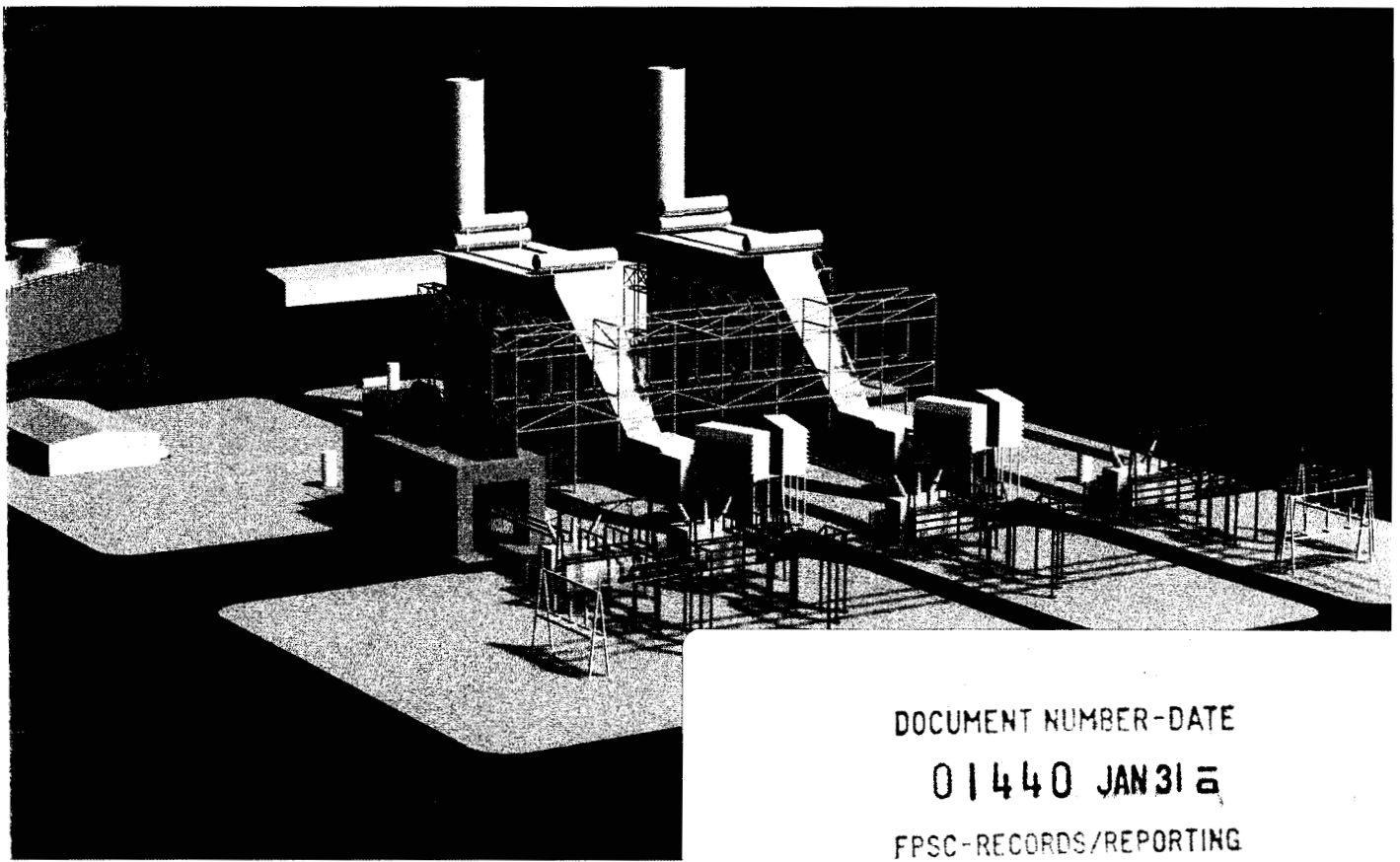


Need for Power Application

010142-EM

Volume 1E – Confidential Exhibit A



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FPSC-RECORDS/REPORTING

Orlando Utilities Commission Curtis H. Stanton Energy Center Combined Cycle Unit A

MS 5-13-03

V Project 97185

DECLASSIFIED

January 2001



WHH ENTERPRISES

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8 August 2000

Mr. Fred Haddad
Vice President, Power Resources Business Unit
Orlando Utilities Commission
P. O. Box 3193
Orlando, Florida 32802

Dear Fred:

Pursuant to your request, I have reviewed and ranked the proposals received in response to the Request for Proposals (RFP) issued by the Florida Municipal Power Agency, the Kissimmee Utility Authority and the Orlando Utilities Commission (the Participants). The Request for Proposals was issued on 26 May 2000 and proposals were due on 18 July 2000.

Responses were received from Duke Energy North America, Reliant Energy, Southern Company, Tractebel Power Inc., and Calpine. The response from Duke Energy North America was determined to be incomplete and therefore not evaluated. The remaining proposals were considered responsive and are included in the ranking.

The methodology used to rank the proposals determined the levelized cost per megawatt-hour over the ten-year evaluation period. This methodology estimates the annual cash flows associated with each proposal and calculates the present value of these cash flows over the period of the evaluation at an appropriate discount rate. Then an equivalent level cost per mwhr that is equal to the present value of the annual cash flows is determined. The proposal with the lowest levelized cost per mwhr is judged to be the best proposal. This methodology accounts for the time value of the cash flows and allows for the evaluation of proposals with different amounts of capacity.

All proposals were based on natural gas fuel and generally treated fuel cost as a pass through to the Purchase Power Agreement. Since the respondents had proposed differing gas indexes and gas pipelines, it was decided to exclude the differences in natural gas pricing from the evaluation. Therefore, all proposals were evaluated using the same cost of natural gas and natural gas transportation. It is assumed that once the development partner is selected, the Participants and the selected vendor will jointly select and negotiate the lowest cost gas transportation and gas supply opportunity.

Several sensitivity analyses were performed. The generation demand on each proposed resource was varied to determine the sensitivities of the proposals to this

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variable. On proposals based on combined cycle units, the capacity factors were varied between 60 and 80 percent. Southern was the highest ranked proposal for the 60 percent and the 70 percent cases; however, Calpine was ranked first in the 80 percent capacity factor case. The breakeven point between the Calpine and Southern proposals was 77 percent capacity factor.

Discount rates were varied between four and twelve percent to determine the sensitivities of the proposals to discount rate variations. The ranking of the proposals remained identical throughout the range of discount rates.

Based on this analysis, the ranking of the proposals evaluated in response to the Joint Development RFP is

- Southern Company
- Calpine
- Tractebel Power Inc.
- Reliant Energy

Although not considered directly in financial modeling the following factors favor the Southern Company proposal over the Calpine proposal:

- Extension options were priced by Southern but were estimated in the Calpine evaluation. Calpine was given the opportunity in follow-up questions to price the extension options, but they declined.
- The scheduled commercial operation date of the Stanton addition is 2006 versus the 2003 date specified in the RFP.
- The Southern Company may in a better position to provide additional utility related services as envisioned in the RFP.

I have attached spreadsheets detailing the analysis.

A brief summary of each proposal is included below.

Southern Proposal. Generally, the Southern Company proposal was the most responsive. Southern Company proposed a 2 on 1 combined cycle facility with a nominal capacity of 621 mw. The Southern Company proposal included duct firing, evaporative cooling and power augmentation to increase the capacity of the 2 on 1 combined cycle unit. The Southern Company proposal is the only proposal that envisioned the use of General Electric Combustion Turbines. All other proposals were based on Siemens-Westinghouse Power Generation equipment. The Southern proposal included the two unilateral five-year extension provisions as specified in the RFP. The Southern Company also included a priced option for an additional simple cycle Combustion Turbine on the Stanton site with a nominal capacity of 170 mw. Although of possible interest if the Southern Company is selected, this option was not evaluated.

Calpine. Calpine proposed a 2 on 1 combined cycle unit with a nominal capacity of 523 mw. The commercial operation date for the unit sited at Stanton was 1 October 2006.

Calpine proposed capacity under a Purchased Power Agreement from the Osprey unit located in Auburndale to bridge the period from 1 October 2003 until 1 October 2006. The pricing proposed in the PPA was used in the financial analysis of the Calpine proposal. Of note, the Calpine proposal did not include the two unilateral five-year extension options requested in the RFP. Calpine proposes that any extension option be "at mutually agreeable duration and terms." Calpine does offer the Participants the option to put their capacity ownership back to Calpine but this option did not specify terms and therefore was not valued in the analysis. For the purposes of the evaluation, the Calpine capacity price was assumed to escalate by 33 percent after the expiration of the initial contract period. The escalation assumption was based on the average of the Southern Company and Tractebel proposal, which contained the priced escalation provisions that did comply with the requirements of the RFP regarding extension options. The Calpine proposal did include an offer of 100 mw of capacity of a peaking unit to be located on the Auburndale site. As this offer did not include any pricing, it was not evaluated. Calpine did include an offer for duct firing for an additional capacity of 50 mw at an incremental cost of \$5.5 million. This additional capacity was evaluated in order to keep the Calpine proposal consistent with the Southern proposal.

Tractebel Power Inc. Tractebel proposed a 3 on 1 combined cycle unit with a nominal capacity of 671 mw. Tractebel proposed the 501-G combustion turbines from Siemens-Westinghouse Power Generation. This new "G" technology uses higher firing temperatures to achieve greater efficiency. Siemens-Westinghouse has sold numerous "G" class units but only one unit is in service at this time and it has experienced some problems as may be expected from new technology. Tractebel has also proposed supplemental firing to enhance unit capacity in the summer, however Tractebel has reserved that capacity for its own use. The Tractebel proposal anticipates commercial operation of the combined cycle unit on 1 October 2004, one year later than the date specified in the Request for proposal. The financial analysis assumes that the option to extend the Purchase Power Agreement from the Indian River Plant for one year is exercised so that the effective term of the Tractebel proposal is equal to the other proposals. The Tractebel proposal included the two unilateral five-year extension provisions as specified in the RFP.

Reliant Energy. The Reliant proposal deviated substantially from the specifications of the RFP. Reliant proposed a 750 mw 3 on 1 combined cycle unit at the Stanton site. The Participants ownership share would be 250 mw. However, the terms of the energy pricing was segregated from the combined cycle capacity at the Stanton site. Reliant proposed that 500 mw of capacity be priced at a reduced peaking capacity price and the energy prices be based on three different tiers of energy at 11,000, 13,500 and 14,500 BTU/KWh heat rates. Although the heat rates differed, Reliant priced all three tiers at a capacity price of \$5.40 per mw-month. Reliant also required, as an essential element of their proposal, that the ownership of Combustion Turbines at the Indian River site be transferred to Reliant effective 1 January 2001. It was suggested to Reliant that this provision be treated independent of their capacity proposal, however Reliant insisted that the transfer of the ownership of the Indian River CT's was a "requirement" of their proposal. This complicated the analysis of the Reliant proposal considerably. First, because of the Indian River CT provisions, cash flows for the Participants were modified outside of the 10-year analysis period. Secondly, the loss of the CT capacity reduced the net gain in capacity to the Participants below the minimum

anticipated in the RFP. Lastly, the inclusion of the Indian River CT capacity in the SEC3 capacity addition obscured the value that the Participants were receiving for the Indian River CT's.

Also, the inclusion of peaking energy prices, complicated the capacity factor assumption. The other three proposals were based on combined cycle capacity with very similar energy pricing. The analysis therefore assumed each of the three proposals would dispatch at equal capacity factors. Since the Reliant proposals had three additional tiers of energy, the equal capacity factor assumption could not be used. For the purposes of the evaluation of the Reliant proposal, the following capacity factor assumptions were used for each tier of energy:

	Low Capacity Factor Case	Moderate Capacity Factor Case	High Capacity Factor Case
7,100 BTU/KWH Energy	60%	70%	80%
11,000 BTU/KWH Energy	25%	30%	35%
13,500 BTU/KWH Energy	4%	8%	12%
14,500 BTU/KWH Energy	4%	8%	12%

The above assumptions are considered reasonable and would span the likely dispatch of the resources proposed by Reliant. Sensitivity analysis of varying capacity factors outside the above ranges did not improve the ranking of the Reliant proposal.

Pending review of the above by the Participants, I recommend that the Southern Company proposal be evaluated against the highest ranked proposal for capacity from third party resources currently being evaluated by R. W. Beck. Also, since the Reliant and Tractebel proposals ranked third and fourth, you may wish to advise them of this fact, thereby releasing equipment and capacity that were dedicated to their proposals.

Please advise of any questions or comments.

Sincerely,

William H. Herrington

SOUTHERN COMPANY

Revision 09-Aug-00

ASSUMPTIONS

ANNUAL INFLATION RATE %	2.50%
ANNUAL CAPACITY DEGRADATION %	N/A
ANNUAL HEAT RATE DEGRADATION %	0.40%
PLANT LIFE YEARS	20
DISCOUNT RATE	6.00%
FIXED CHARGE RATE	10.19%
PROJECT CAPITAL COST 35% SHARE	\$82,113
EVALUATION PERIOD YEARS	10

FISCAL YEAR		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
INPUTS														
	PLANT CAPACITY (SUM-WIN AVG NET) MW				621	601	586	592	590	588	587	586	585	585
	PPA BASE BILLING CAPACITY MW				403	391	387	385	384	382	382	381	380	380
	BASE CAPACITY DEMAND CHARGE				\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$7.33	\$7.33	\$7.33	\$7.33	\$7.33
	GAS TRANSPORTATION DEMAND CHARGE				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FIXED O&M DEMAND CHARGE				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL DEMAND CHARGE \$/MW-MO				\$8.32	\$8.32	\$8.32	\$8.32	\$8.32	\$7.33	\$7.33	\$7.33	\$7.33	\$7.33
	SUPPLEMENTAL CAPACITY MW				105	105	105	105	105	105	105	105	105	105
	SUPL. CAPACITY DEMAND CHARGE \$/KW-MO				\$0.00	\$0.00	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95
	BASE HEAT RATE BTU/KWH HHV				9,783	9,805	9,875	9,903	9,930	9,958	9,986	10,014	10,042	10,070
	SUPL. HEAT RATE BTU/KWH HHV				9,268	9,268	9,268	9,268	9,268	9,268	9,268	9,268	9,268	9,268
	VARIABLE O&M CHARGE \$/MWH				\$3.78	\$3.85	\$3.95	\$4.05	\$4.15	\$4.25	\$4.36	\$4.47	\$4.58	\$4.70
	VARIABLE GAS TRANS CHARGES \$/MWH				\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
	GAS COMMODITY PRICE \$/MBTU HHV	\$2.44	\$2.57	\$2.70	\$2.84	\$2.97	\$3.11	\$3.26	\$3.41	\$3.57	\$3.89	\$3.81	\$3.94	\$4.07
	ANNUAL DEMAND BILLING \$				\$30,588	\$29,627	\$29,390	\$29,183	\$29,085	\$33,618	\$33,581	\$33,504	\$33,447	\$33,447
OUTPUTS														
	ANNUALIZED CAPITAL COST 35% SHARE				\$8,363	\$8,363	\$8,363	\$8,363	\$8,363	\$8,363	\$8,363	\$8,363	\$8,363	\$8,363
	ANNUAL O&M \$ 35% SHARE				\$1,681	\$1,723	\$1,768	\$1,810	\$1,855	\$1,902	\$1,949	\$1,998	\$2,048	\$2,099
	ANNUAL CAPITAL EXPENDITURES 35% SHARE				\$262	\$269	\$275	\$282	\$289	\$298	\$304	\$311	\$319	\$327
	TOTAL ANNUAL PROJECT COST 35% SHARE				\$10,306	\$10,355	\$10,405	\$10,456	\$10,508	\$10,562	\$10,617	\$10,673	\$10,731	\$10,790
	EQUITY CAPACITY MW				217	210	209	207	207	206	205	205	205	205
CAP FAC	80% ANNUAL GENERATION MWH				3,281,348	3,158,858	3,132,578	3,111,552	3,101,040	3,090,528	3,085,272	3,080,016	3,074,760	3,074,760
	ANNUAL FIXED COST				\$40,895	\$39,982	\$39,785	\$39,639	\$39,593	\$44,180	\$44,178	\$44,177	\$44,177	\$44,237
	ENERGY COST				\$91,674	\$92,844	\$93,508	\$94,724	\$102,271	\$108,042	\$109,147	\$112,271	\$115,831	\$119,215
	AVERAGE COST \$/MWH				\$49.88	\$49.88	\$49.88	\$49.88	\$49.88	\$49.88	\$49.88	\$49.88	\$49.88	\$49.88
	LEVELIZED COST				\$48.12	\$48.12	\$48.12	\$48.12	\$48.12	\$48.12	\$48.12	\$48.12	\$48.12	\$48.12
CAP FAC	70% ANNUAL GENERATION MWH				3,804,908	3,685,332	3,654,672	3,630,144	3,617,880	3,605,616	3,599,484	3,593,352	3,587,220	3,587,220
	ANNUAL FIXED COST				\$40,895	\$39,982	\$39,785	\$39,639	\$39,593	\$44,180	\$44,178	\$44,177	\$44,177	\$44,237
	ENERGY COST				\$108,953	\$108,319	\$111,423	\$115,178	\$119,318	\$123,718	\$127,338	\$130,963	\$134,903	\$139,085
	AVERAGE COST \$/MWH				\$38.88	\$38.88	\$38.88	\$38.88	\$38.88	\$38.88	\$38.88	\$38.88	\$38.88	\$38.88
	LEVELIZED COST				\$44.22	\$44.22	\$44.22	\$44.22	\$44.22	\$44.22	\$44.22	\$44.22	\$44.22	\$44.22
CAP FAC	60% ANNUAL GENERATION MWH				4,348,464	4,211,808	4,178,768	4,148,736	4,134,720	4,120,704	4,113,696	4,108,688	4,099,680	4,099,680
	ANNUAL FIXED COST				\$40,895	\$39,982	\$39,785	\$39,639	\$39,593	\$44,180	\$44,178	\$44,177	\$44,177	\$44,237
	ENERGY COST				\$122,232	\$123,793	\$127,341	\$131,832	\$136,361	\$141,380	\$145,629	\$149,695	\$154,175	\$158,954
	AVERAGE COST \$/MWH				\$37.81	\$37.81	\$37.81	\$37.81	\$37.81	\$37.81	\$37.81	\$37.81	\$37.81	\$37.81
	LEVELIZED COST				\$42.79	\$42.79	\$42.79	\$42.79	\$42.79	\$42.79	\$42.79	\$42.79	\$42.79	\$42.79

RELIANT TRANSITIONAL CAPACITY ANALYSIS

Discount Rate	8.00%		
Capacity mW	272	272	272
Demand Charge	\$ 4.73	\$ 4.85	\$ 4.97
Variable O&M	\$ 0.95	\$ 0.95	\$ 0.95
Capacity Factor	7.00%	7.00%	7.00%
Generation mWhrs	126,093	166790	166790

	Fiscal Year		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Incremental Cash Outflows		Present Value													
Demand Payment		\$37,009	\$11,579	\$15,732	\$16,124										
Energy Payment		\$372	\$119	\$158	\$158										
Debt Reduction		\$0	\$0												
Incremental Cash Inflows or Cash Out Reduction)															
O&M		\$3,890	\$350	\$466	\$466	\$478	\$490	\$502	\$514	\$527	\$540	\$554	\$568	\$582	\$597
Capital Plan Reduction		\$12,883	\$5,000	\$3,000	\$0	\$0	\$0	\$5,500	\$3,300	\$0	\$0	\$0	\$0	\$0	\$0
Total PV Differential Cash Flows		\$20,888													
															\$26,825 Future value Differential Cash Flows 9/30/03

RELIANT

ASSUMPTIONS

DISCOUNT RATE %	6.00%
ANNUAL INFLATION RATE %	2.80%
ANNUAL CAPACITY DEGRADATION %	0.75%
ANNUAL HEAT RATE DEGRADATION %	0.40%
PLANT LIFE YEARS	20
RATE OF RETURN %	8.00%
FIXED CHARGE RATE	10.19%
PROJECT CAPITAL COST 35% SHARE	\$184,188
EVALUATION PERIOD	10

FISCAL YEAR		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
INPUTS	PLANT CAPACITY (SMA-WIN AVG NET) MW				744	738	733	727	722	717	711	706	701	695
	TIER 1 PPA BASE BILLING CAPACITY MW				250	248	248	244	243	241	239	237	235	234
	TIER 2 PPA BASE BILLING CAPACITY MW				325	323	320	318	318	313	311	308	306	304
	TIER 3 PPA BASE BILLING CAPACITY MW				103	102	101	101	100	99	98	98	97	96
	TIER 4 PPA BASE BILLING CAPACITY MW				88	88	85	85	84	84	83	83	82	82
	BASE TIER 1 CAPACITY DEMAND CHARGE				\$8.25	\$8.25	\$8.25	\$8.25	\$8.25	\$7.80	\$7.80	\$7.80	\$7.80	\$7.80
	BASE TIER 2 CAPACITY DEMAND CHARGE				\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.50	\$5.50	\$5.50	\$5.50
	BASE TIER 3 CAPACITY DEMAND CHARGE				\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
	BASE TIER 4 CAPACITY DEMAND CHARGE				\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
	WEIGHTED AVERAGE DEMAND CHARGE				\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
	GAS TRANSPORTATION DEMAND CHARGE				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FIXED O&M DEMAND CHARGE				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL DEMAND CHARGE \$/MWH				\$8.40	\$8.40	\$8.40	\$8.40	\$8.40	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
	SUPPLEMENTAL CAPACITY MW				0	0	50	50	50	50	50	50	50	50
	SUPPL CAPACITY DEMAND CHARGE \$/MWH				\$0.00	\$0.00	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95
	BASE HEAT RATE TIER 1 \$/TUKWH HHV				7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100
	BASE HEAT RATE TIER 2 \$/TUKWH HHV				11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
	BASE HEAT RATE TIER 3 \$/TUKWH HHV				13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
	BASE HEAT RATE TIER 4 \$/TUKWH HHV				14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
	BASE HEAT RATE EQUITY PORTION				7,003	7,003	7,003	7,003	7,003	7,003	7,003	7,003	7,003	7,003
	SUPPL HEAT RATE \$/TUKWH HHV				0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	VARIABLE O&M CHARGE \$/MWH				\$1.10	\$1.13	\$1.18	\$1.18	\$1.21	\$1.21	\$1.24	\$1.26	\$1.31	\$1.34
	VARIABLE GAS TRANS CHARGES \$/MWH				\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
	GAS COMMODITY PRICE \$/M2BTU HHV		2.44	2.57	2.7	2.84	2.97	3.11	3.26	3.41	3.57	3.80	3.81	3.84
	ANNUALIZED CAPITAL COST				\$15,701	\$15,701	\$15,701	\$15,701	\$15,701	\$15,701	\$15,701	\$15,701	\$15,701	\$15,701
ANNUAL O&M 35% SHARE				\$5,168	\$5,265	\$5,428	\$5,583	\$5,702	\$5,845	\$5,901	\$6,141	\$6,264	\$6,452	
ANNUAL CAPITAL EXPENDITURES 35% SHARE				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL ANNUAL PROJECT COST 35% SHARE				\$20,869	\$20,966	\$21,129	\$21,284	\$21,403	\$21,546	\$21,602	\$21,842	\$21,965	\$22,153	
EQUITY CAPACITY MW				260	258	257	256	253	251	248	247	245	243	
CAP FAC =	60% ANNUAL Tier 1 GENERATION \$/MWH				1,314,000	1,304,145	1,294,364	1,284,656	1,275,021	1,265,459	1,255,968	1,246,548	1,237,199	1,227,920
	25% ANNUAL Tier 2 GENERATION \$/MWH				551,880	547,741	543,633	539,556	535,509	531,493	527,506	523,550	519,623	515,726
	4% ANNUAL Tier 3 GENERATION \$/MWH				91,980	91,290	90,805	90,328	89,251	88,582	87,918	87,258	86,604	85,954
	4% ANNUAL Tier 4 GENERATION \$/MWH				91,980	91,290	90,805	90,328	89,251	88,582	87,918	87,258	86,604	85,954
	60% ANNUAL EQUITY GENERATION				1,314,000	1,304,145	1,294,364	1,284,656	1,275,021	1,265,459	1,255,968	1,246,548	1,237,199	1,227,920
ANNUAL FIXED COST				\$52,878	\$53,007	\$53,140	\$53,278	\$53,414	\$54,180	\$54,298	\$54,448	\$54,599	\$54,757	
ENERGY COST				\$99,620	\$102,633	\$105,868	\$109,919	\$112,117	\$115,524	\$117,835	\$120,107	\$122,598	\$125,042	
AVERAGE COST \$/MWH				\$45.38	\$48.62	\$47.93	\$46.32	\$46.71	\$45.38	\$45.64	\$45.79	\$45.88	\$45.78	
LEVELIZED COST				\$58.83	\$58.83	\$58.83	\$58.83	\$58.83	\$58.83	\$58.83	\$58.83	\$58.83	\$58.83	
CAP FAC =	70% ANNUAL Tier 1 GENERATION \$/MWH				1,533,000	1,504,145	1,494,364	1,484,656	1,475,021	1,465,459	1,455,968	1,446,548	1,437,199	1,427,920
	30% ANNUAL Tier 2 GENERATION \$/MWH				897,000	892,073	887,182	882,328	877,511	872,729	867,984	863,274	858,599	853,960
	9% ANNUAL Tier 3 GENERATION \$/MWH				173,200	173,888	174,582	175,287	176,003	186,728	187,462	188,208	188,960	189,723
	9% ANNUAL Tier 4 GENERATION \$/MWH				173,200	173,888	174,582	175,287	176,003	186,728	187,462	188,208	188,960	189,723
	70% ANNUAL EQUITY GENERATION				1,533,000	1,521,803	1,510,891	1,499,798	1,487,826	1,476,388	1,465,298	1,454,508	1,443,398	1,432,573
ANNUAL FIXED COST				\$52,878	\$53,007	\$53,140	\$53,278	\$53,414	\$54,180	\$54,298	\$54,448	\$54,599	\$54,757	
ENERGY COST				\$123,863	\$121,472	\$125,085	\$128,918	\$132,761	\$136,734	\$140,734	\$144,767	\$148,830	\$152,920	
AVERAGE COST \$/MWH				\$43.41	\$48.61	\$48.84	\$48.36	\$48.78	\$48.42	\$48.80	\$48.77	\$48.83	\$48.78	
LEVELIZED COST				\$48.83	\$48.83	\$48.83	\$48.83	\$48.83	\$48.83	\$48.83	\$48.83	\$48.83	\$48.83	
CAP FAC =	80% ANNUAL Tier 1 GENERATION \$/MWH				1,752,000	1,704,145	1,704,364	1,704,656	1,705,021	1,705,459	1,705,968	1,706,548	1,707,199	1,707,920
	35% ANNUAL Tier 2 GENERATION \$/MWH				788,800	788,751	788,646	788,583	788,562	788,584	788,648	788,713	788,778	788,843
	12% ANNUAL Tier 3 GENERATION \$/MWH				287,800	288,829	289,873	290,931	292,004	293,092	294,194	295,310	296,440	297,584
	12% ANNUAL Tier 4 GENERATION \$/MWH				287,800	288,829	289,873	290,931	292,004	293,092	294,194	295,310	296,440	297,584
	80% ANNUAL EQUITY GENERATION				1,752,000	1,738,860	1,725,819	1,712,878	1,700,028	1,687,378	1,674,824	1,662,364	1,649,999	1,637,728
ANNUAL FIXED COST				\$52,878	\$53,007	\$53,140	\$53,278	\$53,414	\$54,180	\$54,298	\$54,448	\$54,599	\$54,757	
ENERGY COST				\$148,734	\$148,955	\$149,127	\$149,350	\$149,614	\$149,920	\$150,267	\$150,647	\$151,060	\$151,500	
AVERAGE COST \$/MWH				\$42.84	\$44.84	\$46.18	\$47.81	\$48.88	\$49.71	\$50.19	\$50.67	\$51.14	\$51.60	
LEVELIZED COST				\$48.82	\$48.82	\$48.82	\$48.82	\$48.82	\$48.82	\$48.82	\$48.82	\$48.82	\$48.82	

CALPINE CORPORATION

Revision 08-Aug-00

ASSUMPTIONS

ANNUAL INFLATION RATE %	2.50%
ANNUAL CAPACITY DEGRADATION %	0.75%
ANNUAL HEAT RATE DEGRADATION %	0.40%
PLANT LIFE YEARS	20
DISCOUNT RATE	8.00%
FIXED CHARGE RATE	10.19%
PROJECT CAPITAL COST 35% SHARE	\$98,457
EVALUATION PERIOD YEARS	10

FISCAL YEAR		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
INPUTS														
	PLANT CAPACITY (SUM-WIN AVG NET) MW				534	534	534	608	603	599	594	590	588	581
	PPA BASE BILLING CAPACITY MW				534	534	534	395	392	389	386	383	381	378
	BASE CAPACITY DEMAND CHARGE				\$9.00	\$9.00	\$9.00	\$7.35	\$7.35	\$7.35	\$7.35	\$7.35	\$9.18	\$9.18
	TRANSMISSION DEMAND CHARGE				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	GAS TRANSPORTATION DEMAND CHARGE				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FIXED O&M DEMAND CHARGE				\$9.00	\$9.00	\$9.00	\$7.35	\$7.35	\$7.35	\$7.35	\$7.35	\$9.18	\$9.18
	TOTAL DEMAND CHARGE \$/MW-MO				\$9.00	\$9.00	\$9.00	\$7.35	\$7.35	\$7.35	\$7.35	\$7.35	\$9.18	\$9.18
	SUPPLEMENTAL CAPACITY MW				0	0	0	50	50	50	50	50	50	50
	SUPPL CAPACITY DEMAND CHARGE \$/KW-MO				\$0.00	\$0.00	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95
	BASE HEAT RATE BTU/KWH HHV				8,865	8,865	8,865	8,875	8,893	8,930	8,958	8,986	7,014	7,042
	SUPPL HEAT RATE BTU/KWH HHV				0	0	\$0.00	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	VARIABLE O&M CHARGE \$/MWH				\$2.50	\$2.50	\$2.50	\$2.50	\$2.56	\$2.63	\$2.69	\$2.76	\$2.83	\$2.90
	VARIABLE GAS TRANS CHARGES \$/MWH				\$0.00	\$0.00	\$0.00	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
	GAS COMMODITY PRICE \$/M2BTU HHV	\$2.44	\$2.57	\$2.70	\$2.84	\$2.97	\$3.11	\$3.26	\$3.41	\$3.57	\$3.69	\$3.81	\$3.94	\$4.07
	ANNUAL DEMAND BILLING \$				\$57,872	\$57,872	\$57,872	\$34,857	\$34,595	\$34,336	\$34,078	\$33,823	\$41,908	\$41,592
OUTPUTS														
	ANNUALIZED CAPITAL COST				\$0	\$0	\$0	\$10,130	\$10,130	\$10,130	\$10,130	\$10,130	\$10,130	\$10,130
	ANNUAL O&M \$ 35% SHARE				\$0	\$0	\$0	\$1,274	\$1,308	\$1,338	\$1,372	\$1,408	\$1,441	\$1,477
	ANNUAL CAPITAL EXPENDITURES 35% SHARE				\$0	\$0	\$0	\$2,268	\$2,323	\$2,381	\$2,440	\$2,501	\$2,564	\$2,628
	TOTAL ANNUAL PROJECT COST 35% SHARE				\$0	\$0	\$0	\$13,670	\$13,759	\$13,849	\$13,942	\$14,038	\$14,135	\$14,235
	EQUITY CAPACITY MW				0	0	0	213	211	210	208	206	205	203
CAP FAC	60% ANNUAL GENERATION MWH				2,806,704	2,806,704	2,806,704	3,195,648	3,171,881	3,147,893	3,124,284	3,100,852	3,077,595	3,054,513
	ANNUAL FIXED COST				\$57,872	\$57,872	\$57,872	\$48,527	\$48,354	\$48,185	\$48,020	\$47,860	\$47,702	\$47,547
	ENERGY COST				\$81,738	\$84,243	\$86,940	\$98,089	\$99,200	\$102,510	\$104,928	\$107,333	\$108,939	\$112,528
	AVERAGE COST \$/MWH				\$42.84	\$43.44	\$44.48	\$48.25	\$48.82	\$47.87	\$48.98	\$48.98	\$48.98	\$48.98
	LEVELIZED COST				\$48.98	\$48.98	\$48.98	\$48.98	\$48.98	\$48.98	\$48.98	\$48.98	\$48.98	\$48.98
CAP FAC	70% ANNUAL GENERATION MWH				3,274,488	3,274,488	3,274,488	3,728,258	3,700,294	3,672,542	3,644,998	3,617,660	3,590,528	3,563,599
	ANNUAL FIXED COST				\$57,872	\$57,872	\$57,872	\$48,527	\$48,354	\$48,185	\$48,020	\$47,860	\$47,702	\$47,547
	ENERGY COST				\$72,028	\$74,950	\$78,087	\$112,104	\$115,734	\$119,595	\$122,417	\$125,222	\$128,292	\$131,283
	AVERAGE COST \$/MWH				\$39.81	\$40.88	\$41.48	\$43.88	\$44.34	\$44.88	\$44.78	\$44.84	\$44.84	\$44.84
	LEVELIZED COST				\$44.42	\$44.42	\$44.42	\$44.42	\$44.42	\$44.42	\$44.42	\$44.42	\$44.42	\$44.42
CAP FAC	80% ANNUAL GENERATION MWH				3,742,272	3,742,272	3,742,272	4,260,864	4,228,908	4,197,191	4,165,712	4,134,469	4,103,480	4,072,684
	ANNUAL FIXED COST				\$57,872	\$57,872	\$57,872	\$48,527	\$48,354	\$48,185	\$48,020	\$47,860	\$47,702	\$47,547
	ENERGY COST				\$82,317	\$85,867	\$89,254	\$128,119	\$132,267	\$136,680	\$139,805	\$143,111	\$146,585	\$150,038
	AVERAGE COST \$/MWH				\$37.41	\$38.98	\$39.28	\$41.48	\$42.71	\$44.84	\$45.11	\$45.19	\$45.38	\$45.88
	LEVELIZED COST				\$42.82	\$42.82	\$42.82	\$42.82	\$42.82	\$42.82	\$42.82	\$42.82	\$42.82	\$42.82

TRACTEBEL

ASSUMPTIONS

DISCOUNT RATE %	8.00%
ANNUAL INFLATION RATE %	2.50%
ANNUAL CAPACITY DEGRADATION %	0.75%
ANNUAL HEAT RATE DEGRADATION %	0.40%
PLANT LIFE YEARS	20
RATE OF RETURN %	8.00%
FIXED CHARGE RATE	10.10%
PROJECT CAPITAL COST 35% SHARE	\$111,403
EVALUATION YEARS	10

FISCAL YEAR		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
INPUTS	PLANT CAPACITY (SUM-WIN AVG NET) MW					691	686	681	676	671	665	660	656	651	
	PPA BASE BILLING CAPACITY MW				500	412	409	408	403	400	397	394	391	388	
	BASE CAPACITY DEMAND CHARGE				\$4.06	\$4.46	\$4.47	\$4.48	\$4.49	\$5.24	\$5.64	\$6.51	\$6.51	\$6.51	
	GAS TRANSPORTATION DEMAND CHARGE				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	FIXED O&M DEMAND CHARGE				\$0.00	\$1.54	\$1.55	\$1.56	\$1.56	\$1.59	\$1.61	\$1.62	\$1.64	\$1.65	
	TOTAL DEMAND CHARGE \$/MW-MO				\$4.06	\$6.00	\$6.02	\$6.04	\$6.27	\$6.83	\$7.25	\$10.13	\$10.15	\$10.16	
	SUPPLEMENTAL CAPACITY MW				0	0	50	50	50	50	50	50	50	50	
	SUPPL CAPACITY DEMAND CHARGE \$/KW-MO				\$0.00	\$0.00	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	\$7.95	
	BASE HEAT RATE BTU/KWH HHV				10,600	6,718	6745	6772	6798	6826	6853	6881	6908	6936	
	SUPPL HEAT RATE BTU/KWH HHV				0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
	VARIABLE O&M CHARGE \$/MWH				\$0.00	\$1.00	\$1.84	\$1.99	\$2.04	\$2.09	\$2.14	\$2.19	\$2.25	\$2.30	
	VARIABLE GAS TRANS CHARGES \$/MWH				\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	
	GAS COMMODITY PRICE \$/M2BTU HHV		\$2.44	\$2.67	\$2.70	\$2.84	\$2.97	\$3.11	\$3.26	\$3.41	\$3.57	\$3.99	\$3.61	\$3.94	
	ANNUAL DEMAND BILLING \$				\$29,790	\$22,032	\$21,915	\$21,847	\$22,009	\$25,131	\$26,676	\$40,246	\$39,944	\$39,644	
	OPTION EXTENSION PAYMENT				\$400										
	ANNUALIZED CAPITAL COST				\$0	\$11,347	\$11,347	\$11,347	\$11,347	\$11,347	\$11,347	\$11,347	\$11,347	\$11,347	
	ANNUAL O&M \$ 35% SHARE				\$0	\$8,883	\$7,037	\$7,020	\$7,003	\$8,966	\$8,999	\$8,952	\$8,935	\$8,919	
	ANNUAL CAPITAL EXPENDITURES 35% SHARE				\$0	\$1,047	\$1,072	\$1,098	\$1,124	\$1,151	\$1,179	\$1,208	\$1,238	\$1,269	
	TOTAL ANNUAL PROJECT COST 35% SHARE				\$0	\$19,276	\$19,456	\$19,464	\$19,474	\$19,483	\$19,494	\$19,507	\$19,520	\$19,535	
	EQUITY CAPACITY MW				0	242	240	238	236	235	233	231	229	228	
	CAP FAC	80% ANNUAL GENERATION MWH				1,314,000	3,437,161	3,411,362	3,385,797	3,360,404	3,335,201	3,310,167	3,285,360	3,260,720	3,236,265
		ANNUAL FIXED COST				\$30,220	\$48,924	\$48,979	\$48,911	\$48,801	\$52,244	\$54,038	\$67,410	\$67,158	\$66,862
ENERGY COST					\$50,948	\$92,394	\$95,425	\$98,665	\$101,884	\$105,309	\$107,805	\$110,285	\$112,974	\$115,648	
AVERAGE COST \$/MWH (1)					\$61.77	\$41.11	\$42.33	\$43.99	\$45.14	\$47.24	\$48.89	\$54.09	\$56.34	\$56.39	
	LEVELIZED COST				\$49.19	\$49.19	\$49.19	\$49.19	\$49.19	\$49.19	\$49.19	\$49.19	\$49.19	\$49.19	
CAP FAC	70% ANNUAL GENERATION MWH				1,314,000	4,010,021	3,979,948	3,950,097	3,920,471	3,891,067	3,861,884	3,832,920	3,804,173	3,775,642	
	ANNUAL FIXED COST				\$30,220	\$48,924	\$48,979	\$48,911	\$48,801	\$52,244	\$54,038	\$67,410	\$67,158	\$66,862	
	ENERGY COST				\$50,948	\$107,793	\$111,329	\$115,109	\$118,864	\$122,861	\$125,772	\$128,665	\$131,803	\$134,920	
	AVERAGE COST \$/MWH (1)				\$61.77	\$39.98	\$48.28	\$41.62	\$43.92	\$46.66	\$48.56	\$51.16	\$52.30	\$53.44	
	LEVELIZED COST				\$47.18	\$47.18	\$47.18	\$47.18	\$47.18	\$47.18	\$47.18	\$47.18	\$47.18	\$47.18	
CAP FAC	90% ANNUAL GENERATION MWH				1,314,000	4,582,662	4,548,510	4,514,398	4,480,538	4,446,934	4,413,582	4,380,480	4,347,627	4,315,019	
	ANNUAL FIXED COST				\$30,220	\$48,924	\$48,979	\$48,911	\$48,801	\$52,244	\$54,038	\$67,410	\$67,158	\$66,862	
	ENERGY COST				\$50,948	\$123,192	\$127,233	\$131,553	\$135,845	\$140,412	\$143,740	\$147,046	\$150,632	\$154,194	
	AVERAGE COST \$/MWH (1)				\$61.77	\$37.66	\$38.74	\$39.98	\$41.43	\$43.32	\$44.81	\$46.96	\$48.66	\$49.23	
	LEVELIZED COST				\$46.96	\$46.96	\$46.96	\$46.96	\$46.96	\$46.96	\$46.96	\$46.96	\$46.96	\$46.96	

Levelized Cost per MWhr

Rev August 9, 2000

Assumptions

Discount Rate 8.00%

GENERATION DEMAND

	HIGH	MOD	LOW
BIDDERS			
CALPINE	\$42.52	\$44.42	\$46.96
RELIANT	\$48.62	\$49.43	\$50.53
SOUTHERN	\$42.79	\$44.22	\$46.12
TRACTEBEL	\$45.66	\$47.18	\$49.19
CALPINE	BASE	\$0.21	\$0.83
RELIANT	\$8.10	\$5.22	\$4.41
SOUTHERN	\$0.28	BASE	BASE
TRACTEBEL	\$3.14	\$2.96	\$3.07



August 2, 2000

Mr. Frederick F. Haddad, Jr., P.E.
Vice President Power Resources
Orlando Utilities Commission
Post Office Box 3193
Orlando, Florida 32802

Subject: **Status Report: Orlando Utilities Commission
Proposal Evaluation - Stage One Screening Results**

Dear Fred:

Pursuant to the terms of the agreement between Orlando Utilities Commission ("OUC") and R. W. Beck, Inc. ("Beck") and in keeping with the relevant provisions of the proposal evaluation methodology and procedures developed by Beck and OUC and memorialized on July 10, 2000 (the "Evaluation Manual"), we have completed the Stage One Screening. Pursuant to the provision of the Evaluation Manual, Stage One Screening was limited (i) to reviewing each respondent's proposal to determine that each respondent's proposal contained the minimum requirements listed in Section 14.1 of the Request for Proposal dated May 24, 2000 (the "RFP"), (ii) to requesting any omitted information that will not materially change the original response from a respondent, and (iii) to preparing a letter summarizing the Stage One Screening and recommending to OUC those proposals that are determined to be complete in accordance with the minimum requirements contained in the RFP.

In response to the RFP, four (4) sets of proposals arrived at the Beck Orlando office prior to the established deadline of 5:00 P.M. prevailing Eastern Time on Tuesday, July 11, 2000. The names of the entities submitting proposals in alphabetical order are as follows:

1. Carolina Power and Light Company ("CP&L")
2. Duke Energy North America, LLC ("Duke")
3. Texaco Power and Gasification and TECO Power Services ("Texaco and TECO")
4. Tractebel Power, Inc. ("Tractebel")

Beck opened the proposals and commenced the Stage One Screening process on July 12, 2000. The objective of this initial screening was to check each submission for completeness and fulfillment of the minimum requirements stated in the RFP. Beck

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Mr. Frederick F. Haddad, Jr., P.E.
Orlando Utilities Commission
August 2, 2000
Page 2

achieved this by completing a copy of the Minimum Requirements Checklist (Appendix B of the Evaluation Manual) for each proposal.

As a result of reviewing the various proposals, it was determined that each of the four respondents had not satisfactorily complied with the Minimum Requirements provisions of the RFP. It was also determined that in each case, the omitted information would not materially change the original proposal if submitted by the respective proposers. Letters requesting additional information were issued by e-mail and facsimile to the four respondents.

Letters requesting the omitted information were transmitted on Friday, July 21, 2000. The deadline for receipt of the requested information was established at 5:00 P.M. EDT on Tuesday, July 25, 2000 at the Beck office in Orlando, Florida. Three of the four proposers responded by providing the requested information prior to the stated deadline. Duke did not respond to the request for information. In a follow-up telephone call to Duke, Beck was informed by Mike Green that Duke would not be providing any additional information for the proposal. Copies of the letters issued to proposers along with their responses are attached to this letter.

Shown on Table No. 1, is a summary of the respondents, their proposals and the extent to which they comply with the Minimum Requirements after submitting the requested information.

Based on the Stage 1 evaluation as summarized in Table 1, we have determined that proposals submitted by the following three companies are in compliance with the RFP Minimum Requirements:

1. CP&L
2. Texaco and TECO
3. Tractebel

The proposal from Duke is determined not to be in compliance with the RFP Minimum Requirements.

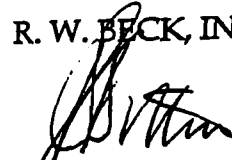
Upon confirmation of OUC's selection of proposals to be evaluated at the next screening level, we are prepared to complete the Stage Two Screening of the selected proposals. This second screening stage will rank the proposals using a busbar evaluation process.

Mr. Frederick F. Haddad, Jr., P.E.
Orlando Utilities Commission
August 2, 2000
Page 3

Beck has not notified the respondents of the status of their proposals, but we are prepared to do so at OUC's request.

Very truly yours,

R. W. BECK, INC.



Selvin Dottin
Consulting Engineer

SD/dmt
Enclosures



CONFIDENTIAL

**ORLANDO UTILITIES COMMISSION
REQUEST FOR POWER SUPPLY PROPOSALS DATED MAY 24, 2000
STAGE 1 SCREENING RESULTS**

	Minimum Requirement Item	Proposer's Response to Minimum Requirement			
		Carolina Power & Light	Duke Energy	Texaco & TECO	Tractebel
	Contact Info: Name of Contact(s) Mailing Address Telephone/Fax Proposed Contract Start Date Proposed Contract End Date	Thomas C. Saille PO Box 1551 CPB 10A (919) 546-2338 / (919) 546-2645 (fax) October 1, 2002 September 30, 2012	Mike Green, Richard Blandford (MG) 615 Crescent Executive Court, Suite 100, Lake Mary, FL 32746 (RB) 5400 Westheimer Court, Houston, TX 77056 (MG) (407) 804-2641 / (407) 804-0380 (fax) (RB) (713) 627-5907 / (713) 627-5571 (fax) June 1, 2002 May 31, 2007 and/or May 31, 2012	Rebecca T. Alex 702 N. Franklin Street, Tampa, FL 33602 (813) 228-1107 / (813) 228-1308 (fax) April 1, 2004 April 1, 2014	Newton R. Houston 1177 West Loop South, Suite 900, Houston, TX 77027 (713) 552-2287 / (713) 599-2858 (fax) October 1, 2004 October 1, 2009
1	The proposer attended the Pre-Proposal Conference	YES	YES	YES	YES
2	The proposer provides a fee of \$5,000 for each priced proposal alternative in the form of a cashiers check payable to OUC	Company Check Provided	NO Four (4) pricing alternatives are included for the proposed power sale as follows: a) 5 years - gas only b) 10 years - gas only c) 5 years - oil backup d) 10 years - oil backup Only \$5,000 in proposal fees was submitted	YES? The proposer indicated that two separate \$5,000 checks were submitted, but only one was received with the proposals.	YES
3	The proposer offers to provide a minimum of 150 MW of unit or system capacity	YES 308 MW	YES 640 MW	YES 490 MW	YES 651.5 MW
4 (a)	The proposer offers to provide physically firm power, including ancillary services, delivered to OUC's delivery points	YES	NO Power is priced delivered to busbar at Fort Pierce	YES	YES
(b)	The power will be available on a first call non-recallable basis	YES	UNKNOWN Not stated	YES	YES
5	The proposal will remain effective through December 31, 2000	YES	NO "Pricing may change as market conditions change." - see MR Form, Item 5	YES	YES
6 (a)	The initial agreement extends for at least five (5) years	YES 10 yr. period (10/1/02 - 9/30/12)	YES	YES 4/1/04 - 4/1/14	YES 10/1/04 - 10/1/09
(b)	Provisions are included that permit OUC the sole option to extend the agreement for at least a further five (5) years	YES	NO "DENA is offering a five (5) or ten(10) length." - see MR Form, Item 6	YES	YES See Attachment A, Section A6
7 (a)	The proposed service commencement date is earlier than or within twelve (12) months later than October 1, 2003	YES October 1, 2002	YES June 1, 2002	YES April 1, 2004	YES October 1, 2004
(b)	Sufficient information is provided to demonstrate that the service can commence on the date proposed	YES	NO No schedule provided "Expected in service date of June 1, 2002 contingent upon project approval and completion." - see MR Form, Item 7	YES	YES

	Minimum Requirement Item	Proposer's Response to Minimum Requirement			
		Carolina Power & Light	Duke Energy	Texaco & TECO	Tractebel
8 (a)	If a unit supply is proposed, the proposal identifies the specific generating units and the contribution that each will make to the sale	YES 2 GE 7F GT units located on a greenfield site in Citrus County, FL	YES Full plant - 8 of GE 7EA	YES 3 on 1 GE 7FA Eagle energy Project, Southwest Polk County, FL. Integrated gasification combined cycle (IGCC) facility	YES Capability of resource is 666 MW
(b)	If a system sale is proposed, the supply to OUC is equivalent to native supply load	N/A	N/A	N/A	N/A
9	The proposer ensures that all emissions allowance requirements will be satisfied and that such costs are included in the Project	Emission allowances are not anticipated	NO "Contingent upon permit approval." - see MR Form, Item 9	YES See Section A-13 in Appendix A "Appropriate costs for meeting Power Plant Siting Act requirements, including emissions allowances, were included and reflected in the pricing structure."	YES Price is based on current environmental regulation - See cover letter, page 3, last bullet
10	The proposer declares ownership or contractual status of the unit, plant or system capacity	YES Plant will be owned by CP&L	YES Plant will be owned by Duke	YES Plant will be owned by Texaco and TECO	YES Tractebel proposed Fort Myers power plant - see cover letter, page 1, last paragraph
11	The cost data including fuel cost and escalation rates were prepared using the applicable fuel price indices in RFP Attachment B unless energy prices are guaranteed.	YES See Proposal Attachment B	YES See Attachment B	YES Energy prices are guaranteed in one pricing alternative and tied to an index in the other	YES See Attachment B
12	The price for power provided in the completed Pricing Proposal Form (Form 4) reflects all costs and losses delivered to OUC's delivery points	Indicative price provided CP&L does not recommend firm gas for peaker plant especially with on-site fuel storage	NO "Energy will be delivered to plant busbar at Fort Pierce. OUC will be responsible for transmission and DENA can assist with the process." - see RFP Form 4	YES See Proposal Form 4	YES Price, terms and availability of transmission service not guaranteed - see cover letter, page 3, fifth bullet
13	The proposer states a willingness to provide a Negotiation Security in the amount of \$250,000 prior to commencing negotiations with OUC.	UNKNOWN No details provided	YES "...subject to reciprocal security rights." - see MR Form, Item 13	YES	YES
14 (a)	The proposer completed the appropriate RFP Forms 2 through 6	YES	YES	YES	YES
(b)	The proposer provided the information requested in Attachment A	YES	NO Proposer repeated the text of Attachment A as included in RFP	YES	YES
(c)	All forms requiring a signature were signed by a duly authorized official	YES	YES	YES	YES
15	The proposal includes scheduling provisions for the sale	YES "Units will be available around the clock for dispatch...." - see RFP Form 5, page 2	YES "Power must be scheduled 24 hrs in advance for a minimum schedule 8 consecutive hours in minimum increments of 80MW." - see Unit Sale Data Form	YES See Form 5-16 "Ability to alter energy schedule on an hourly basis within machine limits, approximately 1% output adjustment per minute."	YES "OUC may dispatch the plant anytime the unit is available." - see RFP Form 5, page 5
16	Any must-take provision does not exceed 25% of the proposed sale capacity on an annual basis	YES No must take provision	YES	YES	YES No must take provision
17 (a)	If proposal includes development of a new project, then the proposer has developed and has had in operation for a minimum of one year, at least one currently operating power supply project that is similar to or larger in size than the project being proposed	YES	Not Stated	YES	YES

	Minimum Requirement Item	Proposer's Response to Minimum Requirement			
		Carolina Power & Light	Duke Energy	Texaco & TECO	Tractebel
	(b) If proposal includes power from existing generating resources, then the proposer has successfully provided similar level of services to at least one electric utility for a minimum of one year	N/A	N/A	N/A	N/A
18	If proposal includes power from an existing unit, then the proposer owns and operates the unit, plant or system capacity or has the unit(s), plant or system capacity under contract	N/A	N/A	N/A	N/A
19	If proposer operates a proposed unit, plant or system capacity, then the proposal provides proof of operating experience as requested in RFP Attachment A	N/A	N/A	N/A	N/A



**FACSIMILE COVER SHEET
PRIVILEGED AND CONFIDENTIAL**



Cost Account: 032865

(Hardcopy to follow via U.S. Mail)

To: Thomas C. Saile ■ Carolina Power & Light
Facsimile: 919-546-2645 ■ Telephone: 919-546-2338

From: Selvin Dottin
Telephone: 407-422-4911

Date/Time: 07/21/00 / 2:50 PM
Pages (including cover): 3
Transmission Questions: Receptionist / 407-422-4911

Message:

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE INDIVIDUAL OR ENTITY ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPY OF THIS COMMUNICATION IS ILLEGAL, AND WE WOULD APPRECIATE YOUR IMMEDIATELY NOTIFYING US BY TELEPHONE (IF LONG DISTANCE, PLEASE CALL COLLECT) AND RETURNING THE ORIGINAL MESSAGE TO US AT THE ADDRESS BELOW VIA THE U.S. POSTAL SERVICE. THANK YOU.

July 21, 2000

CONFIDENTIAL



Mr. Thomas C. Saile
Business Development Manager
Carolina Power & Light
P.O. Box 1551 CPB 10A
Raleigh, NC 27602

**Subject: Orlando Utilities Commission
Proposals in Response to RFP Dated May 24, 2000**

Dear Mr. Saile:

The purpose of this letter is to acknowledge receipt of your company's proposal in response to Orlando Utilities Commission's (OUC) Request for Proposals (RFP) dated May 24, 2000 and to inform you of the status of that proposal. In reviewing your proposal, it appears that certain Minimum Requirements for the proposals, as described in Section 14.1 of the RFP, have not been met. In order for your company's proposal to comply with the Minimum Requirements, OUC is providing this opportunity for you to provide the outstanding information. We must receive the requested information at our office no later than 5:00 p.m. on Tuesday, July 25, 2000. If the information is not received before the deadline, or is not complete, OUC may eliminate your company's proposal from further consideration.

The Minimum Requirements that appear to be outstanding in your Company's proposal are as follows:

1. **Minimum Requirement #4**
 - (a) Please confirm that the proposal is for physically firm power supply.
 - (b) Please confirm that the proposed power will be available to OUC on a first call non-recallable basis.
2. **Minimum Requirement #6**

Please provide pricing for optional 5-year extension period.
3. **Minimum Requirement #7**

Please provide a summary schedule showing the major project milestones to demonstrate that the proposed service can commence on October 1, 2002 as proposed.
4. **Minimum Requirement #9**

Please confirm that all emission allowance requirements will be satisfied and that such costs are included in the pricing.

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Mr. Thomas C. Saile
Carolina Power & Light
July 21, 2000
Page 2

5. **Minimum Requirement #12**

Please provide firm gas transportation reservation charge and any other charge not included in RFP Form 4.

6. **Minimum Requirement #13**

Please confirm your company's willingness to provide a Negotiation Security in the amount of \$250,000 prior to commencing negotiations with OUC.

7. **Minimum Requirement #14**

Please provide the information that is requested in the RFP Attachment A.

8. **Minimum Requirement #15**

Please describe the scheduling provisions for the sale of power to OUC.

9. **Minimum Requirement #16**

Please demonstrate how your company will comply with OUC's requirement that any must-take provision must not exceed 25% of the total proposed sale on an annual basis.

9. **Minimum Requirement #17**

Please provide the name and description of at least one project that satisfies minimum Requirement #17.

We look forward to receiving your response to this clarification request by letter, facsimile, or email no later than 5:00 p.m. on Tuesday, July 25, 2000.

Very truly yours,

R. W. BECK, INC.


Selvin Dottin
Consulting Engineer

SD/dmt

cc: F. Haddad, OUC



July 21, 2000

CONFIDENTIAL



Mr. Thomas C. Saile
Business Development Manager
Carolina Power & Light
P.O. Box 1551 CPB 10A
Raleigh, NC 27602

Subject: **Orlando Utilities Commission
Proposals in Response to RFP Dated May 24, 2000**

Dear Mr. Saile:

The purpose of this letter is to acknowledge receipt of your company's proposal in response to Orlando Utilities Commission's (OUC) Request for Proposals (RFP) dated May 24, 2000 and to inform you of the status of that proposal. In reviewing your proposal, it appears that certain Minimum Requirements for the proposals, as described in Section 14.1 of the RFP, have not been met. In order for your company's proposal to comply with the Minimum Requirements, OUC is providing this opportunity for you to provide the outstanding information. We must receive the requested information at our office no later than 5:00 p.m. on Tuesday, July 25, 2000. If the information is not received before the deadline, or is not complete, OUC may eliminate your company's proposal from further consideration.

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Mr. Thomas C. Saile
Carolina Power & Light
July 21, 2000
Page 2

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9. **Minimum Requirement #16**

Please demonstrate how your company will comply with OUC's requirement that any must-take provision must not exceed 25% of the total proposed sale on an annual basis.

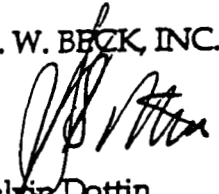
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Please provide the name and description of at least one project that satisfies minimum Requirement #17.

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Very truly yours,

R. W. BECK, INC.


Selvin Dottin
Consulting Engineer

SD/dmt

cc: F. Haddad, OUC

**FACSIMILE COVER SHEET
PRIVILEGED AND CONFIDENTIAL**



Cost Account: 032865

To: Mr. Mike Green ■ Duke Energy North America, LLC
Facsimile: 407-804-0380 ■ Telephone: 407-804-2641

From: Selvin Dottin
Telephone: 407-422-4911

Date/Time: 07/21/00 / 2:47 PM
Pages (including cover): 3
Transmission Questions: Receptionist / 407-422-4911

Message:

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July 21, 2000

CONFIDENTIAL



Mr. Mike Green
Duke Energy North America, LLC
615 Crescent Executive Court, Suite 100
Lake Mary, Florida 32746

Subject: **Orlando Utilities Commission
Proposals in Response to RFP Dated May 24, 2000**

Dear Mr. Green :

The purpose of this letter is to acknowledge receipt of your company's proposal in response to Orlando Utilities Commission's (OUC) Request for Proposals (RFP) dated May 24, 2000 and to inform you of the status of that proposal. In reviewing your proposal, it appears that certain Minimum Requirements for the proposals, as described in Section 14.1 of the RFP, have not been met. In order for your company's proposal to comply with the Minimum Requirements, OUC is providing this opportunity for you to provide the outstanding information. We must receive the requested information at our office no later than 5:00 p.m. on Tuesday, July 25, 2000. If the information is not received before the deadline, or is not complete, OUC may eliminate your company's proposal from further consideration.

The Minimum Requirements that appear to be outstanding in your Company's proposal are as follows:

1. Minimum Requirement #2

Whereas the answer to question No. 10 in the list of questions and answers issued to proposers on June 9, 2000 states that "each priced proposal requires a separate fee", your company's proposal consists of four separate priced proposals and includes just one \$5,000 proposal fee. Please either indicate which one of the four priced proposals should be evaluated for the fee submitted, or submit the additional proposal fees as appropriate.

2. Minimum Requirement #4

- (a) Please confirm that your company will provide physically firm power.
- (b) Please confirm that your company will provide power delivered to OUC's delivery points and provide pricing for any required wheeling.
- (c) Please confirm that the proposed power will be available to OUC on a first call, non-recallable basis.

3. Minimum Requirement #5

Please confirm that all non-fuel prices in the proposal will remain effective through December 31, 2000.

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4. **Minimum Requirement #6**

Please explain OUC's sole option to extend the agreement for at least a further five (5) years.

5. **Minimum Requirement #7**

Please provide a summary schedule showing major project milestones to demonstrate that the proposed service can commence on June 1, 2002 as proposed.

6. **Minimum Requirement #9**

Please ensure that all emissions allowances will be satisfied by the proposed project and that such costs are included in the proposal.

7. **Minimum Requirement #12**

Please provide pricing on the proposal form to reflect all costs and losses delivered to OUC's delivery points.

8. **Minimum Requirement #14**

Please provide the information that is requested in the RFP Attachment A.

9. **Minimum Requirement #15**

Please explain the statement:

"Maximum hours of operation for each unit on daily, monthly and annual basis and time period each resource is available to the Participants to service load 2,500 hours per year expected."

10. **Minimum Requirement #17**

Please provide the name and description of at least one project that satisfies Minimum Requirement #17.

We look forward to receiving your response to this clarification request by letter, facsimile, or email no later than 5:00 p.m. on Tuesday, July 25, 2000.

Very truly yours,

R. W. BECK, INC.


Selvin Dottin
Consulting Engineer

SD/dmt

cc: F. Haddad, OUC

July 21, 2000

CONFIDENTIAL

R·W·BECK

Mr. Mike Green
Duke Energy North America, LLC
615 Crescent Executive Court, Suite 100
Lake Mary, Florida 32746

Subject: Orlando Utilities Commission
Proposals in Response to RFP Dated May 24, 2000

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Please explain OUC's sole option to extend the agreement for at least a further five (5) years.

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Please provide pricing on the proposal form to reflect all costs and losses delivered to OUC's delivery points.

8. **Minimum Requirement #14**

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Please explain the statement:

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Very truly yours,

R. W. BECK, INC.


Selvin Dottin
Consulting Engineer

SD/dmt

cc: F. Haddad, OUC



**FACSIMILE COVER SHEET
PRIVILEGED AND CONFIDENTIAL**



(Hardcopy to follow via US Mail)

Cost Account: 032865

**To: Ms. Rebecca T. Alex ■ Texaco Powe & Gasification
and TECO Power Services
Facsimile: 813-228-1308 ■ Telephone: 813-2281107**

**From: Selvin Dottin
Telephone: 407-422-4911**

Date/Time: 7/21/00 2:40 PM
Pages (including cover): 3
Transmission Questions: Receptionist / 407-422-4911

Message:

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE INDIVIDUAL OR ENTITY ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPY OF THIS COMMUNICATION IS ILLEGAL, AND WE WOULD APPRECIATE YOUR IMMEDIATELY NOTIFYING US BY TELEPHONE (IF LONG DISTANCE, PLEASE CALL COLLECT) AND RETURNING THE ORIGINAL MESSAGE TO US AT THE ADDRESS BELOW VIA THE U.S. POSTAL SERVICE. THANK YOU.

s:\005306\032865\teco-texaco\fax.doc

800 North Magnolia Ave., Suite 300 Orlando, FL 32803-3274 Phone (407) 422-4911 Fax (407) 648-8382

July 21, 2000

CONFIDENTIAL



Ms. Rebecca T. Alex
Texaco Power & Gasification and
TECO Power Services
702 N. Franklin Street
Tampa, Florida 33602

Subject: Orlando Utilities Commission
Proposals in Response to RFP Dated May 24, 2000

Dear Ms. Alex:

The purpose of this letter is to acknowledge receipt of your company's proposal in response to Orlando Utilities Commission's (OUC) Request for Proposals (RFP) dated May 24, 2000 and to inform you of the status of that proposal. In reviewing your proposal, it appears that certain Minimum Requirements for the proposals, as described in Section 14.1 of the RFP, have not been met. In order for your company's proposal to comply with the Minimum Requirements, OUC is providing this opportunity for you to provide the outstanding information. We must receive the requested information at our office no later than 5:00 p.m. on Tuesday, July 25, 2000. If the information is not received before the deadline, or is not complete, OUC may eliminate your company's proposal from further consideration.

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2. **Minimum Requirement #4**

- (a) Please confirm that your company will provide physically firm power delivered to OUC's delivery points.
- (b) Please confirm that the proposed power will be available to OUC on a first call, non-recallable basis.

3. **Minimum Requirement #5**

Please confirm that the proposal will remain effective through December 31, 2000.

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Ms. Rebecca T. Alex
Texaco Power & Gasification and
TECO Power Services
July 21, 2000
Page 2

4. **Minimum Requirement #6**

Please confirm that provisions are included in the proposal that permit OUC the sole option to extend the agreement for at least a further five years at the end of the proposed ten year contract period and provide pricing for the optional period.

5. **Minimum Requirement #7**

Please provide a summary schedule showing major project milestones to demonstrate that the proposed service can commence on April 1, 2004 as proposed.

6. **Minimum Requirement #13**

Please confirm your company's willingness to provide a Negotiation Security in the amount of \$250,000 prior to commencing negotiations with OUC.

7. **Minimum Requirement #16**

Please demonstrate how your company will comply with OUC's requirement that any must take provision must not exceed 25% of the total proposed sale on an annual basis.

8. **Minimum Requirement #17**

Please provide the name and description of at least one project that satisfies minimum Requirement #17.

We look forward to receiving your response to this clarification request by letter, facsimile, or email no later than 5:00 p.m. on Tuesday, July 25, 2000.

Very truly yours,

R. W. BECK, INC.


Selvin Dottin
Consulting Engineer

SD/dmt

cc: F. Haddad, OUC

July 21, 2000

CONFIDENTIAL



Ms. Rebecca T. Alex
Texaco Power & Gasification and
TECO Power Services
702 N. Franklin Street
Tampa, Florida 33602

Subject: **Orlando Utilities Commission
Proposals in Response to RFP Dated May 24, 2000**

Dear Ms. Alex:

The purpose of this letter is to acknowledge receipt of your company's proposal in response to Orlando Utilities Commission's (OUC) Request for Proposals (RFP) dated May 24, 2000 and to inform you of the status of that proposal. In reviewing your proposal, it appears that certain Minimum Requirements for the proposals, as described in Section 14.1 of the RFP, have not been met. In order for your company's proposal to comply with the Minimum Requirements, OUC is providing this opportunity for you to provide the outstanding information. We must receive the requested information at our office no later than 5:00 p.m. on Tuesday, July 25, 2000. If the information is not received before the deadline, or is not complete, OUC may eliminate your company's proposal from further consideration.

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2. **Minimum Requirement #4**

- (a) Please confirm that your company will provide physically firm power delivered to OUC's delivery points.
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3. **Minimum Requirement #5**

Please confirm that the proposal will remain effective through December 31, 2000.

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ex
justification and
prices

Requirement #6

confirm that provisions are included in the proposal that permit OUC the right to extend the agreement for at least a further five years at the end of the ten year contract period and provide pricing for the optional period.

Requirement #7

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Requirement #17

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submit your response to this clarification request by letter, facsimile, or email no later than 5:00 p.m. on Tuesday, July 25, 2000.

cc:eer

cc:OUC

FACSIMILE COVER SHEET
Privileged and Confidential



(Hardcopy to follow via US Mail)

Cost Account: 032865

To: Newton R. Houston ■ Tractebel Power, Inc.
Facsimile: 713-599-2858 ■ Telephone: 713-552-2287

From: Selvin Dottin
Telephone: 407-422-4911

Date/Time: 07/19/00 2:54 PM
Pages (including cover): 3
Transmission Questions: Receptionist / 407-422-4911

Message:

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE INDIVIDUAL OR ENTITY ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPY OF THIS COMMUNICATION IS ILLEGAL, AND WE WOULD APPRECIATE YOUR IMMEDIATELY NOTIFYING US BY TELEPHONE (IF LONG DISTANCE, PLEASE CALL COLLECT) AND RETURNING THE ORIGINAL MESSAGE TO US AT THE ADDRESS BELOW VIA THE U.S. POSTAL SERVICE. THANK YOU.

July 21, 2000

CONFIDENTIAL



Mr. Newton R. Houston
Vice President Business Development
Tractebel Power, Inc.
1177 West Loop South, Suite 900
Houston, TX 77027

Subject: **Orlando Utilities Commission
Proposals in Response to RFP Dated May 24, 2000**

Dear Mr. Houston:

The purpose of this letter is to acknowledge receipt of your company's proposal in response to Orlando Utilities Commission's (OUC) Request for Proposals (RFP) dated May 24, 2000 and to inform you of the status of that proposal. In reviewing your proposal, it appears that certain Minimum Requirements for the proposals, as described in Section 14.1 of the RFP, have not been met. In order for your company's proposal to comply with the Minimum Requirements, OUC is providing this opportunity for you to provide the outstanding information. We must receive the requested information at our office no later than 5:00 p.m. on Tuesday, July 25, 2000. If the information is not received before the deadline, or is not complete, OUC may eliminate your company's proposal from further consideration.

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2. **Minimum Requirement #5**

Please confirm that your company's proposal will remain effective through December 31, 2000.

3. **Minimum Requirement #13**

Please confirm that your company is willing to provide a Negotiation Security in the amount of \$250,000 prior to commencing negotiations with OUC.

4. **Minimum Requirement #16**

Please demonstrate how your company will comply with OUC's requirement that any must-take provision must not exceed 25% of the total proposed sale on an annual basis.

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Mr. Newton R. Houston
Tractebel Power, Inc.
July 21, 2000
Page 2

5. Minimum Requirement #17

Please provide the name and description of at least one project that satisfies minimum Requirement #17.

We look forward to receiving your response to this clarification request by letter, facsimile, or email no later than 5:00 p.m. on Tuesday, July 25, 2000.

Very truly yours,

R. W. BECK, INC.



Serwin Dottin
Consulting Engineer

SD/dmt

cc: F. Haddad, OUC





Carolina Power & Light
Wholesale Power Department
411 Fayetteville Street, CPB 10A
PO Box 1551
Raleigh, NC 27602-1551
Fax: (919) 546-2645

Fax Sheet

RECEIVED

JUL 26 2000

R. W. BECK

To	Selvin Dottin	From	Thomas C. Salle
Company	R W Beck	Phone	(919) 546-2338
Fax	(407) 648-8382	Date	Tuesday, July 25, 2000
Subject	Minimum Requirements Form (RFP Form 3)	Pages	<u>5</u> (including this Cover Sheet)

Per your request.

PROPRIETARY & CONFIDENTIALRFP Form 3
Page 1 of 4**ORLANDO UTILITIES COMMISSION
REQUEST FOR POWER SUPPLY PROPOSALS
Minimum Requirements Form**

In submitting this form, we agree to the items below and/or have provided documents to attest to the information provided as requested below.

Duly Authorized Signature


7/25/00
(Date)

If the proposer is a utility proposing a capacity sale from existing resources, the proposer must provide sufficient documentation to demonstrate that over time the utility will have sufficient capacity to sell to OUC as well as to serve its own load. If the proposer is proposing a sale of capacity from a unit or units that are not currently commercially available, the proposer must demonstrate that progress is sufficient to ensure a capacity sale to OUC by the proposed Power Supply Service Commencement Date.

All proposers must demonstrate the following by attaching appropriate information to this form:

1. **The Proposer must have attended the Pre-Proposal Conference.**
Done June 1, 2000
2. **The Proposer has provided a non-refundable fee of \$5,000 for each proposal alternative in the form of a cashiers check made payable to OUC.**
Check Number 76617 dated July 7, 2000 in the amount of \$5,000.
3. **The Proposer must provide a minimum of 150 MW of unit or system capacity.**
308 MW of unit capacity offered.
4. **The Proposer must provide physically firm power, including ancillary services, delivered to OUC's delivery points. Power must be available to the Participants on a first call, non-recallable basis.**
This proposal is for a power supply from physical assets located in peninsular Florida. The power is available to the Participants on a first-call non-recallable basis.
5. **The proposal offer must remain effective through December 31, 2000.**
This proposal will remain valid until December 31, 2000.
6. **The initial agreement period must extend for at least five (5) years and the proposal must contain a provision that permits OUC the sole option to extend the agreement for at least a further five (5) years.**
See answer to Question A-6(b) in Attachment A. The pricing for this option is included in the capacity price. CP&L is open to structuring this option in other ways, e.g., up-front premium.

PROPRIETARY & CONFIDENTIAL

**RFP Form 3
Page 2 of 4**

**ORLANDO UTILITIES COMMISSION
REQUEST FOR POWER SUPPLY PROPOSALS**

**Minimum Requirements Form
(Continued)**

7. **The proposed service commencement date must be earlier or within 12 months later than October 1, 2003. Proposers must provide sufficient information to demonstrate that the service can commence by the date proposed.**

This proposal provides for an October 1, 2002 service commencement date. The project, however, is currently planned for a June 2002 commercial operation date.

<u>Major milestones include:</u>	<u>Milestone</u>	<u>Completion Date</u>
	Siting Study	June 2000
	Air Permitting	March 2001
	Site Clearing/Grading	May 2001
	CT's Delivered	November 2001
	Construction	May 2002
	Commercial Operation	June 2002

8. **All unit supply proposals must identify the specific generating units and the contribution that each unit will make to the sale. For system supply proposals, the sale to Participants must be equivalent to native load.**

See RFP Form 2.

9. **The Proposer must ensure that all emissions allowance requirements will be satisfied and that such costs are included in the proposal.**

It is not anticipated that emission allowances will be required for this project.

10. **The Proposer must declare ownership or contractual status of the unit, plant or system capacity.**

The Proposed units are owned by Carolina Power & Light.

11. **The cost data including fuel cost and escalation rates must be prepared using the applicable fuel price indices provided in Attachment B unless energy prices are guaranteed. In addition, proposers may provide pricing based on alternative fuel price indices.**

See Attachment B – Fuel Price Indices.

This Proposal contains an index-pricing mechanism that utilizes the requested Henry Hub index. However, the 12¢ adder necessarily allows for a wide swing in location basis differential. It is CP&L's recommendation that the Gas Daily FGT Z2 index be used with only a 2¢ adder.

PROPRIETARY & CONFIDENTIALRFP Form 3
Page 3 of 4**ORLANDO UTILITIES COMMISSION
REQUEST FOR POWER SUPPLY PROPOSALS****Minimum Requirements Form
(Continued)**

12. **The price for power provided in the Pricing Proposal Form (Form 4) reflects all costs and losses delivered to OUC's delivery points.**

All costs are included in the Proposal Pricing Form (RFP Form 4) except firm gas transportation. NOTE: For a peaker plant, firm gas reservations are generally not cost effective. Firm gas transportation reservations would be on the FGT pipeline and would be on the order of \$0.77/mmBTU. However, CP&L does not recommend firm gas for a peaker plant especially with on-site fuel oil storage.

13. **The Proposer must be willing to provide a Negotiation Security in the amount of \$250,000 prior to commencing negotiations with OUC.**

See answer to Question A-11 in Attachment A.

14. **The Proposer must complete the appropriate RFP Forms 2 through 6 and provide the information requested in Attachment A. All forms requiring a signature must be signed by a duly authorized official.**

Done

15. **The proposal must include scheduling provisions for the sale.**

See answer to Question A-5 in Attachment A.

16. **Any must take provision in the proposal must not exceed 25% of the total proposed sale capacity on an annual basis.**

There are NO minimum take provisions in this Proposal. If the Participants prefer a minimum take structure, CP&L can reprice its Proposal to accommodate such a request.

PROPRIETARY & CONFIDENTIAL

RFP Form 3
Page 4 of 4

**ORLANDO UTILITIES COMMISSION
REQUEST FOR POWER SUPPLY PROPOSALS**

Minimum Requirements Form
(Continued)

17. Proposers that propose to develop a power generating project to provide power to the Participants must have developed, and have had in operation for a minimum of one year, at least one currently operating power supply project that is similar to, or larger in size than, the project being proposed. Proposers proposing to provide the Participants with power from an existing generating resource or a portfolio of resources must have successfully provided similar levels of services to at least one electric utility for a minimum of one year.

Carolina Power & Light has been operating a utility-grade power system/grid for over 90 years. Currently CP&L owns and operates over 11,000 MW of generation in three states. This includes over 40 simple-cycle combustion turbines, which is the technology presented in this Proposal.

18. Proposers offering power sales proposals from an existing unit(s) must own and operate the unit, plant or system capacity or must have the unit(s), plant or system capacity under contract.

The Proposed units are owned by Carolina Power & Light.

19. Electric power plant operators of a unit, plant or system capacity proposal must provide proof of operating experience as requested in RFP Attachment A.

See answer to Question 17.



July 24, 2000

Mr. Selvin H. Dottin
Consulting Engineer
R. W. Beck, Inc.
800 North Magnolia Avenue, Suite 300
Orlando, Florida 32803-3274

Reference: **Orlando Utilities Commission
Minimum Requirements Response**

Respondents: **Texaco Power and Gasification, Inc.
TECO Power Services Corporation**

Dear Mr. Dottin:

The purpose of this letter is to respond to your request for additional information from Texaco Power and Gasification, Inc. and TECO Power Services Corporation regarding our jointly submitted proposal. Below I have included the outstanding information:

1. Minimum Requirement #2

Whereas the answer to question No. 10 in the list of questions and answers issued to proposers on June 9, 2000 states that "each priced proposal requires a separate fee," your company's proposal consists of two priced proposal alternatives and includes just one \$5,000 proposal fee. Please either indicate which one of the two (intermediate only or intermediate and peaking) priced proposals should be evaluated for the fee submitted or submit the additional proposal fee of \$5,000 in order that both price proposals are to be evaluated. Similarly, if Proposal B is to be evaluated, please provide the appropriate proposal fees.

Proposal A

Although two time-of-day fixed pricing structures were provided in Proposal A, the Respondents did not intend for them to be considered as separate proposals, but rather as a "portfolio" alternative that would provide the Participants with pricing flexibility to meet their future needs. That is, the intermediate structure is intended to provide "combined cycle" pricing and the peaking structure to provide "simple cycle" pricing. The Respondents offered this pricing mix to add value and flexibility to the Participants in meeting their electric power needs. I have discussed this concept briefly with Steve Stein (July 25, 2000) and we agreed that I should explain our intent more clearly. If necessary, please call me so that we can discuss this further.

Proposal B

Proposal fee was included with submission (Check No. 1043147)

2. **Minimum Requirement #4**

(a) *Please confirm that your company will provide physically firm power delivered to OUC's delivery points.*

Yes, the Eagle Energy Unit #1 would be the "physical" unit for a power sale agreement between the Participants and the Respondents. The power sale agreements described in the Respondents' proposals would be unit contingent firm with power delivered to OUC's delivery points.

(b) *Please confirm that the proposed power will be available to OUC on a first call, non-recallable basis.*

Proposal A

Should the Participants not elect to establish themselves as the power marketer for the Eagle Energy Project, a day-a-head schedule of elected capacity and energy take from the Project would be required. The Participants would have first call on day-a-head scheduling of capacity and energy, and scheduled capacity and energy would be non-recallable. Also, should the Participants require capacity and energy (within their contracted amount) to meet "native" load requirements, sales would be called back for the use of the Participants, and the Participants would compensate the Project for energy revenue lost (if applicable) on the interrupted transaction.

Proposal B

A day-a-head schedule of elected capacity and energy take from the Project would be required. The Participants would have first call on day-a-head scheduling of capacity and energy, and scheduled capacity and energy would be non-recallable. Same-day changes to the schedule shall be accommodated if possible.

3. **Minimum Requirement #5**

Please confirm that the proposal will remain effective through December 31, 2000.

The terms and conditions set forth in this Proposal will remain open until December 31, 2000 in the event that the Project is selected for the short-list bidder evaluation. Texaco and TPS reserve the right to withdraw this Proposal should the Project not be selected for further consideration as a short-listed bidder.

4. **Minimum Requirement #6**

Please confirm that provisions are included in the proposal that permit OUC the sole option to extend the agreement for at least a further five years at the end of the proposed ten year contract period and provide pricing for the optional period.

The initial contract term offered would be ten years, beginning April 1, 2004 and extending through March 31, 2014. Beginning April 1, 2014, the Participants may unilaterally elect to exercise an annual contract extension for each of five consecutive years thereafter. The capacity and minimum annual energy takes would be negotiable, but shall not exceed the original contract. Capacity and energy pricing for the contract extension would be negotiable.

5. **Minimum Requirement #7**

Please provide a summary schedule showing major project milestones to demonstrate that the proposed service can commence on April 1, 2004 as proposed.

Notice to Proceed Engineering date

- April, 2001

Notice to Proceed Equipment manufacturers date for combustion turbines

- August, 2000

Notice to Proceed Equipment manufacturers date for steam turbines, heat recovery steam generators (HSRG), and gasifiers

- April, 2001

Mobilization date

- First Quarter 2002

Gasifier ship dates beginning and end dates

- Delivered to site March, 2003

HRSG ship dates beginning and end dates

- Delivered to site March, 2003

Steam turbine ship dates beginning and end

- Delivered to site March, 2003

Combustion turbine ship dates beginning and end

- Delivered to site June, 2003

Commercial Operation

- April 1, 2004.

6. **Minimum Requirement #13**

Please confirm your company's willingness to provide a Negotiation Security in the amount of \$250,000 prior to commencing negotiations with OUC.

Should the Participants select either proposal submitted by Texaco Power and Gasification, Inc. and TECO Power Services, Corporation for contract negotiation, the companies would be willing to provide the Negotiation Security in the amount of \$250,000. However, both companies would request that this payment be refundable if OUC fails to negotiate in good faith, if negotiations are terminated by mutual agreement of the parties or upon successful execution of a contract between the parties.

7. **Minimum Requirement #16**

Please demonstrate how your company will comply with OUC's requirement that any must take provision must not exceed 25% of the total proposed sale on an annual basis.

Proposal A

As described in the detail in Proposal A, the minimum must-take requirement for the Intermediate Option is 25% of super-peak and peak hours, which would be 1,183 hours/year or 14 percent must-take hours. The minimum must-take requirement for the Peaking Option is 50% of the peak hours, which would be 540 hours or 6 percent must-take hours.

Proposal B

This proposal did not specify a must take requirement.

8. Minimum Requirement #17

Please provide the name and description of at least one project that satisfies minimum Requirement #17.

TECO Power Services Corporation and Texaco Power and Gasification, Inc. developed and managed construction of TECO Power Services, Corporation affiliate Tampa Electric's 250-MW integrated coal gasification combined-cycle (IGCC) project in Polk County, Florida, which went into operation in 1996. This facility is similar to the Eagle Energy Project, however, the availability of our proposed facility will be significantly higher than the Polk Power Station since it uses multiple quench gasifiers with an installed spare gasification train. The commercial experience with this configuration has a long term demonstrated syngas availability of greater than 98%. The Polk Power Station is a single gasifier train and combustion turbine. There are no installed spare gasification trains at the Polk Power Station.

Please notify me if additional information is required at (813) 228-1107.

Very truly yours,

Rebecca T. Alex
Development Manager
TECO Power Services Corporation

cc: Fred Haddad, OUC
Orlando Utilities Commission
500 South Orange Avenue
P.O. Box 3193
Orlando, Florida 32802

Dottin, Selvin

From: Becky Alex [rtalex@tecoenergy.com]
Sent: Tuesday, July 25, 2000 4:41 PM
To: SDottin@rwbeck.com
Cc: SStein@rwbeck.com
Subject: RE: Proposal In Response to OUC RFP dated May 24, 2000 - Minimum Requirements Questions

SelvinDottin-Response
LetterPh... Selvin, I have attached the TP&G and TPS response to your follow up question in regards to the OUC RFP.

Please respond via email to verify receipt of this email.

I will phone you tomorrow to discuss the "lost" check.

Also, please let me know if you have any questions.

Thanks, Becky Alex

>>> "Dottin, Selvin" <SDottin@rwbeck.com> 07/24/00 09:20AM >>>
Yes, that's fine.

Selvin Dottin
R.W. Beck, Inc.

-----Original Message-----

From: Becky Alex [mailto:rtalex@tecoenergy.com]
Sent: Monday, July 24, 2000 8:48 AM
To: SDottin@rwbeck.com
Subject: Re: Proposal In Response to OUC RFP dated May 24, 2000 - Minimum Requirements Questions

I received your email regarding the minimum requirements for the OUC proposal.

Is it alright to email the responses to the minimum requirements and follow up with a hard copy through the mail??

Thanks, Becky Alex

>>> "Dottin, Selvin" <SDottin@rwbeck.com> 07/21/00 03:53PM >>>
Please acknowledge receipt of the attached letter by return e-mail.

Best regards,
Selvin Dottin
R. W. Beck

<<7-18TX-TECO-S1Ltr.doc>>



July 25, 2000

Via Fax: 407 648 8382

Mr. Selvin Dottin
Consulting Engineer
R. W. Beck
800 North Magnolia Avenue, Suite 300
Orlando, FL 32803-3274

Re: Orlando Utilities Commission (OUC)
Power Supply Proposal

Dear Mr. Dottin,

In response to questions in your letter of July 21, 2000, we are confirming our compliance with the Minimum Requirements as follows:

1. Minimum Requirement #4

The proposed power will be available to OUC on a first call non-recallable basis, provided, OUC is not in default or breach of its contractual obligations under the forthcoming Power Purchase Agreement, has nominated the capacity in accordance with the nomination provisions described in Article A-6, Section (2), and has not experienced a material adverse change in its ability to continue to meet its obligations under the Power Service Agreement.

2. Minimum Requirement #5

Our company's proposal will remain in effect through December 31, 2000, subject to Tractebel, Inc.'s and OUC's Board of Directors approval of a final definitive Power Service Agreement. Tractebel is willing to immediately review OUC's proposed Power Service Agreement and delineate specific items immediately agreeable to Tractebel and items requiring additional discussion, negotiation or Tractebel Board approval.

3. Minimum Requirement #13

Tractebel is willing to provide a Negotiation Security deposit in the amount of \$250,000, subject to the approval of a jointly developed Security Deposit Agreement clearly stating the ground rules for negotiations agreeable to both parties so as to assure both parties are sincere and committed in their interest to consummate the transaction.

NRH38

4. Minimum Requirement #16


Our proposal does not require OUC to dispatch the plant at any time during the course of the contract. However, when the plant is dispatched it must be dispatched within the technical operational constraints of the equipment as described in RFP Form 5 pages 4 and 5. In addition, OUC has total dispatch flexibility for the plant subject to nomination and notification requirements of the Transmission Service Provider (RTO) and the Natural Gas Fuel Supplier and Transporter.

5. Minimum Requirement #17

The Tractebel proposal is based on advanced technology Siemens-Westinghouse 501G combustion turbines assembled in a combined cycle configuration. The attached list of projects provides an example of similar combined cycle projects

Should you have any additional questions or comments, please do not hesitate to call me at your earliest convenience.

Thank You,



Newton R. Houston
Vice President Business Development

July 25, 2000

Via Fax: 407 648 8382

Mr. Selvin Dottin
Consulting Engineer
R. W. Beck
800 North Magnolia Avenue, Suite 300
Orlando, FL 32803-3274

Re: Orlando Utilities Commission (OUC)
Power Supply Proposal

Dear Mr. Dottin,

In response to questions in your letter of July 21, 2000, we are confirming our compliance with the Minimum Requirements as follows:

1. Minimum Requirement #4

The proposed power will be available to OUC on a first call non-recallable basis, provided, OUC is not in default or breach of its contractual obligations under the forth coming Power Purchase Agreement, has nominated the capacity in accordance with the nomination provisions described in Article A-6, Section (2), and has not experienced a material adverse change in its ability to continue to meet its obligations under the Power Service Agreement.

2. Minimum Requirement #5

Our company's proposal will remain in effect through December 31, 2000, subject to Tractebel, Inc.'s and OUC's Board of Directors approval of a final definitive Power Service Agreement. Tractebel is willing to immediately review OUC's proposed Power Service Agreement and delineate specific items immediately agreeable to Tractebel and items requiring additional discussion, negotiation or Tractebel Board approval.

3. Minimum Requirement #13

Tractebel is willing to provide a Negotiation Security deposit in the amount of \$250,000, subject to the approval of a jointly developed Security Deposit Agreement clearly stating the ground rules for negotiations agreeable to both parties so as to assure both parties are sincere and committed in their interest to consummate the transaction.

NRH38



PRIVILEGED AND CONFIDENTIAL

August 8, 2000

Mr. Frederick F. Haddad, Jr., P.E.
Vice President Power Resources
Orlando Utilities Commission
Post Office Box 3193
Orlando, Florida 32802

**Subject: Status Report: Orlando Utilities Commission
Proposal Evaluation - Stage Two Screening Results**

Dear Fred:

Pursuant to the terms of the agreement between Orlando Utilities Commission ("OUC") and R. W. Beck, Inc. ("Beck") and in keeping with the relevant provisions of the proposal evaluation methodology and procedures developed by Beck and OUC and memorialized on July 10, 2000 (the "Evaluation Manual"), we have completed the Stage Two Screening. Pursuant to the provision of the Evaluation Manual, Stage Two Screening was limited (i) to reviewing each respondent's proposal for consistency in the pricing content and structure with OUC's requirements; (ii) to requesting any pricing clarifications and omitted information that will not materially change the original response from a respondent; (iii) to developing a spreadsheet to calculate the annual cost of power delivered to OUC on a busbar basis for each proposal; and (iv) to preparing a letter report summarizing the Stage Two Screening.

On the basis of the results of the Stage 1 Screening and with OUC's authorization, proposals from the following companies were evaluated at Stage Two Screening:

1. Carolina Power and Light Company ("CP&L")
2. Texaco Power and Gasification and TECO Power Services ("Texaco and TECO")
3. Tractebel Power, Inc. ("Tractebel")

In order to expedite the evaluation process and with OUC's concurrence, Beck conducted clarification discussions separately by telephone with representatives of each of the three companies on Tuesday, August 1 and Wednesday, August 2. In cases where there was a need for further research by the proposer in order to provide the necessary clarification, the proposer was advised to submit the additional information in writing to Beck no later than the end of the day on Friday August 4. Information obtained from the proposers during this Stage 2 clarification process is reflected in the attached Table 1, which summarizes the proposals and provides the basis for the inputs to the busbar-screening model. Additional information provided in writing by the proposers is included as Attachment 1 to this Letter Report.

Mr. Frederick F. Haddad, Jr., P.E.
Orlando Utilities Commission
August 8, 2000
Page 2

In order to maintain consistency in the Stage 2 Screening, it was assumed that gas commodity and gas transportation charges were the same for peaking and base load proposals, respectively, unless energy prices were fixed contractually. It was assumed that gas transportation costs for peaking resources and base load resources are \$0.80/MMBtu and \$0.65/MMBtu, respectively. Also, transmission wheeling charges were assumed to be the same for proposals which utilize the same provider (e.g., all proposals utilizing FPL transmission were assumed to have the same transmission rates). The CP&L proposal and TECO proposals provided delivered rates which were independent of actual transmission losses. Transmission losses in the Tractebel proposal were assumed to be 2.2 percent and are a pass through (i.e., if the actual loss percent changes, the rates will be adjusted accordingly). A summary table of the levelized annual cost of the proposals evaluated at Stage 2 Screening level over a 10-year period is shown below and on the attached graph.

Levelized Annual Busbar Delivered Costs					
Capacity Factor	Levelized Annual Cost (\$/MWh)				
	CP&L	Texaco/TECO A Peaking	Texaco/TECO A Intermediate	Texaco/TECO B	Tractebel
10	145.8	163.3	163.6	168.4	150.5
20	97.8	107.6	100.1	98.4	90.6
70	-	55.9	49.6	48.4	47.8
80	-	-	45.7	45.9	45.6
90	-	-	42.7	44.0	44.0

Detailed results which include assumptions used in preparing the Stage 2 screening are presented in Attachment 2 to this Letter Report.

Please call me at 407-422-4911 if you have any questions.

Very truly yours,
R. W. BECK, INC.

Paul A. Arsuaga, P.E.
Principal and Senior Director

PAA/dmt
Enclosures

08/08/00

11:47

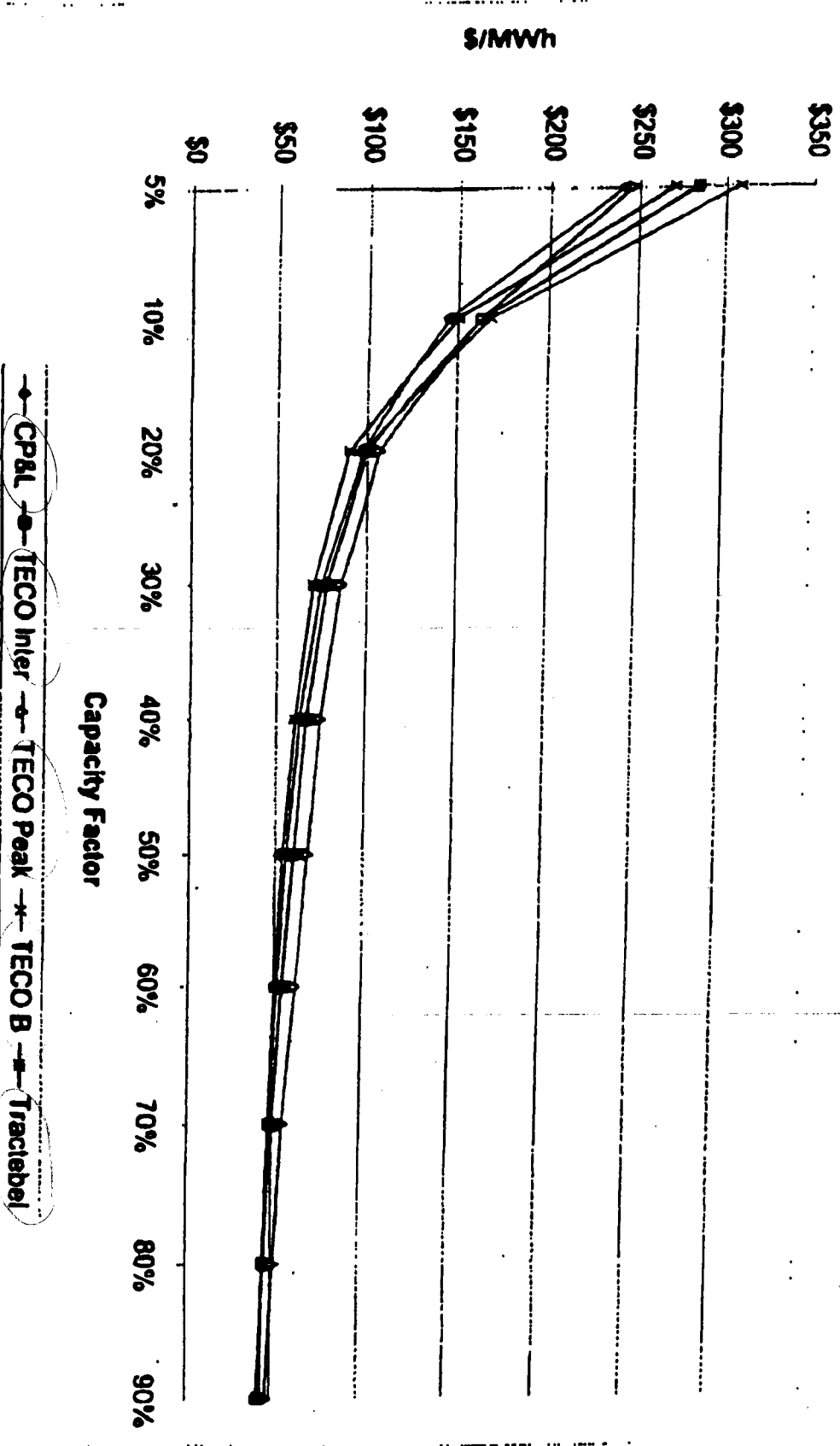
OUC POWER RESOURCES -> 407 423 9198

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Sent by: Konica Fax

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Proposal Evaluation Stage Two screening Total Levelized Cost





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TABLE 1
ORLANDO UTILITIES COMMISSION
REQUEST FOR POWER SUPPLY PROPOSALS DATED MAY 24, 2000
STAGE 2 BUSBAR SCREENING - SUMMARY OF PROPOSALS

		Carolina Power & Light	Texaco & TECO	Tractebel
1	Number of Proposals	One proposal	Two proposals with differing pricing mechanisms for the same project.	One proposal
2	Technology	Two (2) simple cycle F class combustion turbines	Three-on-one integrated gasification combined cycle (IGCC) 'F' class CTs	Two-on-one combined cycle 'C' class CTs
3	Manufacturer	General Electric	General Electric	Siemens Westinghouse
4	Project Location	Citrus County, FL	Eagle Energy Project located in southwest Polk County, FL	Fort Myers, FL
5	Transmission System(s)	Florida Power Corporation	Florida Power Corporation	Florida Power & Light
6	Delivered Capacity	308,220 kW. Includes losses	490 MW. Combination of intermediate and peaking option must not exceed 500 MW	651.5 MW. Includes a deduct of 2.19% or 14.5 MW for losses
7	Contract Period	5 years (10/1/2002 - 9/30/2007) with a 5 year optional term (10/1/2007 - 9/30/2012). Two year notice for 5 year option is required	5 years (3/1/2004 - 3/31/2009) with a 5 year optional term (4/1/2009 - 3/31/2014). Two year notice for 5 year option is required	5 years (10/1/2004 - 10/1/2009). OUC will have unilateral right to extend contract for additional 5 years
8	Capacity Rate	Contractually fixed rate is proposed. Rate starts at \$5.09 per kW-mo. in year 1 and escalates at 2.5% per year thereafter	<u>Proposal A</u> <u>Intermediate Structure</u> - Fixed, constant rate of \$8.33/kW-mo. for first 5 years and \$6.67/kW-mo. for 5 year optional period <u>Peaking Structure</u> - Fixed, constant rate of \$5.47/kW-mo. for first 5 years and \$4.17/kW-mo. for optional 5 year period <u>Proposal B</u> Pricing is \$9.09/kW-mo. for term of agreement	Capacity charge for fixed capital recovery is fixed at \$4.69/kW-mo. for the duration of the 5 year contract and then fixed at \$7.73/kW-mo. for the optional 5 year period. In addition, a fixed O&M charge and a fuel capacity charge are proposed.
9	Transmission Rates	Current FPC tariff is included for the duration of the contract. CP&L proposes to apply the actual tariff rates as they may change from time to time to the delivered capacity to calculate the transmission charge to OUC.	Fixed at \$1.22/kW-mo. for duration of contract. This price is based on FPC's tariff	Fixed at \$1.36134/kW-mo. for the ten year period. Fee based on FP&L FLOASIS tariff effective June 2000



08/08/00

11:51

08/08/2000 10:28AM; #79; Page 7/7

sent by: Konica Fax

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17	Fuel Type	Carolina Power & Light Primary fuel is natural gas. Secondary fuel is No. 2 fuel oil via truck delivery with on-site storage	Texaco & TECO Primary fuel is synthesis gas produced from petroleum coke. No. 2 fuel will serve as back up	Tractebel Primary fuel is natural gas (not clear whether backup is available)
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