

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial No.
(850) 425-2359

May 10, 2005

BY HAND DELIVERY

Blanca Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Progress Energy Florida -- Docket No. 041393 - *EI*
CONFIDENTIAL MATERIAL ENCLOSED

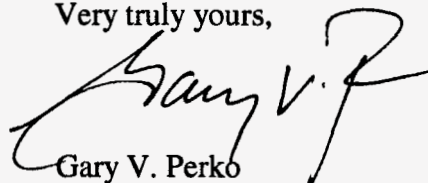
Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida are the following:

1. The original and fifteen copies of Progress Energy Florida's Notice of Intent to Request Confidential Classification; and
2. A confidential envelope containing one copy of the material for which Confidential Classification is being requested.

By copy of this letter, the Notice of Intent to Request Confidential Classification has been furnished to the parties on the attached service list. If you have any questions regarding this filing, please call.

Very truly yours,



Gary V. Perko

GVP/mee
Enclosures
cc: Certificate of Service

DOCUMENT NUMBER-CAT

04567 MAY 10 05

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been provided by e-mail and by U.S. Mail, postage pre-paid, on May 10th, 2005, to the following:

James M. Bushee, Esq.
Daniel E. Frank, Esq.
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, NW
Washington DC 2004-2415
Fax: (202) 637-3593

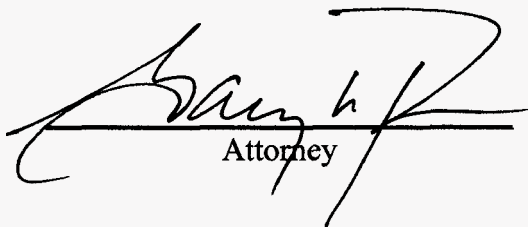
Richard A. Zambo, Esq.
Richard A. Zambo, P.A.
2336 S.E. Ocean Boulevard, # 309
Stuart, Florida 34996
Fax: (772) 232-0205

C. Everett Boyd, Esq.
Sutherland Asbill & Brennan LLP
2282 Killearn Center Boulevard
Tallahassee, FL 32309-3576
Fax: (850) 894-0030

Adrienne E. Vining, Esq.
Senior Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Karin S. Torain, Esq.
PCS Administration (USA), Inc.
Suite 400
Skokie Boulevard
Northbrook, IL 60062
Fax: (847) 849-4663

R. Alexander Glenn, Esq.
Deputy General Counsel
Progress Energy Service Company, L.L.C.
100 Central Avenue, Suite 1D
St. Petersburg, FL 33701-3324


Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of two unit power sales agreements with Southern Company Services, Inc. for purposes of cost recovery through capacity and fuel cost recovery clauses, by Progress Energy Florida, Inc.

DOCKET NO. 041393-EI

FILED: May 10, 2005

NOTICE OF INTENT TO REQUEST CONFIDENTIAL CLASSIFICATION

Progress Energy Florida, Inc. ("Progress Energy"), by and through its undersigned attorneys and pursuant to Rule 25-22.006, Florida Administrative Code, hereby gives notice that it intends to request confidential classification of its responses to Interrogatory Nos. 3 and 6 of Staff's First Set of Interrogatories and of documents being produced in response to Staff's First Request for Production of Documents (No. 1). A copy of Staff's request for the confidential materials is appended hereto. Copies of the confidential documents are provided in the enclosed envelope labeled "Confidential."

These materials contain proprietary confidential business information regarding trade secrets, contractual and bid information, and information relating to competitive interests the disclosure of which would cause irreparable harm to Progress Energy within the meaning of Section 366.093(3), Florida Statutes. The information for which confidential classification is sought is intended to be and is treated by Progress Energy as private. A formal request for confidential classification will be filed within the time period specified in Rule 25-22.006 (3)(a), Florida Administrative Code, if Staff determines that the information will be retained and not returned to the company within the specified time period.

RESPECTFULLY SUBMITTED this 10th day of May, 2005.

HOPPING GREEN & SAMS, P.A.

By: 

Gary V. Perko
Hopping Green & Sams, P.A.
P.O. Box 6526
Tallahassee, FL 32314
(850) 425-2359

Attorneys for Progress Energy Florida, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of two unit power sales agreements with Southern Company Services, Inc. for purposes of cost recovery through capacity and fuel cost recovery clauses, by Progress Energy Florida, Inc.

DOCKET NO. 041393-EI

DATED: MAY 3, 2005

STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

Pursuant to Rule 28-106.206, Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, the Staff of the Florida Public Service Commission, by and through its undersigned attorney, hereby serves the following Request for Production of Documents upon Progress Energy Florida, Inc. (PEF).

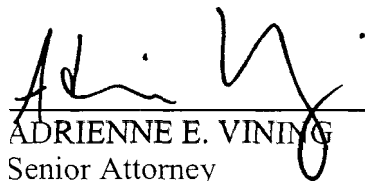
Please produce the following documents at the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, **within the time period set out in Order No. PSC-05-0432-PCO-EI** after service of this request for the purpose of inspection and copying.

DEFINITIONS

As used herein, the word "documents" shall mean the original and any non-identical copies of any writing or record, including but not limited to a book, pamphlet, periodical, letter, memorandum, telegram, report, study, interoffice or intraoffice, handwritten or other notes, working paper, draft, application, permit, chart, paper, graph, survey, index, tape, disc, data sheet or data processing card, computer printout, or any other written, recorded, transcribed, filed or graphic matter, however produced or reproduced.

DOCUMENTS REQUESTED

1. Please provide a copy of the agreement(s) which provides Progress with the right-of-first refusal for specified coal capacity on Southern's system if this capacity becomes available.



ADRIENNE E. VINING
Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6183

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of two unit power sales agreements with Southern Company Services, Inc. for purposes of cost recovery through capacity and fuel cost recovery clauses, by Progress Energy Florida, Inc. | DOCKET NO. 041393-EI
| DATED: MAY 3, 2005

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO PROGRESS ENERGY FLORIDA, INC. (NO. 1) has been served by electronic mail and U. S. mail to Gary V. Perko, Hopping Law Firm, P. O. Box 6526, Tallahassee, Florida 32314 on behalf of Progress Energy Florida, Inc. and that a true copy thereof has been furnished to the following by U. S. mail this 3rd day of May, 2005:

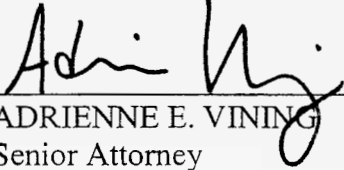
PCS Administration (USA), Inc.
Karin S. Torain
1101 Skokie Boulevard, Suite 400
Northbrook, IL 60062

Progress Energy Florida, Inc.
Paul Lewis, Jr.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Richard A. Zambo, P. A.
2336 S. E. Ocean Blvd., #309
Stuart, FL 34996

Sutherland Asbill Law Firm
James Bushee/Daniel Frank
1275 Pennsylvania Avenue, N. W.
Washington, DC 20004-2415

Sutherland Asbill Law Firm
C. Everett Boyd, Jr.
2282 Killearn Center Blvd.
Tallahassee, FL 32309-3576


ADRIENNE E. VINING
Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6183

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of two unit power sales agreements with Southern Company Services, Inc. for purposes of cost recovery through capacity and fuel cost recovery clauses, by Progress Energy Florida, Inc. | DOCKET NO. 041393-EI
DATED: MAY 3, 2005

STAFF'S FIRST SET OF INTERROGATORIES TO
PROGRESS ENERGY FLORIDA, INC. (NOS. 1 - 15)

The Staff of the Florida Public Service Commission, by and through its undersigned attorney, propounds the following interrogatories, pursuant to Rule 1.340, Florida Rules of Civil Procedure, to Progress Energy Florida, Inc. (PEF). These interrogatories shall be answered under oath by you or your agent, who is qualified and who will be identified, with the answers being served as provided by the Rules of Civil Procedure, **within the time period set out in Order No. PSC-05-0432-PCO-EI**. As provided by Rule 1.340(a), Florida Rules of Civil Procedure, each interrogatory shall be answered separately and fully in writing under oath unless it is objected to. Each answer shall be signed by the person making it.

Give the name, address, and relationship to (PEF) of those persons providing the answers to each of the following interrogatories.

If an interrogatory contained herein asks for information that has already been provided or is in the process of being provided to the Commission through a Commission audit, please so state, indicating the date provided and the audit document/record request number.

DEFINITIONS

“You”, “your”, “Company” or “PEF” refers to Progress Energy Florida, Inc., its employees and authorized agents.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software.

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) to the Company;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

3. Please describe any dispatch rights Progress will have for Scherer Unit 3 and Franklin Unit 1 under the Unit Power Sales Agreements.

4. Please discuss whether Progress will use network or point-to-point transmission service for the Southern Company agreements. If point-to-point, please identify these locations. When does Progress anticipate obtaining firm transmission service for delivery of the contracted power?

5. Please identify the anticipated cost of transmission rights under the Southern Company agreements. Please break out the cost for the segment within the SERC region (to the Florida-Georgia interface) and the segment within the FRCC region.

6. Page 3 of the petition describes how energy charges for the Southern Company agreements will be based on a guaranteed heat rate at the Franklin unit but an actual heat rate at the Scherer unit. Please explain why different heat rates are used.

7. Progress has stated that its right-of-first refusal to additional capacity from Scherer Unit 3 is no longer valid. How does this impact the potential benefits associated with the UPS agreements? Will Progress retain its right-of-first refusal to other coal capacity on the Southern system on an as-available basis, as mentioned on page 5 of the petition?

8. Page 5 of the petition states that the contracts “offer a ‘bridge’ of sorts, providing coal-based energy in a time frame that construction of new coal facilities would not be possible, until a point in time where new coal facilities could be considered.” Please discuss Progress Energy’s current efforts to determine the cost-effectiveness and feasibility of developing coal capacity in the future.

9. Exhibit D of the petition provides the cost savings from the proposed Southern Company UPS agreements. Please provide the net present value analysis, on an annual and cumulative basis, to determine anticipated savings, including the assumptions used in developing the analysis. Does the cancellation of Progress Energy's right-of-first refusal on additional capacity from Scherer Unit 3 impact the results of the analysis?

10. How does the assumption on economy purchases used to develop Exhibit D compare to the actual economy purchases completed as a result of the existing UPS agreements with Southern Company?

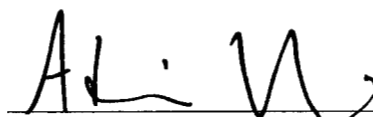
11. Page 6, lines 9-11 of Mr. Waters' testimony in Docket No. 040001-EI provides the cost analysis from the proposed Southern Company contracts under "alternative assumptions regarding the availability of economy energy from the Southern system." Please explain what these alternative assumptions were, and identify how Progress Energy's cost analysis of the actual agreements, as provided in Exhibit D in Docket No. 041393-EI, would be affected by these alternative assumptions.

12. Given that Progress expects the capacity from the proposed Southern Company contracts to defer the need for a May 2010 combined cycle unit, please explain why Progress did not issue a Request for Proposals for the combined cycle unit.

13. Please discuss whether there have been any significant changes in the status of Progress' efforts to obtain firm transmission service from Southern Company to the Florida-Georgia interface since Samuel Waters' April 15, 2005 testimony was filed.

14. Please discuss whether Progress has the right under the agreements to redirect transmission in order to make economy sales out of the contracted generating units.

15. Please discuss any provisions of the contract which will affect Progress' ability to make economy sales or purchases as compared to Progress' ability to make these sales or purchases under the existing contracts.



ADRIENNE E. VINING
Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6183

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF _____)

I hereby certify that on this _____ day of _____, 2005, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared _____, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) _____ from Staff's First Set of Interrogatories to Progress Energy Florida, Inc. (Nos. 1 - 15) in Docket No. 041393-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this _____ day of _____, 2005.

Notary Public
State of Florida, at Large

My Commission Expires:

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of two unit power sales agreements with Southern Company Services, Inc. for purposes of cost recovery through capacity and fuel cost recovery clauses, by Progress Energy Florida, Inc. | DOCKET NO. 041393-EI
| DATED: MAY 3, 2005

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of STAFF'S FIRST SET OF INTERROGATORIES TO PROGRESS ENERGY FLORIDA, INC. (NOS. 1 - 15) has been served by electronic mail and U. S. mail to Gary V. Perko, Hopping Law Firm, P. O. Box 6526, Tallahassee, Florida 32314 on behalf of Progress Energy Florida, Inc. and that a true copy thereof has been furnished to the following by U. S. mail this 3rd day of May, 2005:

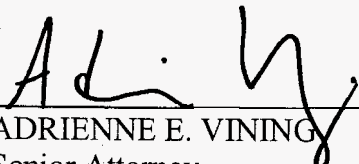
PCS Administration (USA), Inc.
Karin S. Torain
1101 Skokie Boulevard, Suite 400
Northbrook, IL 60062

Progress Energy Florida, Inc.
Paul Lewis, Jr.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Richard A. Zambo, P. A.
2336 S. E. Ocean Blvd., #309
Stuart, FL 34996

Sutherland Asbill Law Firm
James Bushee/Daniel Frank
1275 Pennsylvania Avenue, N. W.
Washington, DC 20004-2415

Sutherland Asbill Law Firm
C. Everett Boyd, Jr.
2282 Killearn Center Blvd.
Tallahassee, FL 32309-3576


ADRIENNE E. VINING
Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6183