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Public Service Commission

February 10, 2010

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COMMISSION  
CLERK

John T. Burnett  
Progress Energy Service Company, LLC  
P.O. Box 14042  
St. Petersburg, FL 33733-4042

**Re: Docket No. 090537-EQ - Petition for approval of amended negotiated purchase power contract with BG&E of Florida, LLC by Progress Energy Florida.**

Dear Mr. Burnett:

By this letter, staff requests that Progress Energy Florida, Inc. (PEF) provide responses to the following data requests:

1. Has BG&E obtained financing for the proposed project?
2. Has BG&E determined a location for the proposed project site? If so, where?
3. Given that the in-service date, or Commercial Operation date, has been changed to July 1, 2012 and the energy payment start date has been changed to January 1, 2013, what are the milestones for the project?
4. The contract does not appear to contain any provisions for early payment. What conditions must exist between the parties in order for early payments to be made?
5. Please explain how PEF will recover the interest payable to BG&E under Article 8.2.2 of the contract, if it becomes necessary to pay such interest.
6. Has BG&E obtained a fuel supply contract? If so, with whom? What are the terms, and duration of the contract?
7. Has BG&E obtained a contract for a transmission provider?
8. In the event PEF were to terminate the contract pursuant to Article 11.4, what would it do with the monetary damages if those damages were in fact received from BG&E?

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9. On page 4 of the petition, PEF states that it used the 2009 Ten Year Site Plan fuel forecast to calculate the NPV for the amended contract. For the years 2019 through 2032, what forecasted fuel prices did PEF use to calculate the NPV? Please explain.
10. Please provide a complete copy of the fuel price forecast used to calculate the NPV for the entire term of the amended contract.
11. Why is the fuel price forecast used to calculate the NPV of the amended contract reasonable?
12. Please provide a comparison of the NPVs for the original contract and the amended contract. Please calculate the NPV for the original contract and the amended contract using the fuel price forecast that was used for the amended contract.
13. Please complete the attached three tables.
  - a. Table 1 is a comparison of the payments under the amended contract to the avoided unit (2014 CT) at the capacity factor given in the analysis provided with the petition.
  - b. Table 2 is a comparison of the payments under the original contract to those under the amended contract. As part of this response, please state the assumptions used in the analysis.
  - c. Table 3 is a comparison of the payments under the amended contract to a combination of the avoided unit (2014 CT) and as-available energy. As part of this response, please use a capacity factor for the avoided unit that represents the typical actual utilization of this type of generating unit. In addition, please use as-available payments for the remainder of the energy and state the capacity factor of the avoided unit used for this analysis.

Please provide responses by March 1, 2010. If you have any questions, please do not hesitate to contact me at (850) 413-6218.

Sincerely,



Katherine E. Fleming  
Senior Attorney  
Office of the General Counsel

cc: Office of Commission Clerk  
Division of Regulatory Analysis (Ballinger, Matthews, Gilbert)  
Division of Economic Regulation (Lester, Franklin)





