

Wire To: Central Coal Company
 Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Company
148 Bristol East Road
Bristol, Va. 24202

Invoice Number
15584- 2207-02-1031

Cust: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 02-22-07	Cust / Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms 1: BY 10 OF FOLL	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B	Amount
02-20-07	AEP 705	[REDACTED]	[REDACTED]	[REDACTED]

Totals 1 Barge(s) [REDACTED] [REDACTED]

Remit To: Central Coal Company
P. O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
[REDACTED]

Telephone: (276)-669-8599

Fax: (276)-669-3543

PEF-07FL-001414

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15504-0607-02-810

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 2/6/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
--------------	--------------	----------	--------------	--------

2/2/2007	AEP 117	[REDACTED]	[REDACTED]	\$ [REDACTED]
----------	---------	------------	------------	---------------

[REDACTED] \$ [REDACTED]

EB - 9 2007

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15531-1407-02-951

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 2/14/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
--------------	--------------	----------	--------------	--------

2/9/2007	AEP 9259	[REDACTED]	[REDACTED]	\$ [REDACTED]
2/9/2007	EFC 9606	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED]	\$ [REDACTED]
------------	---------------

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278



Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Company
148 Bristol East Road
Bristol, Va. 24202

Invoice Number
15554- 1607-02-1254

Cust: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 02-16-07	Cust / Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms 1: BY 10 OF FOLL	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B	Amount
02-15-07	MEM 5292	[REDACTED]	[REDACTED]	[REDACTED]
02-15-07	MEM 5201	[REDACTED]	[REDACTED]	[REDACTED]

Totals 2 Barge(s)

[REDACTED]

[REDACTED]

Remit To: Central Coal Company
P. O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, Va 23278

[REDACTED]

Telephone: (276)-669-8599

PEF-07FL-001417

Fax: (276)-669-3543

Central Coal Company
148 Bristol East Road
Bristol, Va. 24202

Invoice Number
15571- 2107-02-852

Cust: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 02-21-07	Cust / Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms 1: BY 10 OF FOLL	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B	Amount
02-19-07	MEM 5101	[REDACTED]	[REDACTED]	[REDACTED]
02-19-07	MEM 5092	[REDACTED]	[REDACTED]	[REDACTED]

Totals 2 Barge(s)

[REDACTED]

[REDACTED]

Remit To: Central Coal Company
P. O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, Va 23278

[REDACTED]

Telephone: (276)-669-8599

Fax: (276)-669-3543

PEF-07FL-001418

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
15603-2707-02-1532

Customer: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27601

Ship To: Progress Fuels

Invoice Date 2/27/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms NET 15 DAYS	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B.	Amount
--------------	--------------	----------	--------------	--------

2/26/2007	AEP 218	[REDACTED]	[REDACTED]	\$ [REDACTED]
2/26/2007	AEP 915	[REDACTED]	[REDACTED]	\$ [REDACTED]

[REDACTED] \$ [REDACTED]

Remit To: Central Coal Company
P.O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, VA 23278

[REDACTED]

Telephone: (276) 669-8599

Fax: (276) 669-3543

Central Coal Company
148 Bristol East Road
Bristol, Va. 24202

Invoice Number
15607- 2807-02-1326

Cust: Progress Energy Florida
Attn: Fuel Accounting
410 S. Wilmington St.
Raleigh, NC 27611

Ship To: Progress Fuels

Invoice Date 02-28-07	Cust / Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms 1: BY 10 OF FOLL	Producer 303 Kanawha Eagle
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Date Shipped	Barge Number	Net Tons	Price F.O.B	Amount
--------------	--------------	----------	-------------	--------

02-22-07	PEN 131	[REDACTED]	[REDACTED]	[REDACTED]
----------	---------	------------	------------	------------

Totals	1 Barge(s)	[REDACTED]	[REDACTED]	[REDACTED]
--------	------------	------------	------------	------------

Remit To: Central Coal Company
P. O. Box 758753
Baltimore, MD 21275-8753

Wire To: Central Coal Company
Wachovia - Richmond, Va 23278
[REDACTED]

Telephone: (276)-669-3591

Fax: (276)-869-3543

PEF-07FL-001420

Central Coal Co.
148 Bristol East Road
Bristol, Virginia 24202

Invoice Number
Feb BTU

Customer: Progress Energy Florida
Attr: Fuel Accounting
410 S. Wilmington St
Raleigh NC 27601

Ship To: Florida

Invoice Date 3/22/2007	Cust/Order Number 678 / 6384	Your Order No. CCSPEF0708	Terms	Producer 303 Kanawha Eagle
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Shipment BTU		[REDACTED]
Contract BTU		[REDACTED]
Difference		[REDACTED]
Difference/Contract BTU	X	[REDACTED]
Base Price	X	[REDACTED]
Shipment Net Tons		[REDACTED]
TOTAL BTU ADJUSTMENT DUE	\$	[REDACTED]

Remit To: Central Coal Company P.O. Box 25549 Richmond, VA 23278
--

Wire To: Central Coal Company Wachovia - Richmond, Va 23278 [REDACTED]
--

Telephone: (276) 669-3591

Fax: (276) 669-3543

Load Date	Barge No.	Quantity Loaded	BTU	BTU prem/pen/ton	BTU Dollars
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED] [REDACTED]

BTU - 12,300



Progress Energy

COAL PURCHASE CONFIRMATION

Confirmation #: PEF_KEY08 3-1/06

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB 10
Raleigh, NC 27601
(P) 919-6002 (F) 919-546-2590

Seller: Keystone Industries, LLC
1375 Jackson Street
Suite 410
Ft. Meyers, FL 33901
(P) 239-337-7474 (F) 239-332-514

The purpose of this letter is to confirm the agreement entered into this 1st day of March, 2006, between Keystone Industries, LLC ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical CAAP Bituminous Coal
Seller: Keystone Industries, LLC
Buyer: Progress Energy Florida, Inc.
Term (Delivery Period): [REDACTED]
Contract Quantity: [REDACTED] tons total; shipped ratably at approximately [REDACTED] tons per month.
Contract Price: [REDACTED]

Commencing on [REDACTED] the Parties shall mutually agree to negotiate in good faith and attempt to agree upon a new Contract Price, to be in effect for Contract Year [REDACTED]. Such Contract Price negotiations may take into consideration prices at which Seller could sell coal of a similar quality and quantity to any third party(ies) and prices at which Buyer could purchase coal of a similar quality and quantity from any third party(ies). If Buyer and Seller have not mutually agreed to a new contract Price by [REDACTED], Buyer and Seller agree that this contract shall be considered terminated effective [REDACTED]. A pricing collar would be established for the [REDACTED] base price and price modifications are to be determined by mutual agreement and are not to exceed an amount of [REDACTED] above or below the base coal price for [REDACTED].

Delivery Point(s): FOB Barge Marmet Pool
Production Source(s): Keystone Operations -- Charleston, WV
Destination Plant(s): Buyer's Crystal River Units No. 4 and No. 5 Bear Red Level, Citrus County, Florida.

Quality Specifications: All Coal delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria. The Rejection Limits shall be as specified

CEU

Keystone Industries LLC

1375 Jackson Street, Suite 401
Fort Myers, Florida 33901

Phone: 239-337-7474

Fax: 239-337-2514

Invoice Number: 301655
Date: January 31, 2007

Remit To:
Keystone Industries, LLC
1375 Jackson St, Suite 401
Fort Myers, Florida 33901

Bill To: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB 10
Raleigh, NC 27601

Wiring Instructions:
Wachovia Bank N.A.
Philadelphia, Pa.

Commodity: Coal
Customer PO: PEF_KEY08 3-1/06
Terms: Net 15 from invoice



Date	Tonnage	Loading Point	Description	Rate per Ton	Total/ Amount Due
01/30/07 01/31/07 01/31/07 01/30/07	[REDACTED]	River Point River Point River Point Quincy	Coal loaded per the above-referenced contract order as follows: WRS 9353 AEP 8806 AEP 563 EFC 266		
	[REDACTED]		Total Amount Due	[REDACTED]	[REDACTED]
			<small>* Price based on composite BTU of</small>	[REDACTED]	[REDACTED]
				[REDACTED]	[REDACTED]

Amount on PEB

rounding

Keystone Industries LLC

1375 Jackson Street, Suite 401
Fort Myers, Florida 33901

Phone: 239-337-7474

Fax: 239-337-2514

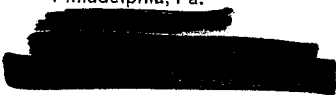
Invoice Number: 301665
Date: February 19, 2007

Remit To:
Keystone Industries, LLC
1375 Jackson St., Suite 401
Fort Myers, Florida 33901

Bill To: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB 10
Raleigh, NC 27601

Wiring Instructions:
Wachovia Bank N.A.
Philadelphia, Pa.

Commodity: Coal
Customer PO: PEF_KEY08 3-1/06
Terms: Net due 02/28/07



Date	Tonnage	Loading Point	Description	Rate per Ton	Total/ Amount Due
02/06/07		Quincy	<i>Coal loaded per the above-referenced contract order as follows:</i> MEM5261 MEM5276 MEM5171 AEP703 MEM569		
02/07/07		Quincy			
02/08/07		Quincy			
02/13/07		Quincy			
02/15/07		Quincy			
			✓		
			Total Amount Due		
			* Price based on composite BTU of 		
					✓

Keystone Industries LLC

1375 Jackson Street, Suite 401
Fort Myers, Florida 33901

Phone: 239-337-7474

Fax: 239-337-2514

Invoice Number: 301672
Date: February 28, 2007

Remit To:
Keystone Industries, LLC
1375 Jackson St, Suite 401
Fort Myers, Florida 33901

Bill To: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB 10
Raleigh, NC 27601

Wiring Instructions:
Wachovia Bank N.A.
Philadelphia, Pa.

Commodity: Coal
Customer PO: PEF_KEY08 3-1/06
Terms: Net 15 from invoice



Date	Tonnage	Loading Point	Description	Rate per Ton	Total/ Amount Due
<i>Coal loaded per the above-referenced contract order as follows:</i>					
02/16/07		Quincy	MEM-94261		
02/16/07		Quincy	MEM-2097		
02/21/07		Quincy	MEM-1001		
02/21/07		Quincy	AEP-748		
02/22/07		Quincy	AEP-868		
			Total Amount Due	\$	
			<small>* Price based on composite BTU of </small>		

1.01 Mutual Obligations. SELLER agrees to sell and deliver to PURCHASER, and PURCHASER agrees to buy and receive from SELLER, coal of the quality and in the quantities and on the terms and conditions, set forth below.

2.01 SELLER'S Reserves and Preparations for Selling Coal. SELLER represents and warrants that DIAMOND MAY COAL COMPANY ("Diamond May") owns or leases the mine or mines that is the source of the coal that is to be purchased and sold hereunder (hereinafter the "Coal Property") unless an alternate source is approved as contemplated in the last sentence of this paragraph. SELLER further represents and warrants that the Coal Property contains economically recoverable coal of a quality and in quantities which, under present mining laws, practices, governmental rules and regulations in effect as of the effective date of this Agreement will be sufficient to satisfy all the requirements of this Agreement during the entire term of this Agreement.

SELLER agrees and warrants that it will [comment: "Seller" as a whole can't immediately proceed to mine coal since Progress Fuels won't actually be mining. Whether or not the mining begins immediately should be irrelevant as long as the deliveries are timely made] provide loading facilities capable of loading at the rate required to meet Seller's delivery requirements pursuant to this Agreement. SELLER hereby expressly dedicates to PURCHASER sufficient reserves of coal lying on or in the Coal Property that meets the quality specifications hereof in an amount sufficient to meet Seller's contractual obligations pursuant to this Agreement. SELLER shall not ship any coal hereunder mined from any source other than the Coal Property without the prior written approval of PURCHASER.

3.01 Quantity and Source. During each calendar year during the term hereof, the quantity of coal to be delivered hereunder shall be [REDACTED] prorated for any partial calendar year.

4.01 Term. The term of this Agreement will commence on January 1, 2005, and will continue in effect for a period of twenty-four (24) months, ending on December 31, 2006, inclusive.

5.01 Base Price. The base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "base price") shall be fixed at [REDACTED] for the calendar years 2005 and 2006, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the term of this Agreement.

6.01 Billing and Payment. SELLER shall invoice PURCHASER monthly for the coal delivered to PURCHASER during the preceding month at the base price as shown in Section 5.01 hereof. Each invoice shall be paid by PURCHASER within twenty (20) days of the date of the invoice or fifteen (15) days from receipt of the invoice, whichever is later. Adjustments under Appendix A shall be separately stated and if not calculated in time for preparation of the monthly invoice may be stated as a retroactive adjustment on the monthly invoice next following the calculation date. A statement showing the basis for the adjustment shall accompany said invoice.

7.01 Delivery and Title. Delivery shall commence during January 2005. Time is of the essence. Delivery will be at PURCHASER'S option as provided in Section 7.02, in railroad cars or trucks f.o.b. the Coal Property and will be so scheduled as to permit loading in unit train lots in accordance with the terms of the applicable contract or tariff (as defined hereinafter). PURCHASER represents that it will supply transportation equipment as required for delivery. Delivery shall be in approximately equal monthly installments wherever possible; however, PURCHASER retains the right to, with reasonable notification to SELLER, alter monthly shipping schedules on a reasonable basis to meet monthly burn requirements at PEF's Generating Units and to conform to PURCHASER'S unit train and river barge tonnage requirements. Title to the

coal and risk of loss thereof shall transfer to PURCHASER at the time the trains or trucks are completely loaded and have been released by SELLER.

7.02 Shipment; Applicable Contract or Tariff. It is currently contemplated that coal sold hereunder will be shipped by rail from SELLER'S unit train loading facilities at Yellow Creek Tipple to destinations specified by PURCHASER. Notwithstanding the foregoing, PURCHASER shall have the option to ship the coal by truck or rail to river docks for movement on the American inland waterway system. Coal for shipment by river from a single origin shall be scheduled in shipments to meet PURCHASER'S river barge requirements, not to exceed 22,500 tons for loading into fifteen (15) barge unit tows.

Unless waived in writing by PURCHASER (as may be done in the case of river shipments), SELLER will provide, at its own expense, off-mainline rail trackage sufficient for efficient and dependable loading of unit trains at or near the mine loading site or at another mutually acceptable location in accordance with schedules mutually agreed upon by PURCHASER AND SELLER. SELLER shall operate such loading facilities twenty-four (24) hours per day, seven (7) days per week, if and as needed, regardless of mine holidays or vacation periods, and shall fully load unit trains comprised of approximately ninety [REDACTED] one-hundred (100) ton cars within four (4) hours of their arrival (minimum weight 9,600 tons per [REDACTED] unit train or 107.0 minimum tons per car) at such loading facilities or in accordance with the applicable contract or tariff for shipments hereunder. SELLER shall load each car at least to the minimum tonnage requirements of the railroad as defined in the CSXT-8200 Series Tariff in effect at the time shipments are made. "Arrival" shall be deemed to have occurred when the SELLER is notified by the CSX trainmaster that a train is **available** for loading and, actually placed at the Yellow Creek Loadout, with a sufficient power supply and a crew to assist in the standard loading operations. Requests by the SELLER to the CSX to "hold" trains will not allow SELLER to avoid charges referenced in Appendix B.

APPENDIX B

Railroad and Railcar Detention Costs

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series, including supplements thereto and re-issues thereof.
2. Dead Freight: Actual railroad charges.
3. Crew Change: [REDACTED] per change, subject to periodic adjustment by the railroad.

B. PFC RAILCAR CHARGES:

1. Lost Utilization Charges: Sum of a. and b. below.
 - a. Delay of Train = [REDACTED] per car per day of delay.
 - b. Failure to Fully Load Cars = [REDACTED]

Where: AC = actual number railcars
AW = actual weight of trains
P\$ = penalty in dollars

First Amendment to Agreement for the Sale and Purchase of Coal

This **First Amendment to Agreement for the Sale and Purchase of Coal** (this "**Amendment**") is made and entered into to be effective as of the **28th day of April, 2006** the "**Effective Date**" by and between **Diamond May Coal Company** ("**SELLER**") and **Progress Fuels Corporation** ("**PURCHASER**"). Each of SELLER and PURCHASER may sometimes hereinafter be referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, SELLER and PURCHASER have entered into that certain **Agreement for the Sale and Purchase of Coal** dated November 17, 2004 (the "**Sales Agreement**");

WHEREAS, SELLER and PURCHASER desire to amend the Sales Agreement as more specifically set forth below herein;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties and intending to be legally bound hereby, the Parties hereby agree as follows:

1. Section 5.01 Base Price is hereby amended by deleting the paragraph in its entirety and replacing it with the following:

"5.01 Base Price. The base price per ton of coal for all coal delivered to PURCHASER in accordance with the provisions of Section 7.01 hereof prior to May 1, 2006 (the "**Quality Change Date**") shall be ██████ per ton, adjusted monthly for the quality of such coal in accordance with the formulas and procedure set out in Section 9.03 hereof and Appendix A which is attached hereto and incorporated herein by reference. The base price per ton of coal for all coal delivered to PURCHASER in accordance with the provisions of Section 7.01 hereof on or after the Quality Change Date shall be ██████ per ton, adjusted monthly for the quality of such coal in accordance with the formulas and procedures set out in Section 9.03 hereof and Appendix A attached hereto."

2. Section 9.01 Coal Specifications is hereby amended by adding the following new provision immediately below the chart (above the last paragraph).

"Notwithstanding the foregoing, for all coal that is shipped on or after the Quality Change Date (as defined in Section 5.01 hereof) the Sulfur Dioxide Specification set forth in the chart above shall be deemed to be replaced with the following parameters:

<u>Specification</u>	<u>Typical</u>	<u>Reject</u>
Sulfur Dioxide	<1.6LB/SO ₂ per Million Btu	>1.8LB/SO ₂ per Million Btu



Alpha Natural Resources

Alpha Coal Sales Co., LLC

Sent via Facsimile (919) 546-3805 and U.S. Mail

May 4, 2006

Ms. Pamela Leonard Larger, Esq.
Staff Attorney
Progress Energy Service Company, LLC
Legal Department
410 S. Wilmington Street, PEB 17
Raleigh, North Carolina 27601

Re: Agreement for the Sale and Purchase of Coal ("Agreement") made and entered into as of the 17th day of November 2005 as amended by the First Amendment effective as of the 28th day of April, 2006, by and between **Diamond May Coal Company** ("Seller") and **Progress Fuels Corporation** ("Purchaser").

Dear Ms. Larger:

This letter is notification of the following changes effective as of May 1, 2006 in the above referenced Agreement.

In reference to Section 6.01, payments to Seller should be made to the following:

Bank:	BB&T, Abingdon, VA 24212
Routing/Transit No.:	[REDACTED]
Account Name:	Alpha Coal Sales Co., LLC
Account No.:	[REDACTED]

In reference to Section 16.01, notices should be directed to the following:

Alpha Coal Sales Co., LLC
One Energy Place
Latrobe, PA 15650
ATTN: President
FAX: 724-537-5820
TEL: 724-537-5731

If you have any questions, please do not hesitate to contact me at (724) 532-4315 or mpremoshis@alphannr.com.

Very truly yours,

Michele R. Premoshis
Contract Administrator

cc: John Pearl
Amy Futrell

PEF-07FL-001480

REDACTED

PEF-07FL-001481 – PEF-07FL-001485
OPC'S 2nd POD #3



Progress Energy

COAL PURCHASE CONFIRMATION

Confirmation #: PEF_B&W 2006

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB10A
Raleigh, NC 27601
(P) 919-7750 (F) 919-546-2590

Seller: B&W Resources, Inc.
849 S. HWY 11
Manchester, KY 40962
(P)(606) 599-8227(F)(609) 599-0612

The purpose of this letter is to confirm the agreement entered into this 2nd day of February 2006, between B&W Resources ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical - CAPP Rail Coal
Seller: B&W Resources, Inc.
Buyer: Progress Fuels Corporation
Term (Delivery Period):
Contract Quantity:

[REDACTED]

Contract Price:

[REDACTED]

Delivery Point(s): Resource Tipple #44655 FOB railcar; served by CSX railroad.
Production Source(s): Perryland, Chavics, Red Oak, other B&W mines and purchased coal.
Unit Train: A train contains between 90 and 110 rail cars, with each rail car filled to full visible capacity

Destination Plant(s): Buyer's Crystal River Units No. 1 and No. 2 bear Red Level, Citrus County, Florida.

Transportation Specifications:

If delivery is to occur by rail, Seller shall comply with the Transportation Specifications attached hereto as Exhibit 1. In the event of any conflict between the Transportation Specifications and the GTC, the terms of the Transportation Specifications shall prevail.

EW

B&W Resources, Inc.

849 South Hwy 11
Manchester, KY 40962

Invoice

Date	Invoice #
1/20/2007	07-0120PE

Bill To
Progress Energy Florida, Inc. Attn: Regulated Back Office 410 South Wilmington Street Mail Stop PEB 10A Raleigh, NC 27601

Ship To
Progress Energy Florida Crystal River Plant Red Level Jct, Florida

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
PEF_B&W2006	Net 20	MT	1/20/2007	CSX Rail Car	Origin	
Quantity	Item Code	Description			Price Each	Amount
██████████	2 X 0	2 X 0, CSX F101 ██████████			██████████	██████████
Origin Weights Apply					Total	██████████

PEF-07FL-001501

B&W Resources, Inc.

849 South Hwy 11
Manchester, KY 40962

Invoice

Date	Invoice #
1/26/2007	07-0126PEF

Bill To
Progress Energy Florida, Inc. Attn: Regulated Back Office 410 South Wilmington Street Mail Stop PEB 10A Raleigh, NC 27601

Ship To
Progress Energy Florida Crystal River Plant Red Level Jct, Florida

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
PEF_B&W2006	Net 20	MT	1/26/2007	CSX Rail Car	Origin	
Quantity	Item Code	Description			Price Each	Amount
[REDACTED]	2 X 0	2 X 0, CSX F102 [REDACTED]			[REDACTED]	[REDACTED]
Origin Weights Apply					Total	[REDACTED]

B & W Resources, Inc.

849 South Hwy 11
Manchester, KY 40962

Invoice

Date	Invoice #
2/22/2007	07-0222PEF

Bill To
Progress Energy Florida, Inc. Attn: Regulated Back Office 410 South Wilmington Street Mail Stop PEB 10A Raleigh, NC 27601

Ship To
Progress Energy Florida Crystal River Plant Red Level Jct, Florida

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
PEF_B&W2006	Net 20	MT	2/22/2007	CSX Rail Car	Origin	
Quantity	Item Code	Description			Price Each	Amount
[REDACTED]	2 X 0	2 X 0, CSX F120 [REDACTED]			[REDACTED]	[REDACTED]
Origin Weights Apply					Total	[REDACTED]

B & W Resources, Inc.
 849 South Hwy 11
 Manchester, KY 40962

Invoice

Date	Invoice #
2/19/2007	07-0219PEF

Bill To
Progress Energy Florida, Inc. Attn: Regulated Back Office 410 South Wilmington Street Mail Stop PEB 10A Raleigh, NC 27601

Ship To
Progress Energy Florida Crystal River Plant Red Level Jct, Florida

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
PEF_B&W2006	Net 20	MT	2/19/2007	CSX Rail Car	Origin	
Quantity	Item Code	Description			Price Each	Amount
[REDACTED]	2 X 0	2 X 0, CSX F117 [REDACTED]			[REDACTED]	[REDACTED]
Origin Weights Apply					Total	[REDACTED]

B&W Resources, Inc.

849 South Hwy 11
Manchester, KY 40962

Invoice

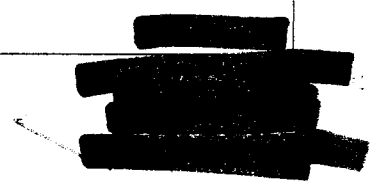
Date	Invoice #
1/12/2007	07-0112PEF

Bill To
Progress Energy Florida, Inc. Attn: Regulated Back Office 410 South Wilmington Street Mail Stop PEB 10A Raleigh, NC 27601

Ship To
Progress Energy Florida Crystal River Plant Red Level Jct, Florida

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
PEF_B&W2006	Net 20	MT	1/12/2007	CSX Rail Car	Origin	
Quantity	Item Code	Description			Price Each	Amount
[REDACTED]	2 X 0	2 X 0 . CSX F100 [REDACTED]			[REDACTED]	[REDACTED]
					Total	[REDACTED]

PEF-07FL-001505



B & W Resources, Inc.
 849 South Hwy 11
 Manchester, KY 40962

Invoice

Date	Invoice #
3/10/2007	07-0310PEF

Bill To
Progress Energy Florida, Inc. Attn: Regulated Back Office 410 South Wilmington Street Mail Stop PEB 10A Raleigh, NC 27601

Ship To
Progress Energy Florida Crystal River Plant Red Level Jct, Florida

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
PEF_B&W2006	Net 20	MT	3/10/2007	CSX Rail Car	Origin	
Quantity	Item Code	Description			Price Each	Amount
	Premium	Btu Premium for February, 2007				
		[REDACTED]				
					Total	[REDACTED]

PEF-07FL-001506

B & W Resources, Inc.
2007 PEF QPA

February

<u>Date</u>	<u>Train</u>	<u># of Cars</u>	<u>P.O. #</u>	<u>Tons</u>	<u>SGS Analysis</u>				<u>Btu Calculation</u>	<u>Weighted Average Btu</u>	<u>QPA</u>
					<u>Moisture</u>	<u>Ash</u>	<u>BTU</u>	<u>Sulfur</u>			
2/19/2007	F117	[REDACTED]	[REDACTED]	[REDACTED]	5.90	9.52	12,548	0.78	136696030		
2/22/2007	F120	[REDACTED]	[REDACTED]	[REDACTED]	6.63	10.70	12,249	0.87	132207499		
									268903529	12,399	[REDACTED]

PEF-07FL-001507



COAL PURCHASE CONFIRMATION

Confirmation #: 11.22.05CentralAppMin

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB8A
Raleigh, NC 27601
(P) 919-546-6002 (F) 919-546-2590

Seller: CAM Mining LLC
116 Main Street, P.O. Box 1169
Pikeville, KY 41502
(P)606-432-3900 (F)606-432-0031

The purpose of this letter is to confirm the agreement entered into this 4th day of January, 2005, between CAM Mining LLC ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical Coal
Seller: CAM Mining LLC
Buyer: Progress Energy Florida, Inc.
Term (Delivery Period): [REDACTED]
Contract Quantity: [REDACTED] tons total; shipped ratably at approximately [REDACTED] tons per month.
Contract Price: [REDACTED] per ton FOB Railcar
Delivery Point(s): Damron Fork Loadout # 84917 (big Sandy District) served by CSX.
Production Source(s): Panther Branch Mines,, Pike County, Kentucky
Destination Plant(s): Buyer to Determine
Transportation Specifications: If delivery is to occur by rail, Seller shall comply with the Transportation Specifications attached hereto as Exhibit 1. In the event of any conflict between the Transportation Specifications and the GTC, the terms of the Transportation Specifications shall prevail.

Quality Specifications: All Coal delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria. The Rejection Limits shall be as specified in the following table for each of the listed criteria. All amounts are as measured on an as-received basis, at the Delivery Point, in accordance with ASTM standards.

CAM Mining, LLC
 P.O. Box 1169
 Pikeville, KY 41502
 Phone (606) 432-3900 Fax (606) 432-0031

Remit To:
 2615 Reliable Parkway
 Chicago, IL 60686

PAGE NO.	INVOICE NO.	APPLY TO	INVOICE DATE	CUST NO.
1	000003168		01/11/2007	000000000003
INVOICE				

S Progress Fuels
 O Attn: Ginny Muehlendyck
 L 200 Central Ave Suite 600
 D ST Petersburg, FL 33701
 T Ginny Muehlendyck
 O

S PROGRESS FUELS
 H ST PETERSBURG, FL 33733
 I
 P
 T
 O

DATE SHIPPED	PURCHASE ORDER NO.	SHIP VIA	FOB	TERMS	
01/11/2007	1.01.07NA			net 15 days	
BUYER	DATE REQUESTED	LOCATION		Rob Fork	
	01/11/2007	00309			
Item No.	Description	Quantity Ordered	Quantity Shipped	Unit Price	Extension
STEAM COAL	RAILCARS, PERMIT F103				
Sub-Total					
		PEF-07FL-001524		INVOICE NO. 000003168	PLEASE REMIT THIS AMOUNT

T
A
X

CAM Mining, LLC
 P.O. Box 1169
 Pikeville, KY 41502
 Phone (606) 432-3900 Fax (606) 432-0031
 Remit To:
 2615 Reliable Parkway
 Chicago, IL 60686

PAGE NO. 1	INVOICE NO. 000003171	APPLY TO	INVOICE DATE 01/12/2007	CUST NO. 000000000003
INVOICE				

*Contract
 ↓
 now PEF*

S Progress Fuels
 O Attn: Ginny Muehlendyck
 L 200 Central Ave Suite 600
 D ST Petersburg, FL 33701
 T Ginny Muehlendyck
 O

S PROGRESS FUELS
 H ST PETERSBURG, FL 33733
 I
 P
 T
 O

DATE SHIPPED 01/12/2007	PURCHASE ORDER NO. 1.01.07NA	SHIP VIA	FOB	TERMS net 15 days		
BUYER	DATE REQUESTED 01/12/2007	LOCATION 00309		Rob Fork		
Item No.	Description	Quantity Ordered	Quantity Shipped	Unit Price	Extension	T A X
STEAM COAL	RAILCARS, PERMIT F104					

Sub-Total

[REDACTED]

PEF-07FL-001525

INVOICE NO.
000003171

PLEASE REMIT
THIS AMOUNT

[REDACTED]

CAM Mining, LLC
 P.O. Box 1169
 Pikeville, KY 41502
 Phone (606) 432-3900 Fax (606) 432-0031
 Remit To:
 2615 Reliable Parkway
 Chicago, IL 60686

PAGE NO.	INVOICE NO.	APPLY TO	INVOICE DATE	CUST NO.
1	000003295		02/14/2007	000000000003
INVOICE				

S Progress Energy Florida
 O Attn: Fuel Accounting
 L 410 S. Wilmington St.
 D Raleigh, NC 27601
 Fuel Accounting
 T
 O

S PROGRESS FUELS
 H ST PETERSBURG, FL 33733
 I
 P
 T
 O

DATE SHIPPED	PURCHASE ORDER NO.	SHIP VIA	FOB	TERMS	
01/31/2007	2171180			net 15 days	
BUYER	DATE REQUESTED	LOCATION			
	02/07/2007	00309	Rob Fork		
Item No.	Description	Quantity Ordered	Quantity Shipped	Unit Price	Extension
STEAM COAL	CARS, F111 PERMIT				
Sub-Total					
				INVOICE NO. 000003295	PLEASE REMIT THIS AMOUNT



CAM Mining, LLC
 P.O. Box 1169
 Pikeville, KY 41502
 Phone (606) 432-3900 Fax (606) 432-0031
 Remit To:
 2615 Reliable Parkway
 Chicago, IL 60686

PAGE NO.	INVOICE NO.	APPLY TO	INVOICE DATE	CUST NO.
1	000003297		02/14/2007	000000000003
INVOICE				

S Progress Energy Florida
 O Attn: Fuel Accounting
 L 410 S. Wilmington St.
 D Raleigh, NC 27601
 Fuel Accounting
 T
 O

S PROGRESS FUELS
 H ST PETERSBURG, FL 33733
 I
 P
 T
 O

DATE SHIPPED	PURCHASE ORDER NO.	SHIP VIA	POB	TERMS	
02/10/2007	2171180			net 15 days	
BUYER	DATE REQUESTED	LOCATION			
	02/10/2007	00309		Rob Fork	
Item No.	Description	Quantity Ordered	Quantity Shipped	Unit Price	Extension
STEAM COAL	RAILCARS, F113 PERMIT				

Sub-Total

PEF-07FL-001527

INVOICE NO.
000003297

PLEASE REMIT
THIS AMOUNT



COAL PURCHASE CONFIRMATION

Confirmation #: PEF_CECG _____

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB10
Raleigh, NC 27601
(P) 919-546-3622 (F) 919-546-2590

Seller: Constellation Energy Commodities Group, Inc.
111 Market Place, Suite 500
Baltimore, MD 21202
(P) 410-468- 3620 (F) 410-468-3540

The purpose of this letter is to confirm the agreement entered into this 5th day of December, 2006, between Constellation Energy Commodities Group, Inc. ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to collectively herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical Central Appalachian "CAAP" coal
Seller: Constellation Energy Commodities Group, Inc.
Buyer: Progress Energy Florida, Inc.

Term (Delivery Period): [REDACTED]

Contract Quantity: [REDACTED] Tons total; shipped ratably at approximately [REDACTED] Tons per month during calendar years [REDACTED] Tons per month during calendar year [REDACTED]

Contract Price: [REDACTED] per Ton

Delivery Point(s): FOB railcar, loaded on the CSX railroad at Kanawha District load outs as Seller shall elect or other mutually agreed upon loading point; provided, however, Buyer acknowledges and agrees that Seller may, from time to time, ship Coal from an alternative freight district on the CSX Railroad. If the transportation costs incurred by Buyer resulting from use of the alternative freight district are higher than the Kanawha district, Seller shall discount the Base Price for that Shipment accordingly to offset Buyer's additional freight costs. If the transportation costs from the alternative freight district are lower than the Kanawha district, the Parties shall share equally in the transportation savings by adjusting the Base Price for that Shipment accordingly. Additionally, Seller agrees that the alternative freight district shall not be a twenty-four (24) hour load out facility unless Buyer provides prior approval, such approval not to be unreasonably withheld or delayed. Buyer shall provide to Seller the price difference from the standard rate of the increased or decreased transportation costs resulting from use of an alternative freight district as necessary to support any such adjustment to the Base Price. Adjustments to the Base Price shall be reflected on the invoice provided to Buyer pursuant to Section 11 hereof.

CEG

Seller a reduced price for such non-conforming Coal. In the event any Non-conforming Shipment hereunder is rejected by Buyer, title to such Coal shall automatically revert back to Seller. Seller shall be responsible for promptly transporting the rejected Coal to an alternate destination determined by Seller and Seller shall reimburse Buyer for all reasonable out-of-pocket costs and expenses incurred by Buyer associated with the transportation, storage, handling and removal of the Non-conforming Shipment. Seller shall, if requested by Buyer, replace the rejected Coal within a reasonable period of time, provided that Buyer gives Seller notice of its desire for replacement Coal within forty-eight (48) hours after rejection of the Non-conforming Shipment. In the event that (i) Buyer rejects a Non-conforming Shipment and does not exercise its option to have the Seller deliver a replacement Shipment; and (ii) Seller pays Buyer the applicable amount pursuant to Section 14(a), then the tonnage of such Non-conforming Shipment shall be deducted from the Contract Quantity of coal to be purchased and sold hereunder. Seller shall remain obligated to Buyer for any Non-conforming Shipment for which Seller does not provide a replacement or fails to pay Buyer for pursuant to Section 14(a).

(f) In the event there are two (2) Non-conforming Shipments not ultimately accepted by Buyer in any three (3) month period, or two (2) out of (4) consecutive Shipments are Non-conforming Shipments not ultimately accepted by Buyer, then in such case Buyer shall have the right to suspend all further deliveries of Coal hereunder. Buyer shall notify Seller in writing of such suspension and, upon receipt of Buyer's notice, Seller shall immediately suspend further deliveries and shall make commercially reasonable effort to correct the conditions giving rise to the delivery of non-conforming coal. Such suspension shall continue until Seller provides Buyer with assurances in writing that are satisfactory to Buyer that the conditions causing delivery of non-conforming coal have been corrected and that Seller can and shall deliver Coal meeting the Quality Specifications as required hereunder. If Seller fails to give such assurances within thirty (30) days after the date of Buyer's notice of suspension or if within a period of three (3) months after such resumption of deliveries, any Shipment is above or below, as applicable, any of the Rejection Limits specified in the Confirmation, it shall constitute an Event of Default hereunder with respect to Seller.

(g) Any waiver by Buyer of any of rights pursuant to this Section 8 with respect to any Shipment or for any period shall not constitute a waiver of such right for any subsequent Shipment(s) or period(s).

9. INTENTIONALLY OMITTED.

10. INTENTIONALLY OMITTED.

11. Billing and Payment.

(a) With respect to deliveries of Coal made under this Agreement, Buyer shall pay Seller by wire transfer or Automated Clearinghouse ("ACH"), in accordance with the electronic transfer instructions provided by Seller, in immediately available United States funds, according to the following schedule: Seller shall provide Buyer an electronic or faxed invoice twice a month (on the 16th for the 1st through the 15th of the month and on the first day of the following month for the 16th through the end of the previous month) showing each coal shipment loaded for Buyer during the month at the base price specified in the Confirmation hereof that had not been included on a previously issued invoice. Each invoice shall be paid by Buyer within 15 days of the date of receipt. Adjustments (such as quality price adjustments located on the cover sheet shall be submitted as a credit or debit on the next month end statement following the calculation date. Documentation showing the basis for the adjustment shall accompany said invoice. The payment of Quality Price Adjustments (as specified in the Confirmation), shall be submitted as a credit or debit on the next month end statement following the calculation date.

M&T Bank

Reference : Constellation Energy Commodities Group, Inc.

(b) With respect to any amounts owing under Section 14 of this Agreement (i.e. any amounts owing for Coal not delivered or received), the Party that is owed such amount shall provide the other Party with an invoice, setting



FLORIDA POWER CORPORATION D/B/A PROGRESS
ENERGY FLORIDA, INC.
410 S. WILMINGTON STREET
PEB 9A
RALEIGH, NC 27601
U.S.A.
Attention: BRETT PHIPPS

Invoice No: 0730560
Invoice Date: February 28, 2007

Page 1 of 1

Constellation Contact: Brigit Shaffer
Phone: 410-468-3521

[REDACTED]

Date	Movement Document	Delivery Method	Description	Quantity (Ton)	Price per Ton	US Dollars
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			TOTAL	[REDACTED]	[REDACTED]	[REDACTED]

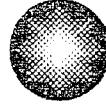
Invoice	Terms	Due Date	Invoice Total
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Comments:

Payment Instructions

[REDACTED]

From: CONSTELLATION POWER SOURCE, INC.
111 MARKET PLACE SUITE 500



Constellation Energy

Commodities Group

BALTIMORE, MD 21202

Rep Name: **Brigit Shaffer**
Phone: **(410) 468-3521**
Fax: **(410) 468-1679**

Customer: **PROGRESS FLORIDA**
Rep Name: **Jon Putnam**
Phone:
Fax:

Revised JAN OTC
Payment Due Date: 3/10/07

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

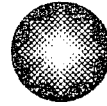
[REDACTED]

Note: If you disagree with any of the above information, please call immediately.

Notice: Overdue payments shall bear interest on the unpaid portion at a rate equal to the lower of (I) the prime rate of interest for large U.S. money center commercial banks, as published from time to time under "Money Rates" by the Wall Street Journal, plus two percent (2%) per annum from the date due until the date of payment, or (II) the maximum applicable lawful interest rate.

Note: This invoice is based upon best available information. If your remittance amount will be different from the invoiced amount, please contact the undersigned prior to payment date.

From: CONSTELLATION POWER SOURCE, INC.
111 MARKET PLACE SUITE 500



Constellation Energy

Commodities Group

BALTIMORE, MD 21202

Rep Name: **Brigit Shaffer**
Phone: **(410) 468-3521**
Fax: **(410) 468-1679**

Customer: **PROGRESS FLORIDA**
Rep Name: **Jon Putnam**
Phone:
Fax:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **Total Amount:** [REDACTED]

Payment Instructions

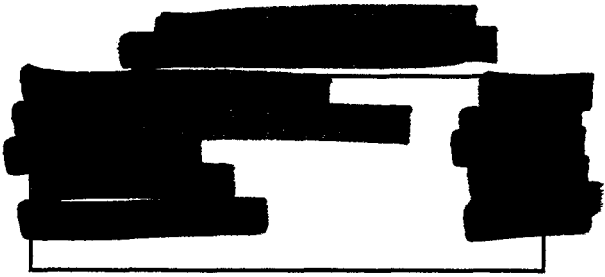
By wire transfer in immediately available federal funds.

[REDACTED]

Note: If you disagree with any of the above information, please call immediately.

Notice: Overdue payments shall bear interest on the unpaid portion at a rate equal to the lower of (I) the prime rate of interest for large U.S. money center commercial banks, as published from time to time under "Money Rates" by the Wall Street Journal, plus two percent (2%) per annum from the date due until the date of payment, or (II) the maximum applicable lawful interest rate.

Note: This invoice is based upon best available information. If your remittance amount will be different from the invoiced amount, please contact the undersigned prior to payment date.



(jw)

Putnam, Jon

From: Shaffer, Brigit [Brigit.Shaffer@constellation.com]
Sent: Tuesday, March 13, 2007 10:54 AM
To: Putnam, Jon
Subject: RE: Feb otc adjustments

as I agree, Sorry about that!! Go ahead and pay your amount, I'll forecast it for the 20th. Thanks so much!

From: Putnam, Jon [mailto:Jon.Putnam@pgnmail.com]
Sent: Tuesday, March 13, 2007 10:47 AM
To: Shaffer, Brigit
Subject: RE: Feb otc adjustments

ctually, Brigit, I show the contract price as [REDACTED] That makes my total [REDACTED] Do you agree?

Jon Putnam
Regulated Contracts & Fuel Accounting
External: (919) 546-6368
Internal: 8-770-6368
Fax: (919) 546-3258

-----Original Message-----

From: Shaffer, Brigit [mailto:Brigit.Shaffer@constellation.com]
Sent: Tuesday, March 13, 2007 9:15 AM
To: Putnam, Jon
Subject: RE: Feb otc adjustments

no problem!!! thanks!

From: Putnam, Jon [mailto:Jon.Putnam@pgnmail.com]
Sent: Tuesday, March 13, 2007 9:13 AM
To: Shaffer, Brigit
Subject: RE: Feb otc adjustments

Yes I will. Thanks for working with me on this.

Jon Putnam
Regulated Contracts & Fuel Accounting
External: (919) 546-6368
Internal: 8-770-6368
Fax: (919) 546-3258

-----Original Message-----

From: Shaffer, Brigit [mailto:Brigit.Shaffer@constellation.com]
Sent: Tuesday, March 13, 2007 9:09 AM
To: Putnam, Jon
Subject: RE: Feb otc adjustments

PEF-07FL-001549

3/13/2007



Progress Energy

COAL PURCHASE CONFIRMATION

Confirmation #: ICG_2.15.06 – 2007-09

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB 10
Raleigh, NC 27601
(P) 919-6002 (F) 919-546-2590

Seller: ICG, LLC
300 Corporate Center Dr.
Scott Depot, WV 25560
(P) 304-760-2400 (F) 304-760-2698

The purpose of this letter is to confirm the agreement entered into this 15th day of February, 2006, between ICG, LLC ("ICG" or "Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by either Party that purport to modify, supplement or amend this Agreement shall not be binding upon the other Party unless such other Party has expressly agreed to such terms and conditions in writing.

Product Description: Physical CAAP Coal
Seller: ICG, LLC
Buyer: Progress Energy Florida, Inc.
Term (Delivery Period): [REDACTED]
Contract Quantity: [REDACTED] tons total; shipped at approximately [REDACTED] tons per month in [REDACTED] and [REDACTED] tons per month in [REDACTED]
Contract Price: [REDACTED]

Delivery Point(s): FOB Railcar; served by CSX railroad. Big Sandy freight district.
Production Source(s): Supreme Energy Loadout or Raven Loadout
Destination Plant(s): Crystal River Plant

Transportation Specifications: If delivery is to occur by rail, Seller shall comply with the Transportation Specifications attached hereto as Exhibit 1. In the event of any conflict between the Transportation Specifications and the GTC, the terms of the Transportation Specifications shall prevail.

Quality Specifications: All Coal delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria. The Rejection Limits shall be as specified in the following table for each of the listed criteria. All amounts are as measured on an as-received basis in accordance with ASTM standards.

	Quality Specification	Rejection Limit
BTU:	12,300 Btu/lb. monthly weighted average	Less than 12,000 Btu/lb.
S0, lbs./MMBtu:	1.9 lbs. monthly weighted average	Greater than 2.1 lbs.

JDJ



INTERNATIONAL COAL GROUP

INVOICE

ICG, LLC

300 Corporate Centre Drive
Scott Depot, WV 25560
Ph: 304-760-2652
Fx: 304-760-2698

Invoice : 106989
Date : 1/31/2007
PO : Crystal Plant
Order : PEF-200-001
Due Date : 2/28/2007

Sold To : Progress Energy Florida, Inc.
410 S. Wilmington St PEB 10
Raleigh, NC 27601

Ship To : Progress Energy Florida, Inc.
410 S. Wilmington St PEB 10
Raleigh, NC 27601

Shipments

Description	Price	Weight	Total
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Description	Price	Tons	Total
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Invoice Total

[REDACTED]

Terms :

Remit To : ICG, LLC
National City Bank
ABA 083000056; Acct:982622991
Cleveland, OH 44193



Mineral Labs, Inc

Report of Analysis

for ICG, LLC @ RAVEN

Date 1/16/2007

Sample ID. PROGRESS FUELS ; F-105 ; [REDACTED] CARS

Sample ID. Cartop

LAB# 170104296

Moisture 5.85

Ash AR 12.57

Ash Dry 13.35

Sulfur AR 0.97

Sulfur Dry 1.03

Btu AR 12,178

Btu Dry 12,935

Btu MAF 14,928

LBS/SO2 1.59

Tons= [REDACTED]

Grind

Vol AR

Vol Dry

F.S.I.

Carbon AR

Carbon Dry

Fusion

Initial
Soft
Hemis
Fluid

FSI



INTERNATIONAL COAL GROUP

INVOICE

ICG, LLC

300 Corporate Centre Drive
Scott Depot, WV 25560
Ph: 304-760-2652 - *unavailable*
Fx: 304-760-2698

Invoice : 107272
Date : 3/6/2007
PO : Crystal Plant
Order : PEF-200-001
Due Date : 4/6/2007

Sold To : Progress Energy Florida, Inc.
410 S. Wilmington St PEB 10
Raleigh, NC 27601

Ship To : Progress Energy Florida, Inc.
410 S. Wilmington St PEB 10
Raleigh, NC 27601

Shipments

Description	Price	Weight	Total
02/04/07 TRAIN F109 from Raven Prep Plant	[REDACTED]	[REDACTED]	[REDACTED]

Quality and Freight

Description	Price	Tons	Total
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Invoice Total			[REDACTED]

Terms :

Remit To : ICG, LLC
National City Bank
[REDACTED]
Cleveland, OH 44193

PEF-07FL-001568

further represents and warrants that the coal properties contains economically recoverable coal of a quality and in quantities which, under present mining laws, practices, governmental rules and regulations will be sufficient to satisfy all the requirements of this Agreement during the entire term of this Agreement. SELLER agrees and warrants that it will mine coal from the coal property and that it has loading facilities, described in Exhibit "A", attached hereto and made a part hereof, capable of loading at the rate required to comply with this Agreement. SELLER hereby expressly dedicates to PURCHASER sufficient reserves of coal meeting the quality specifications hereof and lying on or in the coal properties so as to fulfill the quantity specifications hereof. SELLER shall not ship any coal from sources other than those identified in Exhibit A without the prior written consent of PURCHASER which consent shall not be unreasonably withheld.

3.01 Quantity. During each calendar year during the term hereof, the quantity of coal to be delivered hereunder shall be [REDACTED] tons +/- 5,000 tons or approximately [REDACTED] tons per calendar month, prorated for any partial calendar year.

4.01 Term. The initial term ("Initial Term") of this Agreement will commence on January 1, 2005, and will continue in effect for a period of [REDACTED]. On or before [REDACTED] the parties shall negotiate in good faith to extend this Agreement for an additional term of twelve (12) months. If the parties, for any reason, are unable to reach agreement for a new Base Price for calendar year [REDACTED], then this Agreement shall extend an additional six (6) months at the Base Price in effect on [REDACTED] in effect and expire [REDACTED].

5.01 Base Price. The base price per ton of coal, (hereinafter "Base Price") f.o.b. SELLER'S mine loading site, shall be [REDACTED] per ton, f.o.b. railcar, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the initial term of this Agreement. The Base Price during any extended term shall be as negotiated as provided in Section 4.01 above. The mine loading site shall be the point of delivery ("Delivery

APPENDIX B

Railroad and Railcar Demurrage/Detention Costs

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series as in existence on the effective date of this Agreement.
 2. Dead Freight: Actual railroad charges unless railcars loaded to 95 percent capacity (non-batch weigh) or 98 percent from batch weigh.
 3. Crew Change: [REDACTED] per change, as in existence on the effective date of the Agreement.
-

ORIGINAL



April 7, 2005

Mr. John R. Parker
Senior Vice President
Massey Coal Sales Company, Inc.
Four North Fourth Street
Richmond, Virginia 23219

Dear Mr. Parker

This Letter Agreement is being written to amend the following contracts:

1. Agreement for the Sale and Purchase of Coal between Massey Coals Sales Company and Electric Fuels Corporation dated June 1, 1999, as amended (Contract 1), and
2. Agreement for the Sale and Purchase of Coal between Massey Utility Sales Company and Progress Fuels Corporation dated September 8, 2004 (Contract 2).

At the end of calendar year 2004 there were [REDACTED] tons remaining to be shipped on Contract 1. This amount includes [REDACTED] tons of Carry Over Tons and [REDACTED] tons of contract tons due to be shipped during first quarter 2005. During the first quarter, [REDACTED] tons were shipped on Contract 1, leaving [REDACTED] tons remaining. The price of Contract 1 was [REDACTED] f.o.b. railcar. (See Attachment 1.)

The initial term of Contract 2 is January 1, 2005 through December 31, 2005. The quantity to be shipped is [REDACTED] tons at a price of [REDACTED] f.o.b. railcar. (See Attachment 1.)

The intent of this amendment is to combine the remaining tons on both Contract 1 and Contract 2 beginning April 1, 2005, continuing through December 31, 2005, or until all of the tonnage is shipped subject to all the terms and provisions of Contract 2. Further, the intent is to create one billing price for the combined contracts. The combined price of [REDACTED] and the remaining tons as of April 1, 2005 are detailed on Attachment 1 of this Letter Agreement.

If you are in agreement terms outlined above, please indicate so by having the appropriate individuals sign on behalf of Massey Coal Sales Company and Massey

Progress Fuels Corporation
200 Central Avenue
St. Petersburg, FL 33701

PEF-07FL-001596

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Remaining 2004 C/O tons
2005 Contract 1 tons: 1/1-3/31/05

[REDACTED]

Contract 2 tons: 1/1 -12/31/05

[REDACTED]

Amendment to the Agreement for the Sale and Purchase of Coal

This Amendment to the Agreement for the Sale and Purchase of Coal (this "Amendment") is made and entered into as of the 9th day of Jan., 2006 (the "Effective Date") by and between Progress Fuels Corporation ("PFC" or "PURCHASER") and Massey Utility Sales Company ("Massey" or "SELLER"). Each of PFC and Massey may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, PFC and Massey have entered that certain Agreement for the Sale and Purchase of Coal dated September 8, 2004 (the "Agreement") pursuant to which Massey agreed to sell and deliver and PFC agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, PFC and Massey desire to amend the Agreement as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by PFC and Massey and intending to be legally bound hereby, PFC and Massey hereby agree as follows:

1. Section 4.01 Term. Notwithstanding the provision of Section 4.01, the Parties agree that the term of this Agreement shall be extended for an additional twelve (12) month period and therefore the Agreement shall expire on December 31, 2006.
2. Section 5.01 Base Price. For the period [REDACTED] the "Base Price" shall be [REDACTED] per ton, delivered F.O.B. the railcar.
3. Make-up Shipments. SELLER acknowledges that PURCHASER previously entered into the Agreement with the intent to subsequently provide the coal purchased and sold pursuant to the Agreement to PURCHASER's affiliate, PEF. During the Initial Term of this Agreement, shortfalls have occurred and as a result of such shortfalls there remain as of the Effective Date of this Amendment outstanding obligations for Seller to sell and deliver, and PURCHASER to purchase and receive the shortfall tons of coal in make-up obligations (the "Make-up Tons"). SELLER and PURCHASER each acknowledge the difficulty in rescheduling such shipments during the current calendar year as required pursuant to Section 7.06 of the Agreement ("Section 7.06"). Therefore the Parties agree to negotiate in good faith the quantity of the Make-up Tons and the schedule for such shipments.

discharges Assignee from any and all duties, obligations and liability arising as of and after the Effective Date under and with respect to the Assigned Agreement.

2. Amendments.

(a) Section 4.01 Term. The term of the Non-compliance Contract shall be extended for an additional two (2) year period commencing on January 1, 2007 and ending on [REDACTED] inclusive (the "**Secondary Term**"). Upon expiration of the Secondary Term the term of the Non-compliance Contract shall be extended for an additional twelve (12) month period in accordance with the provisions of Section 7.06 of the Non-compliance Contract in order to provide for the make-up of delivery shortfalls as set forth below.

(b) Delivery Shortfalls.

(i)

[REDACTED]

(ii)

[REDACTED]

(iii)

[REDACTED]

(c) Section 3.01 Quantity.

(i)

[REDACTED]

(ii)

[REDACTED]

[REDACTED]

- (d) [REDACTED]
- (i) [REDACTED]
- (ii) [REDACTED]
- (iii) [REDACTED]
- (iv) [REDACTED]
- (v) [REDACTED]

(e) [REDACTED]

acceptance obligations of the Parties for such year, and, Paragraph 2(d) notwithstanding, the Base Price for all such tons shall be the weighted average determined using the prices for such tons set forth in or determined under Paragraph 2(d).

REDACTED

PEF-07FL-001606 – PEF-07FL-001664
OPC'S 2nd POD #3



COAL PURCHASE CONFIRMATION

Confirmation #: PEF_Trinity 2007-2010 #bid15

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB10A
Raleigh, NC 27601
(P) 919-2561 (F) 919-546-2590

Seller: Trinity Coal Marketing LLC
1051 Main Street, Suite 100
Milton, WV 25541
(P)304-743-8617 (F) 304-743-8618

The purpose of this letter is to confirm the agreement entered into this 18th day of January, 2006, between Trinity Coal Marketing LLC ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical – CAPP Rail Coal - CSX
Seller: Trinity Coal Marketing LLC
Buyer: Progress Energy Florida, Inc.
Term (Delivery Period):
Contract Quantity:

[REDACTED]

Contract Price:

[REDACTED]

Delivery Point(s): FOB railcar; served by CSX railroad.
Production Source(s): Banner Loadout, CSX Loadout # 84000 Big Sandy District. Seller reserves the right to make deliveries from either the Banner or Sigmon 4-hour unit train loadout facilities at the same delivered cost to Buyer.
Destination Plant(s): To be determined by Buyer

[Handwritten signature]

[Handwritten signature]

Trinity Coal Marketing

1051 Main Street, Suite 100
Milton, WV 25541

Invoice

Date	Invoice #
2/15/2007	928

Bill To
Progress Energy - Florida Attn: Jon Putnam 410 S. Wilmington St. PEB10 Raleigh, NC 27601

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
[REDACTED]	Coal Train F-115 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/15/07 - Sigmon Loadout - LEM Contract (LEM Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Coal Train F-115 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/15/07 - Sigmon Loadout - LEM Contract (Lost Mtn Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment - Coal Train F-115 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/15/07 - Sigmon Loadout - LEM Contract (LEM Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment - Coal Train F-115 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/15/07 - Sigmon Loadout - LEM Contract (Lost Mtn Coal)	[REDACTED]	[REDACTED]
		Total	[REDACTED]

Trinity Coal Marketing

1051 Main Street, Suite 100
Milton, WV 25541

Invoice

Date	Invoice #
2/27/2007	958

Bill To
Progress Energy - Florida Attn: Jon Putnam 410 S. Wilmington St. PEB10 Raleigh, NC 27601

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
[REDACTED]	Coal Train F-121 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/27/07 - Sigmon Loadout - LEM Contract (LEM Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Coal Train F-121 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/27/07 - Sigmon Loadout - LEM Contract (Lost Mtn Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment - Coal Train F-121 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/27/07 - Sigmon Loadout - LEM Contract (LEM Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment - Coal Train F-121 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/27/07 - Sigmon Loadout - LEM Contract (Lost Mtn Coal)	[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		[REDACTED]	[REDACTED]
		Total	\$548,801.66 \$549,159.96

Putnam, Jon

From: Tina Poirier [tinapoirier@trinitycoal.com]
Sent: Tuesday, March 06, 2007 11:23 AM
To: Putnam, Jon
Subject: Re: Quality on 2/26 Train F121

n,

u can go ahead and adjust the invoice on your end. I will make the necessary adjustments here in our system. Thank you so
ch for you help in this matter,

na M. Poirier
inity Coal Company
4-204-1455 Ext 25
4-204-1456 Fax
naPoirier@TrinityCoal.com

----- Original Message -----

From: Putnam, Jon
To: tinapoirier@trinitycoal.com
Sent: Tuesday, March 06, 2007 11:03 AM
Subject: Quality on 2/26 Train F121

Tina,

According to Mineral Lab's certificate of analysis, the BTU for this train is 12,350. Do you have that analysis? If I am not mistaken, that is what we have been using for quality adjustments. Let me know if you want/need me to send you that analysis and if you want me to just adjust the invoice I have. It is approx a [REDACTED] increase to the invoice.

Thanks.

Jon Putnam
Regulated Contracts & Fuel Accounting
External: (919) 546-6368
Internal: 8-770-6368
Fax: (919) 546-3258

PEF-07FL-001682

6/2007



MINERAL LABS, INC.

Box 549

Salyersville, Kentucky 41465

Phone (606) 349-6145

Company

CERTIFICATE OF ANALYSIS

PROGRESS ENERGY/FLORIDA
ATTN: DEBRA HAYNES
PO BOX 1551
PEB 10
RALEIGH, NC

27602

Lab No. 870200936 8100
Date Rec'd. 2/27/2007
Date Analyzed 2/27/2007

SAMPLE IDENTIFICATION AS SUPPLIED BY SAMPLER
SIGMON LOADOUT
CRYSTAL RIVER-RED LEVEL JUNCTION
TL# F121 CAR COMPOSITE
TONS: [REDACTED]

Sampled By CUSTOMER Sample Type: AUTOMATIC

(D3302-99)	% Moisture	% Ash D3174-97	% Volatile D3175-97	% Fixed Carbon (Calculated)	BTU [®] D5865-99a	% Sulfur D4239-97 (Method C)
As Rec'd.	6.49	10.42	XXX	XXX	12,350	.93
Dry Basis		11.15	XXX	XXX	13,207	.99
M.A.F.B.T.U. (Calculated)					14,864	

Free Swelling Index No. XXX
D720-91
Grindability Index No. XXX
D409-97a

-FUSION TEMPERATURE OF ASH- D1857-87 (1984)	Reducing		Oxidizing	
	Initial	°F	XXX	°F
Softening	XXX	°F	XXX	°F
Hemispherical	XXX	°F	XXX	°F
Fluid	XXX	°F	XXX	°F

SCREEN ANALYSIS	TL# F121 D 4749-87
-----------------	-----------------------

WEIGHT DETERMINATION

X X X X X X X X	Average Light Draft	X X X	
X X X X X X X X	Average Loaded Draft	X X X	
X X X X X X X X	Weight of Coal Loaded	X X X	Tons

3020459 3

THIS DOCUMENT CANNOT BE REPRODUCED EXCEPT IN FULL,
WITHOUT WRITTEN APPROVAL OF THE LABORATORY.

Submitted By R. Fowler
THIS DOCUMENT PROVIDED ON CONTROLLED STOCK PAPER. NOT VALID IF ALTERED.

02/28/2007 5:21PM (GMT-05:00)

PEF-07FL-001683

Trinity Coal Marketing
 1051 Main Street, Suite 100
 Milton, WV 25541

Invoice

Date	Invoice #
2/6/2007	900

Bill To
Progress Energy - Florida Attn: Jon Putnam 410 S. Wilmington St. PEB10 Raleigh, NC 27601

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
[REDACTED]	Coal Train F-110 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/06/07 - Sigmon Loadout - LEM Contract (LEM Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Coal Train F-110 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/06/07 - Sigmon Loadout - LEM Contract (Lost Mtn Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment - Coal Train F-110 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/06/07 - Sigmon Loadout - LEM Contract (LEM Coal)	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment - Coal Train F-110 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 02/06/07 - Sigmon Loadout - LEM Contract (Lost Mtn Coal)	[REDACTED]	[REDACTED]
	<p>BTU = 12343 - see attached - <i>final sample (LMD)</i></p> <p><i>had used 12372 BTU</i></p> <p><i>did not use final analysis - changed per Tina & Trinity</i></p>		
Total			[REDACTED]

PEF-07FL-001684

02/08/2007 18:51 #867 P.002/004

3047438618

From: TRINITY COAL



MINERAL LABS, INC.

Box 549

Salyersville, Kentucky 41465

Phone (606) 349-6145

Company

CERTIFICATE OF ANALYSIS

PROGRESS ENERGY/FLORIDA
ATTN: DEBRA HAYNES
PO BOX 1551
PEB 10
RALEIGH, NC

27602

Lab No. 870200203 5100

Date Rec'd. 2/06/2007

Date Analyzed 2/06/2007

SAMPLE IDENTIFICATION AS SUPPLIED BY SAMPLER
SIGMON LOADOUT
CRYSTAL RIVER RED LEVEL JUNCTION
TL# F110 93 CAR COMPOSITE

Sampled By CUSTOMER Sample Type: AUTOMATIC

SO2 = 1.90 ✓

1,900

(D3302-99)	% Moisture	% Ash D3174-97	% Volatile D3175-97	% Fixed Carbon (Calculated)	BTU ^o D5865-99a	% Sulfur D4239-97 (Method C)
As Rec'd.	6.82	9.72	XXX	XXX	12,393	1.18
Dry Basis		10.43	XXX	XXX	13,301	1.27
M.A.F.B.T.U. (Calculated)					14,850	

Free Swelling Index No. XXX
D720-91
Grindability Index No. XXX
D409-97a

-FUSION TEMPERATURE OF ASH- D1857-87 (1994)	Reducing	Oxidizing
Initial	XXX °F	XXX °F
Softening	XXX °F	XXX °F
Hemispherical	XXX °F	XXX °F
Fluid	XXX °F	XXX °F

SCREEN ANALYSIS	F110 D 4749-87
-----------------	-------------------

WEIGHT DETERMINATION

X X X X X X X X	Average Light Draft	X X X	
X X X X X X X X	Average Loaded Draft	X X X	
X X X X X X X X	Weight of Coal Loaded	X X X	Tons

1,900

7020298 7

THIS DOCUMENT CANNOT BE REPRODUCED EXCEPT IN FULL WITHOUT WRITTEN APPROVAL OF THE LABORATORY.

Submitted By R. Horning
THIS DOCUMENT PROVIDED ON CONTROLLED STOCK PAPER, NOT VALID IF ALTERED.

02/07/2007 4:57PM (GMT-05:00)

Trinity Coal Marketing
 1051 Main Street, Suite 100
 Milton, WV 25541

Invoice

Date	Invoice #
1/20/2007	848

Bill To
Progress Energy - Florida Attn: Jon Putnam 410 S. Wilmington St. PEB10 Raleigh, NC 27601

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
[REDACTED]	Coal Train F-099 shipped to Carolina Power & Light (Progress) Florida - 01/20/07 - Sigmon Loadout - LEM Coal	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment - Coal Train F-099 shipped to Carolina Power & Light (Progress) Florida - 01/20/07 - Sigmon Loadout - LEM Coal	[REDACTED]	[REDACTED]
		Total	[REDACTED]

PEF-07FL-001686

01/22/2007 18:01 #585 P.004/004

3047438618

From: TRINITY COAL

Trinity Coal Marketing
 1051 Main Street, Suite 100
 Milton, WV 25541

Invoice

Date	Invoice #
1/17/2007	840

Bill To
Progress Energy Carolinas, Inc. 410 S. Wilmington St. PEB8A Raleigh, NC 27601

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
[REDACTED]	Coal Train F-098 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 01/17/07 - Sigmon Loadout - LEM Coal	[REDACTED]	[REDACTED]
[REDACTED]	Quality Adjustment (BTU) - Coal Train F-098 shipped to Carolina Power & Light (Progress) - Crystal River Plant (Florida) 01/17/07 - Sigmon Loadout - LEM Coal	[REDACTED]	[REDACTED]
<p>The Bank of New York</p> <p>[REDACTED] 705</p> <p>[REDACTED]</p>			
		Total	[REDACTED]

PEF-07FL-001687

01/18/2007 12:29 #515 P.002/002

3047488618

From: TRINITY COAL



COAL PURCHASE CONFIRMATION

Confirmation #: PEF_MCMining 2007

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB10A
Raleigh, NC 27601
(P) 919-546-7750 (F) 919-546-2590

Seller: MC Mining, LLC
1717 South Boulder Avenue
Tulsa, OK 74119
(P) 918-295-7601 (F) 918-295-7360

The purpose of this letter is to confirm the agreement entered into this 14th day of December, 2005, between MC Mining, LLC ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical – CAPP Rail Coal
Seller: MC Mining, LLC
Seller's Agent: Alliance Coal Sales, a division of Alliance Coal, LLC shall act as Seller's Agent for administration of this Agreement.
Buyer: Progress Energy Florida, Inc.
Term (Delivery Period): [REDACTED]
Contract Quantity: [REDACTED]
Contract Price: [REDACTED]
Delivery Point(s): Scotts Branch #84 FOB railcar; served by CSXT railroad.
Production Source(s): MC Mining, LLC's Excel #3 Mine (Pond Creek Seam)
Unit Train: A train that contains between [REDACTED] rail cars, with each rail car filled to full visible capacity.
Destination Plant(s): Buyer's Crystal River Units No. 4 and No. 5 near Red Level, Citrus County, Florida.
Substitute Coal: Seller may request to Buyer, an additional source to substitute coal for delivery under this Agreement, contingent upon similar quality specifications of which approval cannot be unreasonably withheld. In the event the cost of such Substitute Coal exceeds the delivered cost in cents per million BTU for coal to be shipped from Seller's Excel #3 Mine, then Seller shall reimburse Buyer for any such cost. Seller's right to provide Substitute Coal shall not affect its rights to claim force majeure because of events occurring at the Excel #3.

calendar month), in accordance with the electronic transfer instructions provided by Seller, in immediately available United States funds, according to the following schedule: (1) For Coal received at the location designated by Buyer for unloading from the first (1st) day of a month in which deliveries are made ("Delivery Month") through the fifteenth (15th) day of such Delivery Month and for which payment has not previously been received, payment will be made on or before the tenth (10th) day of the month immediately following such Delivery Month; and (2) For Coal received during the remainder of such Delivery Month and for which payment has not previously been received, payment will be made on or before the twenty-fifth (25th) day of the month immediately following such Delivery Month. With respect to the payment of Quality Price Adjustments (as specified in the Confirmation), the calculation of such price adjustments shall be completed by the end of the month immediately following the applicable Delivery Month. Payment of Quality Price Adjustments shall be made by the 25th day of the month immediately following the calculation of such Quality Price Adjustments.

With respect to any other amounts owing under this Agreement (i.e. any amounts not addressed above), and except for any amounts payable pursuant to Section 5 hereof which are address in Section 5, the Party that is owed such amount shall provide the other Party with an invoice, setting forth the amount owed. Such owing Party shall pay the amount of such invoice within ten (10) days of receipt thereof according to the instructions on such invoice. If such amounts are not paid by such deadline, such amounts shall accrue interest at the Interest Rate from the original date until the paid date.

(b) If a Party in good faith reasonably disputes the amount set forth in an invoice, such Party (the "Disputing Party") shall provide to the other Party a written explanation specifying in detail the basis for the dispute and such Disputing Party, if it has not already done so, shall pay the undisputed portion of such amount no later than the due date therefore. If the Parties are thereafter unable to resolve the dispute within thirty (30) days of the Disputing Party's delivery of notice of the dispute, either through the exchange of additional documentation or good faith business negotiations, then either Party may seek whatever remedies are available to it at law or in equity. If any amount in dispute is subsequently determined to be due to a Party, such amount shall be paid by the Party that owes it within two (2) Business Days of the determination, along with interest accrued at the Interest Rate from the original due date until the date paid.

(c) If Buyer and Seller are each required to pay any amounts to each other in the same month pursuant to this Agreement, then such amounts shall be aggregated and the Parties shall discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed.

(d) The amount of any invoice not paid, or any credit memorandum not issued, when due shall bear interest from the date the invoice was due, or in the case of the credit memorandum from the date that the credit should have been applied, through the date that the invoice is paid or the credit memorandum is applied, at a rate per annum equal to the rate as published from time to time in the Wall Street Journal, under "Money Rates, plus two per cent (2%).

(e) Payment - For each invoice amount owed by Buyer to Seller, Buyer shall remit payment via wire transfer to the following account:

MC Mining, LLC
Fifth Third Bank
Cincinnati, Ohio

or, to such other account as Seller may designate to Buyer in writing

10. Access and Audit. Buyer and/or its designated representatives (including but not limited to its agents, auditors, consultants, and engineers), upon reasonable advance notice to Seller and during Seller's normal working hours, shall be granted by Seller access to and shall be permitted to inspect (i) the mine(s) producing Coal for delivery under this Agreement, (ii) all support facilities (including but not limited to coal washing facilities, preparation plants, and load-out facilities), and (iii) any and all records related to the production, weighing, or delivery of Coal



REDACTED

PEF-07FL-001704 – PEF-07FL-001716
OPC'S 2nd POD #3

further represents and warrants that the coal properties contains economically recoverable coal of a quality and in quantities which, under present mining laws, practices, governmental rules and regulations will be sufficient to satisfy all the requirements of this Agreement during the entire term of this Agreement. SELLER agrees and warrants that it will mine coal from the coal property and that it has loading facilities, described in Exhibit "A", attached hereto and made a part hereof, capable of loading at the rate required to comply with this Agreement. SELLER hereby expressly dedicates to PURCHASER sufficient reserves of coal meeting the quality specifications hereof and lying on or in the coal properties so as to fulfill the quantity specifications hereof. SELLER shall not ship any coal from sources other than those identified in Exhibit A without the prior written consent of PURCHASER which consent shall not be unreasonably withheld.

3.01 Quantity. During each calendar year during the term hereof, the quantity of coal to be delivered hereunder shall be [REDACTED] tons +/- 5,000 tons or approximately [REDACTED] tons per calendar month, prorated for any partial calendar year.

4.01 Term. The initial term ("Initial Term") of this Agreement will commence on January 1, 2005, and will continue in effect for a period of twelve (12) months. On or before October 1, 2005, the parties shall negotiate in good faith to extend this Agreement for an additional term of twelve (12) months. If the parties, for any reason, are unable to reach agreement for a new Base Price for calendar year 2006 by November 1, 2005, then this Agreement shall extend an additional six (6) months at the Base Price in effect on December 31, 2005 in effect and expire June 30, 2006.

5.01 Base Price. The base price per ton of coal, (hereinafter "Base Price") f.o.b. SELLER'S mine loading site, shall be [REDACTED] per ton, and [REDACTED] per ton f.o.b. PURCHASER'S barge at Kanawha River Terminals-Ceredo, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A hereto, during the initial term of this Agreement. The Base Price during any extended term shall be as negotiated as provided in

APPENDIX B

Railroad, Railcar and River Barge Demurrage/Detention Costs

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series as in existence on the effective date of this Agreement.
2. Dead Freight: Actual railroad charges unless railcars loaded to 95 percent capacity (non-batch weigh) or 98 percent from batch weigh.
3. Crew Change: [REDACTED] per change, as in existence on the effective date of the Agreement.

B. RIVER BARGE DEMURRAGE CHARGES:

Seller will not be responsible for any river barge demurrage.

Amendment to the Agreement for the Sale and Purchase of Coal

This Amendment to the Agreement for the Sale and Purchase of Coal (this "Amendment") is made and entered into as of the ^{9th} day of Jan., 2005 (the "Effective Date") by and between Progress Fuels Corporation ("PFC" or "PURCHASER") and Massey Utility Sales Company ("Massey" or "SELLER"). Each of PFC and Massey may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, PFC and Massey have entered that certain Agreement for the Sale and Purchase of Coal dated August 9, 2004 (the "Agreement") pursuant to which Massey agreed to sell and deliver and PFC agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, PFC and Massey desire to amend the Agreement as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by PFC and Massey and intending to be legally bound hereby, PFC and Massey hereby agree as follows:

1. Section 4.01 Term. Notwithstanding the provision of Section 4.01, the Parties agree that the term of this Agreement shall be extended for an additional twelve (12) month period and therefore the Agreement shall expire on December 31, 2006.
2. Section 5.01 Base Price. For the period January 1, 2006-December 31, 2006, the "Base Price" shall be [REDACTED] per ton, delivered F.O.B. railcar at SELLER'S mine loading site and [REDACTED] per ton delivered F.O.B. PURCHASER'S barge at Kanawha River Terminals - Ceredo; provided, however that with respect to barge deliveries, upon reasonable prior notice to PURCHASER the price may be adjusted to account for any increase in SELLER'S cost for rail transportation of the coal from SELLER'S mine railcar loading site to Kanawha River Terminals - Ceredo.
3. Make-up Shipments. SELLER acknowledges that PURCHASER previously entered into the Agreement with the intent to subsequently provide the coal purchased and sold pursuant to the Agreement to PURCHASER'S affiliate, PEF. During the Initial Term of this Agreement, shortfalls have occurred and as a result of such shortfalls there remain as of the Effective Date of this Amendment outstanding obligations for Seller to sell and deliver, and PURCHASER to purchase and receive the shortfall tons of coal in make-up obligations (the "Make-up Tons"). SELLER and PURCHASER each acknowledge the difficulty in rescheduling such shipments during the current calendar year as required pursuant to Section 7.06 of the Agreement ("Section

for

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(i) [REDACTED]

(ii) [REDACTED]

(iii) [REDACTED]

(iv) [REDACTED]



Progress Energy

COAL PURCHASE CONFIRMATION

Confirmation #: PEF_Glencore_8-2005

Buyer: Progress Energy Florida, Inc.
Brett Phipps
410 S. Wilmington St. PEB10A
Raleigh, NC 27601
(P) 919-546-7750 (F) 919-546-2590

Seller: Glencore Ltd.
Andrew Lawson
Three Stamford Plaza
301 Tresser Boulevard
Stamford, CT 06901-3244
(Ph) 203-328-3113

The purpose of this letter is to confirm the agreement entered into this 1st day of August, 2005, between Glencore Ltd. ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical-Colombian Coal- Vessel-Delivered to International Marine Terminal, Myrtle Grove, Louisiana, approximately mile post 57 AHP (above head passes) on the west bank of the Mississippi River

Seller: Glencore Ltd.

Buyer: Progress Energy Florida, Inc.

Term: [REDACTED]

Contract Quantity: 2006 = [REDACTED]

*Delivered in cargoes of approximately [REDACTED]
Seller's option.

Contract Price: The Contract Price to be paid by Buyer to Seller hereunder shall be USD [REDACTED] per Ton (as defined in the GTC), based on 12,400 Btu/lb on an "as received" basis in accordance with ASTM standards. The Contract Price is a delivered price including all of Seller's costs to transport such Coal to the Delivery Point. The Contract Price shall remain fixed

brac

for the Term of this Agreement, subject to adjustments for premiums and penalties as provided herein and subject to the provisions of Section 13 of the GTC.

- Loading Point Price:** For the purposes of calculating any quality price adjustments pursuant to the provisions of this Confirmation, the Loading Point Price is USD [REDACTED] per Ton.
- Delivery Point:** The Delivery Point shall be as specified in the Delivery Specifications attached hereto as Exhibit 1.
- Production Source(s):** La Jagua Mine
- Loading Point:** Puerto Prodeco, Republic of Colombia, South America or Santa Marta, Republic of Colombia, South America
- Destination Plant(s):** Buyer's Crystal River Units No. 1 and 2 or Units No. 4 and 5, each near Red Level, Citrus County, Florida, as determined in Buyer's sole discretion.
- Delivery Schedule:** The annual tonnage will be delivered ratably over each calendar year.
- Delivery Specifications:** The Parties agree to comply with the Delivery Specifications attached hereto as Exhibit 1. In the event of any conflict between the Delivery Specifications and the GTC, the terms of the Delivery Specifications shall prevail.
- Quality Specifications:** All Coal delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria. ~~The Rejection Limits shall be as specified in the following table for each of the listed criteria.~~ All amounts are as measured on an as-received basis in accordance with ASTM standards.

	Quality Specification	Rejection Limit
BTU:	12,400 Btu/lb. Vessel weighted average	Less than 12,200 BTU/lb. Vessel weighted average
S0₂ lb./MMBtu:	1.2 lb/MMBtu.	greater than 1.20 lb/MMBtu
Moisture:	8.5% Vessel weighted average	greater than 11 %
Ash:	6.0% Vessel weighted average	greater than 7 %
Volatile Matter:	36 % Vessel weighted average	less than 33.0 %
HGI:	47 Vessel weighted average	less than 45
AST:	AFT Red. Atm. ID 2,500 (F)	less than 2,350 (F)
Sizing:	2" x 0"	greater than 51% by weight fines passing 1/4" screen

Quality Price Adjustments:

BTU Price Adjustment Calculation. If the per Vessel weighted average for BTU content for Coal delivered hereunder is either above or below the Quality Specification for BTU content specified above, an adjustment to the Contract Price (either an increase or decrease, as the case may be), shall be made with respect to such Coal in an amount as determined in accordance with the following formula:

$$\text{Loading Point Price} \times \frac{(\text{Actual Btu/lb.} - \text{Quality Specification Btu/lb.})}{\text{Quality Specification Btu/lb.}}$$

The Contract Price applicable to such Coal shall be adjusted upward if the Actual Btu/lb. exceeds the Quality Specification for Btu/lb. and the Contract Price applicable to such

fac

Amendment to the Coal Purchase Confirmation

This Amendment to the Agreement for the Sale and Purchase of Coal (this "Amendment") is made and entered into as of the 30th day of May 2006 (the "Effective Date") by and between Progress Energy Florida, Inc. ("PEF" or "Buyer") and Glencore Ltd. ("Glencore" or "Seller"). Each of Buyer or Seller may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, PEF and Glencore entered that certain Coal Purchase Confirmation dated August 1, 2005 (the "Agreement"), pursuant to which Glencore agreed to sell and deliver and PEF agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, PEF and Glencore desire to amend the Agreement as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by the Parties and intending to be legally bound hereby, Buyer and Seller hereby agree as follows:

1. **Contract Quantity:** For the 2006 term of the Agreement, the Buyer's has exercised the option to increase the Contract Quantity by one (1) additional vessel.

2. **Contract Price:** The Contract Price for the additional vessel to be paid by Buyer to Seller hereunder shall be USD [REDACTED] per Ton (as defined in the GTC), based on 11,300 Btu/lb on an "as received" basis in accordance with ASTM standards. The Contract Price is a delivered price including all of Seller's cost to transport such Coal to the Delivery point. The Contract Price shall remain fixed for the additional vessel only, subject to adjustments for premiums and penalties as provided herein and subject to the provisions of Section 13 of the GTC.

3. **Loading Port Price:** For the purposes of calculating any quality price adjustment pursuant to the provision of this Amendment, the Loading Port Price is USDS [REDACTED] per ton.

4. **Quality Specifications:** The additional vessel delivered hereunder shall meet the Quality Specifications specified in the following table for each listed criteria. The Rejection Limits shall be as specified in the following table for each of the listed criteria. All amounts are as measured on an as received basis in accordance with ASTM standards.

	Quality Specification	Rejection Limit
BTU:	11,300 Btu/lb. Vessel weighted average	Less than 11,300 Btu/lb. Vessel weighted average Btu/lb.
S ₀₂ , lbs./MMBtu:	0.95 lbs. vessel weighted average	Greater than 0.95 lbs./MMBtu
Moisture:	12 % vessel weighted average	greater than 12.5 %
Ash:	7.0 % vessel weighted average	greater than 8.0 %
Volatile Matter:	34.5 % vessel weighted average	less than 33.0 %
HGI:	47 vessel weighted average	less than 45

BAC

GLENCORE Ltd.

Progress Fuels Corporation
410 S. Wilmington St. PEB10A
Raleigh, NC 27601

Attn: Mr. Jason Duttinger

Delivery: CIF, IMT, New Orleans, LA, USA

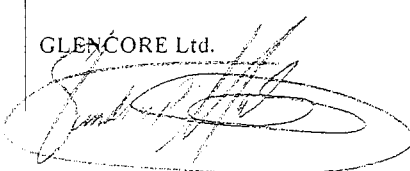
Date: January 19, 2007

Contract: 028.06.53026.001

ORIGINAL

Final Invoice No. 335176

<p>Quantity:</p>	<p>Shipment of [REDACTED] Steam Coal in Bulk from Carbosan, Santa Marta, Colombia to Teco Bulk Terminal, Davant, LA, USA on M/V Iolcos Triumph with Bill of Lading dated 15th January 2007.</p> <hr/> <p>Loadport Weight [REDACTED]</p>	<p>USS</p>
<p>Quality:</p> <p>Price:</p> <p>Price Adj.:</p>	<p>In accordance with ASTM standards on "as received" basis.</p> <p>Total Moisture 8.27% Calorific Value (GAR) 12,427Btu/lb. Volatile Matter (dry) 39.34% Ash 6.15% Sulphur 0.66%</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>value date of 9th February 2007.</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

GLENCORE Ltd.




Autopista al Aeropuerto Km.8
 Tel: 3769503
 Fax: 3762071 A. A. 3505
 Barranquilla – Colombia

Minerals
 Barranquilla
 F490101
 Certificate No 01412-03--20
 MS- 17325/07
 Sheet 1 of 2

VESSEL : IOLCOS TRIUMPH
 DATE : JANUARY 12TH TO JANUARY 15TH 2007
 PORT : CARBOSAN - PUERTO PRODECO, COLOMBIA
 PRODUCT : COLOMBIAN STEAM COAL IN BULK
 SHIPPER : C.I. PRODECO PRODUCTOS DE COLOMBIA S.A.
 GLENCORE LTD.
 CONSIGNEE : GLENCORE Ltd.
 DESTINATION : TECO BULK TERMINAL, DAVANT, LA, USA
 QUANTITY : XXXXXXXXXX

CERTIFICATE OF SAMPLING AND ANALYSIS

The following analytical results were established by the Laboratory of SGS COLOMBIA S.A., in accordance with the applicable ASTM standards:

CALCULATED COMPOSITE
 ANALYSIS DATE: 17-01-07
 LAB. IDENTIFICATION: 4903-184047A
 SIZE 0 X 50 MM
 -6.35 MM = 33.2%

PROXIMATE ANALYSIS	AS RECEIVED	DRY BASIS	STANDARD
Total moisture, pct, wt	8.27		D-3302-02a*
Ash, pct, Wt	6.15	6.70	D-3174-04*
Volatile, pct, wt	36.09	39.34	D-3175-02*
Fixed carbon, pct, Wt	49.49	53.96	D-3172-89(02)
Sulphur, pct wt	0.66	0.72	D-4239-04a Meth. B*
Gross calorific value (Btu/Lb).	12427	13548	D-5865-04 *

Lb de SO2/mmBTU = 1.06

ULTIMATE ANALYSIS	AS RECEIVED	DRY BASIS	STANDARD
%Total moisture, pct, wt	8.27		D-3302-02a *
% Carbon, pct, wt		76.18	D-5373-02 *
% Hydrogen, pct, wt		5.33	D-5373-02 *
% Nitrogen, pct, wt		1.52	D-5373-02 *
% Ash, pct, wt		6.70	D-3174-04 *
% Sulfur, pct, wt		0.72	D-4239-04a Meth. B*
% Oxygen, pct, wt (by diff)		9.55	D-3176-89 (02)

REAL SPECIFIC GRAVITY
 Real Specific Gravity (Air dried) = 1.344 D-167-93 (04)*

* These analysis results are accredited by SIC (Superintendencia de Industria y comercio) over resolution number 10172, 2004.

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MARCOS DE LA HOZ MONTEGA
 SUPERVISOR DE OPERACIONES

PEF-07FL-001775

GLENCORE Ltd.

ORIGINAL

Progress Fuels Corporation
410 S. Wilmington St. PEB10A
Kaleigh, NC 27601

Attn: Mr. Jason Duttlinger

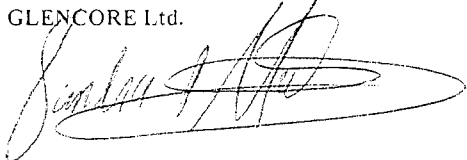
Delivery: CIF, IMT, New Orleans, LA, USA

Date: February 8, 2007

Contract: 028.06.53027.002

Final Invoice No. 337351

<p><u>Quantity:</u></p>	<p>Shipment of [REDACTED] Steam Coal in Bulk from Carbosan, Santa Marta, Colombia to IMT, New Orleans, LA, USA on M/V Iolcos Triumph with Bill of Lading dated 4th February 2007.</p> <hr/> <p>Loadport Weight [REDACTED]</p>	<p>USS</p>
<p><u>Quality:</u></p> <p><u>Price:</u></p> <p><u>Price Adj.:</u></p>	<p>In accordance with ASTM standards on 'as received' basis.</p> <p>Total Moisture 9.11% ✓ Calorific Value (GAR) 12,302Btu/lb. ✓ Volatile Matter (dry) 39.14% 35.58% ✓ Ash 6.21% ✓ Sulphur 0.65% ✓</p> <p><i>Final 56 \$/ton</i> <i>quantity checked (P)</i> <i>16 000 x \$1,000 x 77,007.13</i></p> <p>[REDACTED]</p>	<p>[REDACTED]</p>

GLENCORE Ltd.


CODE NAME: "CONGENBILL" EDITION 1994

Shipper
C.I. PRODECO PRODUCTOS DE COLOMBIA S.A.
GLENCORE LTD.

BILL OF LADING
TO BE USED WITH CHARTER-PARTIES
Reference No.

Consignee

GLENCORE Ltd.

Notify address
PROGRESS FUELS CORPORATION
410 S. Wilmington St. PEB10A
Raleigh, NC 27601
Fax: 919-546-2590
Attn: Jason Duttinger

Vessel Port of loading
IOLCOS TRIUMPH CARBOSAN - PUERTO PRODECO, COLOMBIA

Port of discharge
IMT, New Orleans, LA, USA

Shipper's description of goods

Gross weight

"COLOMBIAN STEAM COAL IN BULK"



"FREIGHT PAYABLE AS PER C/P"

"CLEAN ON BOARD"

"SCAC CODE: BUNGIOLC04020701"

"ONE ORIGINAL BILL LADING RETAINED ON BOARD AGAINST WHICH BILL DELIVERY OF CARGO MAY PROPERLY BE MADE ON INSTRUCTIONS RECEIVED FROM SHIPPERS/CHARTERERS"

ORIGINAL

(of which on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising)

Freight payable as per CHARTER-PARTY dated

SHIPPED at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or so near there to as she may safely get the goods specified above.

Weight, measure, quality, quantity, condition, contents and value unknown.

FREIGHT ADVANCE. Received on account of freight:

IN WITNESS whereof the master or agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void.

Time used for loading _____ Days _____ Hours

FOR CONDITIONS OF CARRIAGE SEE OVERLEAF

Freight payable at

Place and date of issue

PEF-07FL-001777

SANTA MARTA, COLOMBIA 4-Feb-07

Autopista al Aeropuerto Km.8
Tel: 3769503
Fax: 3762071 A. A. 3505
Barranquilla - Colombia

Minerals
Barranquilla
F490101
Certificate No 01444-03--20
MS- 17444/07
Sheet 1 of 2

VESSEL : IOLCOS TRIUMPH
DATE : FEBRUARY 2nd-FEBRUARY 4th, 2007
PORT : CARBOSAN - PUERTO PRODECO, COLOMBIA
PRODUCT : COLOMBIAN STEAM COAL IN BULK
SHIPPER : C.I. PRODECO PRODUCTOS DE COLOMBIA S.A.
GLENCORE LTD.
CONSIGNEE : GLENCORE Ltd.
DESTINATION : IMT, New Orleans, LA, USA
QUANTITY : XXXXXXXXXX

CERTIFICATE OF SAMPLING AND ANALYSIS

The following analytical results were established by the Laboratory of SGS COLOMBIA S.A., in accordance with the applicable ASTM standards:

CALCULATED COMPOSITE

ANALYSIS DATE: 05-02-07

LAB. IDENTIFICATION: 4903-184901A

SIZE 0 X 50 MM

-6.35 MM = 35.5%

PROXIMATE ANALYSIS

	AS RECEIVED	DRY BASIS	STANDARD
Total moisture, pct, wt	9.11		D-3302-02a*
Ash, pct. Wt	6.21	6.84	D-3174-04*
Volatile, pct, wt	35.58	39.14	D-3175-02*
Fixed carbon, pct. Wt	49.10	54.02	D-3172-89(02)
Sulphur, pct wt	0.65	0.72	D-4239-04a Meth. B*
Gross calorific value (Btu/Lb).	12302	13534	D-5865-04 *

Lb de SO2/mmBTU = 1.06

ULTIMATE ANALYSIS

	AS RECEIVED	DRY BASIS	STANDARD
% Total moisture, pct, wt	9.11		D-3302-02a *
% Carbon, pct, wt		76.51	D-5373-02 *
% Hydrogen, pct, wt		5.18	D-5373-02 *
% Nitrogen, pct, wt		1.57	D-5373-02 *
% Ash, pct, wt		6.84	D-3174-04 *
% Sulfur, pct, wt		0.72	D-4239-04a Meth. B*
% Oxygen, pct, wt (by diff)		9.18	D-3176-89 (02)

REAL SPECIFIC GRAVITY

Real Specific Gravity (Air dried) = 1.334

D-167-93 (04)*

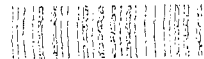
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ARMANDO HERNANDEZ PEDROZA
SUPERVISOR DE LABORATORIO

SGSPAPER

05425721



PEF-07FL-001778



Progress Energy

COAL PURCHASE CONFIRMATION

Confirmation #:09_2005_PFC_GCI

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington Street, PEB 10A
Raleigh, NC 27601

Seller: Guasare Coal International N.V.
Boliviastraat – Oranjestad
Aruba

The purpose of this letter is to confirm the agreement entered into this 12th day of December, 2005 (the "Effective Date"), by and between Guasare Coal International N.V. ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. Commencement of deliveries of Coal (as defined herein) by Seller under the Transaction described herein shall constitute acceptance of the terms set forth in this Agreement, without regard to whether or not Seller has actually signed this Confirmation. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail. Notwithstanding any other agreement between the Parties to the contrary, any terms and conditions proposed by Seller that purport to modify, supplement or amend this Agreement shall not be binding upon Buyer unless Buyer has expressly agreed to such terms and conditions in writing.

Product Description: Physical Venezuelan Coal-Vessel-delivered to International Marine Terminal, Myrtle Grove, Louisiana, approximately mile post 57 AHP (above head passes) on the west bank of the Mississippi River.

Seller: Guasare Coal International N.V.

Buyer: Progress Energy Florida, Inc.

Term: [REDACTED]

Contract Quantity: Eleven (11) firm Shipments in each Calendar Year, or approximately [REDACTED] Metric Tons each Calendar Year, depending on the actual size of each Shipment. Seller acknowledges

JAC

and agrees that the actual size of each Shipment is dependent only upon finding suitable Vessel sizes and shall not be construed as a right by Seller to take advantage of economic opportunities and market fluctuations that are beneficial to Seller.

In addition, to the foregoing, eight (8) additional Shipments may be Shipped in each Calendar Year (the "Additional Shipments"); provided that the Parties can mutually agree to the Contract Price with respect to such Additional Shipments (i) by not later than

[REDACTED]
Additional Shipments.

**Loading Point Price
(to be used for BTU
calculations):**

For the purposes of calculating the price adjustments due to BTU content pursuant to the provisions of this Confirmation, the calculation shall be made based on a Loading Point Price of USD [REDACTED] per Ton. The Parties acknowledge and agree that the Loading Point Price shall be utilized solely for the purpose of such BTU price adjustment calculations.

Contract Price:

The Contract Price to be paid by Buyer to Seller hereunder shall be [REDACTED] per million Btu, except as otherwise may be adjusted in accordance with the provisions of this Agreement.

The Contract Price is a delivered price including all of Seller's cost to transport the Coal to and offload such Coal at the Delivery Point in accordance with the Delivery Specifications.

Delivery Point:

The Delivery Point shall be the point of delivery specified in the Delivery Specifications attached hereto as Exhibit 1.

Production Sources:

The Coal shall be produced by Carbones del Guasare, S.A. ("CdG") from the mine Paso Diablo located near Maracaibo, State of Zulia, Venezuela.

Loading Point:

"Bulk Wayuu", Santa Cruz Terminal, Maracaibo Lake, Venezuela. At Seller's request and with the prior written consent of Buyer, which consent may be withheld in Buyer's sole discretion, Seller may load the Coal from El Bajo Terminal, Maracaibo Lake, Venezuela or Palmarejo Terminal, Maracaibo Lake, Venezuela, (collectively the "Alternate Terminals"); which use of such Alternate Terminals shall be subject to the following terms and conditions at any time and from time to time, as determined by Buyer in Buyer's sole discretion:

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7. Billing and Payment.

(a) With respect to deliveries of Coal made under this Agreement Buyer shall pay Seller by wire transfer or Automated Clearinghouse ("ACH") to the address set forth below within thirty (30) days of the date set forth on the Bill of Lading; provided that Buyer has received the following documents:

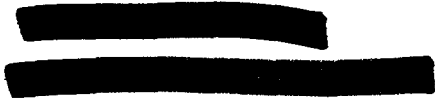
- (i) Clean, on-board ocean Bill of Lading (three (3) originals plus three (3) copies)
- (ii) Draft survey report
- (iii) Certificate of origin
- (iv) Seller's commercial invoice (one (1) original plus two (2) copies)
- (v) Original Quality Certificates pursuant to Section 6(a) hereof

Payments to Seller shall be made to:

Guasare Coal International NV

Citibank N.A.,

New York, NY

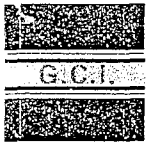


(b) With respect to any other amounts owing under this Agreement (i.e. any amounts not owing for Coal delivered), the Party that is owed such amount shall provide the other Party with an invoice, setting forth the amount owed. Such owing Party shall pay the amount of such invoice within fifteen (15) days of final delivery of such invoice according to the instructions on such invoice. If such amounts are not paid by such deadline, such amounts shall accrue interest at the Interest Rate from the original due date until the date paid.

(c) If a Party in good faith reasonably disputes the amount set forth in an invoice, such Party (the "Disputing Party") shall provide to the other Party a written explanation specifying in detail the basis for the dispute and such Disputing Party, if it has not already done so, shall pay the undisputed portion of such amount no later than the due date therefore. If the Parties are thereafter unable to resolve the dispute within thirty (30) days of the Disputing Party's delivery of notice of the dispute, either through the exchange of additional documentation or good faith business negotiations, then either Party may seek whatever remedies are available to it at law or in equity.

(d) If Buyer and Seller are each required to pay any amounts to each other in the same month, whether pursuant to this Agreement or otherwise, including without exclusion any amounts Seller owes to Buyer pursuant to this Agreement as reimbursement for amounts Buyer has paid to the Export Service for the ESServices, then such amounts shall be aggregated and the Parties shall discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed. Each Party reserves to itself all rights, setoffs, counterclaims, combination of accounts, liens and other remedies and defenses which such

A handwritten signature in black ink, appearing to be 'SAC'.



Guasare Coal International n.v.

Subsidiary of Carbozulia filial of Corpozulia
 Av. 9B entre calles 77 y 78, Sector 5 de Julio, Edificio Banco Industrial, piso 9
 Maracaibo 4001, Zulia, Venezuela
 Phone: + 58 261 7973831, Fax: + 58 261 7970146
 E-mail address JLARRAZABAL@GCI-VE.COM
 Register N°: 7713 in Aruba

PASO DIABLO MINE

INV. DATE	INVOICE NBR.
01/05/2007	07-001

CONTRACT DATE
01/01/2006

MINE NAME AND No.
PASO DIABLO 2820

SOLD TO

PROGRESS FUELS CORPORATION
 410 SOUTH WILMINGTON STREET PEB 10A
 RALEIGH, NORTH CAROLINA 27601-1849 USA
 Telefax: (1) 919-546-2842 TELEPHONE (1) 919-546-7560

PORT OF DISCHARGE

TECO BULK TERMINAL DAVANT, LA. USA

MAKE CHECKS PAYABLE TO: GUASARE COAL INTERNATIONAL, NV

GUASARE COAL INTERNATIONAL N.V. TERMS:

WIRE TRANSFER INSTRUCTIONS and COPY OF INVOICE TO THE FOLLOWING	GUASARE COAL INTERNATIONAL N.V. [REDACTED]	30 DAYS AFTER B/L DATE
--	---	------------------------

ORIGIN OF COAL: PASO DIABLO, STATE OF ZULIA, COUNTRY OF VENEZUELA

SHIPMENT METHOD:

PRODUCT DESCRIPTION	PRICE DESC.	PRICE	AMOUNT U.S.\$
VESSEL: CSL ARGOSY <i>see attached with of invoice</i>			
METRIC TONS: [REDACTED]	DES	[REDACTED]	[REDACTED]
GUASARE BITUMINOUS COAL IN BULK (HULLA BITUMINOSA)			
TOTAL AMOUNT DUE U.S.\$			[REDACTED]

Tons ok (90)

PLEASE PAY FROM THIS INVOICE. NO STATEMENTS WILL BE ISSUED
 PLEASE NOTIFY US THE DAY THAT THE FUNDS WERE TRANSFERRED
 TO OUR ACCOUNT IN ORDER TO CHECK WITH THE BANK.

PREPARED BY:

[Signature]

APPROVED BY:

[Signature]

CODE NAME "CONGENBILL", EDITION 1994

Shipper

Carbones del Guasare, S.A.
Entre calles 77 y 78, con Av.9B, 5 Piso
Edificio Banco Industrial - Maracaibo - Venezuela.
Phone: +58 261 790 6660/ Fax: +58 261 790 6661

BILL OF LADING

B/L No. 0012007

TO BE USED WITH CHARTER-PARTIES

SCAC CODE: CSSL ARGO 0701

Reference No.

Consignee

Guasare Coal Int. N.V.
Boliviastraat, Oranjestad
Aruba

Notify address

Progress Fuels Corp.
410 South Wilmington Street.
PEB10A
Raleigh, North Carolina 27601-1849 USA.
FAO: Jason Duttinger

Vessel

Port of loading

CSL ARGOSY

MARACAIBO BAY (BUOY 65), VENEZUELA

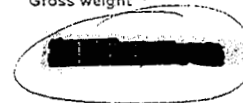
Port of discharge

Teco Bulk Terminal Davant, La. USA

Shippers description of goods

Gross weight

Coal in Bulk



"Freight Payable as per Charter Party"

Shipped Clean On Board

NON NEGOTIABLE COPY

(of which NIL on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising)

Freight payable as per CHARTER-PARTY dated..... FREIGHT ADVANCE. Received on account of freight: Time used for loading.....days.....hours	SHIPPED at the port Loading in apparent good order and condition on board the Vessel for carriage to the port of Discharge or so near thereto as she may safely get the goods specified above. Weight, measure, quality, quantity, condition, contents and value unknown. IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bill of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void. FOR CONDITIONS OF CARRIAGE SEE OVERLEAF
--	--

Freight payable at AS PER C/P	Place and date of Issue MARACAIBO, VZLA. 05TH, JAN .2007
Number of Original Bs/L THREE (03)	Signature

Vessel Name	: CSL ARGOSY
Callsign	: C6U29
Official No	: 9000149
OK IMO No	: 7915412
Gross Tonnage	:
H P	: 14,740

Printed and sold by
Fr. G. Knudtzons Bogtrykkeri A/S, 55 Toldbodgade, DK-1253 Copenhagen K.
Fax: +45 33 93 11 84
Authority of the Baltic and International Maritime Council
(BIMCO), Copenhagen.



Guasare Coal International n.v.

Subsidiary of Carbozulia filial of Corpozulia
 Av. 9B entre calles 77 y 78, Sector 5 de Julio, Edificio Banco Industrial, piso 9
 Maracaibo 4001, Zulia, Venezuela
 Phone: + 58 261 7973831, Fax: + 58 261 7970146
 E-mail address JLARRAZABAL@GCI-VE.COM
 Register N°: 7713 in Aruba

PASO DIABLO MINE

DATE	DEBIT NOTE NBR.
01/09/2007	01-07-001

CONTRACT DATE
01/01/2006

MINE NAME AND No.
PASO DIABLO 2820

PROGRESS FUELS CORPORATION
 410 SOUTH WILMINGTON STREET PEB 10A
 RALEIGH, NORTH CAROLINA 27601-1849 USA
 Telefax: (1) 919-546-2842 TELEPHONE (1) 919-546-7560

PORT OF DISCHARGE
 TECO BULK TERMINAL DAVANT, LA. USA

MAKE CHECKS PAYABLE TO:	GUASARE COAL INTERNATIONAL N.V.	TERMS:
WIRE TRANSFER INSTRUCTIONS and COPY OF INVOICE TO THE FOLLOWING	GUASARE COAL INTERNATIONAL N.V. [REDACTED] CITIBANK N.A. NEW YORK, N.Y. [REDACTED]	30 DAYS AFTER B/L DATE

ORIGIN OF COAL: PASO DIABLO, STATE OF ZULIA, COUNTRY OF VENEZUELA SHIPMENT METHOD:

PRODUCT DESCRIPTION	PRICE DESCRIPTION	PRICE/NET	AMOUNT U.S.\$
CALORIFIC VALUE ADJUSTMENT FOR COAL SHIPPED ON 05-JAN-2007 VESSEL: CSL ARGOSY			
BTU/LB AS RECEIVED 13,335	INITIAL DES	[REDACTED]	
BTU/LB CONTRACTED 12,800			
METRIC TONC [REDACTED]			
PRICE ADJUSTMENT FORMULA: [REDACTED]	FINAL DES	[REDACTED]	[REDACTED]
LESS: INVOICE NBR. 07-001			[REDACTED]
TOTAL AMOUNT DUE U.S.\$			[REDACTED]

PLEASE PAY FROM THIS INVOICE. NO STATEMENTS WILL BE ISSUED
 PLEASE NOTIFY US THE DAY THAT THE FUNDS WERE TRANSFERRED
 TO OUR ACCOUNT IN ORDER TO CHECK WITH THE BANK.

PREPARED BY:

APPROVED BY:

PEF-07FL-001809

Zona Industrial II Etapa Calle 149-A con
Avenida 67-A, Parcela Pl-5, Maracaibo
Teléfonos: (58.261) 7363093- 7363493
Fax: (58.261) 7362784

Minerals
F470101

Minicentro Pozuelos, Local 2 Sector
Isla de Cuba, Avenida Intercomunal
Barcelona,
Teléfonos: (58.281) 2636246
Fax: (58.281) 2681197



SGS

Zona Industrial Matanzas, Edificio
Servicios Portuarios Muelle Sidor
Puerto Ordaz, Edo. Bolivar
Teléfonos: (58.286) 9906731
Fax (58.286)9906099

TO: CARBONES DEL GUASARE, S.A.

Certificado / Certificate No. 4701 / 0015710-03-20
ORDER No. 5505/06

VESSEL : CSL ARGOSY
DATE : JANUARY 03rd - JANUARY 05th, 2007
PORT : MARACAIBO, VENEZUELA
PRODUCT : COAL IN BULK
SHIPPER : CARBONES DEL GUASARE, S.A.
CONSIGNEE : PROGRESS FUELS CORPORATION (PFC)
DESTINATION : USA

CERTIFICATE OF WEIGHT BY DRAFT SURVEY

This to certify that our Marine Surveyor did, at your request, attend on board the M/V "CSL Argosy" From January 03rd through January 05th 2007 while the vessel lay afloat at Maracaibo, Venezuela for the purpose of ascertaining the actual quantity of Coal in Bulk cargo that was loaded in this port, by means of Draft Survey and displacement calculations in conjunction with the vessel's officers.

THE CARGO OUT TURN AS DETERMINED PER ATTACHED DRAFT SURVEY REPORT IS:

This survey was made and report is issued without prejudice to the rights of whom it may concern.

ALL CALCULATIONS ARE ON FILE AND WILL BE FURNISHED ON REQUEST.

THIS CERTIFICATE IS NOT A CERTIFICATE OF SEAWORTHINESS AND ONLY APPLIES TO THE CARGO LOADED AT THIS DATE, TIME, AND PLACE WITH THE VESSEL'S MASTER BEING RESPONSIBLE FOR THE STABILITY AND SEAWORTHINESS OF THIS VESSEL AT ALL TIMES.

Maracaibo, Venezuela
January 10th, 2007

SGS VENEZUELA, S.A.

The issuance of this Certificate does not exonerate buyers or sellers from exercising all their rights and discharging all their liabilities under the contract of sale. Stipulations to the contrary are not binding on us. The Company's responsibility under this Certificate is limited to gross negligence proven by Principals and will in no case be more than ten times fees or commission.

SGS



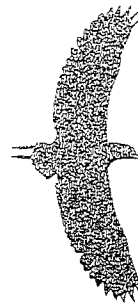
PEF-07FL-001810

Minerals
F470101

Zona Industrial III Etapa Calle 149-A con
Avenida 67-A, Parcela PI-5, Maracaibo
Teléfonos: (58.261) 7363093- 7363493
Fax: (58.261) 7362784

Minerals
F470101

Minicentro Pozuelos, Local 2 Sector
Isla de Cuba, Avenida Intercomunal
Barcelona,
Teléfonos: (58.281) 2636246
Fax: (58.281) 2681197



SGS

Zona Industrial Matanzas, Edificio
Servicios Portuarios Muelle Sidor
Puerto Ordaz, Edo. Bolívar
Teléfonos: (58.285) 9906731
Fax (58.285)9906099

Certificate 4701/0015710-03-20
Order No. 5505/06
Page No. 1 of 1

TO: CARBONES DEL GUASARE, S.A.

VESSEL : CSL ARGOSY
 DATE : JANUARY 03rd - JANUARY 05th, 2007
 PORT : MARACAIBO, VENEZUELA
 PRODUCT : COAL IN BULK
 SHIPPER : CARBONES DEL GUASARE, S.A.
 CONSIGNEE : PROGRESS FUELS CORPORATION (PFC)
 DESTINATION : USA
 QUANTITY : XXXXXXXXXX

ANALYSIS CERTIFICATE

The following analytical results were established by the laboratory of SGS VENEZUELA, S.A., in accordance with the applicable ASTM Standards:

CALCULATED COMPOSITE

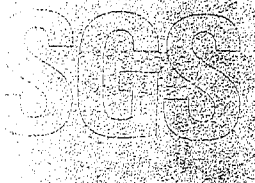
PROXIMATE ANALYSIS	AIR DRIED	AS RECEIVED	DRY BASIS
Total Moisture, pct. wt.		5.81 ✓	
Ash, pct. wt.	6.08	5.83 ✓	6.19
Volatile matter, pct. wt.	36.87	35.39 ✓	37.57
Fixed carbon, pct. wt.		52.97 ✓	56.23
Sulphur, pct. wt.	0.6000	0.58 ✓	0.61
Gross calorific value, Btu/Lb	13883	13325 ✓	14146
Gross calorific value, Kcal/Kg	7713	7403	7859
Gross calorific value, Mjoul/Kg	32.29	30.99	32.904

HARDGROVE GRINDABILITY INDEX

HGI = 47 at 2.35 percent of moisture

Maracaibo, Venezuela
January 10th, 2007 ✓

SGS VENEZUELA, S.A.



PEF-07FL-001811



COAL PURCHASE CONFIRMATION

Confirmation #: PEF_KOCH_02/07 SPOT

Buyer: Progress Energy Florida, Inc.
410 S. Wilmington St. PEB 10
Raleigh, NC 27601
(P) 919-6002 (F) 919-546-2590

Seller: Koch Carbon LLC
20 East Greenway Plaza
Houston, TX 77046
(P) 713-544-5148 (F) 713-544-6052
316806

The purpose of this letter is to confirm the agreement entered into this 1st day of February, 2007, between Koch Carbon LLC ("Seller") and Progress Energy Florida, Inc. ("Buyer"), individually a "Party" and collectively the "Parties", regarding the sale and purchase of Coal (the "Transaction") under the terms specified herein.

This Coal Purchase Confirmation (the "Confirmation"), and the General Terms and Conditions ("GTC") that each are attached hereto or transmitted herewith and which shall supplement and are incorporated into this Confirmation, shall be referred to herein as the "Agreement". Any capitalized term used in this Agreement and not defined in the Section in which it appears shall have the meaning set forth in Section 1 of the GTC. In the event of any conflict between this Confirmation and the GTC, the terms of this Confirmation shall prevail.

Product Description: Physical CAAP Coal
Seller: Koch Carbon LLC
Buyer: Progress Energy Florida, Inc.
Term (Delivery Period): [REDACTED]
Contract Quantity: [REDACTED]
Contract Price: [REDACTED]
Delivery Point(s): FOB Barge Big Sandy River
Production Source(s): _____
Destination Plant(s): TBD by Buyer
Quality Specifications: All Coal delivered hereunder shall meet the Quality Specifications specified in the following table for each of the listed criteria. The Rejection Limits shall be as specified in the following table for each of the listed criteria. All amounts are as measured on an as-received basis in accordance with ASTM standards.

	Quality Specification	Rejection Limit
BTU:	11,500 Btu/lb. per shipment	Less than 11,200 Btu/lb per shipment
SO ₂ lbs./MMBtu:	1.20 lbs. per shipment	Greater than 1.20 lbs per shipment
Moisture:	8.0% maximum	greater than 10.0 % per shipment
Ash:	13.0 % maximum	greater than 16.0 % per shipment
Volatile Matter:	32 % minimum	less than 30 % per shipment
HGI:	45 minimum	less than 43 per shipment
AST:	2700 minimum	not applicable per shipment
Sizing:	2" x 0"	greater than 55% by weight fines passing 1/4" screen per shipment

Quality Price



KOCH CARBON LLC

Reprint
Sales Invoice

Attn: Accounts Payable
To: Florida Power Corporation dba Progress Energy Florida Inc
100 Central Avenue
Saint Petersburg, FL 33701

Invoice No. : KCLLC16851
Invoice Date : Mar. 05, 2007
Due Date : Mar. 20, 2007
Currency : U.S. Dollars

Page : 1 of 1

Payment Terms: Net 15 days from Invoice Date

Direct inquiries to: Anita Rivers (316)828-7921

Description	Quantity	UoM	Unit Price	Amt W/O Tax	Tax	Amount
Contract Ref: 316806- 1137 PO#: 20041389-J						
11,500 - COMPLIANCE COAL Mode Barge						
Feb. 28, 2007 Ticket # 5 BARGES Big Sandy River or Ohio River between Milepost 306-317 Catlettsburg, KY						
Feb. 28, 2007 Ticket # 5 BARGES BTU: (Actual - Contracted) 1.07% Actual: 11767 Contracted: 11500.00						

Please remit payment to:

Total:

Koch Carbon LLC
JP Morgan Chase Bank-Minerals
New York 10081

Please Pay in \$USD -->

Amount:

Vendor invoice for diff. attached



KOCH CARBON LLC

Original
Sales Invoice

Attn: Accounts Payable
To: Florida Power Corporation dba Progress Energy Florida Inc
100 Central Avenue
Saint Petersburg, FL 33701

Invoice No. : KCLLC16892
Invoice Date : Mar. 09, 2007
Due Date : Mar. 24, 2007
Currency : U.S. Dollars

Page : 1 of 1

Payment Terms: Net 15 days from Invoice Date

Direct inquiries to: Anita Rivers (316)828-7921

Description	Quantity	UoM	Unit Price	Amt W/O Tax	Tax	Amount
-------------	----------	-----	------------	-------------	-----	--------

Contract Ref: 316806- 1137 PO#: 20041389-J

11,500 - COMPLIANCE COAL Mode Barge

Feb. 28, 2007 Ticket # 5 BARGES Big Sandy River or Ohio River between Milepost 306-317 Catlettsburg, KY

Feb. 28, 2007 Ticket # 5 BARGES Big Sandy River or Ohio River between Milepost 306-317 Catlettsburg, KY

Feb. 28, 2007 Ticket # 5 BARGES Big Sandy River or Ohio River between Milepost 306-317 Catlettsburg, KY

Feb. 28, 2007 Ticket # 5 BARGES BTU: (Actual - Contracted) * 1.0 / % Actual: 11779 Contracted: 11500.00

Please remit payment to:

FMS

Koch Carbon LLC
JP-Morgan Chase Bank-Minerals Acct (ABA)

New York 10081

Please Pay in \$USD -->

Amount:

*QPA diff. using
PEF results*

1.01 Mutual Obligations. SELLER agrees to mine, sell and deliver to PURCHASER, and PURCHASER agrees to buy from SELLER, coal of the quality and in the quantities and on the terms and conditions set forth below.

1.02 Warranty and Dedication of SELLER'S Reserves. SELLER represents and warrants that SELLER owns, leases or controls mineral interests containing reserves in seams sufficient in quality and quantity to supply the coal covered by this Agreement (hereinafter the "Coal Property"). SELLER hereby expressly dedicates to PURCHASER sufficient reserves of coal meeting the quality specifications hereof and lying on or in the Coal Property so as to fulfill the quantity specifications hereof.

1.03 Quantity. During the term hereof, the quantity of coal to be delivered hereunder shall be [REDACTED] tons per calendar year.

1.04 Term. The initial term of this Agreement will commence on January 1, 2002, and will continue in effect for a period of thirty-six (36) months. Provided that (i) PURCHASER continues to have an exclusive coal supply agreement with FPC at FPC's generating units (ii) PURCHASER and SELLER are in compliance with the terms of this Agreement and (iii) PURCHASER and SELLER are able to negotiate a new Base Price to be effective on January 1, 2005 by November 1, 2004, then the term of this Agreement shall be automatically extended for an additional twenty-four (24) months. PURCHASER shall notify SELLER immediately upon its becoming aware that its exclusive coal supply agreement with FPC will not be extended beyond December 31, 2004.

1/1/02 - 6/30/03 18 mos
7/1/03 - 12/31/04 18 mos

24 mos

5 yr Potential

1.05 Base Price. A. Base Price. Effective January 1, 2002 through June 30, 2003, the base price per ton of coal, f.o.b. SELLER'S mine loading site, (hereinafter "Base Price") shall be [REDACTED] per ton, exclusive of any applicable sales or use taxes, adjusted monthly for the quality of coal in accordance with the formula and procedures set out in Appendix A of this Agreement. The Base Price to be effective July 1, 2003 shall be negotiated by May 1, 2003. Failure to agree upon a new Base Price by such date will result in termination of this Agreement on June 30, 2003 without further liability or obligation of either party hereto other than any liabilities or obligations arising prior to such termination.

B. Government Impositions. During the term of this Agreement, federal, state or other executive, legislative, judicial or regulatory bodies may (1) originate, change, modify or repeal interpretation and/or enforcement of existing legislation, regulations, decisions, orders, taxes, etc. ("Laws") and/or (2) amend or repeal existing Laws, and/or (3) enact or impose new Laws, which may affect SELLER'S costs and, if so, shall result in adjustment(s) to the Base Price pursuant to this Section 1.05 B. The Base Price shall not be adjusted based on changes in corporate net income tax Laws.

Such adjustment(s) shall be effective as of the date of each change in SELLER'S costs resulting from compliance by SELLER with any Laws not in effect, so interpreted or enforced as of July 1, 2001 (the "Base Date"). The full change thus occasioned in SELLER'S costs shall be determined by SELLER, computed in accordance with SELLER'S generally accepted accounting practices consistently applied, and the amount per ton of such change, applied equally to all tons produced, shall be added to or subtracted from the Base Price.

SELLER shall notify PURCHASER in writing of any adjustment to the Base Price, including the effective date and the amount per ton of such adjustment. PURCHASER may refuse all or any part of an adjustment to the Base Price resulting from changes in

APPENDIX B

Railroad and Private Railcar
Demurrage/Detention Costs

A. RAILROAD CHARGES:

1. Detention: As published in Tariff ICC CSXT-8200-Series, including supplements thereto and re-issues thereof.
2. Dead Freight: Actual railroad charges.
3. Crew Change: [REDACTED] per change, subject to periodic adjustment by the railroad.

B. EFC PRIVATE RAILCAR CHARGES:

1. Lost Utilization Charges: Sum of a. and b. below.
 - a. Delay of Train = [REDACTED] per car per day of delay.
 - b. Failure to Fully Load Cars = [REDACTED]

Where: AC = actual number railcars
AW = actual weight of trains
PS = penalty in dollars



CONSOL ENERGY.

copy 200
Xc: ADA (2)
JMB
Falk
REP
CAL

FAX: 727/824-6601
FEDERAL EXPRESS AIRBILL #: 8357 4426 2101

April 29, 2003

Mr. A. W. "Al" Pitcher
Vice President, Coal Procurement
Progress Fuels Corp.
One Progress Plaza
200 Central Avenue
St. Petersburg, FL 33701

Dear Al,

CONSOL and Progress Fuels have completed price negotiations for Base Price according to Section 1.05 of the Agreement for the Sale and Purchase of Coal Between Electric Fuels Corporation and CONSOL of Kentucky Inc. and CONSOL Sales Company.

Upon completion of shipments for the first [redacted] tons, the Base Price will become [redacted] per net ton f.o.b. mine for the next [redacted] tons. All other terms and conditions will remain unchanged.

Please sign and return one original of this letter to my attention. Thank you for your cooperation in these negotiations.

Yours truly,

Dennis P. Duffy

Dennis P. Duffy
April 29, 2003

Dennis P. Duffy
General Sales Manager

[Signature]
Date: 5/1/03

Electric Fuels/Progress Fuels

**AMENDMENT TO AGREEMENT FOR
THE SALE AND PURCHASE OF COAL**

This AMENDMENT is made and entered into as of the 8th day of December 2004, between PROGRESS FUELS CORPORATION, a Florida corporation, 200 Central Avenue, One Progress Plaza, St. Petersburg, Florida, 33701 (hereinafter "PURCHASER") and CONSOL OF KENTUCKY INC. and CONSOL SALES COMPANY, Delaware corporations, 1800 Washington Road, Pittsburgh, Pennsylvania, 15241 (hereinafter, collectively, "SELLER").

WHEREAS, ELECTRIC FUELS CORPORATION and SELLER are parties to an Agreement for the Sale and Purchase of Coal effective January 1, 2002 (the "Agreement"); and

WHEREAS, SELLER and PURCHASER desire to amend the Agreement in certain respects.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto as herein stated and intending to be legally bound, PURCHASER and SELLER agree as follows:

1. Effective January 1, 2005, the Agreement is amended as follows:

A. The preamble to the Agreement is hereby deleted in its entirety and replaced by the following new preamble:

"This AGREEMENT (hereinafter the "Agreement") is made and entered into as of the 18th day of October 2001, between PROGRESS FUELS CORPORATION (formerly ELECTRIC FUELS CORPORATION), a Florida corporation, 200 Central Avenue, One Progress Plaza, St. Petersburg, Florida, 33701 (hereinafter "PURCHASER") and CONSOL OF KENTUCKY INC. and CONSOL SALES COMPANY, Delaware corporations, 1800 Washington Road, Pittsburgh, Pennsylvania, 15241 (hereinafter, collectively, "SELLER")."

B. Section 1.03 of the Agreement is deleted in its entirety and replaced with the following new Section 1.03:

"1.03 Quantity. During calendar years 2002, 2003, 2004 and 2006, the quantity of coal to be delivered hereunder shall be [REDACTED] tons per calendar

year. During calendar year 2005, the quantity of coal to be delivered hereunder shall be [REDACTED]

C. Section 1.04 of the Agreement is deleted in its entirety and replaced with the following new Section 1.04:

"1.04 Term. The initial term of this Agreement will commence on January 1, 2002, and will continue in effect for a period of sixty (60) months through December 31, 2006."

D. Section 1.05 A of the Agreement is deleted in its entirety and replaced with the following new Section 1.05 A:

"A. Base Price. [REDACTED]

[REDACTED]

E. Section 1.05 B of the Agreement is amended by changing the date "July 1, 2001" therein to "January 1, 2005."

F. Section 3.01 of the Agreement is amended by inserting the following immediately after the table of specifications therein:

"The following revised specifications shall be applicable to the last [REDACTED] tons of coal to be delivered under this Agreement."

SPECIFICATION	REQUIREMENTS	REJECTION LIMITS
Ash	12.0% (maximum)	Over 13.0%
Calorific Value	12,500 Btu/LB (3)	Under 12,100

2nd Amendment to the Agreement for the Sale and Purchase of Coal

This 2nd Amendment to the Agreement for the Sale and Purchase of Coal (this "2nd Amendment") is made and entered into as of the 13th day of January 2006 (the "Effective Date") by and between Progress Fuels Corporation ("PFC" or "Purchaser") and Consol of Kentucky and Consol Sales Company (hereinafter, collectively "CONSOL" or "Seller"). Each of Purchaser or Seller may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, Electric Fuels Corporation ("EFC") and CONSOL entered that certain Agreement for the Sale and Purchase of Coal dated January 1, 2002 (the "Agreement"), pursuant to which CONSOL agreed to sell and deliver and EFC agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, EFC and CONSOL entered into an Amendment to Agreement for the sale and Purchase of Coal dated December 8th 2004 ("Amendment") which among other changes acknowledged the name change of EFC to PFC.

WHEREAS, PFC and CONSOL desire to amend the Agreement and the Amendment as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by the Parties and intending to be legally bound hereby, Purchaser and Seller hereby agree as follows:

1. Make-up Shipments. During the 2005 term of the Agreement, shortfalls occurred and as a result of such shortfalls there remains as of the Effective Date of this Amendment outstanding obligations for Seller to sell and deliver and Purchaser to purchase and receive [REDACTED] tons of coal in make-up obligations (the "Make-up Tons") at the 2005 price of \$54.00 per ton. Therefore the parties agree that, notwithstanding the anything to the contrary, Seller shall include in such Make-up Tons as additional tons to be delivered during the 2006 term.

B. Section 1.03 of the Agreement is deleted in its entirety and replace with the following new section 1.03:

1.03 Quantity. During calendar years 2002, 2003, and 2004 the quantity of coal delivered hereunder was [REDACTED] tons per calendar year. In 2005, the quantity of coal scheduled for delivery should have been [REDACTED] tons. During Calendar year 2006, the quantity of coal to be delivered hereunder shall be [REDACTED] tons, which includes the make-up tons from 2005. The [REDACTED]

All other terms and conditions of the Agreement remain unchanged and in full force and effect.

3rd Amendment to the Agreement for the Sale and Purchase of Coal

This 3rd Amendment to the Agreement for the Sale and Purchase of Coal (this "3rd Amendment") is made and entered into as of the 13th day of February 2007 (the "Effective Date") by and between Florida Power Corporation d/b/a Progress Energy Florida, Inc. ("PEF" or "Purchaser") and CONSOL of Kentucky and CONSOL Energy Sales Company (hereinafter, collectively "CONSOL" or "Seller"). Each of Purchaser or Seller may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, Electric Fuels Corporation ("EFC") and CONSOL entered that certain Agreement for the Sale and Purchase of Coal dated January 1, 2002 (the "Agreement"), pursuant to which CONSOL agreed to sell and deliver and EFC agreed to purchase and accept certain quantities of coal, subject to the terms and conditions set forth therein;

WHEREAS, EFC and CONSOL entered into an Amendment to Agreement for the Sale and Purchase of Coal dated December 8th 2004 ("Amendment") which among other changes acknowledged the name change of EFC to Progress Fuels Corporation ("PFC");

WHEREAS, EFC and CONSOL entered into the 2nd Amendment to Agreement for the Sale and Purchase of Coal dated January 13th 2006 ("Amendment") which provided for the carryover of tons from calendar year 2005 into calendar year 2006; and

WHEREAS, PFC and CONSOL desire to amend the Agreement and the Amendments as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged by the Parties and intending to be legally bound hereby, Purchaser and Seller hereby agree as follows:

1. The preamble to the Agreement is hereby deleted in its entirety and replaced by the following new preamble:

"This AGREEMENT (hereinafter the "Agreement") is made and entered into as of the 18th day of October 2001, between FLORIDA POWER CORPORATION d/b/a PROGRESS ENERGY FLORIDA, INC., a Florida corporation, 410 S. Wilmington St. Raleigh, NC 27601 (hereinafter "Purchaser") and CONSOL OF KENTUCKY INC. and CONSOL ENERGY SALES COMPANY, Delaware corporations, 1800 Washington Road, Pittsburgh, Pennsylvania, 15241 (hereinafter, collectively, "SELLER")

2. Make-up Shipments. During the 2006 term of the Agreement, shortfalls occurred and as a result of such shortfalls there remains as of the Effective Date of this 3rd Amendment outstanding obligations for Seller to sell and deliver and Purchaser to purchase and receive [REDACTED] tons of coal in make-up obligations (the "Make-up Tons") at the 2006 price of [REDACTED] per ton. Therefore the Parties agree that, notwithstanding

anything to the contrary, Seller shall sell and deliver such Make-up Tons as tons to be scheduled during 2007.

3. Section 1.03 of the Agreement is deleted in its entirety and replaced with the following new section 1.03:

1.03 Quantity. During calendar years 2002, 2003 and 2004 the quantity of coal delivered hereunder was [REDACTED] tons per calendar year. In calendar year 2005, the quantity of coal delivered was [REDACTED] tons. In calendar year 2006, the quantity of coal delivered was [REDACTED]

4. Section 1.04 of the Agreement is deleted in its entirety and replaced with the following new Section 1.04:

1.04 Term. The term of this Agreement will commence on January 1, 2002 and will continue for a period of [REDACTED]

All other terms and conditions of the Agreement remain unchanged and in full force and effect.

Capitalized terms used but not defined in this 3rd Amendment shall have the meaning given to them in the Agreement.

This 3rd Amendment shall supersede and replace all prior agreements, oral and written between the Parties with respect to the subject matter hereof. In the event of any conflict or inconsistency between the Agreement and this 3rd Amendment, the terms and conditions of this 3rd Amendment shall prevail.

This 3rd Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Each Party acknowledges and agrees that it and its counsel have reviewed and revised this 3rd Amendment and that the normal rule of construction to the effect that any ambiguities are to be construed against the drafting Party shall not be used in the interpretation of this 3rd Amendment.

This 3rd Amendment shall be governed by, interpreted and construed as one in accordance with the laws of the State whose laws shall govern the Agreement.

This 3rd Amendment may be executed in multiple counterparts, including by facsimile signature, each of which, when so executed, shall be deemed to be an original but all of which shall constitute but one and the same instrument.

REDACTED

PEF-07FL-001859 – PEF-07FL-001860

OPC'S 2nd POD #3

OPC
2nd PODs

4

- b. If one of Operator's Tows is at the berth at the Terminal or Crystal River Plant and a second of Operator's Tows arrives, provides NOR in accordance with the terms hereof and is required to wait, freetime shall commence for the second Tow when NOR is provided. If a third Tow arrives at the berth, provides NOR and is required to wait, freetime shall commence ten (10) hours after the freetime expires on the second Tow if at the Crystal River Plant or six (6) hours after the freetime expires on the second Tow if at the Terminal, and, if a fourth Tow arrives at the berth, provides NOR and is required to wait, freetime on the fourth Tow shall commence upon expiration of freetime on the third Tow. All such delays in the commencement of freetime at the Terminal or Crystal River Plant shall be hereinafter referred to as "Stacking Delays".

10. **Base Freight Rates and Freight Rate Adjustments:** Shipper shall pay Operator freight for the affreightment services provided hereunder at the rates set forth herein. Operator shall prepare and transmit to Shipper by telefax, on the 15th and last day of each month, an invoice for freight for all cargo delivered in the preceding half month and for any deadfreight due pursuant to Section 8 hereof. Shipper shall pay such invoice by wire transfer within fifteen (15) days of receipt.

The Base Freight Rate is [REDACTED] per ST for the initial [REDACTED] ST transported and thereafter [REDACTED] per ST or pro rata 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.

All such rates shall be adjusted by the factors, and on the intervals, specified in Sections 11, 12 and 13 hereof. Notwithstanding any other provision hereof, no adjustment for Labor Cost, or Producer Price Index, pursuant to Sections 12 and 13 hereof, shall reduce the Freight Rate below the amounts of such Rate which are established by the initial fuel price adjustment hereunder, occurring on April 1, 2002.

11. **Fuel Price Adjustment:** For each 1% increase or decrease in the weighted average price for all marine diesel fuel purchased by Operator for Tows in Shipper's service, based on copies of actual invoices and taking into account all discounts or surcharges actually paid ("Fuel Price"), rates shall be adjusted by 0.12%. Rates shall be so 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, with the first such adjustment occurring on April 1, 2002. For purposes of this Contract, the Base Fuel Price is \$0.85.
12. **Labor Cost Adjustment:** For each 1% increase or decrease in Operator's crew costs for Tows utilized in moving cargoes hereunder (wages only) measured on a daily rate basis ("Labor Cost"), all rates shall be adjusted by 0.13%. Rates shall be so adjusted annually during the term hereof, based on the Labor Cost on the adjusting date as compared to the Base Labor Cost, with the first such adjustment occurring on April 1, 2003. For purposes of this Contract, the Base Labor Cost shall be the Labor Cost on April 1, 2002. Shipper shall have a right to reasonably inspect Operator's books and records to confirm the accuracy of such Labor Costs.

By "Avoided Out-of-Pocket Costs" is meant the out-of-pocket costs avoided by Operator as a result of the Cargo Shortfall, including but not limited to brokerage commissions, barge cleaning expenses, miscellaneous port charges, towing charges, line handling fees, pilot's fees, crew costs (if laid off), fuel costs, and local agents' fees.

By "Mitigation Percentage" is meant the ratio, not to exceed 1.0, determined by dividing the number of barge days ("Idle Days") Operator's barge fleet is idled as a result of the Cargo Shortfall, by the number of barge days ("Active Days") Operator's barge fleet is employed in transporting Qualified Third Party Business (as defined in this Section). Active Days shall be deemed to begin when an empty barge departs the Crystal River Plant and to end when the empty barge arrives at the Terminal.

In calculating Idle Days and in calculating out-of-pocket costs avoided by Operator as a result of the Cargo Shortfall, a per-trip cargo of 15,500 ST and a per-trip elapsed voyage time of 4.96 days shall be conclusively presumed.

By "Qualified Third Party Business" is meant any charter or affreightment transaction undertaken by Operator on behalf of a chartering or shipping party other than Shipper, but excluding any transaction rejected by Shipper (as provided below) or any transaction Operator is able to reasonably demonstrate would have been feasible for Operator to perform even if the Cargo Shortfall did not occur.

Shipper may reject any charter or affreightment contract proposed by Operator as Qualified Third Party Business in mitigation, by tendering written notice to Operator within 48 hours of receipt by Shipper of notice by Operator that Operator intends to accept such charter or affreightment contract. In such event such charter or affreightment contract, and all subsequent charters or affreightment contracts undertaken by Operator during such Shipping Period shall be excluded from Qualified Third Party Business.

In determining net revenues realized from Qualified Third Party Business, there shall be included all freight and demurrage received and subtracted all out-of-pocket expenses including, but not limited to, dispatch money paid, brokerage commissions, barge cleaning expenses, miscellaneous port charges, towing charges, line handling fees, pilots' fees, fuel costs, and local agents' fees.

a. Example of Adjusted Revenue Shortfall Calculations. Assume an effective rate of

[REDACTED]

- A. Declared Tonnage
- B. 90% of Declared Tonnage
- C. Actual Tonnage
- D. Cargo Shortfall (B - C)

[REDACTED]

- E. Gross Revenue Shortfall ($\$4.25 \times D$) [REDACTED]
- F. Avoided Out-of-Pocket Costs
 - Brokerage Commissions [REDACTED]
 - Barge Cleaning [REDACTED]
 - Miscellaneous Port Charges [REDACTED]
 - Assisting Tugs (Estimated $\$1,000$ per voyage $\times 400,000 \div 15,500$ or 25.806 voyages) [REDACTED]
 - Pilot Fees [REDACTED]
 - Fuel Costs (Estimated Shipper incremental 6090 gals $\times \$0.85/\text{gal} \times 25.806$ voyages) [REDACTED]
 - Local Agents' Fees [REDACTED]
 - Total [REDACTED]
- G. Net Revenue Shortfall (E -- F) [REDACTED]
- H. Qualified Third Party Business:
 - 22-day voyage from New Orleans to San Juan [REDACTED]
 - Freight ($\$18.00/\text{ST} \times 15,000 \text{ ST}$) [REDACTED]
 - Demurrage (2 days $\times 12,000/\text{day}$) [REDACTED]
 - Brokerage Commission @ 2.5% [REDACTED]
 - Cleaning [REDACTED]
 - Miscellaneous Port Charges [REDACTED]
 - Towing [REDACTED]
 - Fuel Costs [REDACTED]
 - Agents in Puerto Rico [REDACTED]
 - Total [REDACTED]

(Net Revenue of $\$10,620.45$ per day $\times 22$ days)
- I. Qualified Third Party Business:
 - 10.3-day voyage to Tampa to Houston, net revenues of $\$13,000$ per day [REDACTED]
- J. Qualified Third Party Business
 - 45-day voyage from Corpus Christi to Haiti, net revenue of $\$11,000$ per day [REDACTED]
- K. Total Qualified Third Party Business (H + I + J) [REDACTED]
- L. Idle Days ($D \div 15,500 \times 4.96$) [REDACTED]
- M. Actual Days (total from H, I, J) [REDACTED]

N. Mitigation Percentage (L + M) [REDACTED]

O. Mitigation Percentage of all Total
Qualified Third Party Business (K x N) [REDACTED]

P. Adjusted Net Revenue Shortfall (G-0) [REDACTED]

b. Settlement. Any amounts owned by Shipper for cargoes declared but not tendered for shipment in any six-month calendar period will be paid not later than the earlier of (a) the 20th day following the end of each such six-month calendar period, or (b) the 20th day following Shipper's tender of notice to reject charter or affreightment contract.

17. Demurrage and Despatch: In the event that loading and/or discharging the Tow is not completed within the freetime allowed herein through no fault of Operator or the Tow, demurrage shall accrue for all time used in excess of allowed freetime, and Shipper shall pay Operator for the Tow at the Demurrage Rate [REDACTED] per hour or portion thereof or, in the case of demurrage accrued during a Shipper declared Twelve Hour Force Majeure Event, as defined in Section 32 hereof, one-half the Demurrage Rate. In the event that loading and/or discharging the Tow is completed within the freetime allowed herein, despatch shall accrue for all allowed freetime not used, and Operator shall provide Shipper with a credit against demurrage accrued hereunder for such despatch at the Demurrage Rate.

Demurrage and despatch shall be calculated on an annual basis. Within thirty (30) days after the end of each calendar year, Operator shall review the voyages completed during such calendar year, determine the demurrage and despatch accrued, and prepare and transmit to Shipper by telefax a cumulative demurrage invoice for such voyages reflecting the demurrage or despatch accrued on each such voyage and charging Shipper for any demurrage not offset by despatch at the Demurrage Rate. Shipper shall pay such invoice by wire transfer to the account specified herein for payments within fifteen (15) days of receipt. In the event that despatch accrued exceeds the demurrage accrued during such calendar year, Operator shall reduce such excess despatch by the amount of any Stacking Delays during the calendar year, provided, however, that Operator shall not reduce excess despatch by the amount of Stacking Delays related to a fourth Tow unless the employment of such Tow was requested or required by Shipper as provided in Section 15 hereof, and shall provide Shipper with a credit for such excess despatch at one-half the Demurrage Rate against the first available freight invoice.

The Demurrage Rate shall be adjusted by 50 percent of the changes in the factors, and on the intervals, specified in Sections 11, 12 and 13 hereof.

18. Payments: Payments required by Shipper hereunder shall be made to the account as styled below:

Chase Manhattan Bank, Houston, Texas

[REDACTED]
Credit Account No. [REDACTED]
For further credit to Dixie Fuels Limited.

JAN- 8-04 THU 2:23 PM DIXIE OFFSHORE TRANSP

JAN-08-04 15:23 FROM:

FAX NO. 504 391 2295

TO: 504 391 2295

P. 3

PAGE: 003/023

JAN- 8-04 THU 7:50 AM DIXIE OFFSHORE TRANSP

FAX NO. 504 391 2295

P. 3

The Base Freight Rate for DBF loaded at IMT and/or ECT is [redacted] per ST or pro rata portion thereof. The Base Freight Rate for DBF loaded at MIT is [redacted] per ST or pro rata 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.

All such rates shall be adjusted by the factors, and on the intervals, specified in Sections 11, 12 and 13 hereof. Notwithstanding any other provision hereof, no adjustment for Labor Cost, or Producer Price Index, pursuant to Sections 12 and 13 hereof, shall reduce the Freight Rate for DBF loaded at IMT and/or ECT below the amounts of such Freight Rate which are established by the initial fuel price adjustment hereunder, occurring on April 1, 2002, and no adjustment for Labor Cost, or Producer Price Index, pursuant to Sections 12 and 13 hereof, shall reduce the Freight Rate for DBF loaded at MIT below the amounts of such Freight Rate which are established by the initial fuel price adjustment hereunder, occurring on April 1, 2004."

All other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment One this th 8 day of January, 2004.

DIXIE FUELS LIMITED

PROGRESS FUELS CORPORATION

Kenneth C. Bush

[Signature]

By: Kenneth C. Bush
Title: Executive Vice President

By: [Signature]
Title: Vice President Coal Procurement

CONTRIBUTION AGREEMENT

This Contribution Agreement (this "Agreement") is made and entered into as of this 7th day of August, 2006 (the "Effective Date") by and between Progress Energy Florida, Inc. ("PEF") and Dixie Offshore Transportation Company ("DOTC"). Each of PEF and DOTC may sometimes hereinafter be referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, PEF owns and operates certain coal-fired electric generating units located at Crystal River, in Citrus County, Florida (the "Crystal River Plant");

WHEREAS, a substantial amount of the coal that is utilized by PEF at the Crystal River Plant is delivered to the Crystal River Plant via ocean going barge and offloaded from such barges utilizing a traveling clamshell unloader;

WHEREAS, PEF desires to purchase, construct and install a new E-crane series hydraulic barge unloader (such apparatus being referred to hereinafter as an "E-Crane") in order to provide for more efficient coal offloading operations at Crystal River (the "E-Crane Project");

WHEREAS, PEF and DOTC have entered into that certain **Affreightment Contract** dated April 1, 2005, as amended (the "Affreightment Contract") pursuant to which DOTC has agreed to make available and provide and PEF has agreed to accept and pay for certain services with respect to the transportation of coal by ocean going barge to the Crystal River Plant;

WHEREAS, DOTC may realize significant benefit from the E-Crane Project due to increased cargoes pursuant to the Affreightment Contract as a result of improved offloading efficiencies;

WHEREAS, DOTC desires to make a contribution to PEF to help fund the E-Crane Project and PEF desires to accept such contribution each according to the terms and conditions set forth below herein;

NOW, THEREFORE, in consideration of the foregoing and for the mutual covenants and promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound hereby, each of PEF and DOTC hereby agree as follows:

1. DOTC shall pay to PEF the sum of [REDACTED] (the "Contribution Amount"), which amount shall be sent by electronic funds transfer to the address set forth below in immediately available funds on or before three (3) Business Days after the Effective Date (the "Transfer Date"). DOTC and PEF each acknowledges and agrees that the aforementioned Contribution Amount is not a loan.

Bank: Wachovia Bank, NA
Account of: Progress Energy Florida, Inc.

- [REDACTED]
2. In consideration for the aforementioned Contribution Amount paid to PEF by DOTC, PEF agrees that it will amend the Affreightment Contract (the "Amendment") such that PEF will pay a transportation surcharge of [REDACTED] per ton ("Transportation Surcharge") which shall be applicable and payable on each ton of coal that is actually delivered to the Crystal River Plant by DOTC beginning on or after August 1, 2006 (the "Transportation Surcharge Commencement Date") and ending on the earlier of (a) when [REDACTED] tons of coal have actually been delivered to the Crystal River Plant by DOTC on or after the Transportation Surcharge Commencement Date or (b) [REDACTED]
 3. In the event that the Contribution Amount or any portion thereof is not paid to PEF on or before the Transfer Date, or after having paid such amount such funds must be refunded by PEF as a result of the bankruptcy or insolvency or other similar event with respect to DOTC, then the Amendment shall become immediately null and void and the Affreightment Contract shall be immediately reinstated to its original state without giving effect to the Amendment and the aforementioned transportation surcharge.
 4. Nothing in this Agreement shall in any way be construed so as to confer any security interest or right of DOTC in or to any assets, fixtures, property (whether real or personal) and/or equipment, tangible and intangible, related to the E-Crane Project. DOTC expressly waives any and all rights to claim any security interest in or to any and all assets, fixtures, property (whether real or personal) and/or equipment, tangible and intangible, in any way related to the E-Crane Project, under the Uniform Commercial Code, under applicable law, or in equity, including without limitation any purchase money security interests.
 5. Nothing herein shall be construed as a representation or warranty with respect to any of (i) the start of construction of the E-Crane Project; (ii) the timing of completion of the E-Crane Project and/or (iii) the performance of the new E-Crane upon completion of the E-Crane Project. PEF expressly disclaims any and all representations and warranties, express or implied with respect thereto. Furthermore, notwithstanding the Contribution Amount and/or payment by DOTC to PEF thereof, PEF expressly reserves the right to alter and/or modify the E Crane Project in any way as determined in its sole discretion, without liability hereunder, including without limitation the right to modify the construction schedule and/or to suspend such construction of the E-crane for a period of time as determined by PEF due to causes reasonably beyond the control of PEF.

This Agreement is made and entered into for the sole protection and legal benefit of the Parties and their permitted successors and assigns. No other person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement. Neither Party shall assign this Agreement or

REDACTED

PEF-07FL-001886 – PEF-07FL-001893
OPC'S 2nd POD ~~#3~~ #4

REDACTED

PEF-07FL-001901 – PEF-07FL-001902

OPC'S 2nd POD ~~#3~~ #4

REDACTED

PEF-07FL-001904 – PEF-07FL-001916
OPC'S 2nd POD ~~#3~~ #4

REDACTED

PEF-07FL-001919
OPC'S 2nd POD ~~#3~~ #4

REDACTED

PEF-07FL-001922 – PEF-07FL-001930

OPC'S 2nd POD ~~#3~~ #4

REDACTED

PEF-07FL-001933
OPC'S 2nd POD ~~#3~~ #4

REDACTED

PEF-07FL-001940
OPC'S 2nd POD ~~#3~~ #4

perform the duties, obligations and responsibilities with respect thereto shall be an absolute promise to pay and discharge the same under any and all circumstances; and (c) Transferee shall be deemed to be the "Lessee" under the Lease.

3. Lease; Remaining Rentals. Transferee agrees that the Lease, a copy of which is attached as Exhibit A, constitutes the entire agreement between Transferee and Lessor with respect to the lease of the Cars. Transferee also agrees that as of the Effective Date, there are [REDACTED] payments of rent including that of [REDACTED], each in the amount of [REDACTED] per Car per month remaining to be paid under Schedule No. 13 as amended.

4. Release of Transferor Representations, Warranties and Indemnities Survive. From and after the Effective Date, Transferor shall have no further rights or obligations with respect to the Lease or the cars leased pursuant thereto; provided, however, that notwithstanding anything to the contrary contained herein, Transferor shall remain liable for its representations, warranties and indemnities under the Lease and for any and all liabilities arising out of or related to events occurring prior to the Effective Date to the same extent as if this Agreement had never been entered into, notwithstanding that payment or performance of such liabilities may become due and owing after the Effective Date. In any event, such representations, warranties and indemnities of Transferor all survive the execution of this Agreement and the assignment to, and assumption by, Transferee of the rights and obligations of the "Lessee" under the Lease.

5. Representations and Warranties. In order to induce Lessor to consent to this Agreement, Transferee hereby represents and warrants to Lessor as follows:

- (a) Transferee is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida;
- (b) Transferee has full power, authority and legal right to execute, deliver and perform this Agreement and to perform its obligations under the Lease;
- (c) this Agreement has been duly authorized, executed and delivered by Transferee and constitutes a legal, valid and binding obligation of Transferee enforceable in accordance with its terms; and
- (d) Transferee has received a copy of the Lease from Transferor and is familiar with the terms thereof.

SCHEDULE NO. 13
To
MASTER CAR LEASE AGREEMENT
Dated as of May 28, 1998
Between
FLEX LEASING CORPORATION, as Lessor
and
CSX TRANSPORTATION, INC., as Lessee

LEASE NO. 003

This Schedule is entered into between FLEX LEASING I, LLC as assignee of FLEX LEASING CORPORATION ("Lessor") and CSX TRANSPORTATION, INC., as Lessee pursuant to Section 1 of the lease described in the caption hereof ("Lease"). The undersigned Lessor and Lessee hereby acknowledge and agree that this Schedule shall incorporate all provisions of the Lease as to the Cars covered hereunder and that the following is a description of such Cars, the Term and Rent for such Cars, and the lading to be used therein. Where the terms herein conflict with the Lease, the provisions of this Schedule shall modify such Lease terms as to the Cars subject hereto.

1. RENT

Monthly Rent Charge Per Car: [REDACTED] payable monthly in advance on the first day of each month.

2. QUANTITY:

[REDACTED]

TYPE OF CAR:

4,200 c.f. aluminum
bottom discharge coal hopper

CAR NUMBER(S):

FLCX 98000 Series

3. LADING:

Lessee will use the Cars only for loading bituminous and sub-bituminous coal. Lessee represents that such lading is a non-corrosive, non-placarded commodity.

4. TERM:

Commences for each Car on this Schedule upon January 1, 2004, and expires for all the Cars on December 31, 2004 ("Termination Date") unless earlier terminated pursuant to the terms of the lease or this Schedule.

Schedule to Master Lease
Operating Lease
9/28/98

SCHEDULE NO. 13
To
MASTER CAR LEASE AGREEMENT
Dated as of May 28, 1998
Between
FLEX LEASING CORPORATION, as Lessor
and
CSX TRANSPORTATION, INC., as Lessee

LEASE NO. 003

This Schedule is entered into between FLEX LEASING I, LLC as assignee of FLEX LEASING CORPORATION ("Lessor") and CSX TRANSPORTATION, INC., as Lessee pursuant to Section 1 of the lease described in the caption hereof ("Lease"). The undersigned Lessor and Lessee hereby acknowledge and agree that this Schedule shall incorporate all provisions of the Lease as to the Cars covered hereunder and that the following is a description of such Cars, the Term and Rent for such Cars, and the lading to be used therein. Where the terms herein conflict with the Lease, the provisions of this Schedule shall modify such Lease terms as to the Cars subject hereto.

1. RENT

Monthly Rent Charge Per Car: [REDACTED]
monthly in advance on the first day of each month.

2. QUANTITY:

TYPE OF CAR:

CAR NUMBER(S):

[REDACTED] 4,200 c.f. aluminum
bottom discharge coal hopper

FLCX 98000 Series

3. LADING:

Lessee will use the Cars only for loading bituminous and sub-bituminous coal.
Lessee represents that such lading is a non-corrosive, non-placarded commodity.

4. TERM:

Commences for each Car on this Schedule upon January 1, 2004, and expires for all the Cars on December 31, 2004 ("Termination Date") unless earlier terminated pursuant to the terms of the lease or this Schedule.

Schedule to Master Lease
Operating Lease
9/28/98

AMENDMENT No. 1 TO SCHEDULE NUMBER 13 TO THE
MASTER CAR LEASE AGREEMENT DATED MAY 28, 1998
BETWEEN FLEX LEASING CORPORATION AND
CSX TRANSPORTATION, INC.

This Amendment No. 1 shall apply to Schedule No. 13 ("Schedule") to that certain Master Car Lease Agreement, Lease No. C-003 dated May 28, 1998, by and between FLEX LEASING I, LLC, a Delaware limited liability company (assignee of FLEX LEASING CORPORATION, a Delaware corporation) ("Lessor"), and CSX TRANSPORTATION INC., a Virginia corporation ("Lessee"). The Schedule covers ninety-four 4,200 c.f. aluminum bottom discharge coal hopper cars (the "Cars."). Where the terms herein conflict with the Lease or the Schedule, the provisions of this Amendment shall modify such terms as to the Cars subject hereto.

Lessee and Lessor agree to amend the Schedule as follows:

1. Effective [REDACTED]
2. Section 4(a) of the Schedule is hereby amended by extending the Term of this Schedule No. 13 through [REDACTED]
3. Section 6.a. is hereby deleted and replaced with the following provision:

Lessee shall return the Cars to a Lessor designated point on Lessee's lines.

4. The following provision is added to the Schedule as Section 6.d.:

Transportation Expenses. Expenses associated with returning the Cars to the return location at lease termination shall be for Lessee's account.

4. The following provision is added to the end of Section 8.a.:

Notwithstanding anything to the contrary contained herein, Lessee shall, at its expense, perform in a timely manner maintenance for (i) bottom doors and door hardware, (ii) excessively bowed ends and sides, and (iii) broken corner connections.

5. The following provision is added to the end of Section 8.e. of the Schedule:

Disposal and labor charges will be assessed against Lessee for the removal of excessive commodity.

Executed and delivered as of January 1, 2005, as Amendment No. 1 to Schedule No. 13.

LESSOR:
FLEX LEASING I, LLC

BY: Joseph F. Marlowish

LESSEE:
CSX TRANSPORTATION, INC.

BY: Quelie Floyd

SCHEDULE NO. 13
To
MASTER CAR LEASE AGREEMENT
Dated as of May 28, 1998
Between
FLEX LEASING CORPORATION, as Lessor
and
CSX TRANSPORTATION, INC., as Lessee

LEASE NO. 003

This Schedule is entered into between FLEX LEASING I, LLC as assignee of FLEX LEASING CORPORATION ("Lessor") and CSX TRANSPORTATION, INC., as Lessee pursuant to Section 1 of the lease described in the caption hereof ("Lease"). The undersigned Lessor and Lessee hereby acknowledge and agree that this Schedule shall incorporate all provisions of the Lease as to the Cars covered hereunder and that the following is a description of such Cars, the Term and Rent for such Cars, and the lading to be used therein. Where the terms herein conflict with the Lease, the provisions of this Schedule shall modify such Lease terms as to the Cars subject hereto.

1. RENT

Monthly Rent Charge Per Car. [REDACTED]
monthly in advance on the first day of each month.

2. QUANTITY:

TYPE OF CAR:

CAR NUMBER(S):

[REDACTED] 4,200 c.f. aluminum
bottom discharge coal hopper

FLCX 98000 Series

3. LADING:

Lessee will use the Cars only for loading bituminous and sub-bituminous coal.
Lessee represents that such lading is a non-corrosive, non-placarded commodity.

4. TERM:

Commences for each Car on this Schedule upon January 1, 2004, and expires for all the Cars on December 31, 2004 ("Termination Date") unless earlier terminated pursuant to the terms of the lease or this Schedule.

Schedule to Master Lease
Operating Lease
9/28/98

AMENDMENT No. 1 TO SCHEDULE NUMBER 13 TO THE
MASTER CAR LEASE AGREEMENT DATED MAY 28, 1998
BETWEEN FLEX LEASING CORPORATION AND
CSX TRANSPORTATION, INC.

This Amendment No. 1 shall apply to Schedule No. 13 ("Schedule") to that certain Master Car Lease Agreement, Lease No. C-003 dated May 28, 1998, by and between FLEX LEASING I, LLC, a Delaware limited liability company (assignee of FLEX LEASING CORPORATION, a Delaware corporation) ("Lessor"), and CSX TRANSPORTATION INC., a Virginia corporation ("Lessee"). The Schedule covers ninety-four 4,200 c.f. aluminum bottom discharge coal hopper cars (the "Cars."). Where the terms herein conflict with the Lease or the Schedule, the provisions of this Amendment shall modify such terms as to the Cars subject hereto.

Lessee and Lessor agree to amend the Schedule as follows:

1. Effective January 1, 2005, the monthly lease rate is [REDACTED]
2. Section 4(a) of the Schedule is hereby amended by extending the Term of this Schedule No. 13 through [REDACTED]
3. Section 6.a. is hereby deleted and replaced with the following provision:

Lessee shall return the Cars to a Lessor designated point on Lessee's lines.

4. The following provision is added to the Schedule as Section 6.d.:

Transportation Expenses. Expenses associated with returning the Cars to the return location at lease termination shall be for Lessee's account.

4. The following provision is added to the end of Section 8.a.:

Notwithstanding anything to the contrary contained herein, Lessee shall, at its expense, perform in a timely manner maintenance for (i) bottom doors and door hardware, (ii) excessively bowed ends and sides, and (iii) broken corner connections.

5. The following provision is added to the end of Section 8.e. of the Schedule:

Disposal and labor charges will be assessed against Lessee for the removal of excessive commodity.

Executed and delivered as of January 1, 2005, as Amendment No. 1 to Schedule No. 13.

LESSOR:
FLEX LEASING I, LLC

BY: Joseph F. Manlowish

LESSEE:
CSX TRANSPORTATION, INC.

BY: Judith Floyd

REDACTED

PEF-07FL-001978 – PEF-07FL-001985

OPC'S 2nd POD ~~#3~~ #4

CAR SERVICE AGREEMENT SUPPLEMENT NO. 1
(PEF Statutory Trust 2006-1)

This CAR SERVICE AGREEMENT SUPPLEMENT NO. 1, dated September 7, 2006 (this "*Service Agreement Supplement*"), is entered into between PEF STATUTORY TRUST 2006-1, acting through U.S. Bank Trust National Association, not in its individual capacity, but solely as Owner Trustee under the Declaration of Statutory Trust (PEF Statutory Trust 2006-1) dated as of August 9, 2006 that creates the trust identified under the title hereof, and FLORIDA POWER CORPORATION d/b/a PROGRESS ENERGY FLORIDA, INC., a Florida corporation.

A. Lessor and Lessee have heretofore entered into the Service Agreement to which this Service Agreement Supplement is a supplement.

B. The Service Agreement provides for the execution and delivery of a Service Agreement Supplement for the purposes and upon the terms and conditions set forth in Sections 2(b) thereof.

NOW, THEREFORE, in consideration of the mutual terms and conditions contained herein and in the Service Agreement, the parties hereto agree as follows:

1. Capitalized terms used but not otherwise defined herein (including those used in the foregoing recitals) shall have the meanings specified in Schedule A to the Participation Agreement (PEF Statutory Trust 2006-1) dated as of August 11, 2006 among U.S. Bank Trust National Association, not in its individual capacity but as owner trustee under the Trust Agreement that creates the trust identified under the title thereof, and others, as such Schedule A existed on the Closing Date and as such Schedule A shall have been amended to and including the date hereof, which Schedule A shall for all purposes constitute a part of this Service Agreement Supplement.

2. Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the Items described in Schedule I hereto, which shall hereafter constitute a part of the Equipment and be subject to the Service Agreement (in accordance with Section 2(a) thereof).

3. Lessee has had an opportunity to inspect, and has inspected and approved, each Item described in Schedule I hereto. Lessee hereby confirms acceptance of each Item for purposes of the Service Agreement.

4. Lessor has received from Seller a Bill of Sale for each Item described in Schedule I hereto, such Bill of Sale evidencing the transfer of title to each such Item from Seller to Lessor.

5. The Basic Term Commencement Date for each Item described in Schedule I hereto is September 7, 2006.

6. The Basic Term Expiration Date for each Item described in Schedule I hereto is



7. The Equipment Cost of each Item is set forth in Schedule I hereto.

SCHEDULE I
to
CAR SERVICE AGREEMENT SUPPLEMENT NO. 1

(September 7, 2006)

1. The Items consist of 105 aluminum rapid discharge hopper railcars, each newly manufactured by Seller, with electro-pneumatically controlled hopper doors and having a capacity of 286,000 pounds gross weight on rail, as more particularly described on Schedule A hereto.
2. The aggregate Equipment Cost for the Items is [REDACTED]
3. The Basic Rent Factor, Termination Value and Stipulated Loss Value are set forth on Annex A and Annex B hereto.
4. The Basic Term Commencement Date is [REDACTED]
5. The allocation of Basic Resent is set forth on Annex C hereto.

CAR SERVICE AGREEMENT SUPPLEMENT NO. 2
(PEF Statutory Trust 2006-1)

This CAR SERVICE AGREEMENT SUPPLEMENT NO 2, dated September 26, 2006 (this "Service Agreement Supplement"), is entered into between PEF STATUTORY TRUST 2006-1, acting through U S Bank Trust National Association, not in its individual capacity, but solely as Owner Trustee under the Declaration of Statutory Trust (PEF Statutory Trust 2006-1) dated as of August 9, 2006 that creates the trust identified under the title hereof, and FLORIDA POWER CORPORATION d/b/a PROGRESS ENERGY FLORIDA, INC , a Florida corporation.

A Lessor and Lessee have heretofore entered into the Service Agreement to which this Service Agreement Supplement is a supplement

B The Service Agreement provides for the execution and delivery of a Service Agreement Supplement for the purposes and upon the terms and conditions set forth in Sections 2(b) thereof

NOW, THEREFORE, in consideration of the mutual terms and conditions contained herein and in the Service Agreement, the parties hereto agree as follows:

1 Capitalized terms used but not otherwise defined herein (including those used in the foregoing recitals) shall have the meanings specified in Schedule A to the Participation Agreement (PEF Statutory Trust 2006-1) dated as of August 11, 2006 among U S Bank Trust National Association, not in its individual capacity but as owner trustee under the Trust Agreement that creates the trust identified under the title thereof, and others, as such Schedule A existed on the Closing Date and as such Schedule A shall have been amended to and including the date hereof, which Schedule A shall for all purposes constitute a part of this Service Agreement Supplement.

2 Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the Items described in Schedule I hereto, which shall hereafter constitute a part of the Equipment and be subject to the Service Agreement (in accordance with Section 2(a) thereof)

3 Lessee has had an opportunity to inspect, and has inspected and approved, each Item described in Schedule I hereto Lessee hereby confirms acceptance of each Item for purposes of the Service Agreement

4 Lessor has received from Seller a Bill of Sale for each Item described in Schedule I hereto, such Bill of Sale evidencing the transfer of title to each such Item from Seller to Lessor.

5 The Basic Term Commencement Date for each Item described in Schedule I hereto is September 26, 2006

6 The Basic Term Expiration Date for each Item described in Schedule I hereto is [REDACTED]

7 The Equipment Cost of each Item is set forth in Schedule I hereto

SCHEDULE I
to
CAR SERVICE AGREEMENT SUPPLEMENT NO. 2

(September 26, 2006)

1. The Items consist of 105 aluminum rapid discharge hopper railcars, each newly manufactured by Seller, with electro-pneumatically controlled hopper doors and having a capacity of 286,000 pounds gross weight on rail, as more particularly described on Schedule A hereto.
2. The aggregate Equipment Cost for the Items is [REDACTED]
3. The Basic Rent Factor, Termination Value and Stipulated Loss Value are set forth on Annex A and Annex B hereto
4. The Basic Term Commencement Date is [REDACTED]
5. The allocation of Basic Rent is set forth on Annex C hereto

REDACTED

PEF-07FL-002012 – PEF-07FL-002031

OPC'S 2nd POD ~~#3~~ #4

EXHIBIT A


PAYMENT AND NOTICE INFORMATION

Payment to Indenture Trustee:

Wells Fargo Bank Northwest, National Association
299 South Main Street, 12th Floor
MAC: U1228-120
Salt Lake City, Utah, 84111
Attention: Corporate Trust Department
Facsimile No.: 801-246-5053

Wire Instructions:

Bank: Wells Fargo Bank Northwest, National Association


Re: PEF Statutory Trust 2006-1
Attn: Corporate Lease Group

Lessee:

Florida Power Corporation d/b/a Progress Energy Florida, Inc.
410 South Wilmington St. (PEB 19A1)
Raleigh, NC 27601
Attention: Thomas R. Sullivan, Treasurer
Telephone: (919) 546-4381
Facsimile: (919) 546-7826

Owner Participant:

Banc of America Leasing & Capital, LLC
555 California Street, 4th Floor
CA5-705-04-01
San Francisco, CA 94104
Attention: Jung Westover, Vice President
Telephone: (415) 765-7391
Facsimile: (415) 765-7373

Wells Fargo Bank Northwest, N.A.
Corporate Trust Department
MAC U1228-120
299 South Main Street, 12th Floor
Salt Lake City, UT 84111

42309-CORR



WELLS FARGO & CO.

Invoice

To: Jerry Boyd
Manager Coal Transportation
Progress Energy Carolinas, Inc.

Re: PEF Statutory Trust 2006-1

Rent Payment Date: 1/26/07

Basic Rent Due

[REDACTED]

*J. Boyd
1/22/07*

Payment should be made to the following wire instructions:

Fed Wire Instructions:

Wells Fargo Bank, N.A.

[REDACTED]

CR: Corporate Trust Department

[REDACTED]

Re: PEF Statutory Trust 2006-1

ACH Instructions:

Wells Fargo Bank, N.A.

[REDACTED]

CR: Corporate Trust Department

[REDACTED]

RE: PEF Statutory Trust 2006-1

If you should have any questions, please do not hesitate to call me at (801) 246-5809 or e-mail me at DeAnn.Madsen@WellsFargo.com.

Sincerely,

DeAnn Madsen
Vice President

Wells Fargo Bank Northwest, N.A.
Corporate Trust Department
MAC U1228-120
299 South Main Street, 12th Floor
Salt Lake City, UT 84111

42309-CORR



WELLS FARGO & CO.

Invoice

To: Jerry Boyd
Manager Coal Transportation
Progress Energy Carolinas, Inc.

Re: PEF Statutory Trust 2006-1

Rent Payment Date: 2/7/2007

Basic Rent Due

\$

[REDACTED]

*OK JBoyd
1/22/07*



Payment should be made to the following wire instructions:

Fed Wire Instructions:

Wells Fargo Bank, N.A.

[REDACTED]
CR: Corporate Trust Department
[REDACTED]

Re: PEF Statutory Trust 2006-1

ACH Instructions:

Wells Fargo Bank, N.A.

[REDACTED]
CR: Corporate Trust Department
[REDACTED]

RE: PEF Statutory Trust 2006-1

If you should have any questions, please do not hesitate to call me at (801) 246-5809 or e-mail me at DeAnn.Madsen@WellsFargo.com.

Sincerely,

DeAnn Madsen
Vice President

Wells Fargo Bank Northwest, N.A.
Corporate Trust Department
MAC U1228-120
299 South Main Street, 12th Floor
Salt Lake City, UT 84111

42309-CORR



WELLS FARGO & CO.

Invoice

To: Jerry Boyd
Manager Coal Transportation
Progress Energy Carolinas, Inc.

Re: PEF Statutory Trust 2006-1

Rent Payment Date: 2/26/07

Basic Rent Due

\$

Payment should be made to the following wire instructions:

Fed Wire Instructions:

Wells Fargo Bank, N.A.

CR: Corporate Trust Department

Re: PEF Statutory Trust 2006-1

ACH Instructions:

Wells Fargo Bank, N.A.

CR: Corporate Trust Department

RE: PEF Statutory Trust 2006-1

If you should have any questions, please do not hesitate to call me at (801) 246-5809 or e-mail me at DeAnn.Madsen@WellsFargo.com.

Sincerely,

DeAnn Madsen
Vice President

AMENDMENT TO
CONTRACT FOR RAILCAR REPAIR AND MAINTENANCE

This Amendment To Contract For Railcar Repair And Maintenance ("Amendment") is made effective as of March 1, 2005 and is by and between Progress Fuels Corporation ("Owner") and Progress Rail Services Corporation ("Contractor").

WHEREAS, Owner and Contractor entered into that certain Contract For Railcar Repair And Maintenance effective on the first day of March 2003 (the "Contract"); and

WHEREAS, Owner and Contractor wish to amend and modify the Contract in accordance with the provisions of this Amendment.

THEREFORE, for and in consideration of the additional services to be rendered, payments to be made therefore, and in consideration of other benefits to accrue to the parties hereof, the Owner and Contractor hereby agree and covenant as follows:

1. **Article VIII, Term Of Contract** shall be amended as follows: The first sentence of this Article shall be deleted and replaced with the following sentence:
"The term of this Contract shall be for a period of six (6) years."

2. **Article IV, Compensation For Services** shall be amended as follows:

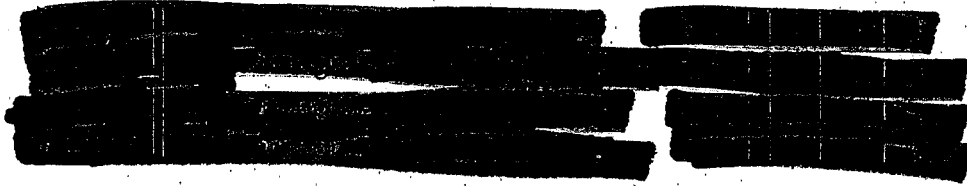
A. The first sentence of Subsection 1. shall be deleted and replaced with the following:

"All repairs, maintenance, modifications, inspections and associated services shall be at the following labor rates:

[REDACTED]

B. The 4th (and last) sentence of Subsection 1. shall be deleted and replaced with the following:

"Wreck repairs that are CSX's responsibility will be charged at the following labor rates:



C. The following sentence shall be inserted at the conclusion of Subsection 1:

"Notwithstanding any other provision in this Amendment or Contract to the contrary, the labor rates actually charged to the Owner for each period shown shall not exceed the lowest labor rates charged by Contractor to non-related third parties for similar utility unit train work at Contractor's Car Repair Facility in Corbin, KY for the periods such labor rate is applicable.

3. **Article XVII, Assignment And Subcontracting** shall be amended as follows: The first sentence of this Article shall be deleted and replaced with the following sentence:

"No assignment of the Contract or any right occurring under this Contract shall be made in whole or part by either party without the written consent of the other except: (i) either party may assign this Contract to a wholly owned affiliate of such party without the consent of (but with notice to) the other party, and (ii) the Owner may assign this Contract to any person or entity that purchases the "railcars" subject to the Contract without the consent of (but with notice to) the Contractor, providing such purchaser leases the "railcars" to the Owner or any wholly owned affiliate of Owner."

4. **Article XXIII, Option** shall be added to the Contract as of the effective date of this Amendment and shall be as described in the following paragraph.

"In the event that Owner, in its sole and absolute discretion, shall elect to sell the "railcars" (or any portion thereof) subject to the Contract (either individually or collectively, the "Railcars") to a non-related third party, Owner grants Contractor a "right-of-first refusal" to purchase such Railcars under substantially the same terms and conditions (including any terms and conditions associated with a "sale lease-back transaction") as offered by such third party buyer ("Contractor's Option"). Owner shall provide to

Home Shop. Contractor shall use reasonable commercial efforts to negotiate a lease arrangement with Florida Northern and establish the Florida Facility; provided however, if Contractor is unsuccessful in establishing the Florida Facility by February 1, 2007 after using reasonable commercial efforts, neither party shall have any obligation or liability to the other with respect to the Florida Facility and/or the Florida Repair Work.

6. The operating hours of the Florida Facility shall be as follows: Monday to Friday 7:00AM until 12:00 midnight, local time, excluding normal holidays observed by Contractor.

7. The labor rates for the Florida Repair Work shall be those rates described in Article IV, Compensation For Services in the Contract (as amended), except that the labor rate for the Florida Repair Work shall be [REDACTED] per hour through [REDACTED] provided however, the last sentence of Subsection 1 relating to Corbin, KY labor rates shall not apply to the Florida Repair Work.

8. For the term of the Contract (including any extensions thereto) Owner guarantees Contractor a minimum of 64.21 labor hours per day at the Florida Facility, five (5) days per week (Monday through Friday), including holidays that may occur during such time period (the "Minimum Hours"). Any labor hours actually worked and billed by Contractor to Owner shall be included as a part of the Minimum Hours. Furthermore, for any and all labor hours with respect to work performed on any railcars that are leased by Owner for which such labor hours are directly billed to the owners or lessors of such railcars, Owner shall be given credit against its Minimum Hours requirement hereunder for all such hours as if such labor hours were billed to Owner.

For the avoidance of doubt, all travel time billed pursuant to this Contract shall be counted as a part of the Minimum Hours.

9. It is currently contemplated that the rental paid to Florida Northern for the Florida Facility will be [REDACTED] per month ([REDACTED]). In the event that the rental rate shall increase by more than 10% of such amount Contractor shall provide Owner with written notice of such increase, and Contractor shall be entitled to an adjustment in the labor rates charged to Owner for the Florida Repair Work equal to 50% of such increase. (For example, if the rental paid to Florida Northern increases by 12%, then the labor rates set forth in paragraph 7 of this Amendment shall be increased by 6%.) If Owner objects to such increase

then either party shall have the right to terminate this Contract with respect to the Florida Facility effective as of the next expiration date of the lease between Florida Northern and the Contractor by providing notice to the other party in accordance with the provisions of this Contract.

10. Owner's rights of termination provided in Article IX, Termination Of Contract shall be considered separate and severable for the Home Shop and the Florida Facility. For greater clarity, the failure of the Contractor to perform work acceptable to Owner at the Home Shop will not create a default in the Contract with respect to the Florida Facility and will not provide Owner the right to terminate the Contract with respect to the Florida Facility (or vice versa).

11. Article IV, Compensation For Services shall be amended as follows:

A. The first sentence of Subsection 1. shall be deleted and replaced with the following:

"All repairs, maintenance, modifications, inspections and associated services shall be at the following labor rates:



B. The 4th (and last) sentence of Subsection 1. shall be deleted and replaced with the following:

"Wreck repairs that are Owner's responsibility will be charged at the following labor rates:



REDACTED

PEF-07FL-002075 – PEF-07FL-002123

OPC'S 2nd POD #3 #4

ARTICLE II

EFFECTIVE DATE AND TERM

2.1 This Contract, including transportation or other services stated herein, shall be effective as of February 1, 2005, provided however the FNOR shall have no obligations under this Contract whatsoever prior to May 28, 2005. The first Contract Year of this Contract shall be from February 1, 2005 through December 31, 2005. This Contract shall continue in full force and effect through

[REDACTED]

ARTICLE III

TENDER OF UNIT TRAIN SHIPMENTS

3.1 Schedule and Location.

(a) Monthly Loading Schedule. Receiver shall utilize CSXT's reservation in effect from time to time, and, in so doing, shall provide CSXT with monthly proposed loading schedules via "ShipCSX" no later than the twenty-fifth day of the month preceding each month in which Receiver intends to make Unit Train tenders of Solid Fuel hereunder per the CSXT Tariff 8200. CSXT shall provide a copy of such monthly proposed loading schedules to FNOR.

(b) Shipment Location. Carriers shall use reasonable commercial efforts to provide, as requested by Receiver via telephone or e-mail or internet or by other mutually-agreed methods, the accurate location of the Unit Train equipment in service, including bad ordered and spare Cars, under this Contract; provided, however, that Receiver shall have no authority over the management of the Unit

increments, plus or minus fifteen percent (15%). However should Carriers fail to perform in accordance with Article XIII, Performance Guaranty, this section may be modified by mutual agreement.

3.4 Minimum Trainload Weight. Each Unit Train shipment tendered to Carriers hereunder shall be loaded as follows:

	Actual	
	Approximate <u>No. of Cars</u>	Trainload Minimum (Net Tons) <u>Aluminum Cars</u>
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

The actual trainload minimum weight in Tons for a Contract Year as described above is sometimes referred to as "Minimum Trainload Weight". Unless governed by Paragraph 3.5 of this Article, if any individual Unit Train shipments are released to CSXT by Receiver with less than Minimum Trainload Weight, such shipments shall be transported by Carriers at the applicable Freight Rates in Appendix A, as adjusted, multiplied by the Minimum Trainload Weight, and in that event, the Minimum Trainload Weight shall be counted toward Receiver's Minimum Annual Tonnage. Receiver agrees that new or renegotiated Solid Fuel supply contracts will not preclude or prohibit compliance with this Paragraph 3.4.

ARTICLE X

GUARANTEED ANNUAL TONNAGE VIA DIRECT RAIL SHIPMENTS

10.1 Guaranteed Tonnage. Receiver agrees to tender Solid Fuel to Carrier for movement in Unit Train Service via Direct Rail Shipment to Destination on a minimum annual guaranteed Tonnage ("Minimum Annual Tonnage") basis, except as otherwise provided herein or unless excused by force majeure as defined herein, at an annual volume of not less than the following Net Tons per Contract Year:

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Receiver agrees to lease additional train sets of Cars needed to achieve a tonnage level higher than 3.6 MM Tons.

10.2 Grace Period. If the amount of Solid Fuel actually tendered by Receiver during a Contract Year is less than the Minimum Annual Tonnage for that calendar year, Receiver shall pay Dead Freight charges to Carrier, as provided in Article XI of this Contract, provided Receiver shall have a grace period of thirty (30) days at the beginning of the following Contract Year in which Receiver may make up all or part of this Minimum Annual Tonnage. Any such tonnage must be shipped during that thirty (30) day period, certified as provided in Section 10.5 of this Contract, and shall not count toward

Contract
Year

Maximum
Tons (MM)

10.5 Annual Certificate. Within forty-five (45) days of the end of each Contract Year, Receiver shall send a tonnage certification to Carrier relating to the immediately preceding Contract Year. Such certification shall contain at least the following information:

1. Number of Tons actually shipped, by Origin Group as listed in Tariff ICC-CSXT-8200-series.
2. Grace period tonnage claimed pursuant to paragraph 10.2 of Article X, if any, and Thirty Thousand Ton Shortfall tonnage pursuant to Section 10.3 of this Article, if any.
3. Final Rail Direct Shipment Trip Time Report named in Article XIII.
4. Listing of all waybills.
5. Calculation showing whether any payment is due Carriers or Receiver per the conditions contained in Article XI.

The certificate shall be sent to:

(1) Director Utility Coal
CSX Transportation, Inc.
500 Water Street - J842
Jacksonville, FL 32202

any tonnage deficiency which was caused by force majeure or Carriers' default as herein provided) shall be deemed the "Annual Minimum Tonnage Shortfall."

11.2 Rate Assessed on Tonnage Shortfall. If Receiver fails to tender the Minimum Annual Tonnage of Solid Fuel in any Contract Year in accordance with this Contract, the measure of the Dead Freight payable shall be the Annual Minimum Tonnage Shortfall multiplied by [REDACTED] subject to adjustment as provided in Article VIII.

ARTICLE XII

UNIT TRAIN SHIPMENT DETENTION PROVISIONS

12.1 Origin Detention. Receiver is not responsible for detention charges, if any, which are assessed at Origin and CSXT shall collect detention charges which accrue at Origin from the Solid Fuel producer responsible for loading the Cars. Such charges will be assessed to Solid Fuel producer at Origin in accordance with applicable tariffs or contracts. Receiver agrees to use its reasonable commercial efforts to ensure that the Solid Fuel producer complies with CSXT's requirements in this regard.

12.2 Free Time and Charges at the Crystal River Plant. When Carrier's locomotives remain with a Unit Train at Destination, Eight (8) hours of free time shall be allowed. The free time begins when the loaded train arrives at the PFC scale and ends when the last empty car is weighed on the empty outbound train. Free time is to be computed from the time of Actual or Constructive Placement at Destination. After the free time period detention charges as provided in CSXT Tariff-8200-Series shall apply.

12.3 Receiver Trip Delay Charges. No detention charges shall be assessed on Receiver-supplied Cars held on Receiver's tracks at Destination. In the event Receiver-furnished Cars enroute to Destination are Constructively Placed on tracks not owned by Receiver and locomotives or crews are released, after the expiration of twenty-four (24) hours free time, such shipments will be assessed trip delay charges of [REDACTED] per Car per day or fraction thereof.

12.4 Frozen Solid Fuel Provisions for Unit Train Shipments. Frozen Solid Fuel and other Solid Fuel shall be addressed as provided for and subject to the provisions and charges in Item 2000A, CSXT Tariff-8200

12.5 Adjustment of Charges. The charges described in this Article are Carriers' standard charges for Unit Train shipments of Solid Fuel as of the Effective Date of this Contract. These charges are not subject to the provisions of Article VIII and will be increased only in the event that Carrier increases its standard charges for the majority of other Unit Train shippers and receivers of Solid Fuel and so advises Receiver.

ARTICLE XIII

PERFORMANCE GUARANTEE

13.1 Guaranteed Trip Times. As long as Receiver qualifies under the requirements of Section 13.5 hereof, Carriers will on average over each Contract Year during the term of this Contract, transport Unit Trains furnished by Receiver in a round-trip from Destination to an Origin in the Origin districts listed below and return to

the prior year not to exceed a cap of [REDACTED] per ton per cycle. The cost to be used for that year is the lowest obtained by Receiver for acceptable Open Top Rapid Discharge cars meeting OT-5 and FRA minimum standards.

13.5 Requirements. This Article XIII shall only apply:

- (a) With respect to Origins which are certified by CSXT as being equipped and able to load Unit Trains in four hours or less.
- (b) In such quarters for which Receiver provides CSXT with Rail Direct Shipment Trip Time reports within fifteen (15) days after the end of each month in such quarter.
- (c) With respect to Unit Trains carrying the applicable Minimum Trainload Weight.

All Rail Direct Shipment Trip Time Reports shall be sent by Receiver to the following addresses:

- (1) Director - Coal Service Operations CSX Transportation, Inc.
3019 Warrington Street - J500
Jacksonville, FL 32254
- (2) Manager of Operations
Florida Northern Railroad Company, Inc.
P. O. Box 967
3001 Orange Avenue
Plymouth, FL 32768-0967

Appendix A

ORIGIN RATE
DISTRICTS AS
DEFINED IN FREIGHT
TARIFF CSXT 8200

RECEIVER
OWNED EQUIPMENT
95 ALUMINUM CAR
MIN. TRAIN LOAD

2/1/2005

RATE LEVELS per/TON

HAZARD/ELKHORN

[REDACTED]

JELICO MIDDLESBORO/HARLAN

[REDACTED]

SWVA

[REDACTED]

CLINCHFIELD

[REDACTED]

BIG SANDY

[REDACTED]

KANAWHA

[REDACTED]

RATES APPLY FROM CARRIER ORIGINS AS LISTED IN TARIFF CSXT-8200-
SERIES.

RATES ARE SUBJECT TO THE ADJUSTMENT PROVISIONS CONTAINED IN ARTICLE
VIII.

THE ABOVE RATES APPLY TO SHIPMENTS LOADED AT CARRIER-APPROVED, FOUR
(4) HOUR LOADING FACILITIES AT THE APPLICABLE ORIGINS. WHEN SHIPMENTS
ARE LOADED AT OTHER FACILITIES, THE FOLLOWING ADDITIONAL AMOUNTS SHALL
APPLY:

INCREASE
[REDACTED] PER TON

RATE DISTRICT
JELICO-MIDDLESBORO AND HARLAN
HAZARD AND ELKHORN
CLINCHFIELD
BIG SANDY (A) (B)
KANAWHA

[REDACTED] PER TON

REDACTED

PEF-07FL-002176

OPC'S 2nd POD ~~#3~~ #4



December 16, 2005

Florida Northern Railroad Company, Inc.
P. O. Box 967
3001 Orange Ave.
Plymouth, FL 32768-0967
Attention: Vice President & General Manager

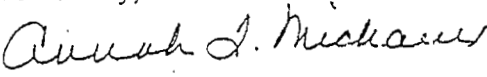
Re: Assignment and Assumption Agreement

Dear Sir or Madam:

Progress Fuels Corporation ("PFC") and Florida Northern Railroad Company ("FNR") and CSX Transportation, Inc. ("CSX") are parties to a Solid Fuel Transportation Agreement ("Agreement") whereby FNR and CSX will provide transportation services for PFC effective February 1, 2005 through [REDACTED]. Pursuant to ARTICLE XXI of the Agreement this letter is to serve as notice that PFC has assigned the Agreement to its affiliate Progress Energy Florida, Inc. ("PEF") effective January 1, 2006. PEF is an investor-owned utility with an investment grade rating and is a wholly-owned subsidiary of Progress Energy, Inc.

For your convenience, a copy of the Assignment and Assumption Agreement is enclosed. If you have questions regarding this assignment, please contact me at 919.546.5205.

Yours truly,


Annah T. Michaux
Senior Contract Administrator



Progress Energy

December 16, 2005

CSX Transportation, Inc.
500 water Street J842
Jacksonville, FL 32202
Attention: Director Utility - Coal

Re: Assignment and Assumption Agreement

Dear Sir or Madam:

Progress Fuels Corporation ("PFC") and Florida Northern Railroad Company ("FNR") and CSX Transportation, Inc. ("CSX") are parties to a Solid Fuel Transportation Agreement ("Agreement") whereby FNR and CSX will provide transportation services for PFC effective February 1, 2005 through [REDACTED]. Pursuant to ARTICLE XXI of the Agreement this letter is to serve as notice that PFC has assigned the Agreement to its affiliate Progress Energy Florida, Inc. ("PEF") effective January 1, 2006. PEF is an investor-owned utility with an investment grade rating and is a wholly-owned subsidiary of Progress Energy, Inc.

For your convenience, a copy of the Assignment and Assumption Agreement is enclosed. If you have questions regarding this assignment, please contact me at 919.546.5205.

Yours truly,

Annah T. Michaux
Senior Contract Administrator

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

PEF-07FL-002178

REDACTED

PEF-07FL-002181 – PEF-07FL-002201

OPC'S 2nd POD #3 #4

term hereof. Cargo shall be scheduled and transported on a ratable basis, i.e., evenly distributed, over the applicable contract year in single voyage increments of not less than [REDACTED] ST unless a specific voyage quantity of less than [REDACTED] ST is designated by Operator due to Crystal River Channel navigation constraints. In the event Shipper fails, whether or not as a result of a Force Majeure, to make available not less than [REDACTED] ST for any single voyage, or if a quantity of less than [REDACTED] ST must be carried on any specific voyage due to water depth constraints of less than 20 feet mean low water in the Crystal River Channel, Shipper shall pay Operator dead freight for each such voyage at the rate specified in Schedule A attached hereto. The fuel component of the Deadfreight Rates specified in Schedule A shall be adjusted during the contract in accordance with Section 10 of this contract.

8. **Freetime:** Shipper shall have freetime of fourteen (14) weather running hours within which to load each barge and twenty-five (25) weather running hours within which to discharge each barge. Freetime at the Terminal or other load port will commence (i) if berth is open, upon tying up, or (ii) if berth is not open, when NOR has been tendered by Operator while within reasonable proximity to such berth. Freetime at Crystal River will commence (i) if berth and navigation channel are open, upon tying up, or (ii) if berth is not open or the navigation channel is unavailable due to vessel traffic, when NOR has been tendered by Operator while within reasonable proximity to the channel entrance. Shifting from anchorage to berth shall not count as used freetime. For Freetime, demurrage and dispatch calculation purposes, completion of loading is deemed to be when the barge finishes loading and trimming and completion of discharging is deemed to be when the barge is discharged and finishes blade cleaning. Loading and Unloading Logs shall be maintained by Shipper at the Terminal and at the Crystal River Power Plant.
9. **Base Freight Rates and Freight Rate Adjustments:** Freight rates shall be composed of a fixed component and a fuel component. The fixed component must include all charges other than fuel. This component shall remain fixed for the duration of the contract (except as such component may be adjusted pursuant to Section 20). Such charges shall include, but not be limited to, all port charges, line handling charges, wharfage, dockage, taxes, and any other charges associated with the transportation of DBF existing and assessed at the time of entering this contract. Shipper warrants that it does not and shall not assess any such charges at the Discharge Port.

The Base Freight Rate per ST or pro rata portion thereof is set forth in Schedule A hereto. 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.

The fuel component of the Base Freight Rate shall be adjusted as specified in Section 10 hereof.

Shipper shall provide at its cost the services of an assist tug permanently stationed at the Crystal River Plant to provide docking, undocking and turning assistance to the Tow as it enters and leaves the Crystal River Plant turning basin and dock. Such tug shall be of sufficient horsepower and size to safely maneuver Tows without exception.

Shipper shall pay Operator freight for the affreightment services provided hereunder at the rates set forth herein. Operator shall prepare and transmit to Shipper by telefax, on the 15th and last day of each month, an invoice for freight for all cargo delivered in the preceding half month and for any dead freight due pursuant to Sections 7 hereof. Shipper shall pay such

invoice within thirty (30) days of receipt of proper invoice. Interest shall accrue and be payable by Shipper on the amount of any freight payment not paid within thirty (30) days at a rate of 1.5% per month until such payment is received by Operator. Cargo weights shall be based on destination draft survey conducted by an independent surveyor consistent with the coal supply agreement held by Shipper.

10. **Fuel Price Adjustment:** For each one (1) percent increase or decrease in the weighted average price for all marine diesel fuel purchased by Operator for Tow in Shipper's service, during the term of this Contract, based on copies of actual invoices and taking into account all discounts or surcharges actually paid ("Fuel Price"), the fuel component of the Base Freight Rate as set forth in Schedule A, attached hereto shall be adjusted by an identical percent increase or decrease. The fuel component of the rates shall be so adjusted on the first day of each calendar quarter, based on the Fuel Price calculated for the calendar quarter preceding the applicable adjustment date as compared to the Base Fuel Price, with the first such adjustment occurring upon tendering of Notice of Readiness for loading of cargo for the first voyage to Crystal River under this contract. The "Fuel Price" for purposes of the first adjustment shall be the actual price paid by the Operator for fuel used for the first voyage to Crystal River. The Operator shall accumulate fuel invoices for the remainder of the initial quarter of operations for purposes of calculating the adjustment of the fuel component to be effective July 1, 2005. For purposes of this Contract, the Base Fuel Price is \$1.00.

11. **Transportation Services and Utilization:**

- a. **Transportation Services.** Shipper will employ and utilize Operator's tow on a full time and continuous basis throughout the term of this contract for the purpose of transporting [REDACTED] ST to [REDACTED] ST of DBF per year from the Terminal to Crystal River Plant. Shipper shall make the DBF cargo available and Operator shall transport such cargo on a ratable basis in single voyage increments of not less than [REDACTED] ST., subject to the provisions of Paragraph 7 herein. In the event that the quantity of DBF actually made available for loading by the Shipper fails to fully and continuously employ Operator's Tow at any time during the term of the contract, Operator's Tow shall be deemed underutilized and Operator shall be entitled to receive additional compensation in accordance with subparagraph 11(c).
- b. **Other Employment.** If Shipper notifies Operator in advance that the quantity of DBF to be actually made available for loading by the Shipper in any contract year, or any portion thereof, will fail to fully and continuously employ Operator's Tow in accordance with the Shipper's obligations under subparagraph (a) during the period, Operator shall have the right, but not the obligation, to seek alternative employment for its Tow in its sole discretion. In the event that Operator elects to engage in alternative employment, revenue earned by Operator in connection therewith shall be considered as revenue earned in other employment for the purposes of calculating Time Charter Equivalent within the meaning of subparagraph (c) below.
- c. **Underutilization.** In the event the amount of DBF cargo tonnage actually loaded by Shipper results in underutilization of Operator's Tow, as set forth in subparagraph (a), Shipper will pay Operator [REDACTED] per 24 hours, or pro rata portion thereof, for such time as Tow is underutilized due to lack of DBF cargo tonnage, less i) actual TCE (as defined below) earned by Operator's Tow during such period of underutilization and, ii) dead freight, if any, paid pursuant to Section 7 hereof. Time Charter Equivalent ("TCE") as

used herein shall mean gross revenue earned by Operator's Tow in other employment, less fuel and lube and voyage costs incurred by Operator's Tow in such other employment, divided by the number of days that Operator's Tow is employed in such other employment. In the event that actual TCE earned by Operator's Tow during such period of underutilization, together with dead freight paid pursuant to Section 7 hereof during such period, exceeds \$13,920 per 24 hours for such period, Operator shall have no obligation to make any payment to Shipper with respect to such excess. Payment for underutilization shall be calculated on a quarterly basis. Within thirty (30) days after the end of each calendar quarter, Operator shall review the voyages completed during such quarter, determine the payment for underutilization due from Shipper hereunder, if any, and prepare and transmit to Shipper by telefax or electronic mail an invoice for such quarter reflecting the time that Tow was underutilized due to lack of DBF cargo tonnage and charging Shipper for any such time not offset by TCE and dead freight, as provided in this Section. Shipper shall pay such invoice to the account specified herein for payments within thirty (30) days of receipt of proper invoice.

- 12. Demurrage and Dispatch:** In the event that loading and/or discharging the Tow is not completed within the freetime allowed herein through no fault of Operator or the Tow, demurrage shall accrue for all time used in excess of allowed freetime, and Shipper shall pay Operator for the Tow at the Demurrage Rate, per hour or portion thereof, as set forth in Schedule A. In the event that loading and/or discharging the Tow is completed within the freetime allowed herein, dispatch shall accrue for all allowed freetime not used, and Operator shall provide Shipper with a credit against demurrage accrued hereunder for such dispatch at the Demurrage Rate.

Demurrage and dispatch shall be calculated on a quarterly basis. Within thirty (30) days after the end of each contract quarter, Operator shall review the voyages completed during such contract quarter, determine the demurrage and dispatch accrued, and prepare and transmit to Shipper by telefax or electronic mail a cumulative demurrage invoice for such voyages reflecting the demurrage or dispatch accrued on each such voyage and charging Shipper for any demurrage not offset by dispatch at the Demurrage Rate. Shipper shall pay such invoice to the account specified herein for payments within thirty (30) days of receipt of proper invoice.

The Demurrage Rate set forth in Schedule A attached hereto shall remain fixed during the term of this Contract.

- 13. Payments.** Payments required by Shipper hereunder shall be made by wire transfer to the account as styled below:

Sun National Bank
1701 Market St. Philadelphia, Pa. 19103


EMI-PA, Inc.

- 14. Notice of Readiness:** The master of the Tow shall provide Notice of Readiness (NOR) to Shipper's Representative upon (i) tying up, or if berth is unavailable, (ii) anchoring, as close thereto as the Tow can safely approach, at the Terminal for loading or at the Crystal River Plant for discharging, as applicable; in writing, by telefax; by radio or by telephone. NOR

Schedule A
Rates

Base Freight Rates (\$/ST)	<u>Fixed</u>	<u>Fuel</u>	<u>Total</u>
New Orleans International Marine Terminals	[REDACTED]	[REDACTED]	[REDACTED]
Mobile	[REDACTED]	[REDACTED]	[REDACTED]
Demurrage Rate (\$/Hour)	[REDACTED]		
Dead Freight Rates (\$/ST)			
New Orleans	[REDACTED]	[REDACTED]	[REDACTED]
Mobile	[REDACTED]	[REDACTED]	[REDACTED]



Progress Energy

December 16, 2005

EMI-PA, Inc.
2081 Stewart Ave.
Hatfield, PA 19440
Attention: President

Re: Assignment and Assumption Agreement

Dear Sir or Madam:

Progress Fuels Corporation ("PFC") and EMI-PA, Inc. ("EMI") are parties to an Affreightment Contract ("Contract") whereby EMI will provide transportation services for PFC effective April 1, 2005 for 5 years. Pursuant to Section 29 of the Contract this letter is to serve as notice that PFC has assigned the Agreement to its affiliate Progress Energy Florida, Inc. ("PEF") effective January 1, 2006. PEF is an investor-owned utility with an investment grade rating and is a wholly-owned subsidiary of Progress Energy, Inc.

For your convenience, a copy of the Assignment and Assumption Agreement is enclosed. If you have questions regarding this assignment, please contact me at 919.546.5205.

Yours truly,

Annah T. Michaux
Senior Contract Administrator



Progress Energy

December 16, 2005

Palmer Biezup & Henderson LLP
Suite 956, Independence Mall West
620 Chestnut Street
Philadelphia, PA 19106
Attention: Mr. Frank P. DeGiulio

Re: Assignment and Assumption Agreement

Dear Mr. DeGiulio:

Progress Fuels Corporation ("PFC") and EMI-PA, Inc. ("EMI") are parties to an Affreightment Contract ("Contract") whereby EMI will provide transportation services for PFC effective April 1, 2005 for 5 years. Pursuant to Section 29 of the Contract this letter is to serve as notice that PFC has assigned the Agreement to its affiliate Progress Energy Florida, Inc. ("PEF") effective January 1, 2006. PEF is an investor-owned utility with an investment grade rating and is a wholly-owned subsidiary of Progress Energy, Inc.

For your convenience, a copy of the Assignment and Assumption Agreement is enclosed. If you have questions regarding this assignment, please contact me at 919.546.5205.

Yours truly,

Annah T. Michaux
Senior Contract Administrator

of law, in equity or otherwise, howsoever arising, for any damages, costs of repair, claims, liabilities, losses, suits or other costs incurred by or inflicted to the Tow, arising out of or related to the Limestone Services. Operator hereby agrees to indemnify, defend and hold harmless Shipper and its parent, subsidiary and affiliate companies from and against any and all claims, suits, losses, costs and expense arising out of or in any way related to the Limestone Service.

Shipper acknowledges and agrees that Operator's employment of the Tow in the Limestone Service shall not effect, reduce or otherwise limit Shipper's obligations under this Contract, including but not limited to Shipper's obligations under Section 11(a), and shall not be considered "other employment" or "alternative employment" for the purpose of calculating Underutilization compensation payable under Section 11(c)."

3. The Parties mutually agree that the fourth full paragraph of Section 9 of the DBF Contract ("Base Freight Rates and Freight Rate Adjustments") is deleted in its entirety and shall be henceforth replaced by the following language:

"Shipper shall provide at its cost the services of an assist tug permanently stationed at Crystal River to provide docking, undocking and turning assistance to the Tow for arrival to and exit from the Crystal River Plant turning basin and dock. To the extent that and for any period that any Limestone Services are being provided to Holcim when allowed in accordance with the terms and conditions of this Contract, Shipper shall also provide the services of such assist tug for shifting from the Crystal River Plant dock to the limestone dock at the Holcim Plant ("Limestone Dock") and for departure from the Limestone Dock. Such tug shall be of sufficient horsepower and size to safely maneuver the Tow without exception."

4. The Parties mutually agree that Section 9 of the DBF Contract ("Base Freight Rates and Freight Rate Adjustments") is hereby amended to include the following additional paragraph as the final paragraph of Section 9, which shall apply henceforth for all purposes under the Agreement:

"The Parties mutually agree that for any period for which the Tow was actually employed in backhaul Limestone Service of any amount, the fixed component of the Base Freight Rates specified in Schedule A to this Contract, as the same may from time to time be modified, amended and/or supplemented, for the immediately preceding front haul voyage under this Contract shall be (i) reduced by [REDACTED] per short ton if the preceding voyage originated

in Mobile, Alabama, and (ii) reduced by [REDACTED] per short ton if the preceding voyage originated at International Marine Terminals. It is understood and agreed that these rate reductions shall apply on a voyage-by-voyage basis and apply if and only if the Tow is actually employed in Limestone Service on a return voyage from the Holcim Plant immediately after completing a voyage to the Crystal River Plant under this Contract. It is further understood and agreed that the foregoing reduction in Base Freight Rates shall be applicable without regard to the actual quantities of cargo transported by Operator during the performance of such Limestone Service for any particular backhaul voyage(s) except as otherwise provided in the immediately next sentence. Notwithstanding the foregoing, in the event that Operator is required or requested to leave the Holcim Plant and/or the Crystal River channel due to weather and/or at the request of Shipper, in either case prior to being fully loaded with limestone from the Holcim Plant, then Operator shall have the right to pro-rate the aforementioned reduction in Base Freight Rates for the front haul voyage under this Contract as set forth in (i) and (ii) of this paragraph based on the number of short tons of limestone actually loaded. The foregoing reduction amounts (as set forth in (i) and (ii) above) are premised upon the assumption that the contract price Holcim will be obligated to pay to Operator for the Limestone Services shall be [REDACTED] per short ton (the "Limestone Price"). In the event that the actual Limestone Price is below [REDACTED] per short ton then Operator shall have the option to (x) continue to provide the Limestone Service and reduce Shipper's Base Freight Rate as provided in (i) and (ii) of this paragraph, or (y) terminate the Limestone Service and aforementioned reductions in Shipper's Base Freight Rate.

5. All other Contract Terms and Conditions Incorporated and Applicable. With the exception of the amendments set forth in Paragraphs 2 through 4 of this Amendment, all other covenants, terms, conditions and warranties of the Agreement shall remain unchanged, shall apply with full force and effect during the original term or Extended Term, as applicable, and are incorporated by reference as if set forth at length herein.
6. Entire Agreement. This Amendment embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and there are no agreements, understandings, conditions, warranties or representations, oral or written, express or implied, with reference to the subject matter that are not merged herein or superseded hereby. This Amendment may be modified only in writing signed by both Parties.
7. Counterparts. This Amendment may be executed in any number of counterparts each of which shall constitute an original, but all of which, together, shall constitute one fully executed contract.

Contract term with such extension beginning on June 13, 2008 and ending on June 13, 2010 (the "Extended Term"), subject to the terms and conditions set forth herein.

2. Base Freight Rates and Freight Rate Adjustments. For all purposes during the Extended Term the fixed component of the Base Freight Rates specified in Paragraph 9 and Schedule A of the Contract shall be amended to [REDACTED] for tonnage loaded at International Marine Terminal, New Orleans and [REDACTED] for tonnage loaded at Mobile, Alabama, subject to adjustment in accordance with Paragraph 20 of the Contract if applicable.
3. Dead Freight Rates. For all purposes during the Extended Term the fixed component of the Dead Freight Rates specified in Paragraph 7 and Schedule A of the Contract shall be amended to [REDACTED] for tonnage loaded at International Marine Terminal, New Orleans and [REDACTED] for tonnage loaded at Mobile, Alabama.
4. Transportation Services and Underutilization. For all purposes during the Extended Term the underutilization payment rate specified in Paragraph 11(c) of the Contract shall be amended to [REDACTED] per 24 hours.
5. Demurrage and Dispatch. For all purposes during the Extended Term the Demurrage Rate specified in Paragraph 12 and Schedule A of the Contract shall be amended to [REDACTED] per hour.
6. Post-Contract Survey and Final Repairs. The provisions governing the Post-Contract Survey and Final Repairs set forth in Subparagraph 18(c)(2) of the Contract shall apply at the expiration of the Extended Term or at the time of any prior termination of the Contract, whichever occurs first.
7. Schedule A - Amended. Attached hereto and incorporated by reference is "Schedule A - Amended" setting forth the Base Freight Rates, Demurrage and Dead Freight Rates which will apply during the Extended Term.
8. All other Contract Terms and Conditions Incorporated and Applicable. With the exception of the amendments set forth in Paragraphs 2 through 7 of this Agreement, all other covenants, terms, conditions and warranties of the Contract shall remain unchanged, shall apply with full force and effect during the Extended Term, and are incorporated by reference as if set forth at length herein.
9. Entire Agreement. This Agreement embodies the entire agreement and understanding between the Parties with respect to the subject matter hereof and there are no agreements, understandings, conditions, warranties or representations, oral or written, express or implied, with reference to the subject matter that are not merged herein or superseded hereby. This Agreement may be modified only in writing signed by both Parties.

Schedule A
Rates

Base Freight Rates (\$/ST)	<u>Fixed</u>	<u>Fuel</u>	<u>Total</u>
New Orleans International Marine Terminals	[REDACTED]	[REDACTED]	[REDACTED]
Mobile	[REDACTED]	[REDACTED]	[REDACTED]
Demurrage Rate (\$/Hour)	[REDACTED]		
Dead Freight Rates (\$/ST)			
New Orleans	[REDACTED]	[REDACTED]	[REDACTED]
Mobile	[REDACTED]	[REDACTED]	[REDACTED]

REDACTED

PEF-07FL-002229 – PEF-07FL-002247

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For purposes of this Article I, Shipper's DBF shall be considered tendered upon its constructive placement in Terminal's fleet.

ARTICLE II: SERVICES, RATES AND INVOICES

A. For domestic DBF, during each contract year of this Agreement, Terminal agrees to provide transfer services including the unloading of the DBF from river barges and transfer either into shore storage and then to sea-going vessel or directly to sea-going vessel, at Shipper's option; and Terminal represents and warrants that it is capable of receiving, transferring and stockpiling DBF in volume and that it is willing to contract to provide the services herein contemplated. Shipper agrees to pay the following throughput rates per net ton of DBF for the above listed services performed by Terminal which are in effect beginning November 1, 2004:

Storage

Direct

B. For import DBF vessels Shipper agrees to pay the following rates per net ton of DBF (all rates include Terminal operations on stand-by and available to receive and discharge barges, when practical, throughout the vessel discharge):

Gearless Vessel

Terminal crane discharge through storage:

*Rate includes unloading DBF with Terminal's crane into river barges, barge chartering, handling, fleeting, shifting, and lashing to side of vessel; draftsmen and supervision to coordinate swap-out of loads/empties at the vessel in a prompt manner so as not to delay the vessel discharge; blade cleaning of vessel holds (inclusive of labor and equipment); later reclaim of DBF to gulf barge.

Gearless Vessel

Terminal crane discharge through CBU direct to gulf barge.

*Rate includes all services above. Barges so designated as "direct" must be transferred to gulf barge no later than 48 hours following import vessel completion.

Grab Vessel

Vessel self discharge through storage:

*Rate includes receiving DBF from vessel in river barges; barge chartering, handling, fleeting, shifting, and lashing to side of vessel; draftsmen and supervision to coordinate swap-out of loads/empties at the vessel in a prompt manner so as not to delay the vessel discharge; blade cleaning of vessel holds (inclusive of labor and equipment); later reclaim of DBF to gulf barge. Rate does not include labor or equipment to operate the shipboard cranes.

Grab Vessel

Self discharge through CBU direct to gulf barge:

*Rate includes all services listed above. Barges so designated as "direct" must be transferred to gulf barge no later than 48 hours following import vessel completion.

Conveyor Vessel

Self discharge through inbound hopper through storage:

*Rate excludes 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 conveyor belt discharge hopper.

Conveyor Vessel

Self discharge direct to gulf barge:

*A direct transfer must be accommodated by placing gulf barge alongside the vessel and discharging directly into it.

Shipper must declare an above rate option for each import vessel at least 15 days prior to each vessel arrival.

C. 1) Rates are fixed for the entire term of the contract. All rates include ground storage fees. Rates do not include sample collection or analysis.

2) Rates include the Plaquemines Port tonnage tax of [REDACTED] per net ton. Terminal is not responsible for any other taxes assessed against the cargo.

3) Rates include dockage, line handling and tug assist for Shipper's gulf barge tows, but not for Shipper's import DBF vessels. Such fees for import vessels will be billed directly to the vessel owner.

4) Rates do not include fleeting charges for Shipper's river barges. These charges will be billed directly to Shipper's river barge carrier. A productivity penalty of [REDACTED] for stacked barge covers will apply and be invoiced to barge carrier.

5) The direct transfer rate is for DBF discharged by Terminal's handling system and immediately loaded to Shipper's outbound tow, bypassing ground storage, but still utilizing Terminal's mechanical sampler, metal collection devices and including blending DBF from ground storage if required.

6) Rates include all fees, taxes, tolls, duties, or port charges applicable to Terminal as of the effective date of this Agreement, except those additional charges as specifically provided herein. Should any government or governmental agency or authority, after the date of this Agreement impose any additional tax, charge, impost, duty, toll, tariff or port charges on cargo or on the use of waterways or water improvements or facilities (herein called "charge", and such charge is not included in any other cost item stated in this paragraph), the base price shall be increased to become effective upon the effective date of any such charge, by the amount

applicable third party. However, Shipper shall remain responsible for prompt payment of such charges if payment is not received within the time frame specified in Article II, 2 above. Terminal will advise Shipper of any problem accounts prior to requesting reimbursement by Shipper for such charges. Terminal will refund to Shipper any charges paid by Shipper which Terminal subsequently collects from such third party.

ARTICLE III: GROUND STORAGE

A. For each contract year of this Agreement, storage will be provided for up to [REDACTED] short tons of DBF distributed in four (4) piles. Additional storage above this limit will be provided as available, for as long as available, at no charge; however, Shipper shall forecast estimated storage volume requirements in advance to provide Terminal with reasonable preparation time to accommodate such excess storage requirements.

B. It is recommended that Shipper inspect the storage area prior to transferring DBF onto the storage pad. Should Shipper fail to inspect the area, the shipment of DBF to be stored on the area will be presumed to have been acceptable to Shipper for such storage

C. Terminal is not required to provide or place a base material on the designated storage pad prior to receipt of Shipper's product. Terminal will make best efforts to place Shipper's DBF on soil cement storage pads. Terminal shall not place Shipper's DBF on a storage pad normally used for petroleum coke. Terminal agrees to keep the storage area leveled and cleared of all foreign material and to keep the storage area drained so as to prevent water from running into or standing around DFB piles.

D. Terminal shall not have liability or responsibility for contamination or commingling of Shipper's product with the base material or storage pad beyond prudent industry standards unless Terminal has placed DBF on a storage area specifically rejected by Shipper.

E. Upon expiration of this Agreement or termination for any reason, Shipper shall have sixty (60) days to vacate the storage area of all product. If product remains after [REDACTED] Shipper shall be assessed storage charges of [REDACTED] per short ton per day.

ARTICLE IV: OPERATIONS

A. All shipments and transfers through Terminal shall be made in accordance with the provisions of this Agreement and the rules, terms and conditions set forth in its Terminal Manual, as may change from time to time. The current manual is made a part of this Agreement as Attachment I. Shipper shall be notified of changes/amendments to the Terminal Manual which shall then become effective for Shipper in the following calendar year; provided, however, that Terminal will not make any changes/amendments to the Terminal Manual that are materially adverse to Shipper. Specific items and provisions referenced in this Agreement shall take precedence over the Terminal Manual.

Terminal provides operations twenty-four (24) hours a day, seven (7) days a week, with no exceptions/exemptions for holidays.

1. Terminal shall have the responsibility to unload barges. In connection with the unloading of the barges, Terminal agrees to exercise reasonable care to avoid damage or other casualty thereto while in Terminal's care, custody, and control. DBF will be delivered in open hopper barges having a maximum width of 35 feet and length of 205 feet.

2. Shipper shall have the responsibility to provide Terminal, in writing, of the loading date of all barges and include in such notification;

- a.) the barge carrier;
- b.) each individual barge number and applicable tonnage;
- c.) the name designation of storage pad or type of DBF;
- d.) the estimated time of arrival (ETA) at Terminal.

3. Terminal will unload DBF from river barges and transfer the DBF into the storage area to subsequently be loaded into sea-going vessels. Alternatively, and at Shipper's instructions, Terminal will directly load DBF from river barges into sea-going vessels. Terminal will provide Shipper an on-going stockpile inventory, reconciling tonnage in and loadings out.

4. Terminal will guarantee discharge of Shipper's river barges which are destined for storage and invoiced at the storage rate at an average of four (4) days after the first 7:00 AM following barges' constructive placement at Terminal's fleet or upon arrival at fleet of Terminal's choice when Terminal has notified carrier that Terminal's fleet is unavailable. "Clean-up" DBF from direct barges or DBF otherwise left in a direct barge that is later discharged to storage will still be considered a "direct" barge and not guaranteed, but such tons will be billed at the storage rate; Terminal will discharge such clean-up DBF to storage within forty-eight (48) hours of vessel completion. Terminal is not responsible for time lost due to cargo quality, Force Majeure, barge seaworthiness, barge suitability or delay caused by lack of written instructions or a change in such instructions about disposition of the barges, or all time following Terminal notification of Terminal fleet availability until arrival time at Terminal's fleet (including transit time) in cases when barges are fleeted at an alternate fleet.

Should Terminal fail to discharge barges within the average time constraint listed above, barge demurrage will be reimbursed by Terminal subject to a maximum of [REDACTED] barge day. Barge demurrage calculations are to be reconciled on a quarterly basis (using barge empty-release dates to determine which quarter a barge falls in) within 60 days of the end of each quarter.

5. Terminal further represents it has adequate and safe berth for barges, and each barge shall be adequately moored while in Terminal's custody and all U.S. Coast Guard regulations shall be complied with.

6. Terminal shall provide and operate a fleet and harbor towboat for the shifting of loaded and empty barges to and from the dock and the mooring area, and the pickup and delivery

of loaded and empty barges at the mooring area from the barge carrier's tow. Terminal requires barge carriers to use Terminal's fleet and harbor towboat in order to ensure an orderly and safe operation.

7. Terminal agrees to provide normal blade cleaning of barges following unloading for re-delivery to Shipper's barge carrier.

8. River barges and their associated handling, fleetings, and shifting services necessary for the discharge of import vessels and not provided under a Terminal full service package shall be for the account of Shipper. Under a full service package, Terminal will acquire sufficient barges to assure continuous vessel unloading. Terminal will request assistance of Shipper to obtain barges if required.

I. Loading of Vessels

1. Arrival dates at Terminal of sea-going vessels must be nominated by Shipper at least five (5) days in advance of the month. Shipper takes cognizance that all sea-going vessels loading at Terminal will be required to conform and comply with the then current Terminal Manual, as may change from time to time, a copy of which will be furnished to Shipper and agents for each vessel.

2. Terminal shall have absolute discretion to determine the preference of vessels. Without limiting the foregoing, Terminal will use its best efforts to accept vessel's berth in order of nomination arrival subject to (i) timely issuance of Certificate of Readiness/Hold Cleanliness, (ii) availability of DBF to be loaded, (iii) size of vessel, (iv) weather conditions or Terminal activities, (v) timely receipts of ETA as required in Terminal Manual, and (vi) timely arrival in accordance with Terminal window schedule and ETA notifications.

Notwithstanding the foregoing, Shipper may request priority berthing, i.e., going to first available berth ahead of other waiting vessels, from Terminal during the term of this agreement. Such priority shall not be construed to prevent Terminal from completing the loading of another vessel begun prior to the arrival of Shipper's gulf barge

With a minimum volume guarantee of [REDACTED] tons during the contract period, IMT shall provide a loading berth for the exclusive use of Shipper to ensure no delay time for loading Shipper's gulf vessels. Any shortfall in the [REDACTED] tons can be made up with subsequent contract renewals or cargo handled at other Kinder Morgan Terminals.

3. Should sampling, draft or temperature surveys of Shipper's DBF be required, Terminal will coordinate with the parties designated by Shipper; however, the costs of such services shall be for Shipper's account. If a temperature survey is deemed necessary by Terminal, it will be arranged, with prior notification to Shipper, for Shipper's account.

4. Shipper recognizes that Terminal is not a shipper of cargo and will not execute bills of lading or other like documents evidencing terms of carriage or condition of cargo.

6. Vessel discharge is currently by use of Tampaplex grab cranes or self-discharge conveyor belt vessels. Future development may allow for alternative discharge capabilities.
7. All vessels will be subject to Tampaplex dockage, line handling, tug assist, and other related charges in effect at the time of vessel arrival. An updated facility tariff will be provided upon each vessel notification.

ARTICLE III RATES AND SERVICES

1. The rate for transferring Shipper product subject to the requirements listed above using Tampaplex grab cranes to storage and later reload to truck or railcar is [REDACTED] per short ton during the first year of the DBF Transfer & Storage Agreement. The rate for transferring Shipper product subject to the requirements listed above using conveyor boom self discharge vessels to storage and later reload to truck or railcar is [REDACTED] per short ton during the first year of the DBF Transfer & Storage Agreement. Subsequent years will reflect the lowest charge in effect for similar services at the time of vessel nomination.
2. Available storage will be assessed a fee of [REDACTED] per month per acre or part thereof during the term of this Agreement.
3. Tampaplex transfer rates may be subject to certain volume discounts when tendering more than [REDACTED] tons in a twelve month period.
4. Tampaplex makes no guarantees as to speed of vessel discharge or truck/railcar loading, and production is subject to berth congestion, mechanical breakdowns, weather, and other such conditions affecting operational productivity.
5. The above transfer rate includes dozer-blade cleaning of vessel holds.

ARTICLE IV OTHER TERMS AND CONDITIONS

1. Force Majeure: See Article VI of the DBF Transfer and Storage Agreement.
2. Miscellaneous: See Article VII of the DBF Transfer and Storage Agreement.

First Amendment to DBF Transfer & Storage Agreement

This **First Amendment to DBF Transfer and Storage Agreement** (this "**Amendment**") is made and entered into by and between **Progress Energy Florida, Inc.** ("**Shipper**") and **International Marine Terminals Partnership** ("**Terminal**"). Each of Shipper and Terminal may sometimes hereinafter be referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, Shipper and Terminal are parties to that certain **DBF Transfer & Storage Agreement dated November 1, 2004** (the "**Agreement**"), as assigned to Shipper by Progress Fuels Corporation effective January 1, 2006.

WHEREAS, Shipper and Terminal desire to amend the Agreement as more specifically set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of Shipper and Terminal, and intending to be legally bound hereby the Parties agree as follows:

Article II, Section B is hereby amended by adding the following new paragraph immediately above the last sentence of that Section:

"Conveyor Vessel per short ton
Self discharge through inbound hopper direct to gulf barge
* Rate excludes any barge cleaning and barge service, hold cleaning, crane operations and all other services not necessary for a vessel conveyor boom discharge direct to and compatible with Terminal's inbound conveyor belt discharge hopper but includes the services described in Article II, C, 5."

All other terms and conditions of the Agreement remain unchanged and in full force and effect.

This Amendment shall be governed by, construed and interpreted in accordance with the same laws that govern the Agreement.

This Amendment shall supersede and replace in entirety all previous amendments, agreements and understandings between the Parties, written or oral, with respect to the subject matter hereof. In the event of any conflict or inconsistencies between the Agreement and this Amendment, the terms and conditions of this Amendment shall prevail.

Each Party acknowledges and agrees that it and its counsel have reviewed and revised this Amendment and that the normal rule of construction to the effect that any ambiguities are to be construed against the drafting Party shall not be used in the interpretation of this Amendment.

REDACTED

PEF-07FL-002298 – PEF-07FL-002309

OPC'S 2nd POD #3

A. "origin docks" shall mean docks or terminals located at various Mile Points on the Kanawha, Big Sandy and Ohio Rivers as specified in Article V or other docks or terminals on the Inland Waterways System mutually acceptable to the parties hereto.

B. "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.

C. The term "ton" or "net ton" as used herein shall mean a ton of 2,000 pounds of avoirdupois weight.

D. The term "DBF" shall mean any dry bulk fuel, such as bituminous coal, sub-bituminous coal, petcoke, or synfuel.

ARTICLE II. Term

This Agreement will be for three (3) years and shall commence January 1, 2005 ("Commencement Date") and shall expire [REDACTED]. This Agreement shall remain in full force and effect with respect to any cargo tendered prior to, but not delivered to the transfer point, before the termination date of this Agreement.

ARTICLE III. Quantity

The Minimum Quantity of DBF to be shipped hereunder will be [REDACTED] net tons per calendar year beginning on the Commencement Date (a "Contract Year"). The Maximum Quantity of DBF that PFC shall have the right to ship and that MEMCO will be obligated to transport during any Contract Year is two million, three-hundred thousand (2,300,000) tons. PFC shall provide MEMCO written notice of contract year tonnage requirements at least ninety (90) days prior to the start of a new contract year, which amount will be between the Minimum Quantity and Maximum Quantity.

ARTICLE IV. Tender and Delivery

A. PFC will notify MEMCO in writing (fax or letter) of the monthly scheduled tonnage at each origin dock thirty (30) days prior to the placement month. Each delivery schedule shall specify the tonnages to be tendered at each origin dock during that month and the approximate weekly loading requirements at each origin dock.

B. All tenders of DBF by PFC pursuant to this Agreement shall be made in approximately equal monthly increments or as otherwise agreed by the parties hereto, but in any event in increments of an average of a least [REDACTED] tons per river barge. PFC reserves the right to alter monthly ratable schedules in order to satisfy inventory or operating conditions as required by a maximum of 15% of the total annual tonnage for any applicable Contract Year; provided that, notwithstanding the foregoing, the total annual tonnage that MEMCO is obligated to transport during any Contract Year will not exceed the Maximum Quantity.

C. For each tender of DBF hereunder, PFC shall provide a river barge manifest to MEMCO showing the barge weight determined in accordance with Article IX. The manifest shall also show the name or number of the barge, the weight of the DBF loaded, barge draft before and after loading and the date and time each barge commenced loading and finished loading.

D. MEMCO shall furnish marine equipment which shall be suitable and fit for the purposes contemplated hereunder, and in particular, MEMCO shall furnish a sufficient number of river barges to load PFC's DBF when it is tendered to MEMCO as provided in this Agreement and sufficient motive power to move those barges in accordance with the reasonable loading schedules provided by PFC. MEMCO shall provide, operate and maintain the marine equipment used hereunder in a good and seaworthy condition, working order and repair, and MEMCO shall cause the marine transportation equipment to be operated in a manner considered safe by prudent operators of river marine transportation equipment. Barges delivered to origin docks

shall be free of ice, water, metal and prior loading cargo material. Barges delivered to destination dock(s) shall be free of standing water in the cargo area. In addition, once a barge is loaded, any water in the cargo box related to rain water or a condition of the DBF and not due to the fault of MEMCO shall be the responsibility of PFC if, and only if, removal of said water is required to facilitate unloading.

E. MEMCO shall coordinate the delivery of empty river barges in accordance with a mutually agreeable schedule with PFC and the origin dock(s) and shall provide reasonable advance notice of arrival as required by each origin dock or the transfer point. Attachment A outlines the specifics of our agreement on loading requirements for Kanawha and Big Sandy docks.

F. Delivery of DBF to and the loading of the DBF in river barges at the origin docks shall be the sole responsibility of PFC and shall be done by PFC at its sole expense. PFC shall tender DBF only at origin docks having loading facilities capable of loading a minimum of three (3) [REDACTED] ton river barges per day without unusual shifting or loading delay. PFC shall require its DBF suppliers or others loading DBF on its behalf into MEMCO's river barges to be governed by MEMCO's instructions regarding the height of the load, weight of cargo, draft of the river barge and other instructions which MEMCO may deem necessary for safe transportation where variable waterways conditions and anticipated weather conditions make such precautions desirable. PFC shall also require its DBF suppliers or others loading DBF on its behalf into MEMCO's river barges to distribute the DBF in the barges so as to insure an even draft. If not so loaded, MEMCO reserves the right to refuse to accept the DBF, and PFC shall in that event require the DBF suppliers and others loading DBF on its behalf into MEMCO's river barges to make such redistribution at PFC's own expense as will meet MEMCO's requirements.

G. PFC warrants that origin docks shall provide safe berths with a minimum of nine feet (9') of draft.

H. The DBF to be transported hereunder shall be unloaded at the transfer point at no expense to MEMCO except for normal fleeting and shifting charges.

I. MEMCO will use open hopper barges. If barges with covers are placed by MEMCO for loading, for MEMCO's convenience, all charges to handle covers at loading and unloading shall be for MEMCO's account.

J. To ensure that PFC maintains adequate control over quality, weights and other important parameters, no transfer of DBF between barges will be made without PFC's prior approval. PFC hereby grants MEMCO this approval for all routine transfers, but retains the option of withdrawing this approval as necessary to accommodate special circumstances.

K. PFC reserves the right to request that DBF shipments be expedited at no additional cost during critically low inventory situations.

ARTICLE V. Freight Rates

During the term of this Agreement, PFC agrees to pay MEMCO the following rates per net ton for the transportation and delivery of DBF from the following origin docks to the transfer point:

A. For the first [REDACTED] tons (Estimated Carry Over Tons) during contract year 2005 (Actual Carry Over Tons will be established after December 31, 2004):

<u>Rates</u>	<u>Origin</u>	<u>Milepoint</u>
[REDACTED]	<u>Kanawha River</u> KRT Quincy, Marmet Pool London Pool	
[REDACTED]	<u>Big Sandy River</u> All docks	

<u>Rates</u>	<u>Origin</u>	<u>Milepoint</u>
	<u>Ohio River</u>	
[REDACTED]	Ceredo, WV, KRT Ceredo River Dock	
[REDACTED]	ORC Huntington	306.5
[REDACTED]	Transcontinental Terminals	406.0
[REDACTED]	Louisville & Jefferson Riverport	618.5
	<u>Upper Mississippi</u>	
[REDACTED]	Cahokia	175.0

The above rates will be escalated, if required, in accordance with Article V of the contract between the parties dated November 1, 2001, as amended.

B. For all tons in excess of the Carry Over Tons:

<u>Rates</u>	<u>Origin</u>	<u>Milepoint</u>
	<u>Kanawha River</u>	
[REDACTED]	All docks	
	<u>Big Sandy River</u>	
[REDACTED]	All docks	
	<u>Ohio River</u>	
[REDACTED]	ORC Huntington	306.5
[REDACTED]	KRT Ceredo	315.0
[REDACTED]	Transcontinental Terminals	406.0
[REDACTED]	Louisville & Jefferson Riverport	618.5
	<u>Upper Mississippi</u>	
[REDACTED]	Cora	98.5
[REDACTED]	Cahokia	175.0
[REDACTED]	Keokuk	371.0

PFC may from time to time purchase DBF for shipment by MEMCO at origin docks other than those for which Base Freight Rates are specified above. In that event, additional Base Freight Rates shall be provided by MEMCO to PFC which reasonably relate to the Base Freight Rates herein, taking into consideration distances, operating conditions, loading conditions, and fuel escalation or de-escalation as provided herein.

The freight rates set forth in the table above are composed of a fixed component and a fuel component. The fixed component charge represents all charges other than fuel. This

component of the rate shall remain fixed for the term of the contract. Such charges shall include, but not be limited to, all port charges, fleeting charges, existing taxes and any other charges associated with the transportation of DBF. The fuel component of the rate shall be subject to a quarterly adjustment with the quarter prior to the effective date of the contract serving as the base period.

PFC and MEMCO also agree the initial base price for raw fuel included in the freight rates set forth in the table above is [REDACTED] per gallon, excluding any applicable taxes. The freight rate will be subject to fuel escalation/de-escalation, which will be calculated on a quarterly basis beginning January 1, 2005 and based on the prior quarter's average fuel price on Friday of each week. In the event the raw fuel price rises above [REDACTED] per gallon, the freight rate will be adjusted by taking the percentage change in fuel times twenty five percent (25%) of the base rate. In no case shall the adjusted price go below the initial base rate set forth in the table above.

The fuel price used for escalation/de-escalation will be the average price per gallon of #2 diesel fuel as posted by Opis Gulf Baton Rouge, Louisiana, or if MEMCO has changed its principal supplier of fuel, such other comparable unaffiliated third-party fuel supplier that posts its price weekly (each Friday, or if Friday is not a business day, the closest business day preceding Friday) for the quarter preceding the period to be adjusted.

ARTICLE VI. Governmental Impositions

The parties also recognize that, during the continuance of this Agreement, legislative or regulatory bodies or the courts may adopt laws, regulations, or policies which impact PFC's costs and which make it impossible or economically impractical for PFC to utilize in PEF's Generating Units the existing or like kind and quality of DBF which thereafter would be transported hereunder. If, as a result of the increased costs associated with the adoption of such laws, regulations, or policies, PFC decides that it will be impossible or economically

SHIPPER:
PROGRESS FUELS CORPORATION
P.O. BOX 15208
ST. PETERSBURG, FL 33733
ATTN: AL PITCHER

CARRIER:
AEP-MEMCO L.L.C.
d/b/a MEMCO BARGE LINE
16090 SWINGLEY RIDGE ROAD, SUITE 600
CHESTERFIELD, MISSOURI 63017
Phone: (636) 530-2100
Facsimile: (636) 530-4177

Your Contract: _____

AMENDMENT

XC: AWP
RFP
FML
CAL
TMM
VMM
DMD
ABF
VICKY HICKS
CF

Date: 1/17/05

Amendment Number: 20041389-B

Our Sale Number(s) 20041389 DATED 12/22/04

Our Purchase Number (s) _____ DATED _____

Shipper and Carrier agree to add Mount Vernon, IL as an origin to this contract at the base rate of per net ton. This rate will be adjusted per the terms of the fuel clause and barges from this origin to the destination of Myrtle Grove, LA will be billed at the escalated rate of per net ton for the 1/1/05 through 3/31/05 billing quarter. This rate will continue to be reviewed quarterly per the terms of the fuel clause.

All other terms and conditions of this agreement remain as originally agreed upon. This confirmation without immediate notice to us, by wire, or error, is acknowledgment of the acceptance of the conditions of this confirmation.

Please SIGN duplicate and RETURN
Specifications Confirmed

Shipper: PROGRESS FUELS CORPORATION

By: *Al Pitcher*

Title: Vice President Coal Procurement

Date: 1/31/05

AEP-MEMCO L.L.C. d/b/a MEMCO BARGE LINE

Signed: *Mike Brashier*

By: Mike Brashier

Title: Open Hopper Fleet Manager

Date: 1/17/05

SHIPPER:
PROGRESS FUELS CORPORATION
P.O. BOX 15208
ST. PETERSBURG, FL 33733
ATTN: AL PITCHER

CARRIER:
AEP-MEMCO L.L.C.
d/b/a MEMCO BARGE LINE
16090 SWINGLEY RIDGE ROAD, SUITE 600
CHESTERFIELD, MISSOURI 63017
Phone: (636) 530-2100
Facsimile: (636) 530-4177

Your Contract: _____

AMENDMENT

XC: AWP
RFP
FHL
CAL
THH
VHM
DM D
ABF
JICKY HICKS
CF

Date: 2/1/05

Amendment Number: 20041389-C

Our Sale Number(s) 20041389 DATED 12/22/04

Our Purchase Number (s) _____ DATED _____

Shipper and Carrier agree the terms of this amendment will supercede all terms as stated in Amendment 20041389-B dated 1/17/05. The terms have been revised and agreed upon as follows:

The freight rate of per net ton will apply to the barges that loaded from a train on January 24, 2005. The freight rate of per net ton will apply to the barges that will load from a train on February 1, 2005. These freight rates as described will apply to these trains ONLY. All future trains loading in Mount Vernon, IN destined to Myrtle Grove, LA will be mutually agreed upon by both parties and the freight rate will be determined at the time of the loading in accordance with the terms and conditions of this contract along with current costs, including fuel.

All other terms and conditions of this agreement remain as originally agreed upon. This confirmation without immediate notice to us, by wire, or error, is acknowledgment of the acceptance of the conditions of this confirmation.

Please SIGN duplicate and RETURN
Specifications Confirmed

Shipper: PROGRESS FUELS CORPORATION

By: *[Signature]*

Title: Vice President Coal Procurement

Date: 2/16/05

AEP-MEMCO L.L.C. d/b/a MEMCO BARGE LINE

Signed: *[Signature]*

By: Robert M. Blocker

Title: Senior Vice President Sales and Logistics

Date: 2/1/05

SHIPPER:
PROGRESS FUELS CORPORATION
P.O. BOX 15208
ST. PETERSBURG, FL 33733
ATTN: AL PITCHER

CARRIER:
AEP-MEMCO L.L.C.
d/b/a MEMCO BARGE LINE
16090 SWINGLEY RIDGE ROAD, SUITE 600
CHESTERFIELD, MISSOURI 63017
Phone: (636) 530-2100
Facsimile: (636) 530-4177

Your Contract: _____

AMENDMENT

Xc: AWP
RFP
FHL
CAL
TMM
VHM
JHD
ABF
Vicky Hicks
CF

Date: 2/9/05

Amendment Number: 20041389-D

Our Sale Number(s) 20041389 DATED 12/22/04

Our Purchase Number (s) _____ DATED _____

Shipper and Carrier agree Carrier will load another train of approximately net tons of coal at Mount Vernon, IN to the destination of Myrtle Grove, LA during the second week of February 2005. Carrier will bill the barges loading from this train only at the rate of per net ton.

All other terms and conditions of this agreement remain as originally agreed upon. This confirmation without immediate notice to us, by wire, or error, is acknowledgment of the acceptance of the conditions of this confirmation.

Please SIGN duplicate and RETURN
Specifications Confirmed

Shipper: PROGRESS FUELS CORPORATION

By: [Signature]

Title: Vice President Coal Procurement

Date: 2/16/05

AEP-MEMCO L.L.C. d/b/a MEMCO BARGE LINE

Signed: [Signature]

By: Robert M. Blocker

Title: Senior Vice President Sales and Logistics

Date: 2/10/05

SHIPPER:
PROGRESS FUELS CORPORATION
P.O. BOX 15208
ST. PETERSBURG, FL 33733
ATTN: AL PITCHER

CARRIER:
AEP-MEMCO L.L.C.
d/b/a MEMCO BARGE LINE
16090 SWINGLEY RIDGE ROAD, SUITE 600
CHESTERFIELD, MISSOURI 63017
Phone: (636) 530-2100
Facsimile: (636) 530-4177

Your Contract: _____

AMENDMENT

Date: 10/3/05

Amendment Number: 20041389-G

Our Sale Number(s) 20041389 DATED 12/22/04

Our Purchase Number (s) _____ DATED _____

Shipper and Carrier agree barge MAC604 was placed on standby at Myrtle Grove, LA/MT on 9/30/05 and removed from standby on 10/2/05 when it was decided Shipper no longer needed the barge. Carrier will bill Shipper as follows for the days the barge was on standby: per day x 3 days = TOTAL DUE MEMCO for standby time.

All other terms and conditions of this agreement remain as originally agreed upon. This confirmation without immediate notice to us, by wire, or error, is acknowledgment of the acceptance of the conditions of this confirmation.

Please SIGN duplicate and RETURN
Specifications Confirmed

Shipper: PROGRESS FUELS CORPORATION
By: *AW*
Title: Vice President Coal Procurement
Date: 10/19/05

AEP-MEMCO L.L.C. d/b/a MEMCO BARGE LINE
Signed: *Mark Stoppel*
By: Mark Stoppel
Title: Northbound Manager Sales and Logistics
Date: 10/3/05

SHIPPER:
PROGRESS FUELS CORPORATION
P.O. BOX 15208
ST. PETERSBURG, FL 33733
ATTN: AL PITCHER

CARRIER:
AEP-MEMCO L.L.C.
d/b/a MEMCO BARGE LINE
16090 SWINGLEY RIDGE ROAD, SUITE 600
CHESTERFIELD, MISSOURI 63017
Phone: (636) 530-2100
Facsimile: (636) 530-4177

Your Contract: _____

AMENDMENT

Date: 10/21/05

Amendment Number: 20041389-H

Our Sale Number(s) 20041389 DATED 12/22/04

Our Purchase Number (s) _____ DATED _____

Shipper and Carrier agree Carrier will bill Shipper [redacted] per barge to shift the following seven (7) barges from St. John's Fleet/mile 142 to IMT:
ABS1451, CC327B, MEM5064, MEM5069, MEM5102, MEM8201, SM201B

Shipper and Carrier also agree Carrier will bill Shipper [redacted] barge to shift the following thirteen (13) barges from Elmwood Dockside Fleet to IMT:
AEP584, AEP849, AEP9318, AEP9322, CBL324, ITC108, MEM2095, MEM8010, SDB711, SG 305, SG318, TA611, TW12

From this point forward all barges loading and all barges already loaded will go directly to IMT.

All other terms and conditions of this agreement remain as originally agreed upon. This confirmation without immediate notice to us, by wire, or error, is acknowledgment of the acceptance of the conditions of this confirmation.

Please SIGN duplicate and RETURN
Specifications Confirmed

Shipper: PROGRESS FUELS CORPORATION

By: [Signature]

Title: Gen. Coord. Administration

Date: 11/3/05

AEP-MEMCO L.L.C. d/b/a MEMCO BARGE LINE

Signed: [Signature]

By: Mark Stoppel

Title: Northbound Manager Sales and Logistics

Date: 10/21/05



December 16, 2005

MEMCO Barge Line
Suite 600
16090 Swingly Ridge Road
Chesterfield, Missouri 63017
Attention: Mr. Mark Knoy

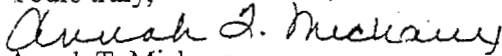
Re: Assignment and Assumption Agreement

Dear Mr. Knoy:

Progress Fuels Corporation ("PFC") and AEP MEMCO LLC ("AEPMEM") are parties to a Dry Bulk Fuel Transportation and Delivery Agreement ("Agreement") whereby AEPMEM will provide transportation services for PFC effective January 1, 2005 for a [REDACTED]. Pursuant to ARTICLE XIX of the Agreement this letter is to serve as notice that PFC has assigned the Agreement to its affiliate Progress Energy Florida, Inc. ("PEF") effective January 1, 2006. PEF is an investor-owned utility with an investment grade rating and is a wholly-owned subsidiary of Progress Energy, Inc.

For your convenience, a copy of the Assignment and Assumption Agreement is enclosed. If you have questions regarding this assignment, please contact me at 919.546.5205.

Yours truly,


Annah T. Michaux
Senior Contract Administrator

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

PEF-07FL-002344

SHIPPER:
PROGRESS ENERGY CAROLINA'S, INC.
P.O. BOX 1551
PEB10B1
RALEIGH, NC 27602
ATTN: JERRY BOYD

CARRIER:
AEP-MEMCO L.L.C.
d/b/a MEMCO BARGE LINE
16090 SWINGLEY RIDGE ROAD, SUITE 600
CHESTERFIELD, MISSOURI 63017
Phone: (636) 530-2100
Facsimile: (636) 530-4177

Your Contract: _____

AMENDMENT

Date: 1/24/07

Amendment Number: 20041389-J

Our Sale Number(s) 20041389 DATED 12/22/04

Our Purchase Number (s) _____ DATED _____

Shipper and Carrier have agreed, in accordance with Article I item B, the destination of Davant, LA/Teco Terminal at mile 55.00 on the Lower Mississippi River has been temporarily added to this contract for the period of January through [REDACTED]. This is a "test" destination for five (5) barges ONLY loading from the origin of the Big Sandy River during January and [REDACTED]. This "temporary" destination has been added at the rate of [REDACTED] per net ton, an [REDACTED] per net ton premium to the Big Sandy River fuel adjusted rate for the [REDACTED] billing quarter.

All other terms and conditions of this agreement remain as originally agreed upon. This confirmation without immediate notice to us, by wire, or error, is acknowledgment of the acceptance of the conditions of this confirmation.

Please SIGN duplicate and RETURN
Specifications Confirmed

Shipper: PROGRESS ENERGY CAROLINA'S,
INC.
By: [Signature]
Title: Director - Gen
Date: 2/1/07

AEP-MEMCO L.L.C. d/b/a MEMCO BARGE LINE
Signed: [Signature]
By: Robert M. Blocker
Title: Senior Vice President Sales and Logistics
Date: 1/24/07

REDACTED

PEF-07FL-002348 – PEF-07FL-002360

OPC'S 2nd POD #3

earlier in accordance with the provisions of this Agreement. Notwithstanding the foregoing, the term of this Agreement shall be extended for the purposes of storage and loading of any coal that remains after the expiration of the Delivery Term as provided in Section 5.4 hereof (the "**Storage & Loading Term**") in which case, for such storage and loading purposes only, this Agreement shall expire on the earlier of (i) when all of PEF's coal has been removed from storage at the Terminal by loading in PEF's Gulf Barges in accordance with PEF's instructions and the terms of this Agreement or (ii) three (3) months after any expiration of the Delivery Term or any other cancellation or termination of this Agreement.

Article III: Quantity

During the Delivery Term of this Agreement TECO Bulk Terminal shall make available to and provide to PEF the Terminal Services as requested by PEF for up to but not to exceed approximately [REDACTED] Tons of coal (the "**Maximum Volume Quantity**"), including those Terminal Services relating to storage and loading of the coal. TECO Bulk Terminal shall further make available and provide the Terminal Services related to storage and loading of the coal (but not any relating to offloading and discharge of the coal) during the Storage & Loading Term for any coal that was previously delivered to the Terminal during the Delivery Term. The actual volume of coal for which Terminal Services shall be provided hereunder shall be as determined in PEF's sole discretion including without limitation by taking into account its power plant fuel forecasts and overall transportation needs and inventory level requirements and shall be delivered to the Terminal throughout the Delivery Term of this Agreement; provided, however, that the coal delivered hereunder may be stored at the Terminal for a period of time past the expiration of this Delivery Term until the expiration of the Storage & Loading Term as provided in Section 5.4(i) hereof.

Article IV: Services and Rates

Section 4.1. Equipment for Delivery and Loading.

(i) All coal for which Terminal Services are to be provided hereunder will be delivered to the Terminal by PEF or on PEF's behalf, as applicable, by PEF's coal transportation providers, whether by open hopper river barges (the "**River Barges**") or by ocean-going import vessels (the "**Vessels**"). The River Barges shall have a maximum width of 35 feet and a maximum length of 205 feet. The Vessels will typically be handy to panamax in size and may be gearless, geared, grabbed or conveyor belt equipped. TECO Bulk Terminal agrees to be able to discharge and allow for discharge each of these types of River Barges and Vessels. All River Barges shall be blade cleaned by TECO Bulk Terminal upon completion of unloading for re-delivery to PEF's barge carrier. All Vessels shall be blade cleaned by TECO Bulk Terminal where applicable upon completion of unloading.

(ii) The equipment to be loaded hereunder shall be ocean-going covered hopper barges and tugs (collectively the "**Gulf Barges**").

Section 4.2. Warranty of Safe Berth. TECO Bulk Terminal shall exercise due diligence to provide the Vessel, the River Barges and the Gulf Barges safe ingress to and egress from the Terminal. TECO Bulk Terminal further hereby warrants that it shall provide safe and adequate berth for each and all of the River Barges, Vessels and Gulf Barges, provided that the River Barges, Vessels and Gulf Barges meet the general Terminal suitability requirements set forth in the first paragraph of Section 31 of the Terminal Rules. TECO Bulk Terminal further represents and warrants that the draft at the berth shall at all times be at least equivalent to the draft at the Southwest Pass.

Section 4.3 Terminal Services & Rates. During the Service Term of this Agreement TECO Bulk Terminal agrees to provide the applicable Terminal Services requested by PEF. PEF agrees to pay the following rates per Ton of coal for the Terminal Services performed by TECO Bulk Terminal:

(i) For all coal that is delivered to the Terminal for or on behalf of PEF by River Barges PEF shall pay [REDACTED] per Ton regardless of whether such coal is lightered directly to the Gulf Barges or transloaded to ground storage regardless of the method of unloading such River Barges utilized by TECO Bulk Terminal. Such rate includes blade cleaning of the River Barge holds (inclusive of labor and equipment).

(ii) For all coal that is delivered to the Terminal for or on behalf of PEF by Vessels PEF shall pay the following rates per Ton:

(a) (Gearless) Vessel-Terminal discharge through storage: [REDACTED]

Rate includes unloading the coal with the Terminal's crane through the Terminal's material handling system, river barge chartering (if required), handling, fleetling, shifting and lashing to side of Vessel; draftsmen and supervision to coordinate swapping out of loads/empties at the Vessel in a prompt manner so as not to delay the Vessel discharge; blade cleaning of Vessel holds (inclusive of labor and equipment); and later reclamation of coal from storage to the Gulf Barges.

(b) (Gearless) Vessel-Terminal discharge lightered directly to Gulf Barge: [REDACTED]

Rate includes unloading the coal with the Terminal's crane and lightering it directly into Gulf Barges, river barge chartering (if required), handling, fleetling, shifting and lashing to side of Vessel; draftsmen and supervision to coordinate swapping out of loads/empties at the Vessel in a prompt manner so as not to delay the Vessel discharge and blade cleaning of Vessel holds (inclusive of labor and equipment).

(c) (Geared/Grabbed) Vessel-self discharge through storage: [REDACTED]

(1) Rate includes receiving the coal from the Vessel; river barge chartering, handling, fleetling, shifting and lashing to side of Vessel; draftsmen and supervision to coordinate swapping out of loads/empties at the Vessel in a prompt manner so as not to delay the Vessel discharge; and later reclamation of

coal from storage to the Gulf Barges. Rate does not include labor or equipment to operate the shipboard cranes.

(2) An additional fee of [REDACTED] per Ton will be charged if blade cleaning of the Vessel hold is required (which rate is inclusive of labor and equipment).

(d) (Geared/Grabbed) Vessel-self discharge lightered to Gulf Barges through Terminal: [REDACTED]

(1) Rate includes receiving the coal from the Vessel; river barge chartering, handling, fleeting, shifting and lashing to side of Vessel; draftsmen and supervision to coordinate swapping out of loads/empties at the Vessel in a prompt manner so as not to delay the Vessel discharge. Rate does not include storage or labor and equipment to operate the shipboard cranes.

(2) An additional fee of [REDACTED] per Ton will be charged if blade cleaning of the Vessel hold is required (which rate is inclusive of labor and equipment).

(e) (Conveyor) Vessel-self discharge through the inbound hopper through storage: [REDACTED]

Rate excludes 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 the Terminal's inbound conveyor belt discharge hopper.

(f) (Conveyor) Vessel-self discharge through the inbound hopper lightered directly to Gulf Barge: [REDACTED]

Rate excludes 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 the Terminal's inbound conveyor belt discharge hopper.

(g) In addition to each of the rates listed in (a) through (f) above, the per Ton blending fees listed in this Section 4.3(g) will be charged as follows in the event that such blending is requested by PEF:

Two part blend: [REDACTED]

Three part blend: [REDACTED]

Four part blend: [REDACTED]

The direct transfer rates set forth herein provides for all coal discharged at the Terminal hereunder, whether offloaded by TECO Bulk Terminal or self-discharged by the Vessel, to pass through the Terminal's mechanical sampler and metal collection devices and shall also include the blending of other coal from ground storage if required as directed by PEF. All rates include the ground storage as provided in Article V hereof including through the term of the Storage & Loading Term, but do not include the costs of sample collection or analysis. All such sampling and collection shall be performed by SGS Labs St. Rose or such other laboratory as mutually agreed to between the Parties (as applicable, the "Lab"). PEF shall be responsible for all such costs of sampling and collection and shall pay such Lab directly.

The rates hereunder include the cost to have the Terminal operations on stand-by and ready and available to receive, discharge and load the River Barges, Vessels and Gulf Barges, as applicable, SHINC with no exceptions or exemptions for holidays. All such rates are fixed for the entire Service Term of this Agreement. All such rates include all fees for ground storage for an unlimited number of days (subject to the expiration of the Storage & Loading Term) for up to [REDACTED] Tons of coal as provided in Section 5.4 hereof.

The rates set forth herein include dockage, line handling and one assist tug for each Gulf Barge at arrival and departure. If additional assist tug service is requested by the Gulf Barge owner, Gulf Barge owner will arrange for and pay for this service.

The rates set forth herein do not include dockage, line handling and assist tug for the Vessels. All such fees for the Vessels shall be billed directly to the Vessel owner or other Vessel party.

TECO Bulk Terminal shall provide and operate a fleet and harbor towboat for the shifting of loading and empty River Barges to and from the dock and the mooring area and the pickup and delivery of loaded and empty River Barges at the mooring area from the River Barge carrier's tow; provided, however, the rates set forth herein do not include fleeting charges and/or charges for stacking covers for the River Barges, which charges shall be billed directly to the River Barge carrier or other River Barge party.

PEF shall not have any liability whatsoever hereunder for any such third parties that are under contract with PEF, including without limitation any charges with respect to the Vessel, Gulf Barges and/or the River Barges, as provided herein (collectively the "Third Party Charges"); provided, however PEF and TECO Bulk Terminal agree to work together in collecting any outstanding Third Party Charges.

TECO Bulk Terminal shall provide and maintain magnets at the Terminal's River Barge and Vessel unloaders, stacker-reclaimers and outbound loading dock conveyors sufficient to prevent transfer of metal into PEF's stockpile and Gulf Barges, and shall utilize such magnets to screen all inbound and outbound coal.

TECO Bulk Terminal shall provide and maintain sampling systems for the purpose of sampling all inbound and outbound coal. The sampling systems shall conform to applicable ASTM standard D2234 (or any superseding standard applicable to sampling) and shall be bias tested on a minimum annual basis.

Section 4.5. Taxes and Other Fees. All rates set forth herein are inclusive of any and all fees, taxes, tolls, duties and port charges, if any, applicable to TECO Bulk Terminal as of the Effective Date including without limitation the Plaquemines Port Tonnage Tax of [REDACTED] per Net Ton. Should any government or governmental agency or authority having jurisdiction over this Agreement or TECO Bulk Terminal impose or increase any tax, charge, impost, duty, toll, tariff or port charge on the coal or on the use of the waterways

- (c) Time lost due to the actions of PEF or any third party shall be excluded;
- (d) Time lost due to wet or unusual conditions of the coal shall be excluded; and
- (e) Time spent shifting from anchorage to the berth shall not count as freetime.

Subject to the foregoing, in the event that TECO Bulk Terminal fails to receive the coal at a rate at least equal to or faster than the Grabbed Discharge Guarantee Rate then TECO Bulk Terminal will reimburse PEF at the demurrage rate applicable to such Vessel. PEF will not pay despatch on grabbed discharge Vessels. Demurrage/Despatch rates must be declared prior to Vessel arrival.

(v) TECO Bulk Terminal guarantees to discharge the coal from the River Barges within four (4) days after the first 7:00 a.m. following the River Barge's constructive placement at the Terminal's fleet or upon arrival at fleet of TECO Bulk Terminal's choice when TECO Bulk Terminal has notified the carrier that the Terminal fleet is unavailable (the "**River Barge Guarantee Rate**"). TECO Bulk Terminal shall be bound to meet this River Barge Guarantee Rate obligation without regard to whether such River Barges are covered or uncovered. TECO Bulk Terminal shall not be responsible for time lost due to coal quality, River Barge seaworthiness or the River Barge suitability. In the event that TECO Bulk Terminal fails to discharge the River Barges at or faster than the River Barge Guarantee Rate then TECO Bulk Terminal shall reimburse PEF for any and all barge demurrage incurred by PEF up to a maximum of [REDACTED] per River Barge per day. River Barge demurrage calculations shall be reconciled on a quarterly basis (using the River Barge empty-release dates to determine in which quarter a barge falls) within sixty (60) days after the end of each quarter.

5.3. Loading.

(i) During the Services Term TECO Bulk Terminal shall load PEF's Gulf Barges hereunder twenty-four hours per day, seven days per week. TECO Bulk Terminal is permitted fourteen (14) weather working hours freetime to load each Gulf Barge for a Gulf Barge for up to 16,500 Tons. In the event PEF utilizes a Gulf Barge with a capacity greater than 16,500 Tons then the freetime allowed TECO Bulk Terminal shall adjusted at an equivalent per Ton hourly rate. For example:

16,500 Tons/ 14 hrs = 1178 Tons per hour

20,000 Ton Vessel / 1178 Tons per hour = 16.97 hrs

PEF will not pay despatch for any Gulf Barges loaded faster than the freetime allowed.

(ii) For laytime/demurrage calculating purposes with respect to the Gulf Barges; TECO Bulk Terminal freetime shall commence as follows:

- (a) if the berth is open upon arrival of the Gulf Barge, upon tender of written NOR confirming the Gulf Barge is ready in all respects to load and tying up of the Gulf Barge;
- (b) if no berth is open upon arrival of the Gulf Barge, when NOR has been tendered by the Gulf Barge while in reasonable proximity to the

REDACTED

PEF-07FL-002382 – PEF-07FL-002403 7

OPC'S 2nd POD #3 #4

REDACTED

PEF-07FL-002409 – PEF-07FL-002422

OPC'S 2nd POD #3

REDACTED

PEF-07FL-002424 – PEF-07FL-002502

OPC'S 2nd POD #3

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OPC

2nd PODs

9



TECO BULK TERMINAL CONTRACT EXECUTIVE SUMMARY

In August 2006, Regulated Fuels Department (RFD) solicited terminals along the U.S Gulf coast capable of transloading and storing coals purchased for Crystal River. RFD received three proposals from terminals near Mobile, Al. and three proposals from terminals near New Orleans, La. Of the six proposals received, only three were capable of meeting the requirements of the solicitation.

RFD evaluated each proposal in terms of terminal capacity, capability, flexibility and price. TECO Bulk Terminals (TBT), located south of New Orleans on the Mississippi River, stood out as having the qualities RFD desired. Progress Energy Florida (PEF) and TBT initiated a three month trial period where RFD delivered two vessels and five river barges. During this trial period TBT demonstrated their ability to efficiently discharge vessels, river barges and perform precision blending while loading gulf barges at a very attractive price.

Following a successful trial period, PEF signed a 5 year, non-exclusive agreement with Teco Bulk Terminals to provide ground storage and perform coal transloading and blending. Strategically located on the Lower Mississippi River, TBT provides PEF the flexibility to procure coal from several international and domestic regions. The executed agreement offers PEF a low risk solution, with flexible conditions, at a very competitive price.

Provided below is a brief description of TBT and highlights from our contract.

Terminal Description:

TBT has two independent coal handling, storage and loading systems. Each system consists of a stacker/reclaimer, continuous river barge unloader, shiploader, magnetic separator and sampling system. Two independent systems provide TBT the flexibility to load two vessels simultaneously, limiting delays due to dock congestion.

Contract Term:

Initial Term : [REDACTED]

Progress Energy may elect to extend for an additional period up to five (5) years in length. The extension will escalate quarterly and is tied to the CPI and PPI indexes.

Contract Minimum Volume:

PEF must tender a minimum of [REDACTED] tons during each of the [REDACTED]

Contract Maximum Volume:

No maximum volume established in the contract.

Performance Guarantees:

Gulf Barges Loadings – TBT guarantees that they will load each gulf barge in 14 hours or less. Should TBT fail to meet these obligations, TBT is responsible to reimburse PEF for demurrage incurred by our cross-gulf carrier.

Should TBT average more than 14 hour loading during any 120 hour period, PEF shall have the right to terminate this agreement.

River Barge and Import Vessel Unloadings – TBT guarantees to unload river barges in 4 days or less and discharge import vessels at a rate of [REDACTED] mt per day or better. Should TBT fail to meet these obligations, TBT is responsible to reimburse PEF for demurrage incurred by the barge line and import vessel owners.

Price Advantage:

[REDACTED]: By switching 12 vessel from IMT to TBT in 2007 PEF will save approx [REDACTED].

[REDACTED]: PEF will save approx \$ [REDACTED] by switching from IMT to TBT.

[REDACTED] Savings will very depending on the transportation mode used to deliver coal to TBT.

*Prepared by:
Jason Duttinger
04/26/2007*

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PEF-07FL-002524 – PEF-07FL-002526

OPC'S 2nd POD #3