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COMMISSION
CLERK

April 19, 2011

VIA HAND DELIVERY

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: *Petition for approval of negotiated purchase power contract with Trans World Energy LLC by Progress Energy Florida, Inc.; Docket No. 110047-EQ*

Dear Ms. Cole:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") the original and five (5) copies of PEF's responses to Staff's Data Request No. 2 in the above referenced docket.

Thank you for your assistance in this matter. Please call me at (727) 820-5184 should you have any questions.

Sincerely,

John T. Burnett
John T. Burnett

COM _____
APA _____
ECR _____
GCL _____
RAD _____
SSC _____
ADM _____
OPC _____
CLK _____

JTB/lms

cc: Trans World Energy LLC

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PROGRESS ENERGY FLORIDA, INC.'S RESPONSES TO STAFF DATA REQUEST NO. 2
DOCKET NO. 110047-EQ

- Q1. In its petition, PEF stated the facility would be located in Citrus County, Florida. Has a specific location been proposed and does PEF anticipate any transmission changes to accommodate the facility's proposed location(s)?**

PEF Response: To date, a specific location has not been proposed and it is likely that transmission changes will be required to accommodate the proposed facility.

- a. If so, does this affect the facility's avoided cost savings, or will it be included in RF/QF transmission charges as indicated in Appendix B of the Contract? Please explain if necessary.**

PEF Response: Any transmission related charges will be paid by Trans World in accordance with Appendix B of the Contract.

- Q2. In PEF's response to question 15 of Staff's Data Request No. 1, PEF stated the natural gas price forecast used was provided by PIRA Energy Group. What date was this fuel price forecast calculated, and what date was this forecast provided to PEF?**

PEF Response: The PIRA Energy Group report was dated October 21, 2009 and the report was reviewed by PEF and approved for use on December 7, 2009.

- Q3. On April 1, 2011, PEF filed a Petition for Approval of Revisions to the Standard Offer Contract in Docket 110092-EI, which includes an updated avoided unit. Please provide calculations of cost savings from the proposed Trans World facility payments to the 2011 Standard Offer avoided unit.**

PEF Response: Please see Attachment A.

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Q4. For clarification purposes, please specify the Contract's capacity payment calculations and performance security measures when the facility is operating at less than 94% and greater than 74% capacity factor.

PEF Response: In the event that the facility is operating at a 12-month rolling capacity factor of less than 94%, but greater than 74%, then the payment rate does not change. Trans World is only paid for energy delivered. Therefore, when Trans World produces less energy than required to maintain a 94% capacity factor the result is an immediate reduction of the payment to Trans World when compared to the payment for the *amount of energy required to maintain a 94% capacity factor.*

Comparison of Payments to Trans World vs. PEF's 2011 Standard Offer

REDACTED

Attachment A

PEF Response to Staff DR-2

Dkt# 110047-EQ

Contract MW: 40
 Capacity Factor: 94%
 PV Date 6/30/2011
 Discount Rate: 6.75%

\$000	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	# of Months	Contract Energy MWh	Contract Capacity Payments \$	Contract Energy Payments \$	(3) + (4) Contract Energy & Capacity Payments \$	Contract Cumulative Payments \$	Avoided Capacity Payments \$	Avoided Energy Payments \$	(7) + (8) Avoided Energy & Capacity Payments \$	Avoided Cumulative Payments \$	(9) - (5) Difference from Contract \$	(10) - (6) Cumulative Difference from Contract \$	Discount Factor
Units		MWh	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Year													
2011	0	-					\$ -	\$ -	\$ -	\$ -			1.000
2012	0	-					\$ -	\$ -	\$ -	\$ -			0.937
2013	6	166,040					\$ -	\$ 8,303	\$ 8,303	\$ 8,303			0.877
2014	12	329,373					\$ -	\$ 17,130	\$ 17,130	\$ 25,433			0.822
2015	12	329,373					\$ -	\$ 18,354	\$ 18,354	\$ 43,787			0.770
2016	12	330,276					\$ -	\$ 19,907	\$ 19,907	\$ 63,693			0.721
2017	12	329,373					\$ -	\$ 20,741	\$ 20,741	\$ 84,434			0.676
2018	12	329,373					\$ -	\$ 21,240	\$ 21,240	\$ 105,674			0.633
2019	12	329,373					\$ -	\$ 23,554	\$ 23,554	\$ 129,228			0.593
2020	12	330,276					\$ 1,592	\$ 23,048	\$ 24,640	\$ 153,868			0.555
2021	12	329,373					\$ 2,785	\$ 21,195	\$ 23,979	\$ 177,848			0.520
2022	12	329,373					\$ 2,840	\$ 20,436	\$ 23,276	\$ 201,123			0.487
2023	12	329,373					\$ 2,897	\$ 18,079	\$ 20,976	\$ 222,100			0.457
2024	12	330,276					\$ 2,955	\$ 19,815	\$ 22,770	\$ 244,870			0.428
2025	12	329,373					\$ 3,014	\$ 22,428	\$ 25,442	\$ 270,311			0.401
2026	12	329,373					\$ 3,074	\$ 22,557	\$ 25,631	\$ 295,943			0.375
2027	12	329,373					\$ 3,136	\$ 23,603	\$ 26,739	\$ 322,682			0.352
2028	12	330,276					\$ 3,199	\$ 24,673	\$ 27,871	\$ 350,553			0.329
2029	12	329,373					\$ 3,263	\$ 25,151	\$ 28,414	\$ 378,967			0.308
2030	12	329,373					\$ 3,328	\$ 26,765	\$ 30,092	\$ 409,059			0.289
2031	12	329,373					\$ 3,394	\$ 27,689	\$ 31,084	\$ 440,142			0.271
2032	12	330,276					\$ 3,462	\$ 28,707	\$ 32,169	\$ 472,311			0.254
2033	6	163,333					\$ 1,766	\$ 13,400	\$ 15,166	\$ 487,477			0.238
Total	240	6,591,975					\$ 40,704	\$ 446,773	\$ 487,477				
NPV 2011\$			\$ -	\$ 195,656	\$ 195,656		\$ 15,004	\$ 209,105	\$ 224,109		\$ 28,453		