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Public Service Commission

May 1, 2006

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COMMISSION
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Mr. John T. Burnett, Esq.
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042

Mr. Andrew B. Jackson, Esq.
150 North Commerce Ave
Sebring, Florida 33870

Re: Docket No. 060277-EU - Joint Petition for Approval of Territorial Amendment in Polk, Hardee, Highlands, Manatee, and Osceola Counties by Progress Energy Florida, Inc. and Peace River Electric Cooperative, Inc.

Dear Gentlemen:

The staff of the Commission is reviewing your joint petition referenced above. We need some additional information for our review. We would appreciate your response to the questions listed below.

1. Please provide a type-and-strike version of the proposed amendments to the existing agreement to facilitate comparison.

2. Please explain specifically why you believe the agreement the Commission approved in Docket No. 940376-EU requires amendment.

MP _____
OM _____ 3. Please explain your reasons for changing the term for phosphate mining customers in Section 1.9 from "Transmission Voltage Customers" to "Special Industrial Customers".
TR _____

CR _____ 4. Please explain the differences, if any, between the Transmission Voltage Customers referred to in the agreement approved in Docket No. 940376-EU, and Special Industrial Customers
CL _____ referred to in the amended territorial agreement.

PC _____ 5. In the FPC/PRECO Territorial Agreement Map attached to the amended territorial agreement,
CA _____ you have identified Florida Power Corporation Transmission Voltage Customers Delivery
CR _____ Points. Are these also the delivery points for the Special Industrial Customers referred to in
GA _____ Exhibit 3 of the amended territorial agreement?

EC 1 _____
TH _____

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6. Are the Special Industrial Customers referred to in Section 1.9 of the amended territorial agreement the same as the Florida Power Corporation Extra-Territorial Customers in Exhibit 3 to that agreement?
7. Please list the names of all utilities with which Peace River Electric Cooperative, Inc., has agreements to provide electric service to mining customers now operating in its service territory.
8. Please list the number of mining customers that are served by each of these utilities.
9. Please explain your reasons for changing the terms of the agreement in Section 2.4 from allowing FPC (now PEF) to continue providing transmission voltage to allowing PEF to serve the electrical requirements of Special Industrial Customers at present locations and expansions of present locations.
10. Does Section 2.4, or any other provision of the agreement, address the provision of electric service to new mines or new mining customers? If so, how does the agreement address the need to serve those customers by the most cost-effective means?
11. Please provide a map showing all existing 69 KV substations that provide service to the mines affected by the agreement.
12. Please provide a map showing all other 69 KV substations that provide service to other industrial, commercial or retail service customers in the area.
13. Has the territory description changed from Docket No. 940376-EU? If so, please provide one copy of the official county tax assessment map or other map showing township, range and section, with a scale such as 1"=200' or 1"=400 feet, or other map with the proposed additional territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning. Although a map was provided, the map did not indicate any territory change.
14. If the territory description has changed, please provide a separate description of the additional territory. The territory description should include a reference to township(s), range(s), land section(s) and the county.
15. In Exhibit 3 of the agreement, there are three customers located in Polk County that have been added since the agreement was approved in Docket No. 940376-EU. Are they current or future customers? If they are current customers, please provide the dates they became customers of Progress Energy Florida, Inc.
16. The agreement has not been signed and dated by all parties, please resubmit a signed and dated agreement.

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17. Please provide a copy of Exhibit 2, Peace River Electric Cooperative, Inc.'s Customer List, Florida Power Corporation's Customer List and Exhibit 3, Florida Power Corporation Extra-Territorial Customers on a 3.5 inch disk or CD in Microsoft Word 2002. This will prevent any typographical errors when we prepare the recommendation.

18. We understand that you are preparing a response to Tampa Electric Company's concerns that the proposed amendment of your agreement may interfere with Tampa Electric Company's agreement with Peace River in Polk County. Please provide us a copy of your response to Tampa Electric Company.

We would like to receive your response to this data request by May 31, 2006. We would also like to schedule a meeting to discuss these questions, if you think that would be helpful. Please call me to set up a time that would be convenient for you, or if you have any other questions. My number is (850) 413-6187.

Sincerely,



Martha Carter Brown
Senior Attorney

cc: Division of Economic Regulation (Daniel, Redemann, Rieger)
Division of Commission Clerk and Administrative Services
James D. Beasley, Esq., Ausley & McMullen, P.O. Box 391, Tallahassee, FL 32302