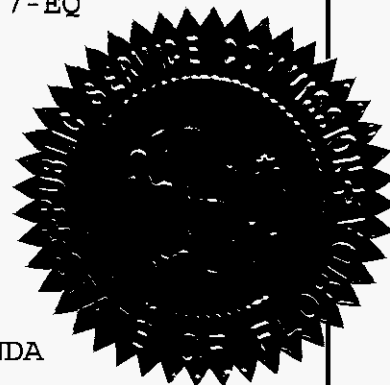


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 110047-EQ

PETITION FOR APPROVAL OF  
NEGOTIATED PURCHASE POWER  
CONTRACT WITH TRANS WORLD  
ENERGY LLC BY PROGRESS  
ENERGY FLORIDA, INC.



PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 7

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, May 24, 2011

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

REPORTED BY: LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
(850) 413-6734

DOCUMENT NUMBER-DATE

03722 MAY 27 =

FLORIDA PUBLIC SERVICE COMMISSION

FPSC-COMMISSION CLERK

## P R O C E E D I N G S

1  
2           **CHAIRMAN GRAHAM:** Item 7.

3           **MR. MA:** Good morning, Commissioners. Victor  
4 Ma with Commission Staff.

5           Item 7 is Staff's recommendation for Docket  
6 Number 110047-EQ. On February 3rd, 2011, PEF filed a  
7 petition to the Commission for the approval of a  
8 negotiated contract between PEF and Trans World Energy  
9 LLC.

10           Staff's analysis is that the proposed  
11 facility, the proposed negotiated contract between PEF  
12 and Trans World is cost-effective and recommends that  
13 PEF's petition be approved by the Commission. Payments  
14 to the proposed negotiated contract are a combination of  
15 monthly capacity and energy payments fixed at a specific  
16 annual rate per megawatt hour delivered from the  
17 generating plant. When compared to PEF's 2010 and 2011  
18 standard offer, the payments to the proposed Trans World  
19 facility is estimated to have net savings of \$61.6  
20 million and \$28.5 million respectively.

21           Staff would note fuel forecasts and analysis  
22 for the contract show that should fuel costs reduce  
23 dramatically, the proposed facility may have projected  
24 net costs of \$2.9 million because the energy payments  
25 are fixed per the contract. However, Staff believes

1 this risk is acceptably small when considering the  
2 potential for a much greater economic benefit for PEF's  
3 ratepayers. Staff is prepared to answer any questions  
4 you may have.

5 **CHAIRMAN GRAHAM:** Thank you, Staff.

6 Commissioner Balbis.

7 **COMMISSIONER BALBIS:** Thank you, Mr. Chair.

8 Excuse me. Yeah. I pulled this item because I think  
9 it's important to, to point out, you know, a really good  
10 project in the fact that we have 40 megawatts of  
11 renewable energy that is biomass. And I know that we  
12 know, but I don't know how much the public knows that,  
13 you know, the largest percentage of renewable energy in  
14 Florida is biomass. And so this is an exciting project  
15 that, you know, not only will produce savings, you know,  
16 up to \$61.6 million to Progress's customers, but again  
17 it's a, it's a renewable energy project that will create  
18 jobs in Citrus County. And I just wanted to point out  
19 that this is a really good project. And, you know,  
20 again I want to congratulate Progress Energy and Staff  
21 in moving this forward, and with that I would move  
22 approval of these issues associated with this project.

23 **CHAIRMAN GRAHAM:** It's been moved and seconded  
24 moving Staff's recommendation on this project. Any  
25 further discussion? Seeing none, all in favor, say aye.

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(Affirmative vote.)

Those opposed? By your action, you've approved  
Item Number 7.

(Agenda item concluded.)

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

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, 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' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 27<sup>th</sup> day of May, 2011.

Linda Boles  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
(850) 413-6734