

Diamond Williams

From: Stright, Lisa [Lisa.Stright@pgnmail.com]
Sent: Friday, July 09, 2010 2:47 PM
To: Filings@psc.state.fl.us
Cc: Burnett, John; Tom Ballinger
Subject: E-filing: CORRECTION to Hathaway Contract #3 - Docket No. 100347-EQ
Attachments: (Signed) CORRECTED Contract Pages - Hathaway #3 (7.9.10).pdf

This electronic filing is made by:

John T. Burnett
299 First Avenue North
St. Petersburg, FL 33733
(727) 820-5184
john.burnett@pgnmail.com

Docket No. 100347-EQ

On behalf of Progress Energy Florida

Consisting of 4 pages.

**The attached document for filing are
PEF's CORRECTED Pages 25 and 41 to
negotiated Hathaway Contract #3
in the above referenced docket.**

Lisa Stright
Regulatory Analyst - Legal Dept.
Progress Energy Svc Co.
106 E. College Ave., Suite 800
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7/12/2010

DOCUMENT NUMBER-DATE
05665 JUL-9 2
FPSC-COMMISSION CLERK



July 9, 2010

VIA ELECTRONIC FILING

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


Re: Petition of Progress Energy Florida, Inc. for approval of a third negotiated purchase power contract with Hathaway Renewable Energy, Inc.; Docket No. 100347-EQ

Dear Ms. Cole:

On July 6, 2010, Progress Energy Florida, Inc. ("PEF") filed its petition for approval of a third negotiated purchase power contract with Hathaway Renewable Energy, Inc. ("Hathaway"). In the contract itself, two pages were inadvertently incorrect. Please replace Pages 25 and 41 with the CORRECTED pages attached hereto. We apologize for any inconvenience this may have caused.

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

JTB/lms
Attachments

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05665 JUL-9 0

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CORRECTED Pages 25 and 41
(Hathaway Contract #3)

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05665 JUL-92

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~\$.0016/MMBtu or UFS or any other unspecified future surcharges). FGT's Surcharges and Fuel percentages are collected in accordance with the terms and conditions of FGT's FERC approved tariff, in effect from time to time for service under FGT's proposed Rate Schedule FTS-3 which, at this time, has not been filed with or approved by the FERC.

12.2. Capacity

Buyer agrees to pay Seller for the Capacity described in Section 6 in accordance with the rates and procedures contained in Appendix 2. The capacity rate shall be USD\$12.85 per kW/Month for the duration of the contract using the Early Levelized Capacity Payment method starting on the Capacity Commencement Date.

12.3. Payments for Energy and Capacity

Payments due Seller will be made monthly, and normally by the twentieth (20th) Business Day following the end of the billing period. The megawatt-hours sold by Seller and the applicable avoided energy rate at which payments are being made shall accompany the payment to Seller.

12.4. Payment Adjustment

Payments to be made under this Section 12.3 shall, for a period of not longer than two (2) years, remain subject to adjustment based on billing adjustments due to error or omission by either Party, provided that such adjustments have been agreed to between the Parties or resolved in accordance with the provisions of Section 16 hereof.

12.5. Termination Fee

The Parties agree that the Buyer has opted for early levelized capacity payments. Upon the termination of this Contract, the Seller shall owe and be liable to Buyer for the Termination Fee as calculated in Appendix 3. The Seller's obligation to pay the Termination Fee shall survive the termination of this Contract. Upon request of Seller, Buyer shall provide the Seller a calculation of the Termination Fee.

12.6. Termination Fee Collection

Upon any termination of this Contract following the Capacity Commencement Date, Buyer shall be entitled to receive (and in the case of the letter(s) of credit, bond, or any other performance and/or adequate assurance of performance draw upon such letter(s) of credit or bond) and retain one hundred percent (100%) of the Termination Security.

12.7. Regulatory Changes

- (a) Buyer's payment obligations under this Agreement are expressly conditioned upon the mutual commitments set forth in this Agreement and upon Buyer being fully reimbursed for all payments to Seller through the Fuel Adjustment Clause (as herein defined) and the Capacity Cost Recovery Clause (as herein defined) or other authorized rates or charges, as proposed by Buyer in its sole discretion and approved by the FPSC.

APPENDIX 2

MONTHLY CAPACITY PAYMENT CALCULATION

- A. After six months of operation from the Capacity Commencement Date, in the event that the Annual Capacity Billing Factor ("ACBF"), as defined below, is less than or equal to 74%, then no Monthly capacity Payment shall be due. That is:

$$MCP = 0$$

- B. In the event that the ACBF is greater than 74% but less than 94%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = \$12.85 \cdot [1 - [5 \times (0.94 - ACBF)]] \cdot CC$$

- C. In the event that the ACBF is equal to or greater than 94%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$MCP = \$12.85 \cdot CC$$

Where:

CC = Committed Capacity in kW.

ACBF = Annual Capacity Billing Factor. This 12 month rolling average shall be defined as the Energy actually received by Buyer for the 12 consecutive months preceding the date of calculation excluding any Energy received during a Force Majeure Event in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the 12 consecutive months preceding the date of calculation excluding the hours during a Force Majeure Event in which the Committed Capacity is temporarily set equal to 0 kW. If a Force Majeure Event occurs during the 12 consecutive months preceding the date of calculation in which the Committed Capacity is temporarily set to a value greater than 0 kW then the 12 month rolling average will be pro-rated accordingly. During the first 12 consecutive Monthly Billing Periods commencing with the first Monthly Billing Period in which Capacity payments are to be made, the calculation of 12-month rolling average Annual Capacity Billing Factor shall be performed as follows (a) during the first Monthly Billing Period, the Annual Capacity Billing Factor shall be equal to the Monthly Capacity Factor; (b) thereafter, the calculation of the Annual Capacity Billing Factor shall be computed by Energy actually received by Buyer for the number of full consecutive months preceding the date of calculation excluding any Energy received during a Force Majeure Event in which the Committed Capacity is temporarily set equal to 0 kW, divided by the product of the Committed Capacity and the number of hours in the number of full consecutive months preceding the date of calculation excluding the hours during a Force Majeure Event in which the Committed



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