CONFIDENTIAL 020953-EI

Bidder C

Attachment 1 (FPSC Staff Interrogatory 11)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Annual Costs															
Generation Capital	0	0	0	18	1281	1307	1333	1360	1387	1415	1443	1472	1501	1531	0
Generation Fixed O&M	0	0	0	857	10123	10325	10532	10745	10958	11177	11400	11630	11859	12099	0
Generation Non-fuel Variable O&M	0	0	0	221	6714	7751	6491	7871	6972	6643	6924	7874	7939	7936	0
Transmission Capital and O&M	0	0	0	368	4365	4194	4030	3873	3721	3575	3433	3297	3161	3025	2655
System Fuel and Purchased Power	0	0	0	-2508	8562	6976	4582	7198	8236	7547	8035	4742	7225	11304	0
Total	0	0	0	-1043	31045	30553	26969	31046	31274	30356	31236	29014	31686	35896	2655
PV Factor (@8.46%)	0.922	0.850	0.784	0.723	0.666	0.614	0.566	0.522	0.481	0.444	0.409	0.377	0.348	0.321	0.296
Present Value Costs															
Generation Capital	0	0	0	13	854	803	755	710	668	628	591	555	522	491	0
Generation Fixed O&M	0	0	0	620	6745	6343	5965	5611	5276	4962	4666	4389	4126	3881	0
Generation Non-fuel Variable O&M	0	0	0	160	4473	4761	3676	4110	3357	2949	2834	2971	2762	2546	0
Transmission Capital and O&M	0	0	0	266	2908	2577	2283	2022	1792	1587	1405	1244	1100	970	785
System Fuel and Purchased Power	0	0	0	-1813	5705	4285	2595	3759	3966	3350	3289	1789	2514	3626	0
Total	0	0	0	-754	20685	18769	15275	16213	15058	13476	12785	10949	11025	11515	785
Cumulative Present Value Costs															
Generation Capital	0	0	0	13	867	1670	2425	3135	3803	4431	5021	5577	6099	6590	6590
Generation Fixed O&M	0	0	0	620	7364	13707	19672	25283	30560	35521	40187	44576	48702	52584	52584
Generation Non-fuel Variable O&M	0	0	0	160	4633	9394	13071	17181	20538	23486	26320	29292	32054	34600	34600
Transmission Capital and O&M	0	0	0	266	3175	5751	8034	10056	11848	13434	14840	16084	17183	18154	18939
System Fuel and Purchased Power	0	0	0	-1813	3892	8178	10773	14532	18497	21848	25137	26926	29440	33066	33066
Total	0	0	0	-754	19931	38699	53974	70187	85245	98720	111505	122454	133478	144994	145779

Notes:

The costs above are the incremental costs associated with the alternative.

Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.

The economic carrying charge credit/cost includes fixed O&M.

Generation Non-fuel Variable O&M includes start charges

Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)

System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case

Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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(Part 1 of 2)

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Bidder C

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Costs														
Generation Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital and O&M	2519	2383	2248	2112	1976	1840	1704	1568	1433	1325	1246	1167	1088	930
System Fuel and Purchased Power	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2519	2383	2248	2112	1976	1840	1704	1568	1433	1325	1246	1167	1088	930
PV Factor (@8.46%)	0.273	0.251	0.232	0.214	0.197	0.182	0.168	0.154	0.142	0.131	0.121	0.112	0.103	0.095
Present Value Costs														
Generation Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital and O&M	687	599	521	451	389	334	286	242	204	174	151	130	112	88
System Fuel and Purchased Power	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	687	599	521	451	389	334	286	242	204	174	151	130	112	88
Cumulative Present Value Costs														
Generation Capital	6590	6590	6590	6590	6590	6590	6590	6590	6590	6590	6590	6590	6590	6590
Generation Fixed O&M	52584	52584	52584	52584	52584	52584	52584	52584	52584	52584	52584	52584	52584	52584
Generation Non-fuel Variable O&M	34600	34600	34600	34600	34600	34600	34600	34600	34600	34600	34600	34600	34600	34600
Transmission Capital and O&M	19626	20225	20746	21198	21587	21922	22207	22449	22653	22827	22978	23108	23220	23309
System Fuel and Purchased Power	33066	33066	33066	33066	33066	33066	33066	33066	33066	33066	33066	33066	33066	33066
Total	146466	147065	147586	148038	148427	148761	149047	149289	149493	149667	149818	149948	150060	150148

Notes:

The costs above are the incremental costs associated with the alternative.
Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.
The economic carrying charge credit/cost includes fixed O&M.
Generation Non-fuel Variable O&M includes start charges
Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)
System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case
Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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Bidder D

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Annual Costs															
Generation Capital	0	0	0	415	4098	3391	2669	1933	1182	416	-365	-1162	-1974	-2803	-3649
Generation Fixed O&M	0	0	0	822	9457	9648	9839	10035	10235	10441	10652	10862	11082	11303	11528
Generation Non-fuel Variable O&M	0	0	0	473	8826	9197	7880	9684	8247	8174	8750	8432	8879	9384	9186
Transmission Capital and O&M	0	0	0	76	852	852	852	852	852	852	852	852	852	852	852
System Fuel and Purchased Power	0	0	0	-2935	2028	1778	3170	-187	2657	1394	4720	3003	395	593	-61
Total	0	0	0	-1149	25261	24866	24409	22316	23173	21277	24609	21987	19234	19328	17856
PV Factor (@8.46%)	0.922	0.850	0.784	0.723	0.666	0.614	0.566	0.522	0.481	0.444	0.409	0.377	0.348	0.321	0.296
Present Value Costs															
Generation Capital	0	0	0	300	2730	2083	1512	1009	569	185	-149	-438	-687	-899	-1079
Generation Fixed O&M	0	0	0	594	6301	5927	5573	5240	4928	4635	4360	4099	3856	3626	3410
Generation Non-fuel Variable O&M	0	0	0	342	5881	5650	4463	5057	3971	3629	3581	3182	3089	3010	2717
Transmission Capital and O&M	0	0	0	55	567	523	482	445	410	378	349	321	296	273	252
System Fuel and Purchased Power	0	0	0	-2121	1351	1092	1795	-98	1279	619	1932	1133	138	190	-18
Total	0	0	0	-831	16831	15275	13825	11654	11157	9445	10072	8297	6692	6200	5281
Cumulative Present Value Costs															
Generation Capital	0	0	0	300	3030	5113	6625	7634	8203	8388	8239	7800	7113	6214	5135
Generation Fixed O&M	0	0	0	594	6895	12822	18395	23635	28563	33198	37558	41657	45512	49138	52548
Generation Non-fuel Variable O&M	0	0	0	342	6223	11873	16336	21393	25364	28992	32574	35756	38845	41855	44572
Transmission Capital and O&M	0	0	0	55	622	1145	1628	2072	2483	2861	3209	3531	3827	4100	4352
System Fuel and Purchased Power	0	0	0	-2121	-770	323	2118	2020	3299	3918	5850	6983	7121	7311	7293
Total	0	0	0	-831	16000	31276	45101	56755	67912	77357	87429	95726	102419	108619	113900

Notes:

The costs above are the incremental costs associated with the alternative.

Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.
The economic carrying charge credit/cost includes fixed O&M.

Generation Non-fuel Variable O&M includes start charges

Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)

System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case

Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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Bidder D

Attachment 1 (FPSC Staff Interrogatory 11)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Costs														
Generation Capital	-4511	-5391	-6288	-7203	-8137	-9089	-10060	-11051	0	0	0	0	0	0
Generation Fixed O&M	11758	11993	12233	12477	12727	12982	13241	13505	0	0	0	0	0	0
Generation Non-fuel Variable O&M	9158	9259	10430	10436	11045	10845	11056	10646	0	0	0	0	0	0
Transmission Capital and O&M	852	852	852	852	852	852	852	852	0	0	0	0	0	0
System Fuel and Purchased Power	-3528	-2036	2111	-732	-5981	-2590	-252	2536	0	0	0	0	0	0
Total	13729	14677	19338	15830	10506	12998	14836	16488	0	0	0	0	0	0
PV Factor (@8.46%)	0.273	0.251	0.232	0.214	0.197	0.182	0.168	0.154	0.142	0.131	0.121	0.112	0.103	0.095
Present Value Costs														
Generation Capital	-1230	-1355	-1458	-1540	-1604	-1651	-1685	-1707	0	0	0	0	0	0
Generation Fixed O&M	3206	3015	2836	2667	2508	2359	2218	2086	0	0	0	0	0	0
Generation Non-fuel Variable O&M	2497	2328	2418	2231	2177	1970	1852	1644	0	0	0	0	0	0
Transmission Capital and O&M	232	214	197	182	168	155	143	132	0	0	0	0	0	0
System Fuel and Purchased Power	-962	-512	489	-156	-1179	-471	-42	392	0	0	0	0	0	0
Total	3744	3690	4483	3384	2070	2362	2485	2547	0	0	0	0	0	0
Cumulative Present Value Costs														
Generation Capital	3905	2549	1091	-448	-2052	-3703	-5388	-7095	-7095	-7095	-7095	-7095	-7095	-7095
Generation Fixed O&M	55754	58770	61605	64272	66780	69139	71357	73443	73443	73443	73443	73443	73443	73443
Generation Non-fuel Variable O&M	47069	49397	51815	54046	56222	58193	60045	61689	61689	61689	61689	61689	61689	61689
Transmission Capital and O&M	4584	4799	4996	5178	5346	5501	5643	5775	5775	5775	5775	5775	5775	5775
System Fuel and Purchased Power	6331	5819	6309	6152	4974	4503	4461	4852	4852	4852	4852	4852	4852	4852
Total	117644	121334	125817	129200	131271	133632	136118	138664	138664	138664	138664	138664	138664	138664

Notes:

The costs above are the incremental costs associated with the alternative.

Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.

The economic carrying charge credit/cost includes fixed O&M.

Generation Non-fuel Variable O&M includes start charges

Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)

System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case

Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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Bidder E

Attachment 1 (FPSC Staff Interrogatory 11)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Annual Costs															
Generation Capital	0	0	0	-218	1618	30806	-150	25200	25200	0	0	0	0	0	0
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	0	0	0	6	1032	848	973	992	766	0	0	0	0	0	0
Transmission Capital and O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	0	0	0	-4299	6270	-7619	4262	-2996	-2222	0	0	0	0	0	0
Total	0	0	0	-4511	8919	24036	5084	23196	23744	0	0	0	0	0	0
PV Factor (@8.46%)	0.922	0.850	0.784	0.723	0.666	0.614	0.566	0.522	0.481	0.444	0.409	0.377	0.348	0.321	0.296
Present Value Costs															
Generation Capital	0	0	0	-158	1078	18924	-85	13160	12133	0	0	0	0	0	0
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	0	0	0	4	687	521	551	518	369	0	0	0	0	0	0
Transmission Capital and O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	0	0	0	-3106	4177	-4680	2414	-1564	-1070	0	0	0	0	0	0
Total	0	0	0	-3260	5943	14765	2880	12113	11432	0	0	0	0	0	0
Cumulative Present Value Costs															
Generation Capital	0	0	0	-158	920	19845	19760	32919	45052	45052	45052	45052	45052	45052	45052
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	0	0	0	4	692	1213	1764	2282	2651	2651	2651	2651	2651	2651	2651
Transmission Capital and O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	0	0	0	-3106	1071	-3610	-1196	-2760	-3830	-3830	-3830	-3830	-3830	-3830	-3830
Total	0	0	0	-3260	2683	17448	20328	32441	43873	43873	43873	43873	43873	43873	43873

Notes:

The costs above are the incremental costs associated with the alternative.
Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.
The economic carrying charge credit/cost includes fixed O&M.
Generation Non-fuel Variable O&M includes start charges
Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)
System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case
Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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Bidder E

Attachment 1 (FPSC Staff Interrogatory 11)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Costs														
Generation Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital and O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PV Factor (@8.46%)	0.273	0.251	0.232	0.214	0.197	0.182	0.168	0.154	0.142	0.131	0.121	0.112	0.103	0.095
Present Value Costs														
Generation Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital and O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Present Value Costs														
Generation Capital	45052	45052	45052	45052	45052	45052	45052	45052	45052	45052	45052	45052	45052	45052
Generation Fixed O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	2651	2651	2651	2651	2651	2651	2651	2651	2651	2651	2651	2651	2651	2651
Transmission Capital and O&M	0	0	0	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	-3830	-3830	-3830	-3830	-3830	-3830	-3830	-3830	-3830	-3830	-3830	-3830	-3830	-3830
Total	43873	43873	43873	43873	43873	43873	43873	43873	43873	43873	43873	43873	43873	43873

Notes:

The costs above are the incremental costs associated with the alternative.

Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.
The economic carrying charge credit/cost includes fixed O&M.

Generation Non-fuel Variable O&M includes start charges

Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)

System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case

Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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Bidder F

Attachment 1 (FPSC Staff Interrogatory 11)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Annual Costs															
Generation Capital	0	0	0	1644	19138	18430	17708	16972	16221	15456	14675	13878	13065	12236	11391
Generation Fixed O&M	0	0	0	694	8163	8325	8492	8660	8832	9009	9192	9374	9562	9755	9947
Generation Non-fuel Variable O&M	0	0	0	544	9109	9111	9033	9959	9706	9280	9910	11526	13127	12965	13346
Transmission Capital and O&M	0	0	0	39	444	444	444	444	444	444	444	444	444	444	444
System Fuel and Purchased Power	0	0	0	-2532	5379	3555	5283	3347	7151	3477	3396	1733	835	4030	1280
Total	0	0	0	390	42232	39865	40961	39382	42355	37666	37617	36954	37033	39430	36408
PV Factor (@8.46%)	0.922	0.850	0.784	0.723	0.666	0.614	0.566	0.522	0.481	0.444	0.409	0.377	0.348	0.321	0.296
Present Value Costs															
Generation Capital	0	0	0	1188	12751	11322	10030	8863	7810	6861	6006	5237	4546	3925	3369
Generation Fixed O&M	0	0	0	502	5439	5114	4810	4522	4252	3999	3762	3537	3327	3129	2942
Generation Non-fuel Variable O&M	0	0	0	393	6069	5597	5116	5201	4673	4120	4056	4349	4567	4159	3947
Transmission Capital and O&M	0	0	0	28	296	273	252	232	214	197	182	168	155	142	131
System Fuel and Purchased Power	0	0	0	-1829	3584	2184	2992	1748	3443	1543	1390	654	290	1293	379
Total	0	0	0	282	28138	24489	23200	20566	20393	16721	15396	13945	12885	12649	10768
Cumulative Present Value Costs															
Generation Capital	0	0	0	1188	13939	25261	35290	44153	51964	58825	64831	70068	74614	78539	81908
Generation Fixed O&M	0	0	0	502	5940	11054	15864	20386	24639	28638	32400	35938	39265	42394	45336
Generation Non-fuel Variable O&M	0	0	0	393	6462	12059	17175	22376	27050	31169	35226	39575	44142	48301	52249
Transmission Capital and O&M	0	0	0	28	324	597	848	1080	1294	1491	1673	1840	1995	2137	2269
System Fuel and Purchased Power	0	0	0	-1829	1754	3938	6931	8678	12121	13665	15055	15708	15999	17292	17670
Total	0	0	0	282	28420	52909	76109	96675	117067	133788	149184	163130	176015	188663	199432

Notes:

The costs above are the incremental costs associated with the alternative.
Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.
The economic carrying charge credit/cost includes fixed O&M.
Generation Non-fuel Variable O&M includes start charges
Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)
System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case
Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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Bidder F

Attachment 1 (FPSC Staff Interrogatory 11)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual Costs														
Generation Capital	10528	9648	8751	0	0	0	0	0	0	0	0	0	0	0
Generation Fixed O&M	10145	10348	10556	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	12067	13347	14275	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital and O&M	444	444	444	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	-129	-981	8616	0	0	0	0	0	0	0	0	0	0	0
Total	33056	32806	42641	0	0	0	0	0	0	0	0	0	0	0
PV Factor (@8.46%)	0.273	0.251	0.232	0.214	0.197	0.182	0.168	0.154	0.142	0.131	0.121	0.112	0.103	0.095
Present Value Costs														
Generation Capital	2871	2426	2029	0	0	0	0	0	0	0	0	0	0	0
Generation Fixed O&M	2767	2602	2447	0	0	0	0	0	0	0	0	0	0	0
Generation Non-fuel Variable O&M	3291	3356	3309	0	0	0	0	0	0	0	0	0	0	0
Transmission Capital and O&M	121	112	103	0	0	0	0	0	0	0	0	0	0	0
System Fuel and Purchased Power	-35	-247	1997	0	0	0	0	0	0	0	0	0	0	0
Total	9014	8248	9885	0	0	0	0	0	0	0	0	0	0	0
Cumulative Present Value Costs														
Generation Capital	84779	87205	89234	89234	89234	89234	89234	89234	89234	89234	89234	89234	89234	89234
Generation Fixed O&M	48103	50704	53151	53151	53151	53151	53151	53151	53151	53151	53151	53151	53151	53151
Generation Non-fuel Variable O&M	55539	58895	62204	62204	62204	62204	62204	62204	62204	62204	62204	62204	62204	62204
Transmission Capital and O&M	2390	2502	2605	2605	2605	2605	2605	2605	2605	2605	2605	2605	2605	2605
System Fuel and Purchased Power	17635	17388	19386	19386	19386	19386	19386	19386	19386	19386	19386	19386	19386	19386
Total	208446	216694	226580	226580	226580	226580	226580	226580	226580	226580	226580	226580	226580	226580

Notes:

The costs above are the incremental costs associated with the alternative.
Generation Capital includes economic carrying charge credit/cost as a result of change in resource plan from Base Case.
The economic carrying charge credit/cost includes fixed O&M.
Generation Non-fuel Variable O&M includes start charges
Transmission Capital and O&M includes interconnection costs identified by the Bidder and system integration costs (if any)
System Fuel and Purchased Power is the change in system fuel and purchased power costs from the Base Case
Costs are assumed to occur at the end of the year and are present valued to the beginning of 2002.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination of Need of Hines Unit 3 Power Plant.	))))	Docket No.: 020953-EI Submitted for Filing: October 7, 2002

FLORIDA POWER'S OBJECTIONS AND RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES

Pursuant to § 350.0611(1), Fla. Stat. (2000), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P. 1.340, Florida Power Corporation ("FPC") objects and responds to the Staff of the Florida Public Service Commission's First Set of Interrogatories (Nos. 1-33) and states as follows:

GENERAL OBJECTIONS

FPC objects to any interrogatory that calls for information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time the response is first made to these interrogatories or is later determined to be applicable based on the discovery of documents, investigation or analysis. FPC in no way intends to waive any such privilege or protection.

In certain circumstances, FPC may determine upon investigation and analysis that information responsive to certain interrogatories to which objections are not otherwise asserted are confidential and proprietary and should be produced only under an appropriate confidentiality agreement and protective order, if at all. By agreeing to provide such information in response to such interrogatory, FPC is not waiving its right to insist upon appropriate

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protection of confidentiality by means of a confidentiality agreement and protective order. FPC hereby asserts its right to require such protection of any and all documents that may qualify for protection under the Florida Rules of Civil Procedure and other applicable statutes, rules and legal principles.

FPC objects to these interrogatories and any definitions and instructions that purport to expand FPC's obligations under applicable law.

FPC also objects to these interrogatories to the extent they purport to require FPC to prepare information in a particular format or perform calculations not previously prepared or performed as an attempt to expand FPC's obligations under applicable law. Further, FPC objects to these interrogatories to the extent they purport to require FPC to conduct an analysis or create information not prepared by FPC in the normal course of business. FPC will comply with its obligations under the applicable rules of procedure.

FPC incorporates by reference all of the foregoing general objections into each of its specific objections set forth below as though pleaded therein.

In addition, FPC reserves its right to count interrogatories and their sub-parts (as permitted under the applicable rules of procedure) in determining whether it is obligated to respond to additional interrogatories served by any party.

INTERROGATORIES

1. **Please provide a schedule which shows the actual common equity ratio for Progress Energy Company and each of its subsidiaries for fiscal years 1999, 2000, and 2001. For purposes of this response, the actual equity ratio is calculated by dividing total common equity by the sum of total common equity, preferred stock, long-term debt, and short-term debt. Show all amounts used in the calculations. Sum of the total equity for the subsidiaries should reconcile with the total equity for Progress Energy Company.**

Pursuant to the agreement of counsel, Florida Power is not obligated to respond to this interrogatory.

2. **For the years 1999, 2000, and 2001, what was the adjusted equity ratio for Florida Power Corporation and Progress Energy Company on a consolidated basis. For purpose of this response, the adjusted equity ratio is calculated by dividing total common equity by the sum of total common equity, preferred stock, long-term debt, short-term debt, and an estimate of its off-balance sheet debt equivalent. Show all amounts used in the calculations.**

Pursuant to the agreement of counsel, Florida Power is not obligated to respond to this interrogatory.

3. **For the years 1999, 2000, and 2001, please provide schedules which show the estimated amount of the off-balance sheet debt equivalent for Florida Power Corporation. For purposes of this response, these schedules should itemize the projected capacity payment stream for each of the company's primary purchased power contracts (smaller QF contracts may be lumped together), the discounted present value amount at a 10% discount rate, the respective Standard & Poor's risk adjustment factors, the adjusted debt equivalent value of each contract, and the total amount of Florida Power Corporation's estimate of its off-balance sheet debt equivalent for each year.**

Pursuant to the agreement of counsel, Florida Power is not obligated to respond to this interrogatory.

4. **Please discuss in detail the reasonableness of the financial assumptions relied upon in Florida Power Corporation's need determination filing.**

Pursuant to the agreement of counsel, Florida Power is not obligated to respond to this interrogatory.

5. Please discuss in detail the reasonableness of the tax positions Florida Power Corporation has assumed in its need determination filing.

Pursuant to the agreement of counsel, Florida Power is not obligated to respond to this interrogatory.

6. Who will be the natural gas supplier for the project?

Please refer to the Direct Testimony of Pamela R. Murphy, page 9 of 11, lines 3 through 10 and page 10 of 11, lines 21 through 23.

7. Does Florida Power Corporation have any signed contracts for the supply of natural gas at this time? If not, when do you expect to have them?

Please refer to the Direct Testimony of Pamela R. Murphy, page 9 of 11, lines 3 through 10, and lines 16 through 18.

8. What are the required volumes of natural gas to serve the project?

Please refer to the Direct Testimony of Pamela R. Murphy, page 7 of 11, line 22 through page 8 of 11, line 3.

9. **What is the capacity of the pipeline that will serve the project?**

The Hines site is served by both Gulfstream Natural Gas and Florida Gas Transmission. The Gulfstream lateral to the site has a capacity of 300,000 Dt/day and the FGT lateral has a capacity of 115,000 Dt/day, expandable to 230,000 Dt/day.

10. **What is the anticipated in-service date for the natural gas supply for the project?**

Please refer to the Direct Testimony of Pamela R. Murphy, page 9 of 11, lines 14 through 18.

11. **Provide a Present Worth Revenue Requirements (PWRR) analysis for each expansion plan evaluated in Florida Power Corporation's RFP process. Include separate PWRR analyses for each plan resulting from the self-build option selected from the RFP process, and all respondents to the RFP. For each year in the evaluation period, provide the annual and cumulative PWRR for each of the following components: generation capital, generation fixed O&M, generation non-fuel variable O&M, transmission capital, transmission fixed O&M, transmission non-fuel variable O&M, system fuel, purchased power, and total costs.**

Reference Attachment.

Note: A majority of the information in this attachment is confidential and has been redacted. The complete response has been filed confidentially with a Notice of Intent to seek confidential classification.

12. Provide a side-by-side annual comparison, listing megawatts, units, and reserve margin, of the expansion plan resulting from the self build option selected from Florida Power's RFP process and the expansion plan resulting from the self-build option identified in each RFP respondent's proposal. The time period should be identical to the PWRR analysis requested in interrogatory eleven.

Reference Attachment.

13. Explain in detail how each RFP response which included power purchases of shorter term than the depreciable life of the selected self-build option were evaluated on a comparable basis with Florida Power Corporation's self-build options.

As explained in the Direct Testimony of Daniel J. Roeder on page 40, line 21 through page 41, line 10, the cost impacts of the changes in the resource plan were reflected in the financial analysis by way of an economic carrying charge, which is the same concept as the Value of Deferral. Each Greenfield proposal received a credit for fixed cost savings equal to the economic carrying charge of a generic combined cycle unit (the unit being deferred in the Base Case resource plan) through the term of the proposal. The economic carrying charge captured both the construction costs and fixed O&M. The System Power proposal (Bid E) received similar credits for the deferral of two combined cycle units for one year each; however, the additional cost of advancing a combustion turbine three years was also assigned to the proposal.

14. Explain in detail how the cost of existing land and infrastructure was incorporated into Florida Power Corporation's self-build option selected from the RFP process, and how it was incorporated for all respondents to the RFP.

The cost of existing land and infrastructure is irrelevant in an economic analysis of Hines 3 or any other proposal received in the RFP since it is a sunk cost.

15. Describe the transmission upgrades necessary for Florida Power Corporation's self-build option selected from the RFP process, and all respondents to the RFP. Also include how these upgrades were developed and a list of the staff involved.

Transmission impact studies were conducted only for greenfield proposals making it to the Short List. Following is a discussion of the transmission upgrades required for Bidders C, D, F, and the Hines 3 self-build option.

Bidder C

The first type of analysis employed to determine any potential need for transmission upgrades due to the proposed interconnection of Bidder C was load flow analysis. The purpose of the load flow analysis was to study current flow and voltage conditions on the transmission system with and without the Bidder C site. Normal condition and single contingency analysis was performed for these scenarios. Contingencies showing single loading increases of 3% or greater for a Bidder C dispatch versus the base case were considered significant overloads that merited further research and discussion with the affected entities. BEGIN CONFIDENTIAL No normal condition overloads were encountered in simulations based on the monitoring of all facilities in the vicinity of the Bidder C site. However, several contingency simulations involving the loss of 230 kV lines were found to cause overloads. These overloads would necessitate a rebuild of the existing FP West Lake Wales – TECO South Eloise – FP North Bartow 230 kV line. END CONFIDENTIAL

Stability analysis was also performed to analyze the potential effects of the interconnection of Bidder C in relation to major events on the transmission system. The typical events that are simulated for this type of analysis include tripping of a generator, loss of an entire generation site or loss of one or more major transmission lines (e.g. 230 kV lines). BEGIN CONFIDENTIAL Bidder C was not shown to cause scenarios of instability in this analysis. END CONFIDENTIAL

Short circuit analysis was performed BEGIN CONFIDENTIAL for the West Lake Wales Substation and other nearby substations END CONFIDENTIAL to determine the impact of Bidder C on existing circuit breaker duties. This consisted of the application of a 3-phase fault applied to the pertinent bus with Bidder C out of service, followed by repetition of the fault with Bidder C in-service. In these simulations, BEGIN CONFIDENTIAL Bidder C was not found to have a detrimental effect on fault current scenarios. As such, Bidder C would have no cost responsibility for upgrading breakers. END CONFIDENTIAL

BEGIN CONFIDENTIAL Based on all analysis conducted, contingency overloads associated with the interconnection of Bidder C would necessitate a rebuild of the existing FP West Lake Wales – TECO South Eloise – FP North Bartow 230 kV line. A new 230 kV Switchyard to interconnect to the FP West Lake Wales – TECO South Eloise 230 kV line would also be required. END CONFIDENTIAL

Bidder D

As described previously, load flow analysis was also performed for Bidder D. BEGIN CONFIDENTIAL No normal condition or contingency overloads were encountered in load flow simulations of the interconnection of the Bidder D site. END CONFIDENTIAL

As described previously, stability analysis was also performed for Bidder D. BEGIN CONFIDENTIAL Bidder D was not shown to cause scenarios of instability in this analysis. END CONFIDENTIAL

As described previously, short circuit analysis was also performed for Bidder D. BEGIN CONFIDENTIAL In these simulations, Bidder D was not found to have a detrimental effect on fault current scenarios. As such, Bidder D would have no cost responsibility for upgrading breakers. END CONFIDENTIAL

BEGIN CONFIDENTIAL Based on all analysis conducted, no modifications to the FP transmission system other than 1) expansion of the Hines Substation and 2) a 7-mile radial 230 kV line from the Bidder D site to Hines Substation would be necessary to accommodate the interconnection of Bidder D. END CONFIDENTIAL

Bidder F

As described previously, load flow analysis was also performed for Bidder F. BEGIN CONFIDENTIAL No normal condition overloads were encountered based on the monitoring of all facilities in the vicinity of the Bidder F site. However, simulations revealed several single contingency scenarios on the Florida Power & Light (FPL) and Tampa Electric (TECO) transmission systems, which violate the aforementioned incremental 3% criteria. END CONFIDENTIAL

As described previously, stability analysis was also performed for Bidder F. BEGIN CONFIDENTIAL Bidder F was not shown to cause scenarios of instability in this analysis. END CONFIDENTIAL

As described previously, short circuit analysis was also performed for Bidder F. BEGIN CONFIDENTIAL In these simulations, Bidder F was not found to have a detrimental effect on fault current scenarios. As such, Bidder F would have no cost responsibility for upgrading breakers. END CONFIDENTIAL

BEGIN CONFIDENTIAL Based on all analysis conducted, no modifications to the Florida Power transmission system other than 1) a new 230 kV Switchyard to interconnect to the Fort Meade – Vandolah 230 kV line and 2) short 230 kV lines from Bidder F 230 kV Switchyard to the Fort Meade – Vandolah 230 kV line and associated Substation work at Fort Meade and Vandolah Substations would be necessary to accommodate the interconnection of Bidder F. The contingency scenarios mentioned above could potentially be matters of concern to FPL and TECO if Bidder F were to be interconnected to the Florida Power transmission system. END CONFIDENTIAL

Self-Build

As described previously, load flow analysis was also performed for the Hines 3 self-build option. No normal condition or contingency overloads were encountered based on the monitoring of all facilities in the vicinity of the Hines 3 site.

As described previously, load flow analysis was also performed for the Hines 3 self-build option. Hines 3 was not shown to cause scenarios of instability in this analysis.

As described previously, short circuit analysis was also performed for the Hines 3 self-build option. In these simulations, with and without Hines 3 dispatched, the Hines 3 self-build option was not found to have a detrimental effect on fault current scenarios. As such, Hines 3 would have no cost responsibility for upgrading breakers.

Based on all analysis conducted, no transmission facility modifications other than the expansion of Hines Substation would be necessary to accommodate the interconnection of Hines 3.

<u>Staff Involved</u>

Bart White, formerly of Transmission Planning but employed in Suncoast Transmission Maintenance as of May 20, 2002, performed the analysis and identified any potential transmission upgrades required to accommodate the interconnection of the bidders or the self-build option. Fred McNeill of Transmission Planning performed load flow calculations but did not analyze those calculations.

16. Provide a breakdown of all transmission-related costs associated with Florida Power Corporation's self-build option selected from the RFP process, and all respondents to the RFP.

Following is a list of Bids received and the annual transmission charges (nominal dollars) reflected in each proposal:

Bidder	Transmission Charges ($/kW-Yr.) BEGIN CONFIDENTIAL
A	n/a
B	7.44 in 2005, escalating to 8.42 in 2010
C	0.0*
D	1.74
E	0.0
F	0.88
G	Not Available

* Included interconnection costs in generation capacity charges.

END CONFIDENTIAL

The following breakdown reflects transmission cost impacts based on the transmission impact studies. These studies were based on proposals, which were included on the short list (Bidders C, D, and F, and the Hines 3 self-build option).

Bidder C

BEGIN CONFIDENTIAL Contingency overloads associated with the interconnection of Bidder C would necessitate a rebuild of the existing FP West Lake Wales – TECO South Eloise – FP North Bartow 230 kV line. Costs for this rebuild are as follows: Rebuild existing FP West Lake Wales – TECO South Eloise – FP North Bartow 230 kV line (18.7 miles) with associated Substation work at West Lake Wales, North Bartow and South Eloise Substations - **$20,000,000**.

END CONFIDENTIAL

Bidder D

BEGIN CONFIDENTIAL No required transmission upgrades were found to be necessary in load flow simulations with Bidder D dispatched. END CONFIDENTIAL

Bidder F

BEGIN CONFIDENTIAL No required transmission upgrades were found to be necessary in load flow simulations with Bidder F dispatched. END CONFIDENTIAL

Self-Build

While no required transmission upgrades were found to be necessary in load flow simulations with Hines 3 dispatched, base interconnection requirements for the plant and costs are estimated as follows: Hines Substation expansion - **$4,500,000**.

17. Explain in detail how Florida Power Corporation incorporated the cost of emission credits associated with the self-build option selected from the RFP process, and all respondents to the RFP.

The cost of emission credits was incorporated into the production cost for the self-build option selected from the RFP process by inputting a \$/ton cost for SO_2 emissions. For all respondents to the RFP, the cost of emission credits was assumed to be zero, as the respondents to the RFP incorporated the cost of emission credits into the price of their respective bids.

18. Discuss in detail whether Florida Power Corporation's 2002 RFP permitted a respondent to construct an electric generating unit on property owned by Florida Power Corporation. If so, provide a brief description of any such proposal including a discussion of how it was evaluated.

Florida Power's 2002 RFP did not address whether a respondent could construct an electric generating unit on property owned by Florida Power. In response to a question from a potential bidder to whether a bidder could propose to build on the Hines site, Florida Power's response was that it was predisposed to saying no, but if a Bidder wanted to make a proposal, it should go ahead and make the proposal. One bidder mentioned in the cover letter to their proposal that they were interested in providing an alternative to allow their facility to be sited at Hines; however, no alternative was ever provided to Florida Power.

19. Provide a time line with milestones for Florida Power Corporation's 2001 generation planning activities.

Florida Power's 2001 Generation Planning Activities	
Jan-Mar 2001	Gather data and forecasts, and perform the analysis required to develop Florida Power's resource plan, Ten Year Site Plan, and EIA-411 submittal.
Mar-2001	EIA-411 Data Request filed with the FRCC
Apr-2001	Ten Year Site Plan filed with the Florida Public Service Commission (FPSC)
Jul-2001	Ten Year Site Plan Supplemental Data filed with FPSC
Aug-2001	Presentation at the FPSC Ten Year Site Plan Workshop
Nov-2001	Hines 3 RFP Issued

20. Pages 1-2 of Florida Power Corporation's December 18, 2001, RFP contains a proposed schedule of events. Provide the actual dates on which these events occurred, explaining any differences from the schedule in the RFP.

Event	**Scheduled Date**	**Actual Date**
Notice of RFP	11/19/2001	11/19/2001
Issuance of RFP	11/26/2001	11/26/2001
Notices of Intent to Bid Due	12/10/2001	12/10/2001
This event was a date bidders were supposed to meet. Some bidders submitted notices after this date.		
Bidders Conference	12/18/2001	12/18/2001
Submission of Bids	02/12/2002	02/12/2002
Determination of Short List	04/29/2002	04/19/2002
Short Listed bidders were notified 4/19/02, but press release was not made until 4/29/02.		
Determination of Final List	05/31/2002	06/07/2002
Additional time was required to allow for additional management review and communication. Bidders were notified on 6/3/02 that announcement would be made later in the week.		
Initiate Contract Negotiations	06/03/2002	n/a
Award Announcement	07/30/2002	n/a
File contract(s) for certification	09/27/2002	n/a

21. Provide the overview of how the results of the RFP evaluation process were presented to Florida Power Corporation, Florida Progress, and Carolina Power & Light management for approval. This overview should include dates, attendance lists, and minutes of any meetings or presentations.

Meetings with management were held at two points during the RFP process: Short List determination and Final List determination.

For the Short List determination, a conference call was held on April 11, 2002 to discuss the development of the Short List. In attendance on the call were Mr. William Habermeyer, Mr. Vincent Dolan, Mr. John Flynn, and Mr. Daniel Roeder. A separate meeting covering the same material was held on April 15, 2002 to brief management in Raleigh. In attendance at that meeting were Mr. William Orser, Mr. Michael Williams, Mr. Ben Crisp, and Mr. Roeder. The information presented at both meetings covered background information on the RFP, a summary of the proposals received, an outline of the evaluation process, results of the threshold screening, economic screening, and technical evaluations, conclusions, and next steps.

For Final List determination, one meeting/conference call was held on May 29, 2002. In attendance were Mr. Habermeyer, Mr. Orser, Mr. Dolan, Mr. Crisp, and Mr. Roeder. The information presented at the meeting covered the RFP process (the steps taken and to be taken), a summary of the short-listed proposals, results of the optimization analysis, the Final List determination process, the finalized Technical Evaluation, the detailed economic analysis and sensitivity analysis, and the conclusion.

22. Explain when Florida Power Corporation notified the respondents to its RFP that the proposed Hines 3 expansion was a self-build option.

All Short-Listed bidders were notified via telephone on June 7, 2002.

23. **Provide a list of staff assigned to the evaluation of RFP respondents. Also include an organizational chart depicting where in the Florida Power Corporation, Florida Progress, or Carolina Power & Light organization these individuals are assigned.**

Name	Department	Name	Department
Dan Roeder	System Planning & Operations	Mark McKeage	Regulated Commercial Operations
Tom Davis	System Planning & Operations	Michael Keen	Regulated Commercial Operations
Lynn Taylor	System Planning & Operations	John Pierpont	Regulated Commercial Operations
Leslie King	System Planning & Operations	Michael Carl	Regulated Commercial Operations
Debbie Sherrod	System Planning & Operations	Robert Niekum	Regulated Commercial Operations
Ron Coats	System Planning & Operations	Paul Crimi	CT Operations
Alan Keith	System Planning & Operations	Roger Zirkle	CT Operations
Frank Walker	Treasury	Dave Sorrick	CT Operations
James Curcio	Risk Management	Harry Carbone	CT Operations
Jerry Letchworth	Power Plant Construction	Dave Sands	CT Operations
Bart White	Transmission	Bill Micklon	CT Operations (Consultant)
Fred McNeill	Transmission	George Kerst	CT Operations
Patricia West	Technical Services	Mark Lutter	CT Operations
Jamie Hunter	Technical Services	Art Ball	CT Operations
B. Randal Melton	Technical Services		

Reference attached organizational charts.

24. **Provide a listing of all entities who requested transmission/integration service in response to Florida Power Corporation's RFP. Include the date of initial request, the RFP respondent's location, and the capacity of the RFP respondent's proposed facility.**

By virtue of responding to the RFP, Florida Power assumed all Greenfield Proposals "requested" transmission/integration service. The following table provides the information requested above:

Bidder	Date of Request	BEGIN CONFIDENTIAL Location (County)	Capacity (MW)
A	2/12/02	Bradford	500
B	3/1/02	Polk	500
C	2/12/02	Polk	566
D	2/12/02	Polk	521
F	2/12/02	Hardee	528
G	2/12/02	Okeechobee	553 END CONFIDENTIAL

Through the evaluation process, some of the bidders were eliminated before the transmission system impact analysis was performed. Transmission studies were performed on bidders C, D, and F only. The analysis performed is discussed in the Need Study (Exhibit JBC-1) on pages 66-67 and in response to Interrogatory 15.

25. Discuss whether Florida Power Corporation has submitted a request for transmission interconnection service for the proposed Hines 3 project. If so, provide the date of such request and the relative position in the queue with other generation interconnection requests.

Before the Generation Interconnection Queue was created, future FPC generation alternatives were studied by Transmission Planning, then subsequently introduced via the Ten Year Site Plan. The detailed study considering thermal loading, fault current and stability analysis corresponds to the Feasibility or Impact Study phase of a Generation Interconnection Study today. This Study begins the day after a Generation Interconnection Request is made. At the same time, Queue position is established. Based on that relationship, the request for transmission interconnection service was made no later than October 1993 for Hines 3. Hines 3 was included in the April 1998 Ten Year Site Plan. This pre-dates the introduction of the FLOASIS Generation Interconnection Queue. However, when the Queue was introduced, Hines 3 was listed along with Hines 2 and 4 as Queue entry number 2.

26. Has Florida Power Corporation filed a site certification application at the Department of Environmental Protection? If so, provide a description of when Florida Power Corporation began preparing the site certification. Include the date when the site certification application filing was approved by Florida Power Corporation management, and the staff involved in preparing the filing.

Yes, a Supplemental Site Certification Application (SSCA) was filed with the Florida Department of Environmental Protection on September 4, 2002 and deemed to be complete on September 19, 2002.

The preparation of the SSCA began with a project kick-off meeting on April 5, 2002. The initiation of the SSCA preparation was based on the timeframe necessary to have a complete application available for submittal in early September, should the outcome of the RFP process result in selection of the self-build option. A September submittal date was necessary to support the overall project schedule. The final version of the SSCA was approved for submittal on August 30, 2002.

The primary staff person responsible for the preparation of the SSCA was John J. (Jamie) Hunter, with support from external consultants.

27. Explain how conservation and demand-side management (DSM) savings are incorporated into Florida Power Corporation's integrated resource plan. Specifically, are DSM savings included only up to the end of the current DSM goals period?

Florida Power's Demand Side Management (DSM) program savings are incorporated directly into the load and energy forecast, which then serves as the basis for developing the integrated resource plan. Please refer to pages 23-24 of Florida Power's Need Determination Study for a complete description of how this is handled. As presented in appendix F, pages 15-23, of Florida Power's Need Determination Study, the projection of DSM program savings extends well beyond the end of the current DSM goals period and continues through the end of the load and energy forecast horizon.

28. If Florida Power Corporation plans to have a backup fuel source for the self-build option selected from the RFP process, describe the type of fuel that would be chosen (commodity and storage), and the expected amount of backup fuel stored (number of days burn at 100% dispatch).

Backup fuel for Hines 3 will be distillate oil. Distillate fuel oil will be available from the existing storage facility currently in place to serve Hines 1 and 2. Based on full load burn rates, the existing storage will allow a single unit to run about 139 hours (assuming no resupply). The existing storage would allow Hines 1, 2, and 3 combined to run for about 47 hours (assuming no resupply).

29. **Is FPC projected to make any firm wholesale capacity sales in the year that Hines 3 comes on-line? Provide a list of all FPC's units that are projected to have a capacity factor of 55% or greater for 3 years after Hines 3 comes on-line.**

As indicated in Florida Power's TYSP (reference tables on pages 15 and 18 of Appendix F of the Need Determination Study, Exhibit JBC-1), in the year that Hines 3 comes on-line, the projected 2005/2006 winter and 2006 summer firm wholesale peak demands that are included in FPC's demand forecast are 1,321 MW and 795 MW, respectively. A list of all FPC's units that are projected to have a capacity factor of 55% or greater for 3 years after Hines 3 comes on-line is provided in the Attachment. The attachment also provides cogeneration and firm capacity purchases with capacity factors of 55% or greater. Please note that the capacity factors reflected in the Attachment are annual capacity factors and do not reflect "capacity factor" or output of the plant at the time of peak.

30. Provide projections for the likelihood that Hines 3 might suffer cost overruns. What effect will cost overruns have on the decision to build Hines 3 compared to any RFP respondent?

We have made no projections on the likelihood that Hines 3 might suffer cost overruns. We have in our pricing been conservative in our estimates and have included an anticipated contingency for unforeseen costs. This contingency amount is shown in exhibit JJM-5.

As discussed on pages 73-74 of the Need Study and from line 1, page 45 through line 23, page 45 of the testimony of Daniel J. Roeder, an increase of 10% in the construction costs ($23 million) would result in the Hines 3 addition still being $65 million (CPVRR) less expensive than the next best proposal. The direct construction costs of Hines 3 would have to increase by more than $79 million (approximately 35%) for the next-best alternative to be more economical than Hines Unit 3.

31. Provide the list of contractors (engineering, design, construction, etc) and vendors that Florida Power Corporation has relied on to establishing cost estimates for the self-build option contained in the RFP.

No contractors or vendors were relied upon in developing the cost estimates for the self-build option contained in the RFP. Florida Power relied on information from Siemens Westinghouse

Power Corporation and Gemma Power Systems, LLC in developing the revised cost estimate that was provided to short-listed bidders on April 19, 2002.

32. Were the contractors listed above used in the construction of Hines 2? Provide a list showing which ones are new and which ones are the same.

Yes. Both Siemens-Westinghouse and Gemma are being used in the construction of Hines 2. Siemens-Westinghouse is providing the power island equipment and Gemma is the EPC contractor.

33. Will the Hines 3 project employ the same type 2-on-1 combined cycle unit used in Hines 2? If so, will the use of this unit worsen Florida's blackout exposure because the trip point for these units is 58 Hz with zero time delay? Please explain in detail the reliability associated with these trip points. Provide any Florida Reliability Coordinating Council study addressing this matter.

Hines 3 is anticipated to be a replicate of Hines 2. The use of this unit will not worsen Florida's blackout exposure. A study may determine that an increase in load shed at higher frequencies may be required to maintain an adequate generation/load balance during an underfrequency event. Such adjustments provide the flexibility required to maintain system reliability levels. A

Florida Reliability Coordinating Council study is underway to determine any potential reliability impacts.

As to objections.

Respectfully submitted this 7th day of October 2002.

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