



October 4, 2006

Ms. Blanca S. Bayó, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Joint petition for approval of modification to qualifying facility contract between
Polk Power Partners, L.P. and Progress Energy Florida, Inc.; Docket No. *060665-EQ*

Dear Ms. Bayó:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") and Polk Power Partners, L.P. ("Polk") the original and fifteen (15) copies of the joint petition for approval of modification to qualifying facility contract between PEF and Polk.

Please acknowledge receipt of this filing by stamping a copy of this letter and returning to the undersigned. Thank you for your assistance in this matter.

Sincerely,

John T. Burnett lms
John T. Burnett

JTB/lms
Enclosure

cc: Mr. Malcolm Jacobson

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Approval of
Modification to Qualifying Facility
Contract between Polk Power
Partners, L.P. and Progress Energy
Florida, Inc.

Docket No.: 060665-EQ

Submitted for filing:

October 4, 2006

**JOINT PETITION FOR APPROVAL OF MODIFICATION TO
QUALIFYING FACILITY CONTRACT BETWEEN POLK POWER
PARTNERS, L.P. AND PROGRESS ENERGY FLORIDA, INC.**

Progress Energy Florida, Inc. ("PEF") and Polk Power Partners, L.P. ("Polk"), pursuant to Rule 25-17.0836, F.A.C., petition the Commission for approval of a contract modification to a negotiated power purchase contract for the purchase of firm capacity and energy from a qualifying facility between Royster Phosphates, Inc. and Florida Power Corporation dated March 11, 1991 ("the Contract"). In support of this joint petition, the Joint Petitioners state as follows:

1. PEF is an investor-owned utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. PEF's general offices are located at 100 Central Avenue, St. Petersburg, Florida, 33701. Polk is a qualifying facility whose offices are located at 2929 Allen Parkway, Suite 2200, Houston, Texas, 77019.
2. All notices, pleadings and other communications required to be served on joint petitioners should be directed to:

John T. Burnett, Esquire
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5249

Malcolm Jacobson
2929 Allen Parkway, Suite 2200
Houston, TX 77019
Telephone: (713) 580-6335
Facsimile: (713) 580-6320

For express deliveries by private courier, the address is as stated in paragraph 1.

3. By Order No. 24734, dated July 1, 1991 in Docket No. 910401-EQ, the Commission approved the firm capacity and energy contract between Royster Phosphates, Inc. (now Polk) and Florida Power Corporation (now PEF). The Commission found that the Contract was reasonable and cost-effective for PEF's ratepayers.

4. PEF and Polk request Commission approval to add new language to Article XII of the Contract, after Section 12.1.4, to read as follows:

Section 12.1.5 In the event that an error in the amount of a payment or payments is discovered more than twelve (12) months from the date on which the payment or payments is/are made, then the Party claiming such error shall not be entitled to any additional remuneration with respect thereto, unless the error shall have resulted from the fraud of the other Party.

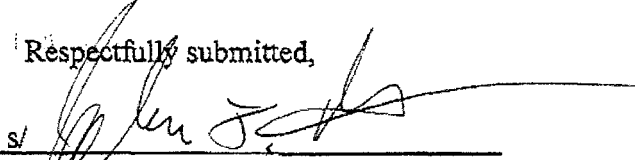
5. PEF and Polk wish to add the new Section 12.1.5 to the Contract to add more definitive parameters to the Contract with respect to potential payment errors that may be made during the administration of the Contract. By adding the time limitations set forth in the proposed Section 12.1.5, the Joint Petitioners will be able to operate under objective and definitive parameters should such payment errors occur, and this will allow the Joint Petitioners to more effectively administer and implement the Contract and will help to avoid potential disputes between the Joint Petitioners. Furthermore, by adding such language, it brings consistency in limitations set forth in other PEF wholesale contracts and PEF has comprehensive

controls and audit procedures in place that reduce the risk of such an error not being identified within a 12-month period. Aside from the additional language proposed in Section 12.1.5, the Joint Petitioners are not requesting any other changes to the Contract.

WHEREFORE, PEF and Polk respectfully requests the Commission to enter an order granting this petition and approving additional language to the Contract as stated herein.

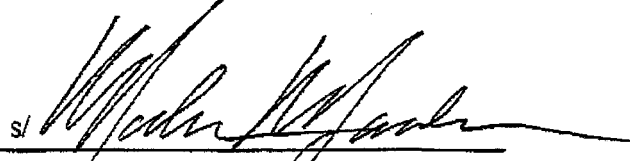
Respectfully submitted,

s/


JOHN F. BURNETT
Fla. Bar No. 173304
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Attorney for Progress Energy Florida, Inc.

s/


MALCOLM JACOBSON
Polk Power Partners, L.P.
2929 Allen Parkway, Suite 2200
Houston, TX 77019
Telephone: (713) 580-6335
Facsimile: (713) 580-6320