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Public Service Commission

August 11, 2011

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

STAFF'S FIFTH 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. Please refer to PEF's response to question 1 of staff's data request # 4. This states the forecasted commodity prices of natural gas for the 2011 Ten-Year Site Plan.
 - a. Please describe in detail PEF's methodology for this forecast. As part of this description, please state and describe the assumptions behind this forecast, including assumptions made by PIRA Energy, PEF, etc.
 - b. Please compare this gas price forecast to the reference case gas price forecast published by the Energy Information Administration in its 2011 Annual Energy Outlook. This is the gas price forecast for Henry Hub. Please state why PEF's gas price forecast differs from the reference case gas price forecast in the EIA's 2011 Annual Energy Outlook other than the difference due to the reference case EIA forecast being in 2009 dollars. In general, state the differences in the assumptions between the two forecasts.
 - c. What is the assumed rate of general inflation that PEF's gas price forecast uses to convert real dollars to nominal dollars?
 - d. Is PEF's gas price forecast (the one in staff's data request # 4 for the 2011 Ten-Year Site Plan) a reasonable long-term gas price forecast? Please explain.

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- e. How has PEF tested this gas price forecast (response to question 1 of staff's data request # 4; the gas price forecast for the 2011 TYSP) for reasonableness? Please explain. As part of this response, please describe any comparisons PEF made to other long-term gas price forecasts.
 - f. The EIA's reference case gas price forecast assumes status quo for environmental regulations. What assumptions regarding changes in environmental regulations are behind PEF's 2011 TYSP gas price forecast?
2. For EIA's 2011 Annual Energy Outlook reference case gas price forecast, what assumed rate of general inflation does PEF use to convert real dollars (2009 dollars) to nominal dollars?
- a. As part of this response, please explain the basis and reasoning for this assumed rate of general inflation.

Please file the original and five copies of the requested information by August 18, 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, Pete Lester)