

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 090499-EQ

PETITION FOR APPROVAL OF LETTER
AGREEMENT TO NEGOTIATED PURCHASE
POWER CONTRACT WITH PINELLAS COUNTY
RESOURCE RECOVERY BY PROGRESS ENERGY
FLORIDA, INC.



PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 3

COMMISSIONERS
PARTICIPATING: CHAIRMAN NANCY ARGENZIANO
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, June 29, 2010

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

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P R O C E E D I N G S

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2 **CHAIRMAN ARGENZIANO:** And we are going to
3 move on to Item 3. Mr. Garl.

4 **MR. GARL:** Thank you, Madam Chairman. I'm
5 Steve Garl with Commission staff.

6 Commissioners, Item 3 is a petition from
7 Progress Energy Florida requesting approval of a
8 modification to the purchased power agreement with
9 Pinellas County Resource Recovery, PCRR. The
10 modification reduced PCRR's committed capacity from
11 54.75 megawatts to 36.5 megawatts from mid-December
12 until -- or, excuse me, mid-September until
13 mid-December of 2009 when PCRR made capital
14 improvements to its generating facility.

15 Staff recommends approval of the
16 modification because the capacity curtailment did
17 not impact Progress' system reliability and the
18 agreement modification saved Progress' customers
19 \$2.6 million.

20 Staff and Progress Energy representatives
21 are available for any questions.

22 **CHAIRMAN ARGENZIANO:** Thank you.

23 Commissioners? Commissioner Skop.

24 **COMMISSIONER SKOP:** Thank you, Madam
25 Chair.

1 Just with respect to the capacity payment,
2 based on the timing of that reduced capacity
3 payment, would it be correct to understand that
4 because it was at the end of last year the true-up
5 will be in this year's fuel and capacity clause
6 recovery issue?

7 **MR. GARL:** Yes, sir.

8 **COMMISSIONER SKOP:** Okay. All right.
9 So -- all right. That's the only question I had.
10 And, again, I wanted to commend staff for taking a
11 detailed look at this, and also Progress for saving
12 their customers \$2.6 million.

13 Typically, you know, when you have a power
14 purchase agreement you would not depart, but in this
15 case based on the integrated resource planning and
16 the margin -- the reserve margin it was more
17 appropriate for Progress to do what it did. And the
18 resultant savings to the customers are \$2.6 million,
19 and that will be reflected in the aggregate of the
20 amount that is in the fuel and capacity
21 cost-recovery clause proceedings that we'll handle
22 later this year. So I appreciate the efforts from
23 all the parties. Thank you, Madam Chair.

24 **CHAIRMAN ARGENZIANO:** Thank you. The
25 parties? Nobody. Commissioner Edgar?

1 **COMMISSIONER EDGAR:** It looks fine to me.
2 So I would say if it's the appropriate time I would
3 move that we approve the staff recommendation on
4 both issues.

5 **COMMISSIONER SKOP:** Second.

6 **CHAIRMAN ARGENZIANO:** All those in favor,
7 aye.

8 (Vote taken.)

9 **CHAIRMAN ARGENZIANO:** Opposed, same sign.
10 Show that approved.

11 Thank you very much. Good job. Thank
12 you.

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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 1st day of July, 2010.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
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