



April 28, 2010

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VIA HAND DELIVERY

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

Re: *Petition for approval of amended standard offer contract, by Progress Energy Florida;
Docket No. 100168-EI*

Dear Ms. Cole:

Please find attached for filing an original and five (5) copies of Progress Energy Florida, Inc.'s ("PEF") responses to Staff Data Request No. 1 dated April 23, 2010 in the above referenced docket.

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

Sincerely,

John T. Burnett ems
John T. Burnett

COM	JTB/lms
APA	Attachments
ECR	_____
GCL	2 cc: Martha Brown (FPSC)
RAD	3
SSC	_____
ADM	_____
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PROGRESS ENERGY FLORIDA, INC.'S RESPONSES TO STAFF DATA REQUEST NO. 1
DOCKET NO. 100168-EI

- Q1. Please refer to the Legislative format of the Third Revised Sheet 9.415. Under the Minimum Specifications and Standards section, Progress' avoided unit is titled Suwannee P4. Progress' Ten-Year Site Plan refers to an undesignated CT. Please clarify which CT is appropriate and provide any revisions, if necessary.**

Answer: The appropriate avoided unit is consistent with PEF's 2010 Ten-Year Plan and should be listed as an undesignated CT. A corrected tariff sheet is attached hereto and should replace the original page previously submitted in its entirety.

- Q2. Please refer to the Legislative format of Table 2 in the Third Revised Sheet 9.424. Under the subheading titled amount per MW, please explain and provide any necessary support for the increase in the values located in the table.**

Answer: PEF's performance security requirements had not changed from 2007 through 2009. As such, a thorough review was conducted of the security amounts and the calculation methodology. The methodology was changed so that the amounts listed in Table 2 would more closely match PEF's actual power purchase costs during the avoided unit's construction period and bringing the avoided unit on line, as a result of a renewable energy project default. The calculations use average capacity costs (those costs which would have to be incurred to secure power in the event of a renewable resource default) and take into account the amount of unsecured credit which would be granted to a company based on their creditworthiness.

- Q3. Please refer to the Legislative format of Table 3 in the Third Revised Sheet 9.455. Using subheadings of each option, please explain and provide any necessary support for the decline in the capacity payments located in the table.**

Answer: The decline in the capacity payments in Table 3 for all four options listed are a result in the combustion turbine capital costs reducing from 2009 to 2010. The major commodity drivers of the capital costs such as copper, steel, aluminum, and concrete all went down in price during the out-years, compared to their estimated prices in 2009. In addition, fixed O&M, which is another component of the capacity payment, decreased compared to the 2009 estimates because of the impact of the on-going recession on labor costs.

3. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties and shall end at 12:01 a.m. on the Termination Date, (the "Term") unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date of the Facility is not accomplished by the RF/QF before the Avoided Unit In-Service Date (or such later date as may be permitted by PEF pursuant to Section 7), this Contract shall be rendered null and void and PEF's shall have no obligations under this Contract.

4. Minimum Specifications and Milestones

As required by FPSC Rule 25-17.0832(4)(e), the minimum specifications pertaining to this Contract and milestone dates are as follows:

Avoided Unit	Undesignated CT
Avoided Unit Capacity	178 MW
Avoided Unit In-Service Date	June 1, 2018
Avoided Unit Heat Rate	10,648 BTU/kWh
Avoided Unit Variable O&M	1.507¢ per kWh in mid-2018 dollars escalating annually at 2.00%
Avoided Unit Life	25 years
Capacity Payments begin	Avoided Unit In-Service Date unless Option B, or D is selected or amended in Appendix E
Termination Date	May 31, 2028 (10 years) unless amended in Appendix E
Minimum Performance Standards – On Peak Availability Factor*	94%
Minimum Performance Standards – Off Peak Availability Factor	94%
Minimum Availability Factor Required to qualify for a Capacity payment	74%
Expiration Date	April 1, 2011
Completed Permits Date	June 1, 2017
Exemplary Early Capacity Payment Date	January 1, 2011

* RF/QF performance shall be as measured and/or described in Appendix A.