



February 22, 2010

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VIA HAND DELIVERY

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: *Petition for approval of Letter Agreement to Negotiated Purchase Power Contract with Pinellas County Resource Recovery by Progress Energy Florida, Inc.; Docket No. 090499-EQ*

Dear Ms. Cole:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") the original and five (5) copies of PEF's response to Staff's Data Request No. 4 in the above referenced docket.

Thank you for your assistance in this matter. Please call me at (727) 820-5184 should you have any questions.

Sincerely,

John T. Burnett *JMS*
John T. Burnett

JTB/lms

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PROGRESS ENERGY FLORIDA, INC.'S RESPONSES TO STAFF DATA REQUEST NO. 4

DOCKET No. 090499-EQ

- Q1. Please complete the attached table to show calculations from the data presented in response to Staff Data Request No. 3 through to actual capacity payments and cumulative capacity payments for the period September 2009 to December 2009.**

Answer: Please see Attachment A.

- Q2. Please compare the capacity payments calculated above with those in PEF's response to Staff Data Request No. 2, to include an explanation for any differences.**

Answer: PEF's responses to the Staff Data Request No. 2 are included in the following table:

	(1)	(2)	(3)
Month	Capacity Payment per Agreement	Amended Capacity Payment	Difference
Sep – 09	\$ 1,211,070.00	\$ 922,720.00	\$ 461,360.00
Oct – 09	\$ 2,595,150.00	\$ 1,730,100.00	\$ 865,050.00
Nov – 09	\$ 2,595,150.00	\$ 1,730,100.00	\$ 865,050.00
Dec – 09	\$ 1,339,432.26	\$ 837,145.16	\$ 502,287.10

The differences are due to the following:

- In PEF's response to the Staff Data Request No. 2, the capacity payment values are for the period of time included in the letter agreement only. That is, the capacity payments are for the period from September 15, 2009 through December 15, 2009. As requested, the capacity payment calculations in this response are for the entire months of September, October, November and December.
- During August, 2009 when PEF was evaluating ratepayer impacts, and also as shown in PEF's response to the Staff Data Request No. 2, the capacity payment values were calculated assuming the Pinellas County facility would have maintained a total and on-peak capacity factor of at least 70% because absent the agreement at issue, Pinellas County would logically have done everything possible to maintain its monthly capacity factors above 70%.
- As requested, the capacity factor and total payment calculations in the Staff Data Request No. 3 include just the actual deliveries from the Pinellas County facility.

PEF also notes that this agreement was executed in August 2009 with no retrospective data or outage curtailment information available. In addition, as stated in the Staff Data Request No. 1, Question #4, PEF did not need Pinellas County's full capacity to meet its reserve margins during this period. Finally, post-outage deliveries reveal that PEF's ratepayers have and will be benefiting from Pinellas County Resource Recovery's increased capacity, energy and reliability under the terms and conditions of the original contract.

Attachment A

Capacity Payment Comparison
(with 12-Month Rolling Average Capacity Factors)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				= (3) ÷ (2)		= (6) ÷ (5)		= Rate per Rate Criteria	= (4) x Committed Capacity	
	2009 Month	12-Month Expected Energy (MWh)	12-Month Energy Delivered (MWh)	Total Capacity Factor (%)	12-Month Expected Peak Energy (MWh)	12-Month Peak Energy Delivered (MWh)	On-Peak Capacity Factor (%)	Rate \$/kW/Mo.	Capacity Payment	Cumulative Total
Modified Agreement	Sep	354,944	250,860	70.68%	163,374	114,599	70.15%	\$47.40	\$2,133,790.00*	\$2,133,790.00
	Oct	366,770	259,504	70.75%	168,959	118,712	70.26%	\$47.40	\$1,730,100.00	\$3,863,890.00
	Nov	393,050	289,275	73.60%	180,602	131,952	73.06%	\$47.40	\$1,730,100.00	\$5,593,990.00
	Dec	399,620	300,533	75.20%	183,340**	136,697	74.56%**	\$47.40	\$2,176,577.42*	\$7,770,567.42
Original Agreement	Sep	361,952	250,860	69.31%	166,878	114,599	68.67%	\$15.99	\$875,452.50	\$875,452.50
	Oct	379,691	259,504	68.35%	175,255	118,712	67.74%	\$15.99	\$875,452.50	\$1,750,905.00
	Nov	419,111	289,275	69.02%	192,720	131,952	68.47%	\$15.99	\$875,452.50	\$2,626,357.50
	Dec	432,251	300,533	69.53%	198,195**	136,697	68.97%**	\$15.99	\$875,452.50	\$3,501,810.00

*As required in the PPA, these capacity payments were calculated on a daily basis. The modified committed capacity below was not used.

** These values have been corrected. In December, there are 10 on-peak hours per day. In PEF's earlier response, these values were calculated based on 11 on-peak hours per day.

Rate Criteria	2009 Rates
Total and Peak > 70%	\$47.40
Total < 70%, Peak > 70%	\$19.96
Total < 70%, Peak > 60%	\$15.99
Total < 70%, Peak < 60%	\$0.00

Month	Modified Committed Capacity* (MW)	Original Committed Capacity (MW)
Sep	45.02	54.75
Oct	36.50	54.75
Nov	36.50	54.75
Dec	45.92	54.75

*Expected Energy ÷ Total Billing Hours