State of Florida



Jublic Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

LPR- HILLING April 8, 2011 DATE: TO: Ann Cole, Commission Clerk, Office of Commission Clerk Lee Eng Tan, Senior Attorney, Office of the General Counsel FROM: Dockets No. 100345-EQ, 100346-EQ and 100347-EQ - Petitions for approval of RE: negotiated purchase power contract with Hathaway Renewable Energy, Inc. by Progress Energy Florida, Inc.

On April 7, 2011, Progress Energy Inc. sent a status update to staff regarding the contract negotiations in the above-referenced dockets. Please place this memo and the attached letter in the docket files.

> DOCUMENT NUMBER-DATE 02351 APR - 8 =**FPSC-COMMISSION CLERK**



JOHN T. BURNETT ASSOCIATE GENERAL COUNSEL PROGRESS ENERGY SERVICE COMPANY, LLC

April 7, 2011

VIA ELECTRONIC MAIL

Lee Eng Tan, Senior Attorney Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Petition of Progress Energy Florida, Inc. for approval of a negotiated purchase power contract with Hathaway Renewable Energy, Inc.; Docket No. 100345-EQ

Petition of Progress Energy Florida, Inc. for approval of a second negotiated purchase power contract with Hathaway Renewable Energy, Inc.; Docket No. 100346-EQ

Petition of Progress Energy Florida, Inc. for approval of a third negotiated purchase power contract with Hathaway Renewable Energy, Inc.; Docket No. 100347-EQ

Dear Ms. Tan:

Please accept this letter as an informal status report for the aforementioned dockets. Progress Energy Florida, Inc. ("PEF") is recently in receipt of the letter dated March 30, 2011 sent by Hathaway Renewable Energy, Inc. ("Hathaway") to the FPSC.

Prior to receipt of this letter PEF was unaware of Hathaway's positions on the several issues that they discuss in that letter. Soon after the Staff issued its recommendations in the above-listed dockets, PEF revised the three (3) negotiated contracts with Hathaway using the then recent 2010 avoided cost data and PEF sent these revised contracts to Hathaway. Those revised contracts were pending approval and signature by Hathaway, but based on Hathaway's March 30, 2011 letter, PEF is unsure whether Hathaway intends to continue negotiations. Should PEF and Hathaway agree on any revised negotiated purchase power contracts, PEF will provide notice to the Commission.

Please feel free to contact me should you have any questions.

Respectfully, ohn T. Burnettims

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