



October 4, 2006

Ms. Blanca S. Bayó, Director  
Division of Commission Clerk and  
Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

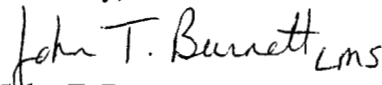
Re: Joint petition for approval of modification to qualifying facility contract between  
Orange Cogeneration, L.P. and Progress Energy Florida, Inc.; Docket No. 060666 - EQ

Dear Ms. Bayó:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") and Orange Cogeneration, L.P. ("Orange") the original and fifteen (15) copies of the joint petition for approval of modification to qualifying facility contract between PEF and Orange.

Please acknowledge receipt of this filing by stamping a copy of this letter and returning to the undersigned. Thank you for your assistance in this matter.

Sincerely,

  
John T. Burnett

JTB/lms  
Enclosure

cc: Mr. Malcolm Jacobson

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Joint Petition for Approval of  
Modification to Qualifying Facility  
Contract between Orange  
Cogeneration, L.P. and Progress  
Energy Florida, Inc.

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Docket No.: 060666-ER

Submitted for filing:

October 4, 2006

**JOINT PETITION FOR APPROVAL OF MODIFICATION TO  
QUALIFYING FACILITY CONTRACT BETWEEN ORANGE  
COGENERATION, L.P. AND PROGRESS ENERGY FLORIDA, INC.**

Progress Energy Florida, Inc. ("PEF") and Orange Cogeneration, L.P. ("Orange") (collectively "Joint Petitioners"), pursuant to Rule 25-17.0836, F.A.C. , jointly petition the Commission for approval of a contract modification to a negotiated power purchase contract for the purchase of firm capacity and energy from a qualifying facility between CFR Biogen Corporation and Florida Power Corporation dated November 19, 1991 ("the Contract"). In support of this joint petition, the Joint Petitioners state as follows:

1. PEF is an investor-owned utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. PEF's general offices are located at 100 Central Avenue, St. Petersburg, Florida, 33701. Orange is a qualifying facility whose offices are located at 2929 Allen Parkway, Suite 2200, Houston, Texas, 77019.
2. All notices, pleadings and other communications required to be served on Joint Petitioners should be directed to:

John T. Burnett, Esquire  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5184  
Facsimile: (727) 820-5249

Malcolm Jacobson  
2929 Allen Parkway, Suite 2200  
Houston, TX 77019  
Telephone: (713) 580-6335  
Facsimile: (713) 580-6320

For express deliveries by private courier, the addresses are as stated in paragraph 1.

3. By Order No. PSC-92-0129-FOF-EQ, issued March 31, 1992 in Docket No. 900383-EQ, the Commission approved the firm capacity and energy contract between CFR Biogen Corporation (now Orange) and Florida Power Corporation (now PEF). The Commission found that the Contract was reasonable and cost-effective for PEF's ratepayers.

4. PEF and Orange request Commission approval to add new language to Article XII of the Contract, after Section 12.1.4, to read as follows:

Section 12.1.5 In the event that an error in the amount of a payment or payments is discovered more than twelve (12) months from the date on which the payment or payments is/are made, then the Party claiming such error shall not be entitled to any additional remuneration with respect thereto, unless the error shall have resulted from the fraud of the other Party.

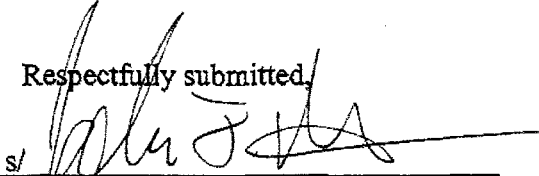
5. PEF and Orange wish to add the new Section 12.1.5 to the Contract to add more definitive parameters to the Contract with respect to potential payment errors that may be made during the administration of the Contract. By adding the time limitations set forth in the proposed section 12.1.5, the Joint Petitioners will be able to operate under objective and definitive parameters should such payment errors occur, and this will allow the Joint Petitioners to more effectively administer and

implement the Contract and will help to avoid potential disputes between the Joint Petitioners. Furthermore, by adding such language, it brings consistency in limitations set forth in other PEF wholesale contracts and PEF has comprehensive controls and audit procedures in place that reduce the risk of such an error not being identified within a 12-month period. Aside from the additional language proposed in Section 12.1.5, the Joint Petitioners are not requesting any other changes to the Contract.

WHEREFORE, PEF and Orange respectfully request the Commission to enter an order granting this joint petition and approving the additional language to the Contract as stated herein.

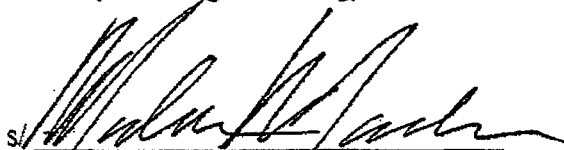
Respectfully submitted,

s/

  
JOHN T. BURNETT  
Fla. Bar No. 173304  
Associate General Counsel  
Progress Energy Service Company, LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5184  
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Attorney for Progress Energy Florida, Inc.

s/

  
MALCOLM JACOBSON  
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