FERC FORM 580

1. Identify whether your Company had a "Fuel Cost and Purchased Economic Power Adjustment Clause" (FAC) [1] on file with the Commission at any time during calendar years 2004 or 2005, and whether a FAC will be on file during 2007.

   If your Company did not have a FAC during 2004 or 2005 submit your responses to this question and questions 12 and 15.

   If your Company had a FAC during 2004 or 2005 on file with the Commission, submit your responses to this question and all questions below.

   a. Does your Company plan to have a FAC on file with the Commission in calendar year 2007?

2. Provide copies of all audits, studies, reports, etc. in their entirety, including exhibits and all attachments, prepared in 2004 or 2005 addressing:

   a. the Company's fuel supply contracts,

   b. the Company's fuel procurement policies and practices and

   c. fuel prices.

3. For each fossil fuel supply contract (including informal agreements with associated companies[2]) of 1 year duration, or longer, and in force at any time during 2004 or 2005, provide the following data *for each contract separately*:

   [No response to Question 3 for fuel oil No. 2 is necessary.]

   a. *for coal, oil, and gas*- identify:

   1. the name and address of the supplier,
   2. the location of the fuel production,[3] and
   3. the type of supplier.[4]

   b. *for coal supplies only* - identify:

   1. the producer, if not shown above,
   2. the name of the mine,
   3. the type of mine (surface or underground) and producing seam(s),

c. *for coal, oil, and gas-*

1. Is the utility associated with the fuel supplier, fuel broker, or fuel transportation system? If the answer is yes, identify the specific type of utility involvement from the list below.

Check *where appropriate*

a. The fuel supplier is associated with the utility. _________

b. The utility owns the fuel supplier directly. _________

c. The utility owns, or is associated with, the fuel procurement middleman. _________

d. The utility, or an associate, owns, or controls, the fuel reserve. _________

e. The utility, or an associate, owns, or controls, some part of the transportation system. _____________

f. The utility, or an associate, has loan, or loan guarantee, arrangements with the fuel supplier. _________

g. The utility, or an associate, has loan, or loan guarantee, arrangements with the fuel transportation system. _________

h. Other utility involvement. (Explain) _________

Note: For each item checked above, describe the utility's involvement.

d. *for coal, oil, and gas* - show the date of:

1. first contract signing,
2. first delivery under the contract,
3. contract expiration,
4. most recent renegotiation, if any, and
5. renewal, and price reopeners, if any. If the contract is an extension, or renewal of an earlier contract, provide the date of the original contract.

e. *for coal, oil, and gas* - identify the annual base quantities for each calendar year 2004 and 2005 specified in the contract, *and* the quantities actually delivered (coal-10^3 tons, oil-10^3 barrels, gas-10^3 MMBtu).

If the quantities delivered in calendar years 2004 or 2005 were less than the minimum quantity specified under the contract, show the quantity shortfall for each year.

f. *for coal, oil, and gas* - identify the actual quantities (coal-10^3 tons; oil-10^3 barrels; gas-10^3 MMBtu) delivered *to each of the Company's plants* under this contract in each calendar year 2004 and 2005.

g. *for coal, oil, and gas* - identify the fuel quality characteristics specified in the contract (*Coal*: Btu per pound, percent sulfur, percent ash, and percent moisture; *Oil*: Btu per gallon and percent sulfur; *Gas*: Btu per cubic foot).

h. *for coal, oil, and gas* - identify the weighted average quality characteristics (*Coal*: Btu per pound, percent sulfur, percent ash, and percent moisture; *Oil*: Btu per gallon and percent sulfur; *Gas*: Btu per cubic foot) of the fuel delivered *to each of the Company's plants* under this contract in **each** calendar year 2004 and 2005.

i. *for coal, oil, and gas* - identify the actual weighted average fuel price paid (including all adjustments), FOB origin [5], in cents per million Btu, under this contract in each calendar year 2004 and 2005.

If the average annual FOB origin price is different for different plants receiving fuel under this contract, identify the weighted average FOB origin prices paid *for each plant*.

j. *for coal, oil, and gas* - identify the actual weighted average fuel price paid (including all adjustments), FOB plant, in cents per million Btu, separately for calendar years 2004 and 2005 for *each of the Company's plants* receiving fuel under this contract.

k. *for coal, oil, and gas* - is the price reported for j) above a fully allocated price which includes all the costs associated with producing and transporting the fuel to each plant?

If the answer is no, identify all the cost components associated with producing and transporting the fuel that are not included in that price. For each cost component identified, also identify the weighted average cost, in cents per million Btu, separately for calendar years 2004 and 2005 attributable to each cost item.

l. *for coal, oil, and gas* - for each plant receiving fuel under this contract, identify for each calendar year 2004 and 2005, from origin to final destination:

1. the individual transport mode(s), *i.e.*, rail (specify unit trains separately), barge, truck, conveyor, pipeline, etc., and the names of the transportation company(ies) employed, for each transportation company employed, the distance traveled (in miles), and

2. the weighted average transportation costs (in cents per million Btu) for each transportation mode. Show as separate cost items all associated expenses, such as, transfer charges, storage and handling costs, demand charges, usage charges, gathering costs, *etc*.

m. *for coal only* - based on the attached broad classification of contract types (see Appendix A), identify this coal contract as being:

Type 1 ____ 2 ____ 3 ____ 4 ____ 5 ____ 6 ____ 7 ____

n. *for gas only* – using the four contract classifications shown below, identify this gas supply contract as:

Type 1 ____ 2 ____ 3 ____ 4 ____

Type 1 = Interruptible

Type 2 = Firm

Type 3 = Off Peak

Type 4 = Other (Explain)

1. identify whether the transportation for the gas supplied under

contract was:

Type 1 ____ 2 ____ 3 ____ 4 ____ 5 ____

Type 1 = Interruptible Type 2 = Firm

Type 3 = Off Peak

Type 4 = Other (Explain)

Type 5 = Spot

4. For *each contract* cited in question 3 above that had quantities delivered in calendar years 2004 or 2005 less than the minimum quantity specified under the contract (shortfall) -

a. Identify the contract;

b. Identify the annual quantity shortfall(s) and the year(s) of occurrence;

c. For *each* annual quantity shortfall, if any portion of the shortfall was caused by the supplier's failure to ship the required quantity, identify the following:

1. the portion of the shortfall caused by the supplier's noncompliance, and the cause(s) of the shortfall, e.g. disruption in production, fuel not meeting quality specifications, dispute over contract provisions, disruption in supplier's transportation system, etc.;

2. the utility's response to the shortfall, e.g. reschedule quantity, purchase replacement fuel from other sources, initiate litigation, etc.; and

3. the supplier's efforts to correct the shortfall, e.g. purchase replacement fuel from other sources, change production process, produce from other sources, install cleaning equipment, claim force majeure, etc.;

d. For *each* annual quantity shortfall, if any portion of the shortfall was caused by the utility's failure to take the required quantity, identify the following:

1. the portion of the shortfall caused by the utility's noncompliance, and the cause(s) of the shortfall, e.g. forced outage of unit(s), lower than anticipated load, dispute over contract provisions, disruption in transportation system, price not competitive with market prices, etc.;

2. the utility's response to the shortfall, e.g. renegotiate the contract, buy-out or buy-down of the contract, reschedule shipments to later contract years, claim force majeure, etc.;

3. the total payments (take-or-pay payments, deficient tonnage payments, transportation penalty payments, etc.), made by the utility in 2004 and 2005 as a result of the shortfall.

5. For *each* contract cited in question 3 above that was renegotiated, bought-down, bought-out or otherwise changed during calendar years 2004 or 2005 –

   a. identify the contract;

b. identify the party that initiated the change in the contract;

c. identify each provision of the contract that was changed, and explain the changes by describing the provisions of the contract before and after the change;

d. describe in detail what prompted the change in the contract;

e. identify any payments made to the supplier to allow the change to the contract and the benefits received as a result of the payments;

f. identify the amounts of the costs/payments made to change the contract that were passed through the wholesale FAC.

6. a) Did the Company renegotiate, buy-down, buy-out or otherwise change any transportation contracts for coal, oil, or gas during calendar years 2004 or 2005?

b) If the answer to a) above is yes, for *each* transportation contract changed –

1) identify the contract and the transportation company,

2) identify the fuel contract(s) reported in response to question 3 above that had fuel delivered under the transportation contract changed,

3) identify the party that initiated the change,

4) identify each provision of the transportation contract that was changed, and briefly explain the changes by describing the provisions of the contract before and after the change,

5) describe briefly what prompted the change in the transportation contract;

6) identify any payments made to the transportation company to allow the change to the contract and the benefits received as a result of the payments;

7) identify the amounts of the costs/payments made to change the transportation contract that were passed through the wholesale FAC.

7. a) Has any fuel been shipped for others under the Company's fuel transportation contracts during calendar years 2004 or 2005?

b) If the answer to a) above is yes, describe how the Company allocates the cost of transportation, taking into account any volume discounts, between itself, the other company(ies), and the Company's wholesale ratepayers.

8. a) Submit an organizational chart showing the corporate relationship during 2004 and 2005 between the utility and all of its associated companies, (see Appendix A for the definition of associated company), affiliate companies, sister companies, subsidiaries, parent companies, *etc*, that are in any way involved with fossil or nuclear fuels, including, but not limited to:

1. Fuel supply,
2. Fuel purchase and/or lease,
3. Fuel Production (including coal preparation plants),
4. Fuel storage,
5. Fuel transportation,
6. Fuel transfer,
7. Fuel reserve and/or lease ownership (land that contains fuel resources).

a) Describe the type of service(s) performed by each company shown on the organizational chart.

b) For any fuel supplied to the utility by any company shown on the organizational chart, provide the information requested in question 3, if not already supplied there.

9. a) Has your Company guaranteed the loans or assumed liability for financing of another company, whether associated or not, that was involved during calendar years 2004 or 2005 in any aspect of fuel supply, purchase, lease, production, storage, transportation, transfer, or that owns fuel reserves or leases?

b) If the answer to a) above is yes, identify the other company(ies), the services (if any) that were provided to the utility during *each* calendar year 2004 and 2005, and the extent of the utility's financial commitment.

10. a) Did your Company carry on its books during calendar years 2004 or 2005, any assets[6] relating to:

1) Fuel production (mines, preparation plants, gas or oil wells, refineries, etc.),
2) Off-site fuel storage,
3) Fuel transportation (rail cars, barges, colliers, pipelines, etc.),
4) Fuel transfer facilities,
5) Fuel reserves, or
6) Fuel leases?

b). If the answer to a) above is yes, describe in detail the assets involved, the amount of the investment in each such asset, and how each such asset is being used.

1) For each asset identified in b)(1) above that your Company was

depreciating during 2004 or 2005, identify the service life and salvage value used in determining the asset's depreciation expense.

c) If the answer to a) above is yes, do each of the prices reported for each contract in question 3 include full allocation of all costs attributable to ownership of such assets?

1) If the answer to c)(1) above is no, *i.e.*, the prices reported in question 3 do not include all costs, identify all additional cost elements, in cents per million Btu, that should be included to obtain full prices for each contract.

11. Did your Company recover the costs of any emission allowances through the wholesale FAC during 2004 or 2005?

If the answer is yes, identify the number of allowances and the total costs of the allowances recovered through the wholesale FAC during each calendar year 2004 or 2005.

12. Identify the principal contact person for clarification and additional information concerning the Company's fuel procurement (name, title, address, telephone number and facsimile number).

13. If during the 2004-2005 period the Company had any contracts or agreements for the purchase of either energy or capacity with associated energy from a PURPA qualifying facility (QF), under which all or any portion of the purchase costs were passed through the *wholesale* FAC, identify separately for each calendar year 2004 and 2005 the following:

a) the seller(s) of the electric power,

b. the amount of energy or capacity and associated energy purchased from each seller,

c. the annual dollar amount of the fuel cost component passed through the *wholesale* FAC applicable to the purchases from each seller, and the method used to calculate the fuel cost component, and

d. all other costs associated with the purchases from each seller that were passed through the *wholesale* FAC, and the annual dollar amounts for each. If costs other than the actual identifiable fuel cost component of purchases from QFs were recovered through the wholesale FAC, identify the document by Commission cite where recovery of such costs was approved.

14. If during the 2004-2005 period the Company had any contracts or agreements for the purchase of energy and/or capacity from an Independent Power Producer (IPP), identify separately for each calendar year 2004 and 2005 the following:

a. the seller(s) of the electric power,

b. the amount of energy or capacity and associated energy purchased from each seller,

c. the annual dollar amount of the fuel cost component passed through the *wholesale* FAC applicable to the purchases from each seller, and the method used to calculate the fuel cost component, and

d. all other costs associated with the purchases from each seller that were passed through the *wholesale* FAC, and the annual dollar amounts for each.

15. Identify the principal contact person for clarification and additional information concerning the Company's purchases of electric power (name, title, address, telephone number, facsimile number and email address).

APPENDIX A
GLOSSARY

- 18 CFR Part 101, Definition 5A states:

"Associated (affiliated) companies" means companies or persons that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the account company.

Question 3 (m) Contract Type Descriptions:

1. Base Price Plus Escalation

Different components of the price escalate (or de-escalate) as a function of changing economic conditions (indices).

2. **Price Renegotiation**

The price is renegotiated at predetermined intervals, usually one year. This type of contract, frequently known as an EVERGREEN CONTRACT, may also contain provisions for price adjustments between renegotiations.

3. **Price Tied to Market**

Price tied to the price of coal being sold in a particular market. Product and market area are defined in the contract. Contract may contain a "Most Favored Nations" clause, *i.e.*, supplier will not sell to any utility at a price lower than yours is paying.

4. **Cost-Plus Contract with a Fixed Fee Provision**

Purchaser agrees to pay all producer's costs plus a management fee. Some contracts provide for payment of both a management fee and a profit. This contract has a *Fixed Fee* provision.

5. **Cost-Plus Contract with an Incentive Fee Provision**

Purchaser agrees to pay all producer's costs plus a management fee. Some contracts provide for payment of both a management fee and a profit. This contract has an *Incentive Fee* provision, *i.e.*, a variable fee that is tied to various productivity and cost reduction incentives.

6. **Other** (explain)

7. **Fixed-Price Contrac**t

Price is fixed over the life of the contract.

1 *See* 18 CFR 35.14.

2 See Appendix A for the definition of an associated company.

3. *For coal* identify the origin state, county, and Bureau of Mines district;

For oil identify where the utility made the purchases, *i.e.*, identify the refinery, port of entry, tank farm, retailer, foreign country, power plant (oil is purchased on a delivered basis), or other (describe);

For gas identify where the utility made the purchases, *e.g.*, at the wellhead (show the origin state, coastal area, or province (Canada)), from a pipeline (show the interstate, intrastate, or local distribution pipeline company), or at the burnertip.

4. *For coal* identify the type of supplier as a mining company, broker, associate company of the utility, or other (explain).

For oil identify the type of supplier as a refiner, broker, retailer, foreign oil company, associate company of the utility, or other (explain).

For gas identify the type of supplier as a producer, broker, interstate pipeline company, intrastate pipeline company, local distribution company, associate company of the utility, or other (explain).

5. If the fuel is purchased on a delivered basis at the power plant(s), state, 'fuel is purchased on a delivered basis', and no FOB origin price is required to be identified. If the fuel is not purchased on a delivered basis:

For oil FOB origin is the price where the utility made the purchases, *e.g.*, refinery, port of entry, tank farm, retailer, foreign country, etc.;

For gas FOB origin is the price where the utility made the purchases, *e.g.*, wellhead, pipeline (interstate, intrastate, or local distribution company), etc.

For coal FOB origin is the price where the utility made the purchases. **Identify whether the FOB origin price is FOB rail tipple, FOB barge, FOB truck, FOB mine, or other (explain).**

6. Also include in response to this question all fuel related investments or liabilities that the company has which were not described in questions 8 or 9 above.