

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition of Progress Energy Florida, Inc. for approval of a negotiated purchase power contract with BG&E of Florida, LLC.

COMMISSION CLERK

Docket No. 070726-EQ

Dated: January 16, 2008

**NOTICE OF INTENT TO REQUEST CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., ("PEF" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Notice of Intent to Request Confidential Classification of confidential portions of PEF's responses to Staff's Data Request dated January 8, 2008.

Specifically, portions of PEF's response to Staff's Data Request, Questions 10 and 11, contain sensitive business information concerning competitively negotiated contractual data, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate purchase power contracts on favorable terms. Therefore, the disclosure of that information to the public would adversely impact PEF's competitive business interests. Disclosure of that information to the

CMP \_\_\_\_\_ public would also adversely impact the competitive business interests of PEF's potential power  
COM \_\_\_\_\_  
suppliers.

CTR \_\_\_\_\_  
ECR 1 Attached as Exhibit A is the confidential information at issue. Attached as Exhibit B is a  
GCL 1 copy of the written request for the material to which this notice relates.

OPC \_\_\_\_\_  
RCA \_\_\_\_\_ Pursuant to Rule 25-22.006(3)(a), PEF will file its Request for Confidential Classification for  
SCR \_\_\_\_\_ such confidential information contained therein within twenty-one (21) days of filing this request.

SGA \_\_\_\_\_

SEC \_\_\_\_\_

OTH 1 confidential

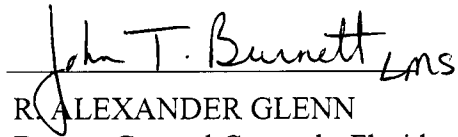
This docketed notice of intent was filed with Confidential Document No. 00438-08 The document has been placed in confidential storage pending timely receipt of a request for confidentiality

DOCUMENT NUMBER-DATE

00437 JAN 16 08

FPSC-COMMISSION CLERK

RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of January, 2008.

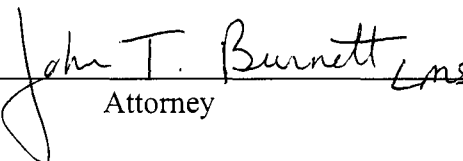
Handwritten signature of John T. Burnett in black ink, with the initials "Lms" written at the end of the signature.

R. ALEXANDER GLENN  
Deputy General Counsel - Florida  
JOHN T. BURNETT  
Associate General Counsel - Florida  
Progress Energy Service Company, LLC  
Post Office Box 14042  
St. Petersburg, Florida 33733-4042  
Telephone: 727-820-5184  
Facsimile: 727-820-5249  
Email: [john.burnett@pgnmail.com](mailto:john.burnett@pgnmail.com)

Attorneys for  
PROGRESS ENERGY FLORIDA, INC.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s Notice of Intent to Request Confidential Classification in Docket No. 070726-EQ has been furnished by hand delivery to the following this 16<sup>th</sup> day of January, 2008.

  
\_\_\_\_\_  
Attorney

Katherine E. Fleming, Esq.  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

COMMISSIONERS:  
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## STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
 MICHAEL G. COOKE  
 GENERAL COUNSEL  
 (850) 413-6199

## Public Service Commission

January 8, 2008

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

**Re: Docket No. 070726-EQ - Petition for approval of second negotiated power purchase contract for purchase of firm capacity and energy with BG&E of Florida, LLC. by Progress Energy Florida, Inc.**

Dear Mr. Burnett:

By this letter, the Commission staff requests that Progress Energy Florida, Inc. (PEF) provide responses to the following data requests:

1. Has BG&E obtained financing for the proposed project? If not, when does BG&E foresee obtaining financing for the proposed project?
2. Has BG&E purchased a site for the proposed facility? If not, has BG&E set a deadline for site selection?
3. Has BG&E obtained a fuel supply contract? If so, with whom? What is the duration of this contract?
4. Will site selection affect fuel supply costs? If so, please discuss how site selection will affect fuel supply costs.
5. Has BG&E entered into a contract with a transmission provider?
6. Will site selection affect transmission requirements? If so, please discuss the potential impacts to cost.
7. What conditions must be met between PEF and BG&E in order for PEF to make early payments?

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8. According to Article 11.4 of the contract, PEF will receive a monetary penalty if the contract is terminated due to delay. What does PEF intend to do with this monetary penalty?
9. The petition states that under the performance provisions of the contract, the total payment rate is reduced by 10% if the twelve-month rolling capacity factor drops below 50%. Is this a sliding scale? If BG&E performs at an 80%, 70%, or 60% capacity factor, would payments stay the same? How does PEF make up energy resulting from the reduced performance?
10. Please discuss PEF's method for calculating NPV for BG&E#2 and PEF's 2013 avoided unit. Please include equations used and assumptions made. Additionally include discount rates utilized for each year.
11. Please explain the savings increase of \$4 million when compared to BG&E's earlier project, dated July 25, 2007, in Docket No. 070561-EQ.
12. Please explain why Progress believes the estimated energy payment and annual increase of the energy payment is reasonable.

Please provide responses by January 16, 2008. If you have any questions, please do not hesitate to contact me at (850) 413-6218.

Sincerely,

Katherine E. Fleming  
Office of the General Counsel

cc: Office of Commission Clerk  
Office of the General Counsel (Klancke)  
Division of Economic Regulation (Ballinger, Graves)

COMMISSIONERS:  
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NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK  
ANN COLE  
COMMISSION CLERK  
(850) 413-6770

**CONFIDENTIAL**

**Public Service Commission**

ACKNOWLEDGEMENT

DATE: January 16, 2008

TO: R. Alexander Glenn, Burnett/Progress Energy

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 070726-EQ or, if filed in an undocketed matter, concerning portions of responses to staff's data request, Question 10 and 11, and filed on behalf of Progress. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

DOCUMENT NUMBER - DA  
00438 JAN 16 2008  
FPSC - COMMISSION CLERK

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PSC Website: <http://www.floridapsc.com>

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)