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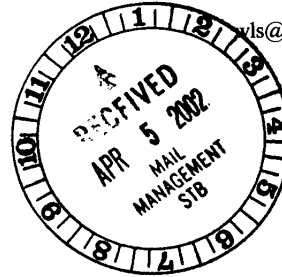
WRITER'S E-MAIL:

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205-138
April 5, 2002

BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Case Control Unit
1925 K Street, N.W.
Washington, D. C. 20423



Re: Docket No. 42070, Duke Energy Corporation
vs. CSX Transportation, Inc.

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding please find an original and ten (10) copies of the Supplement-Amendment To The Verified Complainant of Duke Energy Corporation.

We have enclosed and electronic copy of this filing in a WordPerfect format, and also have enclosed an additional hard copy to be date-stamped and returned to the bearer of this letter.

Thank you for your attention to this matter.

Sincerely,

ENTERED
Office of the Secretary

APR 08 2002

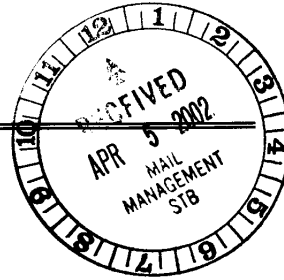
Part of
Public Record

William L. Slover
An Attorney for Duke Energy
Corporation

Enclosures

cc: Counsel for Defendant

BEFORE THE
SURFACE TRANSPORTATION BOARD



DUKE ENERGY CORPORATION
526 South Church Street
Charlotte, NC 28202,

Complainant,

v.

CSX TRANSPORTATION, INC.
500 Water Street
Jacksonville, FL 32202,

Defendant.

Docket No. 42070

**SUPPLEMENT-AMENDMENT TO THE VERIFIED COMPLAINT
OF DUKE ENERGY CORPORATION**

DUKE ENERGY CORPORATION

By: Paul R. Kinny
Assistant General Counsel
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202-1904

OF COUNSEL:

Slover & Loftus
1224 Seventeenth St., N.W.
Washington, D.C. 20036

William L. Slover
Robert D. Rosenberg
Christopher A. Mills
Andrew B. Kolesar III
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

Dated: April 5, 2002

Attorneys for Complainant

DUKE ENERGY CORPORATION	)	
526 South Church Street	)	
Charlotte, NC 28202,	)	
	)	
Complainant,	)	
	)	
v.	)	Docket No. 42070
	)	
CSX TRANSPORTATION, INC.	)	
500 Water Street	)	
Jacksonville, FL 32202,	)	
	)	
Defendant.	)	
	)	

COMES NOW Complainant Duke Energy Corporation ("Duke Energy") and files this Supplement-Amendment To The Verified Complaint of Duke Energy Corporation filed on December 19, 2001, and in support thereof shows:

THE CHALLENGED COAL RATES

- 3 -

its statutory right to unilaterally initiate new charges or additional price and service terms for the same common carrier coal transportation services covered in CSXT-CORE-105. Specifically, CSXT has published five (5) additional common carrier schedules, each of which treats the same coal transportation which is the subject of Duke Energy's Complaint.

II

THE NEW CSXT RATES, CHARGES, AND SERVICE TERMS

The following is a list of the common carrier rate schedules published by CSXT following its publication of CSXT-CORE-105 on December 10, 2001:

<u>CSXT Publication Number</u>	<u>Effective Date</u>
CSXT-CORE-109 (Exhibit D, hereto) ¹	January 1, 2002
CSXT-CORE-115 (Exhibit E, hereto)	January 1, 2002
CSXT-CORE-117 (Exhibit F, hereto)	January 1, 2002
CSXT-CORE-120 (Exhibit G, hereto)	March 1, 2002
CSXT-CORE-128 (Exhibit H, hereto)	March 12, 2002

The new and/or changed rates, charges, practices, and other provisions provided in CSXT's above-listed common carrier rate schedules as well as those which CSXT holds out in CSXT-CORE-105 are unlawfully high and/or constitute unreasonable practices and are hereby made part of Duke Energy's Complaint.

¹ Exhibits A through C are appended to Duke Energy's December 19, 2001 Complaint.

WHEREFORE, Duke Energy prays that its Complaint be supplemented and amended so that allegations of unlawfulness and unreasonable practices extend to all of the schedules appearing in Exhibits D through H.

Respectfully submitted,

DUKE ENERGY CORPORATION

By: Paul R. Kinny
Assistant General Counsel
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202-1904

William L. Slover 
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(202) 347-7170

OF COUNSEL:

Slover & Loftus
1224 Seventeenth St., N.W.
Washington, D.C. 20036

Dated: April 5, 2002

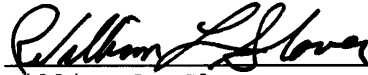
Attorneys for Complainant

CERTIFICATE OF SERVICE

I hereby certify that I have this 5th day of April,
2002 served copies of the Supplement-Amendment to the Verified
Complaint of Duke Energy Corporation upon the following:

Paul R. Hitchcock, Esq.
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(by overnight courier)

G. Paul Moates, Esq.
Sidley, Austin, Brown & Wood
1501 K Street, N.W.
Washington, D.C. 20005
(by hand)



William L. Slover
An Attorney for Complainant

CSX TRANSPORTATION
CSXT-CORE-109
Common Carrier Rate on Coal
For Duke Energy

Effective Date: January 1, 2002
Termination Date: February 28, 2002

1. Transportation Particulars:

<u>Origin</u> <u>Rate Districts</u> (as defined in CSXT 8200)	<u>Rates per net ton to:</u>			
	<u>Brice, NC</u>	<u>Riverbend, NC</u>	<u>Terrell, NC</u>	<u>Pelzer, SC</u>
Big Sandy	\$18.05	\$18.13	\$21.78	\$18.13
Kanawha	\$18.70	\$18.75	\$22.42	\$18.75
New River	\$19.20	\$19.25	\$22.92	\$19.25
Clinchfield	\$16.76	\$16.91	\$20.49	\$16.91
Elkhorn	\$18.20	\$18.25	\$21.85	\$18.25
Harlan	\$17.30	\$17.35	\$20.95	\$17.35
Hazard	\$18.20	\$18.25	\$21.85	\$18.25
J/M	\$17.30	\$17.35	\$20.95	\$17.35
SWVA	\$16.76	\$16.91	\$20.49	\$16.91

Commodity: Steam Coal (STCC NO. 11-212-90)
Route: CSXT Direct
Equipment: Railroad supplied gondolas and bottom drop hoppers
Train Size: 90 car unit trains
Loading: Four (4) hour Loading
Unloading: Twenty-four (24) Unloading
Demurrage: Subject to the provisions of CSXT 8200-series
Fuel Surcharge: Subject to Fuel Surcharge as published in CSXT 8200-series

2. Incorporation of Tariffs, Rules, ETC:

Except when in conflict, this Price Sheet incorporates all tariffs (i.e. Common Carrier Rates and other service terms), statutes and regulations that would apply if this Price Sheet did not exist, as of the date of shipment tender. The provisions of this Price Sheet control in case of any conflict without limitation.

3. Payment:

Payment of all rates and charges must be received by CSXT from industry within fifteen (15) days of the date of each bill. CSXT may cancel these credit provisions at any time. Industry may not set off payment in any dispute with Carrier.

4. Bill of Lading:

The provisions of the Uniform Straight Bill of Lading (Bill of Lading) are incorporated herein reference. Industry will add the following to each bill of Lading:

"Subject to CSXT-CORE-109"

Exhibit D, p. 2

CSXT-CORE-109

5. Damage Claims:

Any claims for loss, damage or delay to Commodity shipments shall be governed by the 49 USC 11707 and 49 CFR 1005.

9. Car Supply:

If Carrier is to supply cars, Industry understands that such supply is not guaranteed but will be supplied subject to Carrier's availability and distribution considerations.

The terms and conditions herein may be modified from time to time by supplements.

Issued: December 13, 2001

CSX TRANSPORTATION
CSXT-CORE-115
Common Carrier Rate on Coal
For Duke Energy

Effective Date: January 1, 2002
Termination Date: February 28, 2002

1. Transportation Particulars:

<u>Origin</u> <u>Rate Districts</u> (as defined in CSXT 8200)	<u>Rates per net ton to:</u>			
	<u>Brice, NC</u>	<u>Riverbend, NC</u>	<u>Terrell, NC</u>	<u>Pelzer, SC</u>
Big Sandy	\$18.30	\$18.38	\$22.03	\$18.38
Kanawha	\$18.95	\$19.00	\$22.67	\$19.00
New River	\$19.45	\$19.50	\$23.17	\$19.50
Clinchfield	\$17.01	\$17.16	\$20.74	\$17.16
Elkhorn	\$18.45	\$18.50	\$22.10	\$18.50
Harlan	\$17.55	\$17.60	\$21.20	\$17.60
Hazard	\$18.45	\$18.50	\$22.10	\$18.50
J/M	\$17.55	\$17.60	\$21.20	\$17.60
SWVA	\$17.01	\$17.16	\$20.74	\$17.16

Commodity: Steam Coal (STCC NO. 11-212-90)
Route: CSXT Direct
Equipment: Railroad supplied gondolas and bottom drop hoppers
Train Size: 90 car unit trains
Loading/Unloading: Twenty-four (24) hour Loading and Unloading
Demurrage: Subject to the provisions of CSXT 8200-series
Fuel Surcharge: Subject to Fuel Surcharge as published in CSXT 8200-series

2. Incorporation of Tariffs, Rules, ETC:

Except when in conflict, this Price Sheet incorporates all tariffs (i.e. Common Carrier Rates and other service terms), statutes and regulations that would apply if this Price Sheet did not exist, as of the date of shipment tender. The provisions of this Price Sheet control in case of any conflict without limitation.

3. Payment:

Payment of all rates and charges must be received by CSXT from industry within fifteen (15) days of the date of each bill. CSXT may cancel these credit provisions at any time. Industry may not set off payment in any dispute with Carrier.

4. Bill of Lading:

The provisions of the Uniform Straight Bill of Lading (Bill of Lading) are incorporated herein reference. Industry will add the following to each bill of Lading:

"Subject to CSXT-CORE-115"

CSXT-CORE-115

5. Damage Claims:

Any claims for loss, damage or delay to Commodity shipments shall be governed by the 49 USC 11707 and 49 CFR 1005.

9. Car Supply:

If Carrier is to supply cars, Industry understands that such supply is not guaranteed but will be supplied subject to Carrier's availability and distribution considerations.

The terms and conditions herein may be modified from time to time by supplements.

Issued: December 10, 2001

CSX TRANSPORTATION
CSXT-CORE-117
Common Carrier Rate on Coal
For Duke Energy

Effective Date: January 1, 2002
Termination Date: February 28, 2002

1. Transportation Particulars:

<u>Origin</u> <u>Rate Districts</u> (as defined in CSXT 8200)	<u>Rates per net ton to:</u>			
	<u>Brice, NC</u>	<u>Riverbend, NC</u>	<u>Terrell, NC</u>	<u>Pelzer, SC</u>
Big Sandy	\$18.05	\$18.13	\$21.78	\$18.13
Kanawha	\$18.70	\$18.75	\$22.42	\$18.75
New River	\$19.20	\$19.25	\$22.92	\$19.25
Clinchfield	\$16.76	\$16.91	\$20.49	\$16.91
Elkhorn	\$18.20	\$18.25	\$21.85	\$18.25
Harlan	\$17.30	\$17.35	\$20.95	\$17.35
Hazard	\$18.20	\$18.25	\$21.85	\$18.25
J/M	\$17.30	\$17.35	\$20.95	\$17.35
SWVA	\$16.76	\$16.91	\$20.49	\$16.91

Commodity: Steam Coal (STCC NO. 11-212-90)
Route: CSXT Direct
Equipment: Railroad supplied gondolas and bottom drop hoppers
Train Size: 90 car unit trains
Loading: Twenty-four (24) hour Loading
Unloading: Four (4) Unloading
Demurrage: Subject to the provisions of CSXT 8200-series
Fuel Surcharge: Subject to Fuel Surcharge as published in CSXT 8200-series

2. Incorporation of Tariffs, Rules, ETC:

Except when in conflict, this Price Sheet incorporates all tariffs (i.e. Common Carrier Rates and other service terms), statutes and regulations that would apply if this Price Sheet did not exist, as of the date of shipment tender. The provisions of this Price Sheet control in case of any conflict without limitation.

3. Payment:

Payment of all rates and charges must be received by CSXT from industry within fifteen (15) days of the date of each bill. CSXT may cancel these credit provisions at any time. Industry may not set off payment in any dispute with Carrier.

4. Bill of Lading:

The provisions of the Uniform Straight Bill of Lading (Bill of Lading) are incorporated herein reference. Industry will add the following to each bill of Lading:

"Subject to CSXT-CORE-117"

CSXT-CORE-117

5. Damage Claims:

Any claims for loss, damage or delay to Commodity shipments shall be governed by the 49 USC 11707 and 49 CFR 1005.

9. Car Supply:

If Carrier is to supply cars, Industry understands that such supply is not guaranteed but will be supplied subject to Carrier's availability and distribution considerations.

The terms and conditions herein may be modified from time to time by supplements.

Issued: December 13, 2001

FEB. -22' 02(FRI) 18:01 CSXT COAL

TEL:904 359 1744

P. 004

CSX TRANSPORTATION**CSXT-CORE-120**Common Carrier Rate on Coal
For Duke Energy

Effective Date:

March 1, 2002

Termination Date:

February 28, 2003

1. Transportation Particulars:

Origin	State	<u>Rates per net ton to:</u>			
		<u>Brice, NC</u>	<u>Riverbend, NC</u>	<u>Terrell, NC</u>	<u>Pelzer, SC</u>
Apex 2	KY	\$16.25	\$16.30	\$17.25	\$16.30
Arnold Fork	KY	\$16.45	\$16.70	\$17.65	\$16.70
Bates Branch	KY	\$16.45	\$16.70	\$17.65	\$16.70
Benedict	VA	\$15.65	\$15.70	\$16.65	\$15.70
Beth	WV	\$17.15	\$17.20	\$18.25	\$17.20
Blue Grass 4	KY	\$16.85	\$16.90	\$17.85	\$16.90
Brookside	KY	\$15.95	\$16.00	\$16.95	\$16.00
Buckeye 1	KY	\$16.85	\$16.90	\$17.85	\$16.90
Cheyenne 1	KY	\$16.45	\$16.70	\$17.65	\$16.70
Clover	KY	\$16.15	\$16.20	\$17.15	\$16.20
Colico	VA	\$15.70	\$15.75	\$16.70	\$15.75
Creech	KY	\$15.95	\$16.00	\$16.95	\$16.00
Dararon Fork	KY	\$16.25	\$16.30	\$17.25	\$16.30
Democrat 1	KY	\$16.45	\$16.70	\$17.65	\$16.70
Fanco	WV	\$17.35	\$17.40	\$18.45	\$17.40
Fola	WV	\$17.65	\$17.70	\$18.75	\$17.70
Fork Creek	WV	\$17.15	\$17.20	\$18.25	\$17.20
Gatliff	KY	\$16.15	\$16.20	\$17.15	\$16.20
Goff	KY	\$16.25	\$16.30	\$17.25	\$16.30
Guaranty	KY	\$16.45	\$16.50	\$17.45	\$16.50
Hamilton 2	KY	\$16.15	\$16.20	\$17.15	\$16.20
Hampton 3	WV	\$17.40	\$17.45	\$18.50	\$17.45
Hilo	KY	\$15.95	\$16.00	\$16.95	\$16.00
Holbrook	WV	\$17.15	\$17.20	\$18.25	\$17.20
Hutchinson	WV	\$17.22	\$17.27	\$18.32	\$17.27
Ivel	KY	\$16.45	\$16.50	\$17.45	\$16.50
Jesse Branch	KY	\$16.25	\$16.30	\$17.25	\$16.30
Kohlsaat	WV	\$17.40	\$17.45	\$18.50	\$17.45
Leatherwood 1	KY	\$16.85	\$16.90	\$17.85	\$16.90
Lick	WV	\$17.40	\$17.45	\$18.50	\$17.45
Lynch 3	KY	\$15.95	\$16.00	\$16.95	\$16.00
Marfork	WV	\$17.40	\$17.45	\$18.50	\$17.45
Mayflower	VA	\$15.65	\$15.70	\$16.65	\$15.70
McVicker	KY	\$16.25	\$16.30	\$17.25	\$16.30
Mousie	KY	\$16.45	\$16.50	\$17.45	\$16.50
Myra	KY	\$16.25	\$16.30	\$17.25	\$16.30
Neece Creek	VA	\$15.70	\$15.75	\$16.70	\$15.75
NRG	KY	\$15.95	\$16.00	\$16.95	\$16.00

FEB. -22' 02(FRI) 18:01 CSXT COAL

TEL:904 359 1744

P. 005

1. Transportation Particulars continued:

Origin	State	<u>Rates per net ton to:</u>			
		<u>Brice, NC</u>	<u>Riverbend, NC</u>	<u>Terrell, NC</u>	<u>Pelzer, SC</u>
Patton	KY	\$16.25	\$16.30	\$17.25	\$16.30
Pittco	VA	\$15.70	\$15.75	\$16.70	\$15.75
Praise	KY	\$16.25	\$16.30	\$17.25	\$16.30
Prenter	WV	\$17.15	\$17.20	\$18.25	\$17.20
Raccoon	KY	\$16.25	\$16.30	\$17.25	\$16.30
Ramsey	KY	\$16.25	\$16.30	\$17.25	\$16.30
Rapid Loader	KY	\$16.45	\$16.70	\$17.65	\$16.70
Roxanna	KY	\$16.85	\$16.90	\$17.85	\$16.90
Sapphire	KY	\$16.85	\$16.90	\$17.85	\$16.90
Sarah	KY	\$15.95	\$16.00	\$16.95	\$16.00
Scotts Branch	KY	\$16.25	\$16.30	\$17.25	\$16.30
Slones Branch	KY	\$16.25	\$16.30	\$17.25	\$16.30
Sunny Knott	KY	\$16.45	\$16.50	\$17.45	\$16.50
Sylvester	WV	\$17.40	\$17.45	\$18.50	\$17.45
Toms Fork	WV	\$17.20	\$17.25	\$18.30	\$17.25
Typo	KY	\$16.85	\$16.90	\$17.85	\$16.90

Commodity: Steam Coal (STCC NO. 11-212-90)

✓ Synthetic Fuel: Rates herein do not apply to chemically altered coal, or synthetic fuel within the meaning of Internal Revenue Code Section 29

Route: CSXT Direct

Equipment: Railroad supplied gondolas and bottom drop hoppers

Train Size: 55 car unit train (Minimum)

Loading/Unloading: Refer to Items 10 and 11

Demurrage: Subject to the provisions of CSXT 8200-series except as amended in CSXT-CORE-120, Item 11

Fuel Surcharge: Subject to Fuel Surcharge as published in CSXT 8200-series

Volume Incentive Year: As used herein, Year shall mean a 12 month period commencing on March 1

2. Incorporation of Tariffs, Rules, ETC:

This Price Sheet incorporates all tariffs (i.e. Common Carrier Rates, including CSXT 8200-series and other service terms), statutes and regulations that would apply if this Price Sheet did not exist, as of the date of shipment tender. The provisions of this Price Sheet control in case of any direct and express conflict.

3. Payment:

Payment of all rates and charges must be received by CSXT from industry within fifteen (15) days of the date of each bill. CSXT finance charges for late payment will apply (refer to CSXT-8200 series). CSXT may cancel these credit provisions at any time. Industry may not set off payment in any dispute with Carrier.

4. Bill of Lading:

The provisions of the Uniform Straight Bill of Lading (Bill of Lading) are incorporated herein reference. Industry will add the following to each bill of Lading:

"Subject to CSXT-CORE-120"

5. Damage Claims:

Any claims for loss, damage or delay to Commodity shipments shall be governed by the 49 USC 11707 and 49 CFR 1005.

6. Reservation System – Trainload/Unit Train Service:

The reservation system for trainload/unit train service as detailed in the CSXT-8200 series publication will apply.

7. Car Supply:

Carrier car supply is not guaranteed but will be supplied subject to Carrier's availability and distribution considerations.

8. Volume Incentives:

Volume incentives for ratable, consistent shipment patterns will be paid on: (a) One Year basis (current Year) and (b) a rolling consecutive Three Year basis. Volume incentives will be paid on an annual basis in the form of a refund and are subject to the following terms and conditions:

a.) Volume Incentive Refund:

Discount on Net Freight Paid on Net Tons
Qualifying for Volume Refund

<u>Volume Incentive Band</u> <u>Annual Net Tons (MM)</u>	<u>One Year Refund</u>	<u>Three Year Refund</u>
2.0 – 2.49	0.50%	0.17%
2.5 – 2.99	0.75%	0.25%
3.0 – 3.49	1.00%	0.33%
3.5 – 3.99	2.75%	0.92%
4.0 – 4.49	4.05%	1.35%
4.5 – 4.99	5.25%	1.75%
5.0 – 5.49	6.10%	2.03%
5.5 – 5.99	6.10%	2.03%
6.0 – 6.49	6.10%	2.03%

Note: CSXT will pay refunds as a percentage of the net freight paid by Duke. (any freight paid minus any other applicable discounts, rebates, or refunds paid on Duke shipments).

*Prior to each January 15th, Duke shall elect a Volume Incentive Band for the Three Years moving forward. Duke will be eligible for a volume incentive refund for the One Year Refund at the end of each Year. Duke shall specify its election by submitting the Volume Incentive Declaration Form.

In addition Duke will be eligible for the rolling Three Year Refund at the end of Year Three, and then each Year thereafter.

For Year 2002 only, CSXT will waive the January 15 election requirement and will change the election date to March 15, 2002.

8. Volume Incentives (continued)**b) General Terms and Conditions:**

*Volume Bands elected for the rolling consecutive Three Year period shall be within 500,000 net tons (plus or minus) from one election Year to the next.

*Duke may elect a Volume Band by January 15 for the next Year that is independent from prior election i.e. revised from prior rolling Three Year elections.

*Duke will qualify for the Three Year volume refund only if Duke actually ships its elected volume band for each individual Year over a consecutive Three Year period and it did not change its election for any Year in the Three Year period.

*Total net tons qualifying for the volume incentive refunds will include net tons shipped on CSXT-CORE-120 via CSXT to Brice, NC, Riverbend, NC, Terrell, NC and Pelzer, SC.

*Shipments must be a minimum of 75 cars per unit train in order to be included in the Volume Incentive calculation.

c) Ratable Shipment Requirement - Volume Incentives:

The volume incentive refunds are offered with the requirement that shipments be "ratable" on a daily and monthly basis, i.e. a relatively smooth shipping pattern.

For the purposes of calculating volume to any of the four individual Duke plants served by CSXT, the following constraints and or adjustments will apply:

***Daily Volume Counter - Adjusted for Ratability**

If the sum of net tons loaded on any weekday (Sunday through Saturday) exceeds 16% of the total net tons for the month, the number of net tons loaded on the weekday in question shall be reduced to 16% of the monthly total. A new monthly total will be developed by summing the lesser of 16% or the net tons actually loaded for each day of the month.

***Monthly Volume Counter- Adjusted for Ratability**

The number of net tons eligible for the volume incentive on a monthly basis will be the lesser of the adjusted month's tonnage (per Daily Volume Counter-Adjustment) or 105% of the prior month. This calculation is intended to minimize volume fluctuations from month to month.

***Annual Volume Counter- Adjusted for Ratability**

The annual volume calculated for purposes of the volume incentive refund will be the sum of the Monthly Volumes as adjusted above.

9. Lading Incentives:

As an incentive for Duke to influence producers to load efficiently, CSXT will pay a refund of \$.02 per net ton for each full ton in excess of 90 net tons lading weight shipped per car, up to the applicable load limit for that car. The refund calculation only applies to the tonnage in excess of 90 net tons in each car. The refund will be paid on all net tons in the car. To ensure safe loading practices, the refund will not apply to any train if any car in the train is loaded in excess of 286,000 pounds gross weight on rail or greater than its load limit. ✓

Example: 110 net tons in car

110	20 x \$.02=\$0.40
<u>-90</u>	\$0.40 Refunded on
20	all net tons in car

10. Loading/Unloading Incentives:

The following incentive refund will be available to Duke if the actual loading and unloading times of railroad owned equipment for movements under this Tariff meet the following parameters:

Load/Unload Incentives Per Net Ton

<u>Origin</u>	<u>Destination</u>	<u>Incentive Refund</u>
4 Hour	4 Hour	\$0.50
4 Hour	24 Hour	\$0.40
24 Hour	4 Hour	\$0.40
24 Hour	24 Hour	\$0.30

11. Demurrage - Origin & Destination:

Origin and Destinations will be rated as either a 24 hour or a 4 hour facility as stated in the Tariff-CSXT-8200. As stated in Item 10, above, CSXT will offer incentives for actual loading and unloading consistent within the allotted time. In addition, the applicable free time will be doubled such that a 4 hour facility will be changed to 8 hours and the free time for a 24 hour facility will be changed to 48 hours. If loading/unloading is in excess of the applicable free time, CSXT Tariff 8200 demurrage charges will be applied. While demurrage at origin will remain for the account of the shipper, Duke will receive as a benefit through this incentive the efficiencies created by the producer for loading within the 4 hour or 24 hour window, whichever is applicable.

12. Trainsize Incentive:

CSXT will provide Duke an incentive for trains ordered and actually loaded as 75 or 90 car trains. If a train is ordered as a 75 car train and loaded within the Free Time provided in this Publication as 75 or more cars, CSXT will refund \$1,875 per train. If a train is ordered as a 90 car train and is loaded within the Free Time provided in this publication as 90 cars or more, CSXT will refund \$3,600 per train.

13. Quarterly Rate Adjustments:

All rates are subject to quarterly increase or decrease with the Rail Cost Adjustment Factor-Unadjusted. Rates will not be adjusted below the base rates as detailed in CSXT-CORE-120.

14. Alternative Route Rate Adjustment:

From time to time, due to capacity constraints, weather and other acts of God, CSXT may reroute Duke trains over Richmond, VA in which event the rates specified in Item One will be increased by \$4.50 per net ton to offset additional costs.

15. Capital Improvement Recovery Charge:

With the fluctuations in volume and demands put on the CSXT infrastructure, CSXT has or is making significant investments in the Terrell Subdivisions serving the Marshall and Riverbend Plants and the Pelzer/Belton Subdivisions serving the Lee Plant. Over the past two Years, 100% of the moves over the Terrell subdivision and 93% of the moves over the Belton subdivisions were for Duke's benefit. Subject to the annual cap described below, CSXT will apply a Capital Improvement Recovery Charge (CIRC) on an annual basis to all Duke traffic moving under CSXT-CORE-120 at the rate of \$1 per net ton until investments made on the subdivision (Investment Amount) are recouped (currently estimated to be \$6.6 million). The Investment Amount will be adjusted to reflect the actual investments made by CSXT. Note: Once this work is completed CSXT will notify Duke of the actual Investment Amount.

In lieu of billing Duke, CSXT will retain the amount due under the CIRC from any amounts otherwise due to Duke by CSXT as incentives, discounts, rebates or refunds payable under this publication. The CRIC will be subject to an annual cap of one fifth of the Investment Amount and will terminate when the Investment Amount has been recouped.

16. Submission of Refund Claim Form:

Within ten days of the end of each month, Duke may submit a refund claim using the attached Refund Claim Form detailing the information necessary by train reservation number to determine Duke's eligibility for refunds. CSXT recommends, but this common carrier quotation does not require, that Duke submit the information on a diskette. Duke may request reasonable extensions of time to submit the forms, should the ten day limit prove difficult to meet. All incentives/refunds/rebates as described in CSXT-CORE-120 will be paid within 20 days of the end of each Year or receipt of Duke's claim whichever is later.

17. Common Carriage Application:

The rates, terms, and conditions as published herein (CSXT-CORE-120) are established for the use and benefit of the Duke Power Company in the production of electricity from the coal transported and subsequently burned as pulverized coal purchased by Duke Power Company and may not be used by any other entity, transferred to any other entity or used in combination with any other movement, including without limitation subsequent transportation by rail or truck from any of the stated destinations.

In addition, CSXT-CORE-120 is only applicable to the origins as specifically listed in this publication. Intermediate applications of origins not listed in CSXT-CORE-120 will not apply.

The rates, terms and conditions herein may be modified from time to time by supplements upon statutory notice.

Volume Incentive Declaration Form

2002 Declaration
2003 Declaration
2004 Declaration

(Due Prior to March 15th, 2002)
(Due Prior to January 15th, 2003)
(Due Prior to January 15th, 2004)

Tons (MM)

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>

CSX TRANSPORTATION
CSXT-CORE-128
Common Carrier Rate on Synthetic Fuel
For Duke Power Company

Effective Date: March 12, 2002
Termination Date: February 28, 2003

1. Transportation Particulars:

Rates per net ton to:

<u>Origins</u>	<u>State</u>	<u>Brice, NC</u>	<u>Riverbend, NC</u>	<u>Terrell, NC</u>	<u>Pelzer, SC</u>
Arnold Fork	KY	\$17.20	\$17.45	\$18.40	\$17.45
Bates Branch	KY	\$17.20	\$17.45	\$18.40	\$17.45
Clover	KY	\$16.90	\$16.95	\$17.90	\$16.95
Marfork	WV	\$18.15	\$18.20	\$19.25	\$18.20
Mayflower	VA	\$16.40	\$16.45	\$17.40	\$16.45
Myra	KY	\$17.00	\$17.05	\$18.00	\$17.05

Commodity:

Synthetic Fuel Derived from Coal (STCC No. 29-919-XX)
hereinafter referred to as Synthetic Fuel.

Synthetic Fuel Definition: Commodity shall mean non-hazardous, non-liquid, non-gaseous fuel produced by altering the chemical composition of coal feedstock through a qualified producing facility as defined in Section 29 (c) (1) (c) of the Internal Revenue Service Code.

Note: The five digit STCC classification designated above represents the closest available STCC for Synthetic Fuel. Application has been made for a specific 7 digit STCC for Synthetic Fuel. This common carrier publication will incorporate any STCC additions or revisions applicable to Synthetic Fuel.

Route:
Equipment:
Train Size:
Lading, Loading/Unloading,
Trainsize Incentives:
Demurrage and
Other Terms and Conditions:

CSXT Direct
Railroad supplied gondolas and bottom drop hoppers.
55 car unit train (Minimum).

Subject to items 9, 10 and 12 of CSXT-CORE-120

Fuel Surcharge:
Finance Charge:
Volume Incentive:

Subject to the provisions of CSXT 8200-series except as amended in CSXT-CORE-120, Item 11.
Subject to Fuel Surcharge as published in CSX 8200-series.
Subject to Finance Charge in CSXT 8200-series.
The tonnage of Synthetic Fuel shipped under this rate authority shall be counted for purposes of determining

03/12/02 TUE 13:25 FAX 704 382 4588
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FUEL PROCUREMENT

Exhibit H, p. 2

0003

TEL:904 359 1744

P. 004

Application of CSXT-CORE-120:

Common Carriage Application:

Duke Power's entitlement to Volume Incentives as provided in Core-120, Item 8.

Except for the freight rates as defined herein for Synthetic Fuel, all other terms and conditions of CSXT-CORE-120 will apply to CSXT-CORE-128.

The rates, terms and conditions as published herein (CSXT-CORE-128) are established for the use and benefit of the Duke Power Company in the production of electricity from the Synthetic Fuel transported and subsequently burned in a pulverized form purchased by Duke Power Company and may not be used by any other entity, transferred to any other entity or used in combination with any other movement, including without limitation subsequent transportation by rail or truck from any of the stated destinations.

In addition, CSXT-CORE-128 is only applicable to the origins as specifically listed in this publication. Intermediate applications of origins not listed in CSXT-CORE-128 will not apply.