

MEB-4 – PEF Responses to POD-13

Docket No. 041393-EI
Witness: Maurice Brubaker
Exhibit No. MEB-4 ()
POD-13

**NOTE: CONTAINS CONFIDENTIAL
INFORMATION**

**BEFORE THE
PUBLIC SERVICE COMMISSION OF FLORIDA**

In re: Petition for approval of two unit power sales agreements with Southern Company Services, Inc. for purposes of cost recovery through capacity and fuel cost recovery clauses, by Progress Energy Florida, Inc.

Docket No. 041393-EI

Exhibit No. MEB-4 ()
POD-13

Mr 12-1-06 (entire DN)

CONFIDENTIAL

On behalf of

**White Springs Agricultural Chemicals, Inc.
d/b/a PCS Phosphate – White Springs**

Project 8400
May 13, 2005

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET
NO. 041393-EI EXHIBIT NO. 13

COMPANY/

WITNESS. _____

DATE: 6/2/05



BRUBAKER & ASSOCIATES, INC.
St. Louis, MO 63141-2000

DOCUMENT NUMBER-DATE

05388 JUN-3 05

From: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
To: "Crisp, John (Ben)" <Ben.Crisp@pgnmail.com>, "Waters, Samuel" <Samuel.Waters@pgnmail.com>, "Niekum, Robert D" <Robert.Niekum@pgnmail.com>, "Carl, Michael A." <Michael.Carl@pgnmail.com>
Date: 11/30/2004 11:08:21 AM
Subject: Southern Company UPS Extension - Transmission Requests



All,

We have initiated PEF's request for transmission for the extension of the Southern Company UPS Agreement.

Background

Two contracts for capacity were signed by PEF and SouCo this week. Under the contracts' provisions, PEF is required to submit its transmission requests within thirty days.

Steps

1. PEF to submit Scherer transmission request - 74 MW; Scherer Plant as source, FPC as sink. Annual request for term June 1, 2010 through May 31, 2015 (Southern Company will only accept whole years, leaving PEF to request rollover for the final seven months of the contract at a later date). PEF to include in Comments "Rollover of Pre-Tariff UPS Service." This request will be made today.
2. PEF to submit Miller transmission request - 350 MW; Miller Plant as source, FPC as sink. Annual request for term June 1, 2010 through May 31, 2015 (Southern Company will only accept whole years, leaving PEF to request rollover for the final seven months of the contract at a later date). PEF to include in Comments "Rollover of Pre-Tariff UPS Service." This request will be made today.
3. For each request, SouCo will send PEF an application for service and a deposit sheet. SouCo will send out the applications and deposit sheets today.
4. PEF will complete the applications and submit them with deposit checks; \$613,725. for Miller and \$129,759. for Scherer. PEF will complete the applications this month.
5. SouCo will send PEF Letter Agreements, that outline the studies that SouCo will perform to determine Available Transmission Capacity (ATC). Both Parties will need to sign the Letter Agreements. SouCo stated that they would send Letter Agreements to PEF within two weeks of receipt of the applications & deposits.
6. SouCo will perform studies and make PEF aware of the results. SouCo stated that they could take as long as sixty days to perform these studies, though they anticipated quicker turn-around than that.
7. Assuming the studies result in ATC being found, PEF will request redirection of the Miller ATC to the Franklin Plant.
8. SouCo will act on PEF's request for redirection. If the redirection is denied, PEF can back out of the transmission from Miller. No timeline was given for this action.

Question

1. Who needs to initiate check requests? Out of whose account will this

money come? The amounts above are my best estimate of the charges. SouCo will let us know in their application cover letter the exact amounts they require for deposits.

2

Thanks,
Mark

CC: "Eckelkamp, Jim" <james.eckelkamp@pgnmail.com>, "Pierpont, John M." <John.Pierpont@pgnmail.com>, "Futch, Kimberly M" <Kimberly.Futch@pgnmail.com>

SOCO OASIS 1.4 - Transmission Reservation Details



[Menus](#) ||
 [Transmission](#) ||
 [Offerings](#) ||
 [Advanced Offerings](#) ||
 [New Reservation](#) ||
 [Status](#) ||
 [Monitor](#) ||
 [Query](#)

@general reservation info

Assignment Ref: 519355 PreConfirmed: NO Status: QUEUED New Status:

Impacted: 0 Related Ref: Request Type: ORIGINAL Competing Request: No

Transmission Service: Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued: 11/30/2004 10:43CS Last Updated: 11/30/2004 10:43CS

Sale Ref: Posting Ref: 182 Seller Ref: Response Time Limit:

Seller: SOCO Phone POR: 205-257-6238 SOCO POD: FPC

Customer: JIM G ECKELKAMP Phone Path: 919-546-2485 SS/SOCO/SOCO-FL//

Service Period: Source: SCHERER Sink: FPC

Start: 05/31/2010 23:00
 Stop: 05/31/2015 23:00

Time ZoneCS: Negotiated Price Flag Request Ref: Deal Ref:

Profile	Date	Time	Capacity Requested	Capacity Granted	Prices in \$/MWyr		
					Ceiling	Offer	Bid
	06/01/2010	00:00 CD	74		20451.52	20451.52	21042.21
	06/01/2011	00:00 CD	74				
	06/01/2012	00:00 CD	74				
	06/01/2013	00:00 CD	74				
	06/01/2014	00:00 CD	74				

Status Notification

Comments

Provider:
 Seller:
 Customer: ROLLOVER OF PRE-TARIFF UPS SERVICE
 Status:

NERC Curtailment Priority: 7 Other Curtailment Priority:

Ancillary Services

Requirements: SC:M;RV:M;RF:O;EI:O;SP:O;SU:O
 Provisions: SC:(SOCO:RQ);RV:(SOCO:RQ)

The primary provider is to make and link ancillary service reservations as required.

WebOASIS Home Company Home SOCO OASIS

A

SOCO OASIS 1.4 - Transmission Reservation Details



[Menus](#) || [Transmission](#) || [Offerings](#) || [Advanced Offerings](#) || [New Reservation](#) || [Status](#) || [Monitor](#) || [Query](#)

general reservation info

Assignment Ref: 519354 PreConfirmed: NO Status: RECEIVED New Status:

Impacted: 0 Related Ref: Request Type: ORIGINAL Competing Request: No

Transmission Service: Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued: 11/30/2004 10:42CS Last Updated: 11/30/2004 10:44CS

Sale Ref: Posting Ref: 182 Seller Ref: Response Time Limit:

Seller: SOCO Phone POR: 205-257-6238 SOCO POD: FPC

Customer: JIM G ECKELKAMP Phone Path: 919-546-2485 SS/SOCO/SOCO-FL//

Service Period: Source: MILLER Sink: FPC

Start: 05/31/2010 23:00
 Stop: 05/31/2015 23:00

Time Zone: CS Negotiated Price Flag Request Ref: Deal Ref:

Profile	Date	Time	Capacity	Prices in \$/MWyr				
				Requested	Granted	Ceiling	Offer	Bid
	06/01/2010	00:00	CD	350		20451.52	20451.52	21042.21
	06/01/2011	00:00	CD	350				
	06/01/2012	00:00	CD	350				
	06/01/2013	00:00	CD	350				
	06/01/2014	00:00	CD	350				

Status Notification

Comments

Provider:
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 Customer: ROLLOVER OF PRE-TARIFF UPS SERVICE
 Status:

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Requirements: SC:M;RV:M;RF:O;EI:O;SP:O;SU:O
 Provisions: SC:(SOCO:RQ);RV:(SOCO:RQ)
 The primary provider is to make and link ancillary service reservations as required.

WebOASIS Home Company Home SOCO OASIS



From: "Eckelkamp, Jim" <james.eckelkamp@pgnmail.com>
 To: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>, "Crisp, John (Ben)" <Ben.Crisp@pgnmail.com>, "Waters, Samuel" <Samuel.Waters@pgnmail.com>, "Niekum, Robert D" <Robert.Niekum@pgnmail.com>, "Carl, Michael A." <Michael.Carl@pgnmail.com>
 Date: 12/1/2004 1:05:58 PM
 Subject: RE: Southern Company UPS Extension - Transmission Requests



Attached are the application for service and the application of deposit for the transmission in SOCO for the UPS generation. I have entered the data required with the exception of the signature. Please advise as to how we are going to provide the deposit. I will overnight the application and cover letter to SOCO tonight/tomorrow.

Thanks
 Jim E

<<app firm PTP.doc>> <<App for deposit.doc>>

> —Original Message—

> From: McKeage, Mark D
 > Sent: Tuesday, November 30, 2004 11:08 AM
 > To: Crisp, John (Ben); Waters, Samuel; Niekum, Robert D; Carl, Michael A.
 > Cc: Eckelkamp, Jim; Pierpont, John M.; Futch, Kimberly M
 > Subject: Southern Company UPS Extension - Transmission Requests

> All,

> We have initiated PEF's request for transmission for the extension of the Southern Company UPS Agreement.

> Background

> Two contracts for capacity were signed by PEF and SouCo this week.
 > Under the contracts' provisions, PEF
 > is required to submit it's transmission requests within thirty days.

> Steps

- > 1. PEF to submit Scherer transmission request - 74 MW; Scherer Plant as source, FPC as sink. Annual request for term June 1, 2010 through May 31, 2015 (Southern Company will only accept whole years, leaving PEF to request rollover for the final seven months of the contract at a later date). PEF to include in Comments "Rollover of Pre-Tariff UPS Service." This request will be made today.
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- > 3. For each request, SouCo will send PEF an application for service and a deposit sheet. SouCo will send out the applications and deposit sheets today.
- > 4. PEF will complete the applications and submit them with deposit checks; \$613,725. for Miller and \$129,759. for Scherer. PEF will complete the applications this month.



- > 5. SouCo will send PEF Letter Agreements, that outline the studies
- > that SouCo will perform to determine
- > Available Transmission Capacity (ATC). Both Parties will need to sign
- > the Letter Agreements. SouCo stated that they
- > would send Letter Agreements to PEF within two weeks of receipt of the
- > applications & deposits.
- > 6. SouCo will perform studies and make PEF aware of the results.
- > SouCo stated that they could take as long as sixty
- > days to perform these studies, though they anticipated quicker
- > turn-around than that.
- > 7. Assuming the studies result in ATC being found, PEF will request
- > redirection of the Miller ATC to the Franklin Plant.
- > 8. SouCo will act on PEF's request for redirection. If the
- > redirection is denied, PEF can back out of the transmission
- > from Miller. No timeline was given for this action.
- >
- > Question
- > 1. Who needs to initiate check requests? Out of whose account will
- > this money come? The amounts above are my
- > best estimate of the charges. SouCo will let us know in their
- > application cover letter the exact amounts they require
- > for deposits.
- >
- > Thanks,
- > Mark

CC: "Pierpont, John M." <John.Pierpont@pgnmail.com>, "Futch, Kimberly M" <Kimberly.Futch@pgnmail.com>



**Southern Company's Application for Firm Point-To-Point Transmission Service
Between Southern Company and Florida Power Corp. d.b.a. Progress Energy Florida**

Identity of entity requesting service:

Name: Florida Power Corp. d.b.a. Progress Energy Florida

Address 411 Fayetteville St. Mall, Raleigh, NC.27602

Telephone Number: 919-546-2776

Fax Number: 919-546-3374

A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Southern Company Open Access Tariff:

Florida Power Corporation d.b.a. Progress Energy Florida is an eligible customer under Southern Company Open Access Tariff and is requesting Firm point to Point Service

Location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted:

Generating facilities are located in Southern Company control area. The load is located in Florida Power Corp. control area

Southern Company will treat this information as confidential except to the extent that disclosure of this information is required by the Tariff, by regulatory purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. Southern Company shall treat this information consistent with the standards of conduct contained in Part 37 of the Federal Energy Regulatory Commission's regulations.

A description of the supply characteristics of the capacity and energy to be delivered:

Firm capacity and energy from the Southern Company control area

An estimate of the capacity and energy expected to be delivered to the Receiving Party:

Maximum amount of capacity and energy to be transmitted is 424 Mws (Total reserved capacity).

The Service Commencement Date and the term of the requested Transmission Service:

Service starts on June 01, 2010 and terminates on June 01, 2015

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The transmission capacity requested for each Point of Receipt and each Point of Delivery on Southern Company's Transmission System: A combined reserved capacity of 424 Mws for a point of receipt of SOCO and a point of delivery of FPC. Oasis # 519354 and 519355

Customers may combine their requests for service in order to satisfy the minimum Transmission capacity requirement.

Southern Company will treat application information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

Deposit for firm transactions

A Completed Application for Firm Point-to-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with the losing bidders in a Request for Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decided not to enter into a Service Agreement for Firm Point-to-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19 of the Southern Company Open Access Tariff. If a Service Agreement for Firm Point-to-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration of the Service Agreement for Firm Point-to-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations and shall be calculated from the day the deposit check is credited to Southern Company's account.

Application submitted by: Name _____ Title: **Transmission Coordinator**

Date: _____

Phone number: 919-546-2776

Fax Number: 919-546-3374

Date Application was submitted _____

Date and Time Application was received by Southern Company _____

Date and Time Application was accepted by Southern Company _____

Application for Firm Point-to-Point Transmission Service should be sent to:

Rebecca Martin
Southern Company Services, Inc.
13N-8812
600 North 18th Street
Birmingham, AL 35291-8210
Phone (205)257-4483 Fax (205)257-6654
e-mail: rmgrisso@southernco.com

Southern Company Transmission Deposit Information Sheet

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Transmission Customer: Florida Power Corporation

Contact at Customer site: Jim Eckelkamp

OASIS Reference Numbers: 519354,519355

Date of OASIS Request: 11/30/2004

Transmission Rate used for calculation of deposit: 1,704.29 \$/MW-Month

Ancillary rates used for calculation of deposit:
Scheduling (80.60 \$/MW-Month) and Reactive (\$110.00 \$/kW-Month)

MW used for calculation of deposit: 424 MW (Sum of 2 requests)

Total deposit required for this OASIS request: \$803,433.36

Deposit is administered pursuant to Section 17.3 of Southern Companies Open Access
Transmission Tariff.

Wiring Instructions

The transfer of funds for firm transmission deposits should be wired to the following:

To: [REDACTED]
ABA Number: [REDACTED]
For Credit To: [REDACTED]
Account Number: [REDACTED]

For questions about firm transmission service under the Tariff, please contact:

Rebecca Martin, PE
Transmission Services Analyst
Southern Company Services, Inc.
600 North 18th Street
13N-8812
Phone: 205-257-4483
Fax: 205-257-6654



12

From: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
To: "Waters, Samuel" <Samuel.Waters@pgnmail.com>
Date: 1/26/2005 4:24:40 PM
Subject: Southern Company Letter Agreement

Sam,

We are awaiting Southern Company's letter agreement for the transmission study they will be performing this quarter (hopefully). I called to check the status of the development of that letter, and was told that they are in the process of drafting it, but had a couple of questions of us. Specifically, SouCo would like to know what the sources of capacity are post-redirection, and how many MW from each of those resources. In speaking with John this morning, we believe that the answers are:

74 MW Scherer #3; and
350 MW Franklin #1.

To the extent possible, I will provide an answer at the plant level (Scherer and Franklin), but John and I wanted to make sure that the numbers above are your understanding, as well. They look right, per the contracts.

We are available to speak with you at your convenience, if necessary.

Thanks,
Mark

CC: "Pierpont, John M." <John.Pierpont@pgnmail.com>

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From: "Martin, Rebecca Ann" <REBEMART@southernco.com>
To: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
Date: 3/4/2005 9:38:32 AM
Subject: FPC Rollover Requests

Mark,

Please see the attached draft letter agreement regarding the FPC rollover requests on the Southern OASIS.

<<FPC letter Rollover.DOC>>

Please let me know if you have any questions.

Hope all is well!!

Thanks

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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>

CC: "Eckelkamp, Jim" <james.eckelkamp@pgnmail.com>

CONFIDENTIAL (14)

Southern Company Services, Inc.
Post Office Box 2625
Birmingham, Alabama 35202



March 4, 2005

Mr. Mark McKeage
Florida Power Corporation

Re: Letter Agreement Concerning a Potential Transmission Service Arrangement between Florida Power Corporation and Southern Company Services, Inc. as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Savannah Electric and Power Company

Dear Mr. McKeage:

The purpose of this Letter Agreement is to memorialize the understanding between Florida Power Corporation ("FPC") and Southern Company Services, Inc., as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Savannah Electric and Power Company (collectively, "Southern"), concerning an arrangement to explore options for providing transmission service under Southern's Open Access Transmission Tariff ("Tariff") that is appropriate under the circumstances. FPC and Southern may be referred to individually as a "Party" or collectively as the "Parties." Pursuant to this Letter Agreement, the Parties hereby agree as follows:

WHEREAS currently certain arrangements are in place whereby transmission service is available to deliver capacity and energy from Plant Miller, located in Walker County, Alabama, and Plant Scherer, located in Monroe County, Georgia, to the Southern Company control area interface with the FPC interface.

WHEREAS FPC desires to take and pay for transmission service scheduled to source from Plant Scherer located in Monroe County, Georgia and Plant Franklin, located in Lee County, Alabama, and, in an effort to accommodate this desire, Southern has, on a preliminary and cursory level, explored possible options for providing such service under the Tariff.

WHEREAS, Southern proposed to FPC an option that, based on Southern's preliminary and cursory review, appears to be a viable way to evaluate the availability of the service that FPC desires under the Tariff, and the Parties have agreed to undertake

CONFIDENTIAL (S)

this evaluation in a manner that is consistent with the Tariff and in accordance with the terms and conditions set forth herein

1. FPC has submitted on OASIS a request to renew, for a term of five (5) years, the long-term firm transmission service currently being provided from Plant Miller and Plant Scherer. The requested capacity for the renewal service to be provided from Plant Miller is 350 MW and from Plant Scherer is 74 MW.

2. Southern will afford these rollover requests a status of "CONFIRMED" on OASIS, but the Parties recognize that confirmation of these requests will be conditional in nature ("Conditionally Confirmed Reservations") for the reasons described in paragraph 3 of this Letter Agreement.

3. FPC agrees to submit on OASIS one (1) request to redirect the Conditionally Confirmed Reservations currently being provided from Plant Miller for the full term, naming Plant Franklin as the "SOURCE" for 350 MW of capacity. ("Redirect Request"). In accordance with the Tariff, Southern will conduct a formal evaluation(s) to determine the availability of service based on (i) the Conditionally Confirmed Request from Plant Scherer and (ii) the Redirect Request, and to determine the impact of such service on the transmission system. Southern will issue a report to FPC that provides the results of that evaluation. In the event that the Redirect Request cannot be accommodated, the Parties agree that Southern will, at the direction of FPC, afford the Conditionally Confirmed Reservations a status of "ANNULLED" on OASIS. In the event that the Redirect Request can be accommodated, the Parties intend, at that time and in the manner provided by the Tariff, to enter into any such agreements that are necessary to implement arrangements that would enable Southern to provide and FPC to take and pay for transmission service under the Tariff based on the results of the above-described evaluation(s).

4. This Letter Agreement does not bind either Party beyond the terms set forth herein. Neither this Letter Agreement nor any action by either Party in furtherance of its terms shall preclude either Party from taking any action that is consistent with and in accordance with the Tariff and/or other legal rights.

Sincerely,

James M. Howell
Manager, Transmission Policy & Services
Southern Company Services, Inc., as agent for Alabama
Power Company, Georgia Power Company, Gulf Power
Company, Mississippi Power Company, and Savannah
Electric and Power Company

Agreement and consent acknowledged:

CONFIDENTIAL

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Florida Power Corporation

Signature: _____

Date: _____

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From: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
To: "Martin, Rebecca Ann" <REBEMART@southernco.com>
Date: 3/9/2005 10:51:35 AM
Subject: RE: FPC letter Rollover.DOC

Rebecca,

We have signed the Letter Agreement, and returned one original to Mr. Howell.

We look forward to the confirmation of FPC's transmission request, at which time, we will request redirection.

Thanks,
Mark

—Original Message—

From: Martin, Rebecca Ann [mailto:REBEMART@southernco.com]
Sent: Monday, March 07, 2005 9:31 AM
To: McKeage, Mark D
Subject: RE: FPC letter Rollover.DOC

Mark,

I got a little bit ahead of myself last week! We'll execute the letter agreement and overnight you copies to sign.

thanks!!!!

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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—Original Message—

From: McKeage, Mark D [mailto:Mark.McKeage@pgnmail.com]
Sent: Friday, March 04, 2005 4:04 PM
To: Martin, Rebecca Ann
Subject: RE: FPC letter Rollover.DOC

Rebecca,

Would you prefer that FPC sign first, and mail two originals to you?

Thanks,
Mark

(18)

—Original Message—

From: Martin, Rebecca Ann [mailto:REBEMART@southernco.com]
Sent: Friday, March 04, 2005 4:45 PM
To: McKeage, Mark D
Cc: Eckelkamp, Jim
Subject: RE: FPC letter Rollover.DOC

Hello Mark!

I have incorporated the requested changes to the letter agreement which is attached.

Please let me know if you have any additional questions.

thanks
becca

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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—Original Message—

From: McKeage, Mark D [mailto:Mark.McKeage@pgnmail.com]
Sent: Friday, March 04, 2005 10:57 AM
To: Martin, Rebecca Ann
Cc: Eckelkamp, Jim
Subject: FW: FPC letter Rollover.DOC

Rebecca,

Please see attached minor changes. If Southern Company accepts these changes, FPC is prepared to sign.

From: "Martin, Rebecca Ann" <REBEMART@southernco.com>
To: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>, "Eckelkamp, Jim"
<james.eckelkamp@pgnmail.com>
Date: 3/15/2005 10:33:51 AM
Subject: FPC Rollover Requests

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Morning Mark and Jim!

Thanks for executing the letter agreement so promptly.

When you are ready, please contact me so I can walk you through how to submit the redirect request on OASIS. This will be a very simple manner since you are only redirecting one request.

I will be out of the office Wednesday and Thursday of this week but will be back in the office on Friday.

Thanks
becca

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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From: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
To: "Waters, Samuel" <Samuel.Waters@pgnmail.com>, "Crisp, John (Ben)" <Ben.Crisp@pgnmail.com>
Date: 3/16/2005 2:54:27 PM
Subject: FW: FPC Rollover Requests

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All,

We have confirmed transmission for Scherer and Miller capacity, and have requested redirection of Miller to Franklin. We will let you know when Southern acts on that request.

Thanks,
Mark

—Original Message—

From: Martin, Rebecca Ann [mailto:REBEMART@southernco.com]
Sent: Tuesday, March 15, 2005 10:34 AM
To: McKeage, Mark D; Eckelkamp, Jim
Subject: FPC Rollover Requests

Morning Mark and Jim!

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Thanks
becca

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>

CC: "Niekum, Robert D" <Robert.Niekum@pgnmail.com>, "Carl, Michael A." <Michael.Carl@pgnmail.com>, "Pierpont, John M." <John.Pierpont@pgnmail.com>, "Futch, Kimberly M"

<Kimberly.Futch@pgnmail.com>, "Eckelkamp, Jim" <james.eckelkamp@pgnmail.com>

21

From: "Eckelkamp, Jim" <james.eckelkamp@pgnmail.com>
To: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
Date: 3/29/2005 3:03:44 PM
Subject: FW: Application for Redirects

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Mark,
Attached is the application for the Redirect. I forgot to cc you when I sent it back to Rebecca at SOCO. Sorry!!!!
Thanks
Jim E

-----Original Message-----
From: Eckelkamp, Jim
Sent: Tuesday, March 29, 2005 8:49 AM
To: 'Martin, Rebecca Ann'
Subject: RE: Application for Redirects

Rebecca,
Sorry for the delay in getting this back to you. Have completed the form and returning to you by e-mail and will fax a hard copy has well. Please advise of any further needs or changes
Thanks
Jim E

-----Original Message-----
From: Martin, Rebecca Ann [mailto:REBEMART@southernco.com]
Sent: Wednesday, March 23, 2005 12:49 PM
To: Eckelkamp, Jim
Subject: Application for Redirects

Hello Jim!

Can you fill out the attached application for the redirect submitted on 3/15/2005?
<<app firm PTP.doc>>
Thanks
becca

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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telephone at 205-257-4483.
>

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24

**Southern Company's Application for Firm Point-To-Point Transmission Service
Between Southern Company and Florida Power Corporation (dba - Progress Energy Florida)
Oasis Ref # 536163**

Identity of entity requesting service:

Name: Progress Energy Florida

Address 411 Fayetteville Street Mall, Raleigh, NC 27602

Telephone Number: 919-546-2776 Fax Number: 919-546-3374

A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Southern Company Open Access Tariff: Progress Energy Florida is an eligible customer under Southern Company open Access Tariff, and is requesting Redirect Service of our renewal reservation

Location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted: Generating facilities are located in Southern Control area (Franklin unit). The load is located in Progress Energy Florida (FPC) control area

Southern Company will treat this information as confidential except to the extent that disclosure of this information is required by the Tariff, by regulatory purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. Southern Company shall treat this information consistent with the standards of conduct contained in Part 37 of the Federal Energy Regulatory Commission's regulations.

A description of the supply characteristics of the capacity and energy to be delivered: Firm Capacity and Energy from Southern control area

**An estimate of the capacity and energy expected to be delivered to the Receiving Party: _____
Maximum amount of energy to be transmitted, 350 mws (reserved capacity)**

The Service Commencement Date and the term of the requested Transmission Service: Service between June 1st, 2010 and June 1st, 2015

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The transmission capacity requested for each Point of Receipt and each Point of Delivery on Southern Company's Transmission System: A reserved capacity of 350 mws for a point of receipt of SOCO (Franklin unit) and a point of delivery of FPC. Oasis Ref # 536163

Customers may combine their requests for service in order to satisfy the minimum Transmission capacity requirement.

Southern Company will treat application information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

Deposit for firm transactions

A Completed Application for Firm Point-to-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with the losing bidders in a Request for Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decided not to enter into a Service Agreement for Firm Point-to-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19 of the Southern Company Open Access Tariff. If a Service Agreement for Firm Point-to-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration of the Service Agreement for Firm Point-to-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations and shall be calculated from the day the deposit check is credited to Southern Company's account.

Application submitted by: Name James Eckelkamp Title: Analyst Date: 3-29-2005

Phone number 919-546-2776 Fax Number 919-546-3374

Date Application was submitted 3-29-2005

Date and Time Application was received by Southern Company _____

Date and Time Application was accepted by Southern Company _____

Application for Firm Point-to-Point Transmission Service should be sent to:
Rebecca Martin
Southern Company Services, Inc.
13N-8812
600 North 18th Street
Birmingham, AL 35291-8210
Phone (205)257-4483 Fax (205)257-6654
e-mail: rmgrisso@southernco.com

From: "Martin, Rebecca Ann" <REBEMART@southernco.com>
To: "Eckelkamp, Jim" <james.eckelkamp@pgnmail.com>
Date: 4/12/2005 10:46:43 AM
Subject: SIS agreement

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Jim,

Please see the attached SIS for the redirect request form Progress Florida.

<<SIS -FPCM536163.doc>>

Please let me know if you have any questions.

Thanks
becca

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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>

CC: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>



Rebecca Martin, PE
Transmission Analyst
Transmission Services

Southern Company
Services, Inc.
600 North 18th Street/13N-8812
Post Office Box 2641
Birmingham, Alabama 35291-8210
Tel 205.257.4483
Fax 205.257.6654

April 12, 2005

VIA ELECTRONIC MAIL

Mr. Jim Eckelkamp
Progress Energy Florida
411 Fayetteville Street Mall
Raleigh, North Carolina 27602

Dear Jim,

This letter is being sent in regards to requests for transmission service by Progress Energy Florida ("FPCM") under the Southern Company Open Access Transmission Tariff ("Tariff"). This request has OASIS Reference Number 536163.

Pursuant to Section 17.5 of the Tariff, Southern Company has attempted to make a determination of the available transmission capacity relative to the FPCM requests noted above. A System Impact Study will be required to determine an accurate amount of available transmission capacity for the requested time periods.

If FPCM desires for Southern Company to perform a System Impact Study regarding these requests, please complete the System Impact Study Agreement shown in Attachment A. This Agreement should be signed by an authorized official at FPCM and returned within 15 days.

As indicated in the attached Agreement, an estimate of the actual cost of the system impact study is \$10,000. It is agreed, however, that if the actual cost of the study differs from that estimate, FPCM shall pay the actual cost. Payment of the estimated System Impact Study costs will need to be received by Southern Company before the Study will begin. The payment can be sent either via wire transfer or in a check (made payable to Southern Company Services, Inc.) mailed to the address shown above. Wiring instructions for Southern Company's account are shown in Attachment B.

Southern Company estimates that the study will be completed within sixty (60) days of its receipt of the executed Agreement. If unable to complete the study within that period,

Southern Company will notify FPCM and provide an estimated completion date along with an explanation of the reasons why additional time is required.

(28)

If you have questions, please contact me at (205) 257-4483.

Sincerely,

Rebecca Martin, PE

Transmission Services Analyst,
Transmission Services

/mfp

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**SYSTEM IMPACT STUDY AGREEMENT BETWEEN
SOUTHERN COMPANY AND Progress Energy Florida (FPCM)
OASIS Requests 536163.**

- 1.0 This System Impact Study Agreement, dated as of _____, is entered into by and between Southern Company Services, Inc., as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company and Savannah Electric and Power Company (collectively referred to as "Transmission Provider"), and FPCM ("Eligible Customer") (Transmission Provider and Eligible Customer may be jointly referred to as the "Parties").
- 2.0 Under the Southern Company Open Access Transmission Tariff ("Tariff"), the Transmission Provider is required to determine whether a System Impact Study is needed to accommodate a request for transmission service. If a System Impact Study is so required, then the party requesting transmission service must execute a System Impact Study Agreement or that party's application is deemed withdrawn.
- 3.0 On March 15, 2005, the Eligible Customer requested transmission delivery service from the Transmission Provider under the Tariff. The Transmission Provider has determined that a System Impact Study is necessary to accommodate that request. The Transmission Provider hereby agrees to perform such a System Impact Study; provided, however, that the Parties agree that Transmission Provider may contract with one or more third parties to perform all or part of such System Impact Study. The Eligible Customer hereby agrees to pay for such System Impact Study in accordance with this Agreement.
- 4.0 The Eligible Customer shall pay all of the actual costs incurred by Transmission Provider in performing the System Impact Study, including any costs associated with having one or more third parties perform all or part of such System Impact Study. The Transmission Provider's estimate of the actual cost of the System Impact Study is 10,000. It is agreed, however, that if the actual cost of the Study differs from that estimate, the Eligible Customer shall pay the actual cost. Transmission Provider may invoice Eligible Customer on a monthly basis for costs hereunder, and payment in full shall be due from Eligible Customer within ten (10) days of the invoice date. Eligible Customer shall be responsible for any charges Transmission Provider incurs due to Eligible Customer's failure to make payment within such time.
- 5.0 The Transmission Provider estimates that the System Impact Study will be completed within sixty (60) days of its receipt of this Agreement once executed. The Transmission Provider will use due diligence to complete (or have third parties complete) the System Impact Study within that time. If unable to complete (or have completed) the System Impact Study within that period, the Transmission Provider shall notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required.
- 6.0 The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the Eligible Customer's requested service. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer.

IN WITNESS WHEREOF, the Parties have caused this System Impact Study Agreement to be executed by their respective authorized officials.

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Southern Company Services, Inc.:

By: _____ **Title:** Sr. Vice-President **Date:** _____

William O. Ball

As Agent For

Alabama Power Company

Georgia Power Company

Gulf Power Company

Mississippi Power Company

Savannah Electric and Power Company,

or Southern Company

Progress Energy Florida:

By: _____ **Title:** _____ **Date:** _____

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Attachment B
System Impact Study Deposit Information

The transfer of funds for firm transmission deposits should be wired to the following:

To: [REDACTED]
ABA Number: [REDACTED]
For Credit To: [REDACTED]
Account Number: [REDACTED]

When funds have been wired, please complete and fax the sheet below to Rebecca M Grissom at (205)257-6654.

Information about account the deposit was wired from:

Name of Bank: _____
Location of Bank: _____ City _____ State _____
ABA Number: _____
Account Number: _____
Date of wire transfer: _____
Federal Reference Number _____
associated with this transaction: _____
Amount of wired deposit: _____
Name of entity making deposit: _____
Contact at entity making deposit: Name _____
Telephone Number _____

For questions about transmission service under the Tariff, please contact:

Rebecca Martin, PE
Transmission Services Analyst
600 North 18th Street/13N-8812
Birmingham, AL 35291-8210
Telephone (205) 257-4483
Telefax (205) 257-6654

Southern Company Open Access Same-time Information System (OASIS) Address:

www.weboasis.com/OASIS/SOCO



From: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
To: "Hnath, Kelli" <Kelli.Hnath@pgnmail.com>
Date: 4/18/2005 1:42:20 PM
Subject: RE: SIS agreement

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Hi Kelli,

This is based on the third paragraph that states that PEF has 15 days to turn around the signed System Impact Study agreement letter (from the date of the letter, which is April 12, 2005). Since the signed letter is being sent today, I guess the sooner the better on the money, but you're correct in that there is no specific date stated for the money. I was assuming that the due date for the money is the same as the due date of the letter.

Thanks,
Mark

—Original Message—

From: Hnath, Kelli
Sent: Monday, April 18, 2005 12:04 PM
To: McKeage, Mark D
Subject: RE: SIS agreement

Mark,

I don't see anything in the letter about 4/27 as the payment date. What I see in paragraph 4.0 of the request is "...payment shall be due...within ten (10) days of the invoice date." One of our rules for payment processing is that we wire the money on the required payment date - not earlier, and (of course) not later. So, though this is only \$10K, do you have something from SOCO w/ the 4/27 date?

Thanks,
Kelli

—Original Message—

From: McKeage, Mark D
Sent: Friday, April 15, 2005 11:31 AM
To: Hnath, Kelli
Cc: Niekum, Robert D
Subject: FW: SIS agreement

Kelli,

Attached is the System Impact Study agreement, invoice and wire transfer form that we discussed on the telephone. Per Javier Portuondo, this invoice should be paid under the same account that Southern UPS is currently paid.

I have asked Jim Eckelkamp to hand carry the original agreement to Rob Caldwell to sign, and then to you, if you need it.

The wire transfer needs to be complete by April 27, 2005. Please let me know if this is any trouble for you.

Thanks for your help, and please let me know if there is anything else you need from me.
Mark McKeage

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—Original Message—

From: Martin, Rebecca Ann [mailto:REBEMART@southernco.com]
Sent: Tuesday, April 12, 2005 10:47 AM
To: Eckelkamp, Jim
Cc: McKeage, Mark D
Subject: SIS agreement

Jim,

Please see the attached SIS for the redirect request form Progress Florida.

<<SIS -FPCM536163.doc>>

Please let me know if you have any questions.

Thanks
becca

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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>

From: "Martin, Rebecca Ann" <REBEMART@southernco.com>
To: "Eckelkamp, Jim" <james.eckelkamp@pgnmail.com>
Date: 4/18/2005 5:36:35 PM
Subject: RE: SIS agreement

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Thanks Jim!!

I'll be on the lookout for this information.

Thanks again
becca

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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—Original Message—

From: Eckelkamp, Jim [mailto:james.eckelkamp@pgnmail.com]
Sent: Friday, April 15, 2005 1:21 PM
To: Martin, Rebecca Ann
Cc: McKeage, Mark D
Subject: RE: SIS agreement

Rebecca,

Have the SIS signed by Rob Caldwell (VP-Regulated Commercial Ops) and will have it mailed overnight on Monday the 18th. Have also given the wire transfer information to Back office who will give it to treasury before noon on Monday which then should be paid on Tuesday the 19th. If any further information or task is needed, please do not hesitate to ask. Thanks for everything !!

Jim E
919-546-2776

—Original Message—

From: Martin, Rebecca Ann [mailto:REBEMART@southernco.com]
Sent: Tuesday, April 12, 2005 10:47 AM
To: Eckelkamp, Jim
Cc: McKeage, Mark D
Subject: SIS agreement

Jim,

Please see the attached SIS for the redirect request form Progress Florida.

<<SIS -FPCM536163.doc>>

Please let me know if you have any questions.

Thanks
becca

Rebecca Martin
SCS - Transmission Policy & Services
600 N 18th Street/ 13N-8812
Birmingham, Alabama 35291
Phone 205.257.4483
Fax 205.257.6654

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>

CC: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>

A handwritten number '35' is circled in black ink in the upper right quadrant of the page.

From: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
To: "Pierpont, John M." <John.Pierpont@pgnmail.com>
Date: 5/2/2005 10:01:56 AM
Subject: FW: Southern Company Scan



> —Original Message—
> **From:** Griffith, Margaret A
> **Sent:** Monday, May 02, 2005 10:01 AM
> **To:** McKeage, Mark D
> **Subject:** Southern Company Scan
>
> <<Southern Company.pdf>>

Jim M. Howell, Jr.
Manager,
Transmission Services

Southern Company
Services, Inc.
600 North 18th Street
Post Office Box 2625
Birmingham, Alabama 35202
Tel 205.257.3369
Fax 205.257.6654

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**SOUTHERN
COMPANY**

Energy to Serve Your World™

March 7, 2005

Mr. Mark McKeage
Florida Power Corporation
d/b/a Progress Energy Florida, Inc.
100 Central Avenue, BT9G
St. Petersburg, FL 33704

Re: Letter Agreement Concerning a Potential Transmission Service Arrangement between Florida Power Corporation and Southern Company Services, Inc. as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Savannah Electric and Power Company

Dear Mr. McKeage:

The purpose of this Letter Agreement is to memorialize the understanding between Florida Power Corporation ("FPC") and Southern Company Services, Inc., as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Savannah Electric and Power Company (collectively, "Southern"), concerning an arrangement to explore options for providing transmission service under Southern's Open Access Transmission Tariff ("Tariff") that is appropriate under the circumstances. FPC and Southern may be referred to individually as a "Party" or collectively as the "Parties." Pursuant to this Letter Agreement, the Parties hereby agree as follows:

WHEREAS, currently certain arrangements are in place whereby transmission service is available to deliver capacity and energy from Plant Miller, located in Walker County, Alabama, and Plant Scherer, located in Monroe County, Georgia, to the Southern Company control area interface with the FPC interface; and

WHEREAS, FPC desires to take and pay for transmission service scheduled to source from Plant Scherer located in Monroe County, Georgia and Plant Franklin, located in Lee County, Alabama, and, in an effort to accommodate this desire, Southern has, on a preliminary and cursory level, explored possible options for providing such service under the Tariff; and

WHEREAS, Southern proposed to FPC an option that, based on Southern's preliminary and cursory review, appears to be a viable way to evaluate the availability of the service that FPC desires under the Tariff, and the Parties have agreed to undertake

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this evaluation in a manner that is consistent with the Tariff and in accordance with the terms and conditions set forth herein.

1. FPC has submitted on OASIS a request to renew, for a term of five (5) years, the long-term firm transmission service currently being provided from Plant Miller and Plant Scherer. The requested capacity for the renewal service to be provided from Plant Miller is 350 MW and from Plant Scherer is 74 MW.

2. Southern will afford these rollover requests a status of "CONFIRMED" on OASIS, but the Parties recognize that confirmation of these requests will be conditional in nature ("Conditionally Confirmed Reservations") for the reasons described in paragraph 3 of this Letter Agreement.

3. FPC agrees to submit on OASIS one (1) request to redirect the Conditionally Confirmed Reservations currently being provided from Plant Miller for the full term, naming Plant Franklin as the "SOURCE" for 350 MW of capacity. ("Redirect Request"). In accordance with the Tariff, Southern will conduct a formal evaluation(s) to determine the availability of service based on (i) the Conditionally Confirmed Request from Plant Scherer and (ii) the Redirect Request, and to determine the impact of such service on the transmission system. Southern will issue a report to FPC that provides the results of that evaluation. In the event that the Redirect Request cannot be accommodated, the Parties agree that Southern will, at the direction of FPC, afford the Conditionally Confirmed Reservations a status of "ANNULLED" on OASIS. In the event that the Redirect Request can be accommodated, the Parties intend, at that time and in the manner provided by the Tariff, to enter into any such agreements that are necessary to implement arrangements that would enable Southern to provide and FPC to take and pay for transmission service under the Tariff based on the results of the above-described evaluation(s).

4. This Letter Agreement does not bind either Party beyond the terms set forth herein. Neither this Letter Agreement nor any action by either Party in furtherance of its terms shall preclude either Party from taking any action that is consistent with and in accordance with the Tariff and/or other legal rights.

Sincerely,



James M. Howell

Manager, Transmission Policy & Services
Southern Company Services, Inc., as agent for Alabama
Power Company, Georgia Power Company, Gulf Power
Company, Mississippi Power Company, and Savannah
Electric and Power Company

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Agreement and consent acknowledged:

ROBERT D. NIEKUM
Florida Power Corporation

Signature: Robert D. Niekum

Date: MARCH 8, 2005

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SOCO OASIS 1.4 - Transmission Reservation Details



[Menus](#) ||
 [Transmission](#) ||
 [Offerings](#) ||
 [Advanced Offerings](#) ||
 [New Reservation](#) ||
 [Status](#) ||
 [Monitor](#) ||
 [Query](#)

general reservation info
 ~~ancillary provisions~~ ~~check these~~

Assignment Ref: 536163 PreConfirmed: YES Status: STUDY New Status:

Impacted: 0 Related Ref: 519354 Request Type: REDIRECT Competing Request: No

Transmission Service: Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued: 03/15/2005 12:05CD Last Updated: 04/25/2005 16:07CD

Sale Ref: Posting Ref: 182 Seller Ref: Response Time Limit:

Seller: SOCO Phone POR: 205-257-6238 SOCO POD: FPC

Customer: JIM G ECKELKAMP Phone Path: 919-546-2485 SS/SOCO/SOCO-FL//

Service Period: Source: FRANKLIN Sink: FPC

Start: 06/01/2010 00:00 Stop: 06/01/2015 00:00 Request Ref: Deal Ref:

Time Zone: CD Negotiated Price Flag

Profile	Date	Time	Capacity Requested	Capacity Granted	Prices in \$/MWyr		
					Ceiling	Offer	Bid
	06/01/2010	00:00 CD	350		21589.08	0.00	0.00
	06/01/2011	00:00 CD	350				
	06/01/2012	00:00 CD	350				
	06/01/2013	00:00 CD	350				
	06/01/2014	00:00 CD	350				

Status Notification

Comments

Provider: Seller: System Impact Study initiated Customer: ROLLOVER OF PRE-TARIFF UPS SERVICE Status:

NERC Curtailment Priority Other Curtailment Priority: 7

Ancillary Services

Requirements: SC:M;RV:M;RF:O;EI:O;SP:O;SU:O
 Provisions: SC:(SOCO:AR:536161);RV:(SOCO:AR:536162)
 The specific ancillary provisions listed above apply to this request.

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WebOASIS Home Company Home SOCO OASIS

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From: "McKeage, Mark D" <Mark.McKeage@pgnmail.com>
To: "Waters, Samuel" <Samuel.Waters@pgnmail.com>
Date: 1/26/2005 4:24:40 PM
Subject: Southern Company Letter Agreement

Sam,

We are awaiting Southern Company's letter agreement for the transmission study they will be performing this quarter (hopefully). I called to check the status of the development of that letter, and was told that they are in the process of drafting it, but had a couple of questions of us. Specifically, SouCo would like to know what the sources of capacity are post-redirection, and how many MW from each of those resources. In speaking with John this morning, we believe that the answers are:

74 MW Scherer #3; and
350 MW Franklin #1.

To the extent possible, I will provide an answer at the plant level (Scherer and Franklin), but John and I wanted to make sure that the numbers above are your understanding, as well. They look right, per the contracts.

We are available to speak with you at your convenience, if necessary.

Thanks,
Mark

CC: "Pierpont, John M." <John.Pierpont@pgnmail.com>

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SYSTEM IMPACT STUDY AGREEMENT BETWEEN SOUTHERN COMPANY AND Progress Energy Florida (FPCM) OASIS Requests 536163.

- 1.0 This System Impact Study Agreement, dated as of 4/25/05, is entered into by and between Southern Company Services, Inc., as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company and Savannah Electric and Power Company (collectively referred to as "Transmission Provider"), and FPCM ("Eligible Customer") (Transmission Provider and Eligible Customer may be jointly referred to as the "Parties").
2.0 Under the Southern Company Open Access Transmission Tariff ("Tariff"), the Transmission Provider is required to determine whether a System Impact Study is needed to accommodate a request for transmission service. If a System Impact Study is not required, then the party requesting transmission service must execute a System Impact Study Agreement or that party's application is deemed withdrawn.
3.0 On March 15, 2005, the Eligible Customer requested transmission delivery service from the Transmission Provider under the Tariff. The Transmission Provider has determined that a System Impact Study is necessary to accommodate that request. The Transmission Provider hereby agrees to perform such a System Impact Study; provided, however, that the Parties agree that Transmission Provider may contract with one or more third parties to perform all or part of such System Impact Study. The Eligible Customer hereby agrees to pay for such System Impact Study in accordance with this Agreement.
4.0 The Eligible Customer shall pay all of the actual costs incurred by Transmission Provider in performing the System Impact Study, including any costs associated with having one or more third parties perform all or part of such System Impact Study. The Transmission Provider's estimate of the actual cost of the System Impact Study is 10,000. It is agreed, however, that if the actual cost of the Study differs from that estimate, the Eligible Customer shall pay the actual cost. Transmission Provider may invoice Eligible Customer on a monthly basis for costs hereunder, and payment in full shall be due from Eligible Customer within ten (10) days of the invoice date. Eligible Customer shall be responsible for any charges Transmission Provider incurs due to Eligible Customer's failure to make payment within such time.
5.0 The Transmission Provider estimates that the System Impact Study will be completed within sixty (60) days of its receipt of this Agreement once executed. The Transmission Provider will use due diligence to complete (or have third parties complete) the System Impact Study within that time. If unable to complete (or have completed) the System Impact Study within that period, the Transmission Provider shall notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required.
6.0 The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the Eligible Customer's requested service. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer.

IN WITNESS WHEREOF, the Parties have caused this System Impact Study Agreement to be executed by their respective authorized officials.

Handwritten lines at the bottom of the page, likely for signatures or dates.

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Southern Company Services, Inc.:

By:

William O. Ball

Title: Sr. Vice-President

Date: 4/25/05

As Agent For
Alabama Power Company
Georgia Power Company
Gulf Power Company
Mississippi Power Company
Savannah Electric and Power Company,
or Southern Company

Progress Energy Florida:

By:

Rob Caldwell

Title: VP-Regulated Commercial Ops Date: 04/15/2005

Rob Caldwell
Progress Energy Corporation