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Public Service Commission

July 1, 2011

Mr. John T. Burnett, Esq.
Associate General Counsel
Progress Energy Florida, Inc.
Post Office Box 14042
St. Petersburg, Florida 33733-4042

STAFF'S THIRD DATA REQUEST

Re: Docket No. 110090-EQ – Petition for approval of negotiated power purchase agreement with U.S. EcoGen Polk, 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

1. Please refer to Attachment B of Staff DR-1, page 1 of 1. Please refer to the column for the natural gas long-term price forecast.
 - a) Separate the gas prices in this column between commodity and transportation. Please state and explain the assumed escalation rate used for the commodity price and the transportation price.
 - b) Why is the natural gas price forecast and fuel forecast in general shown in Attachment B of Staff DR-1 reasonable?
 - c) Has PEF tested its fuel price forecast shown in Attachment B of Staff DR-1 for reasonableness? Please explain.
 - d) To test for reasonableness, has PEF compared the natural gas price and fuel price forecasts shown in Attachment B of Staff DR-1 to other long-term natural gas price and fuel price forecasts? Please explain.

¹ The questions below seek further clarification of PEF's responses to Staff's Data Requests (Staff DR-1).

DOCUMENT NUMBER - DATE

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John T. Burnett, Esq.
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2. Please refer to Attachment B of Staff DR-1, page 1 of 1. Please refer to the column for the natural gas long-term price forecast. Please compare this forecast to the reference case natural gas price forecast (Henry Hub) contained in the Energy Information Administration's 2011 Annual Energy Outlook. To convert real to nominal prices, assume an escalation rate of 2.5%. Based on this comparison, please explain the differences in forecasted prices.

Please file the original and five copies of the requested information by July 15, 2011, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6183 if you have any questions.

Sincerely,



Pauline E. Robinson
Attorney
Office of the General Counsel

PR/gdr

cc: Office of Commission Clerk
Division of Regulatory Analysis (Phillip Ellis)