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Public Service Commission

April 8, 2011

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COMMISSION
CLERK

Kevin Hathaway
Hathaway Renewable Energy, Inc.
P.O. Box 356
45 Franks Road
Leoma, TN 38468

Re: April 1, 2011, letter to Chairman Graham regarding Docket Nos. 100345-347-EQ.

Dear Mr. Hathaway:

Staff is in receipt of your letter to Chairman Graham regarding the status of Docket Nos. 100345, 100346, and 100347-EQ (Docket Nos. 100345-347-EQ) and it has been placed in each of the docket files. Your letter expresses a desire that the Commission move forward in processing the purchase power agreements between Hathaway Renewable Energy, Inc. (Hathaway) and Progress Energy, Inc. (PEF). Per your December 7, 2010, request, the recommendations were deferred from the December 14, 2010, Agenda Conference. Pursuant to your December letter, it is staff's understanding that Hathaway was requesting new contracts from PEF.

On March 4, 2011, PEF requested the negotiated contracts be withdrawn in anticipation of filing new contracts. The previous contracts were withdrawn and returned to PEF on March 25, 2011. The deferred recommendations would no longer be addressed by the Commission. Once new contracts are filed with the Commission, staff will evaluate the terms of the contracts and file recommendations addressing any new information.

Staff recommendations reflect the analysis and findings of Commission staff. As before, you will receive a copy of staff's recommendations. It is standard that a recommendation will indicate that interested persons may participate at the Agenda Conference. At the Agenda Conference, Commissioners will vote whether or not to approve staff's recommendations. If the Commission approves staff's recommendations, Proposed Agency Action Orders will be issued. A Proposed Agency Action Order is preliminary in nature. If you disagree with the Commission's decision, you will have the opportunity to file a protest of the Proposed Agency Action Order, pursuant to Rule 28-106.201, Florida Administrative Code.

On April 7, 2011, staff received a status update from PEF, stating that the parties are currently negotiating new contracts. PEF further states that the "revised contracts were pending approval and signature by Hathaway, but based on Hathaway's March 30, 2011, PEF is unsure whether Hathaway intends to continue negotiations. Should PEF and Hathaway agree on any revised negotiated purchase

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power contracts, PEF will provide notice to the Commission.” Until new negotiated contracts are filed with the Commission, staff cannot take any further action on this matter.

Please do not hesitate to contact me should you have additional concerns.

Regards,

A handwritten signature in black ink, appearing to read 'Lee Eng Tan', with a long horizontal line extending to the right.

Lee Eng Tan
Senior Attorney

TLT

cc: John Burnett, Progress Energy, Inc.
Office of Commission Clerk