

Marguerite McLean

100347-EQ

From: Stright, Lisa [Lisa.Stright@pgnmail.com]
Sent: Thursday, September 23, 2010 11:50 AM
To: Filings@psc.state.fl.us
Cc: Tom Ballinger; Martha Brown
Subject: Supplemental Responses - Dkt# 100347
Attachments: (Signed) Suppl Responses (Q12,13 & 14) - Dkt# 100347.pdf

This electronic filing is made by:

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Docket No. 100347-EQ

On behalf of Progress Energy Florida

Consisting of 4 pages.

**The attached document for filing is PEF's
Supplemental Responses to Staff's
Data Request #2 in the above reference
docket.**

Lisa Stright

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FPSC-REGISTRATION DIVISION



September 23, 2010

VIA ELECTRONIC FILING

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


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

Dear Ms. Cole:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") the Supplemental Responses to Staff's Data Request No. 2, specifically Questions 12, 13 and 14, 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

JTB/lms

cc: Hathaway Renewable Energy

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FPSC-COMMISSION CLERK

Q12. Please complete the table assuming the 2019 Generic 2x1 G CC listed in Exhibit JL-3 of PEF witness Lyash's testimony in Docket No. 100009. Please assume the fuel forecast used in PEF's 2010 TYSP.

PEF Supplemental Response: In order to be fully responsive, PEF is completing this table as requested. However, as stated earlier, the 178 MW natural gas combustion turbine as identified in PEF's 2010 TYSP is still valid as the next and only PEF unit available to be avoided under Commission Rule 25-17.250(1).

An additional column for discount factor has been added for clarity because the WACC used in Exhibit JL-3 of PEF witness Lyash's testimony in Docket No. 100009 (6.75%) differs from the WACC used in the 2010 Ten-Year-Site-Plan (8.10%).

Question 12
Hathaway Contract 3
2019 CC with 2010 Standard Offer Energy Costs

PV Date		6/30/10			
Discount Rate		6.75%			
(\$000)	(7)	(8)	(9)	(10)	(11)
	Avoided Capacity Payments	Avoided Energy Payments	(7) + (8) Avoided Energy & Capacity Payments	Avoided Cumulative Payments	Discount Factor
Units	\$	\$	\$	\$	
Year					
2010	\$ -	\$ -	\$ -	\$ -	1.000
2011	\$ -	\$ -	\$ -	\$ -	0.937
2012	\$ -	\$ -	\$ -	\$ -	0.877
2013	\$ -	\$ 661	\$ 661	\$ 661	0.822
2014	\$ -	\$ 9,617	\$ 9,617	\$ 10,278	0.770
2015	\$ -	\$ 11,155	\$ 11,155	\$ 21,433	0.721
2016	\$ -	\$ 11,685	\$ 11,685	\$ 33,118	0.676
2017	\$ -	\$ 12,514	\$ 12,514	\$ 45,632	0.633
2018	\$ -	\$ 13,253	\$ 13,253	\$ 58,885	0.593
2019	\$ 1,085	\$ 11,931	\$ 13,016	\$ 71,901	0.555
2020	\$ 1,896	\$ 11,167	\$ 13,063	\$ 84,964	0.520
2021	\$ 1,944	\$ 11,233	\$ 13,177	\$ 98,141	0.487
2022	\$ 1,980	\$ 11,613	\$ 13,593	\$ 111,734	0.456
2023	\$ 2,016	\$ 12,087	\$ 14,103	\$ 125,837	0.428
2024	\$ 2,052	\$ 12,708	\$ 14,760	\$ 140,597	0.400
2025	\$ 2,100	\$ 13,204	\$ 15,304	\$ 155,901	0.375
2026	\$ 2,136	\$ 13,442	\$ 15,578	\$ 171,479	0.351
2027	\$ 2,184	\$ 13,784	\$ 15,968	\$ 187,447	0.329
2028	\$ 2,232	\$ 14,060	\$ 16,292	\$ 203,739	0.308
2029	\$ 2,268	\$ 14,556	\$ 16,824	\$ 220,563	0.289
2030	\$ 2,316	\$ 14,961	\$ 17,277	\$ 237,840	0.271
2031	\$ 2,364	\$ 15,375	\$ 17,739	\$ 255,579	0.253
2032	\$ 2,412	\$ 15,844	\$ 18,256	\$ 273,835	0.237
2033	\$ 2,460	\$ 16,246	\$ 18,706	\$ 292,541	0.222
2034	\$ 2,508	\$ 16,701	\$ 19,209	\$ 311,750	0.208
2035	\$ 2,556	\$ 17,168	\$ 19,724	\$ 331,474	0.195
2036	\$ 2,604	\$ 17,696	\$ 20,300	\$ 351,774	0.183
2037	\$ 2,664	\$ 18,147	\$ 20,811	\$ 372,585	0.171
2038	\$ 2,486	\$ 17,019	\$ 19,505	\$ 392,090	0.160
Total	\$ 44,263	\$ 347,827	\$ 392,090		
NPV 2010\$	\$ 13,421	\$ 127,096	\$ 140,516		

Q13. Please complete the table assuming the 2019 Generic 2x1 G CC listed in Exhibit JL-3 of PEF witness Lyash's testimony in Docket No. 100009. Please assume a fuel forecast that is 15 percent above PEF's 2010 TYSP.

PEF Supplemental Response: In order to be fully responsive, PEF is completing this table as requested. However, as stated earlier, the 178 MW natural gas combustion turbine as identified in PEF's 2010 TYSP is still valid as the next and only PEF unit available to be avoided under Commission Rule 25-17.250(1).

An additional column for discount factor has been added for clarity because the WACC used in Exhibit JL-3 of PEF witness Lyash's testimony in Docket No. 100009 (6.75%) differs from the WACC used in the 2010 Ten-Year-Site-Plan (8.10%).

Question 13
 Hathaway Contract 3
 2019 CC with 15% Increase in 2010 Standard Offer Energy Costs

PV Date	6/30/10				
Discount Rate	6.75%				
\$000	(7)	(8)	(9)	(10)	(11)
	Avoided Capacity Payments	Avoided Energy Payments	(7) + (8) Avoided Energy & Capacity Payments	Avoided Cumulative Payments	Discount Factor
Units	\$	\$	\$	\$	
Year					
2010	\$ -	\$ -	\$ -	\$ -	1.000
2011	\$ -	\$ -	\$ -	\$ -	0.937
2012	\$ -	\$ -	\$ -	\$ -	0.877
2013	\$ -	\$ 760	\$ 760	\$ 760	0.822
2014	\$ -	\$ 11,060	\$ 11,060	\$ 11,820	0.770
2015	\$ -	\$ 12,828	\$ 12,828	\$ 24,648	0.721
2016	\$ -	\$ 13,438	\$ 13,438	\$ 38,086	0.676
2017	\$ -	\$ 14,391	\$ 14,391	\$ 52,477	0.633
2018	\$ -	\$ 15,241	\$ 15,241	\$ 67,718	0.593
2019	\$ 1,085	\$ 13,721	\$ 14,806	\$ 82,523	0.555
2020	\$ 1,896	\$ 12,842	\$ 14,738	\$ 97,261	0.520
2021	\$ 1,944	\$ 12,918	\$ 14,862	\$ 112,123	0.487
2022	\$ 1,980	\$ 13,355	\$ 15,335	\$ 127,458	0.456
2023	\$ 2,016	\$ 13,900	\$ 15,916	\$ 143,374	0.428
2024	\$ 2,052	\$ 14,614	\$ 16,666	\$ 160,041	0.400
2025	\$ 2,100	\$ 15,185	\$ 17,285	\$ 177,325	0.375
2026	\$ 2,136	\$ 15,458	\$ 17,594	\$ 194,920	0.351
2027	\$ 2,184	\$ 15,852	\$ 18,036	\$ 212,955	0.329
2028	\$ 2,232	\$ 16,169	\$ 18,401	\$ 231,356	0.308
2029	\$ 2,268	\$ 16,739	\$ 19,007	\$ 250,364	0.289
2030	\$ 2,316	\$ 17,205	\$ 19,521	\$ 269,885	0.271
2031	\$ 2,364	\$ 17,681	\$ 20,045	\$ 289,930	0.253
2032	\$ 2,412	\$ 18,221	\$ 20,633	\$ 310,563	0.237
2033	\$ 2,460	\$ 18,683	\$ 21,143	\$ 331,705	0.222
2034	\$ 2,508	\$ 19,206	\$ 21,714	\$ 353,420	0.208
2035	\$ 2,556	\$ 19,743	\$ 22,299	\$ 375,719	0.195
2036	\$ 2,604	\$ 20,350	\$ 22,954	\$ 398,673	0.183
2037	\$ 2,664	\$ 20,869	\$ 23,533	\$ 422,206	0.171
2038	\$ 2,486	\$ 19,572	\$ 22,058	\$ 444,264	0.160
Total	\$ 44,263	\$ 400,001	\$ 444,264		
NPV 2010\$	\$ 13,421	\$ 146,160	\$ 159,581		

Q14. Please complete the table assuming the 2019 Generic 2x1 G CC listed in Exhibit JL-3 of PEF witness Lyash's testimony in Docket No. 100009. Please assume a fuel forecast that is 15 percent below PEF's 2010 TYSP.

PEF Supplemental Response: In order to be fully responsive, PEF is completing this table as requested. However, as stated earlier, the 178 MW natural gas combustion turbine as identified in PEF's 2010 TYSP is still valid as the next and only PEF unit available to be avoided under Commission Rule 25-17.250(1).

An additional column for discount factor has been added for clarity because the WACC used in Exhibit JL-3 of PEF witness Lyash's testimony in Docket No. 100009 (6.75%) differs from the WACC used in the 2010 Ten-Year-Site-Plan (8.10%).

Question 14
Hathaway Contract 3
2019 CC with 15% Decrease in 2010 Standard Offer Energy Costs

PV Date		6/30/10					
Discount Rate		6.75%					
S000	(7)	(8)	(9)	(10)	(11)		
	Avoided Capacity Payments	Avoided Energy Payments	(7) + (8) Avoided Energy & Capacity Payments	Avoided Cumulative Payments	Discount Factor		
Units	\$	\$	\$	\$			
Year							
2010	\$ -	\$ -	\$ -	\$ -	1.000		
2011	\$ -	\$ -	\$ -	\$ -	0.937		
2012	\$ -	\$ -	\$ -	\$ -	0.877		
2013	\$ -	\$ 562	\$ 562	\$ 562	0.822		
2014	\$ -	\$ 8,174	\$ 8,174	\$ 8,736	0.770		
2015	\$ -	\$ 9,482	\$ 9,482	\$ 18,218	0.721		
2016	\$ -	\$ 9,932	\$ 9,932	\$ 28,150	0.676		
2017	\$ -	\$ 10,637	\$ 10,637	\$ 38,787	0.633		
2018	\$ -	\$ 11,265	\$ 11,265	\$ 50,052	0.593		
2019	\$ 1,085	\$ 10,141	\$ 11,226	\$ 61,279	0.555		
2020	\$ 1,896	\$ 9,492	\$ 11,388	\$ 72,667	0.520		
2021	\$ 1,944	\$ 9,548	\$ 11,492	\$ 84,159	0.487		
2022	\$ 1,980	\$ 9,871	\$ 11,851	\$ 96,010	0.456		
2023	\$ 2,016	\$ 10,274	\$ 12,290	\$ 108,300	0.428		
2024	\$ 2,052	\$ 10,802	\$ 12,854	\$ 121,153	0.400		
2025	\$ 2,100	\$ 11,223	\$ 13,323	\$ 134,477	0.375		
2026	\$ 2,136	\$ 11,426	\$ 13,562	\$ 148,039	0.351		
2027	\$ 2,184	\$ 11,716	\$ 13,900	\$ 161,939	0.329		
2028	\$ 2,232	\$ 11,951	\$ 14,183	\$ 176,122	0.308		
2029	\$ 2,268	\$ 12,373	\$ 14,641	\$ 190,763	0.289		
2030	\$ 2,316	\$ 12,717	\$ 15,033	\$ 205,795	0.271		
2031	\$ 2,364	\$ 13,069	\$ 15,433	\$ 221,228	0.253		
2032	\$ 2,412	\$ 13,467	\$ 15,879	\$ 237,108	0.237		
2033	\$ 2,460	\$ 13,809	\$ 16,269	\$ 253,377	0.222		
2034	\$ 2,508	\$ 14,196	\$ 16,704	\$ 270,080	0.208		
2035	\$ 2,556	\$ 14,593	\$ 17,149	\$ 287,229	0.195		
2036	\$ 2,604	\$ 15,042	\$ 17,646	\$ 304,875	0.183		
2037	\$ 2,664	\$ 15,425	\$ 18,089	\$ 322,964	0.171		
2038	\$ 2,486	\$ 14,466	\$ 16,952	\$ 339,916	0.180		
Total	\$ 44,263	\$ 295,653	\$ 339,916				
NPV 2010\$	\$ 13,421	\$ 108,031	\$ 121,452				