

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy Florida, Inc. for approval of a negotiated purchase power contract with FB Energy, LLC.

Docket No. 090372-EQ

Dated: October 27, 2009

RECEIVED-FPSC
09 OCT 27 PM 3:45
COMMISSION
CLERK

**PROGRESS ENERGY FLORIDA INC.'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., ("PEF" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Request for Confidential Classification for certain information contained in PEF's responses to Staff's Second Data Request filed on October 27, 2009. In support of this Request, PEF states:

1. PEF's responses to Staff's Second Data Request contains information that is "proprietary business information" under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this request:

(a) Sealed Composite Exhibit A is a package containing unredacted copies of all the documents for which PEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted by yellow marker.

(b) Composite Exhibit B is a package containing two copies of redacted versions of the documents for which the Company requests confidential classification. The specific

COM
ECR
GCL
OPC
RCP
SSC
SGA
ADM
CLK

information for which confidential treatment is requested has been blocked out by opaque marker or other means.

DOCUMENT NUMBER-DATE
10898 OCT 27 09
FPSC-COMMISSION CLERK

(c) Exhibit C is a table which identifies by page and line the information for which PEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

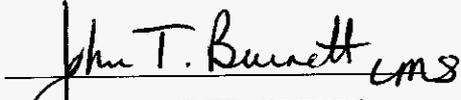
3. As indicated in Exhibit C, the information for which PEF requests confidential classification is “proprietary confidential business information” within the meaning of Section 366.093(3), F.S. Specifically, the information at issue relates to competitively negotiated contractual data, such as the negotiated capacity and energy payment pricing, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate purchase power contracts on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of David Gammon at ¶ 5. Furthermore, the information at issue relates to the competitive interests of PEF, the disclosure of which would impair its competitive businesses. *Id.* § 366.093(3)(e); Affidavit of David Gammon at ¶ 6. Accordingly, such information constitutes “proprietary confidential business information” which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

4. The information identified as Exhibit “A” is intended to be and is treated as confidential by the Company. *See* Affidavit of David Gammon at ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information and contracts at issue as confidential. *See* Affidavit of David Gammon at ¶ 7.

5. PEF requests that the information identified in Exhibit A be classified as “proprietary confidential business information” within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4) F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

WHEREFORE, for the foregoing reasons, PEF respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 27th day of October, 2009.

Handwritten signature of John T. Burnett in cursive, with the initials "ems" written at the end.

R. ALEXANDER GLENN
General Counsel - Florida
JOHN T. BURNETT
Associate General Counsel - Florida
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5249
Email: john.burnett@pgnmail.com

Attorneys for
PROGRESS ENERGY FLORIDA, INC.

Exhibit B

REDACTED

3. **Please refer to PEF's response to question 14 of staff's first data request. In its response to the chart request, PEF stated that Column 1 is the negotiated capacity payment rate in \$/kW-month. Why is this the case if the contract is not in kW-month?**

Answer: Column 1 is defined as the negotiated capacity payment and the entries were left blank. This formatting style was simply used for transparency, where it shows that the capacity payment to FB Energy is [REDACTED] and the capacity payment is included in the energy payment.

4. **Please refer to the e-mail submitted in Attachment A of PEF's response to staff's first data request. The permitting section states FB Energy has been told that if the application is made within the 2nd quarter of 2009, the project air permit should be complete and issued by the end of 2009. Please provide a detailed response of the status of the air permit.**

Answer: FB Energy reports that the air permit was filed in early October 2009. The initial (unofficial) review and feedback by the Department of Environmental Protection ("DEP") is that the application is acceptable, is pleased with the low emission commitments, and DEP does not see any problems with issuing the facility's permit. The expected timeframe for the permit to be issued would be January 2010.

5. **Please refer to the Project Overview. Please explain the 60 MW of electricity to Progress Energy/FPL grid, Solar-assisted biomass operation.**

Answer: FB Energy's project location is in the Port Encouragement Zone ("PEZ") of Port Manatee in Manatee County. The location is next to the FPL Buckeye substation and would interconnect through that station. The electricity would be wheeled to Progress. FB Energy has begun the interconnect study and agreement process. Preliminary conversations with FPL indicate there should be no issues.

It is FB Energy's goal to generate electricity with the lowest feasible emissions and believes that a solar-assisted, biomass facility may provide both environmental and economic benefits. The project is being initially permitted and built as a baseload biomass facility. Once operational, the addition of solar will be reviewed and only added as practical. FB Energy is not requesting any solar permits at this time. These are Phase 2 goals that FB Energy has and may pursue once the biomass facility is operational.

Table 5
 Comparison of Projected Payments
 FB Energy vs. 2009 Standard Offer Contract at 75% Capacity Factor
 Discount rate 8.48%
 Discount Date 6/30/2009
 Capacity 60
 Capacity Factor 75%

(1)	(2)			(3)	(4)			(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Year	Negotiated Capacity Payments \$/kW-mo.	Negotiated Energy Payments \$/MWh	Delivery Voltage Adj. \$/MWh	Total Negotiated Energy Payments \$/MWh	SOC Capacity Payments \$/kW-mo.	SOC Energy Payments \$/MWh	Delivery Voltage Adj. \$/MWh	Total SOC Energy Payments \$/MWh	Negotiated Capacity Payments \$000	Negotiated Energy Payments \$000	Negotiated Total Payments \$000	Negotiated Total Payment \$/MWh	SOC Capacity Payments \$000	SOC Energy Payments \$000	SOC Total Payments \$000	SOC Total Payment \$/MWh	Difference Between Negotiated and SOC
2009				\$ -				\$ -			\$ -				\$ -		\$ -
2010				\$ -				\$ -			\$ -				\$ -		\$ -
2011				\$ -				\$ -			\$ -				\$ -		\$ -
2012				\$ -				\$ -			\$ -				\$ -		\$ -
2013				\$ 71.00	\$ -	\$ 83.63	\$ 1.76	\$ 85.39		\$ 27,988	\$ 27,988	\$ 71.00	\$ -	\$ 33,663	\$ 33,663	\$ 85.39	\$ (5,674)
2014				\$ 72.07	\$ 9.55	\$ 82.11	\$ 1.73	\$ 83.85	\$ 28,408	\$ 28,408	\$ 28,408	\$ 72.07	\$ 4,011	\$ 33,053	\$ 37,064	\$ 94.02	\$ (8,656)
2015				\$ 73.15	\$ 9.92	\$ 85.18	\$ 1.80	\$ 86.97	\$ 28,834	\$ 28,834	\$ 28,834	\$ 73.15	\$ 7,140	\$ 34,282	\$ 41,422	\$ 105.08	\$ (12,588)
2016				\$ 74.24	\$ 10.28	\$ 79.32	\$ 1.67	\$ 80.99	\$ 29,347	\$ 29,347	\$ 29,347	\$ 74.24	\$ 7,404	\$ 32,017	\$ 39,421	\$ 99.73	\$ (10,074)
2017				\$ 75.36	\$ 10.68	\$ 72.10	\$ 1.52	\$ 73.62	\$ 29,706	\$ 29,706	\$ 29,706	\$ 75.36	\$ 7,692	\$ 29,022	\$ 36,714	\$ 93.13	\$ (7,008)
2018				\$ 76.49	\$ 11.10	\$ 72.33	\$ 1.53	\$ 73.85	\$ 30,151	\$ 30,151	\$ 30,151	\$ 76.49	\$ 7,992	\$ 29,113	\$ 37,105	\$ 94.13	\$ (6,953)
2019				\$ 77.63	\$ 11.52	\$ 73.39	\$ 1.55	\$ 74.94	\$ 30,604	\$ 30,604	\$ 30,604	\$ 77.63	\$ 8,292	\$ 29,543	\$ 37,835	\$ 95.98	\$ (7,232)
2020				\$ 78.80	\$ 11.97	\$ 74.98	\$ 1.58	\$ 76.56	\$ 31,148	\$ 31,148	\$ 31,148	\$ 78.80	\$ 8,616	\$ 30,263	\$ 38,879	\$ 98.36	\$ (7,732)
2021				\$ 79.98	\$ 12.42	\$ 79.07	\$ 1.67	\$ 80.74	\$ 31,528	\$ 31,528	\$ 31,528	\$ 79.98	\$ 8,940	\$ 31,828	\$ 40,768	\$ 103.42	\$ (9,239)
2022				\$ 81.18	\$ 12.90	\$ 81.75	\$ 1.72	\$ 83.48	\$ 32,001	\$ 32,001	\$ 32,001	\$ 81.18	\$ 9,288	\$ 32,909	\$ 42,197	\$ 107.04	\$ (10,196)
2023				\$ 82.40	\$ 13.40	\$ 85.55	\$ 1.81	\$ 87.35	\$ 32,481	\$ 32,481	\$ 32,481	\$ 82.40	\$ 9,648	\$ 34,435	\$ 44,083	\$ 111.83	\$ (11,601)
2024				\$ 83.63	\$ 13.92	\$ 83.56	\$ 1.76	\$ 85.32	\$ 33,059	\$ 33,059	\$ 33,059	\$ 83.63	\$ 10,020	\$ 33,724	\$ 43,744	\$ 110.67	\$ (10,685)
2025				\$ 84.89	\$ 14.45	\$ 88.45	\$ 1.87	\$ 90.31	\$ 33,463	\$ 33,463	\$ 33,463	\$ 84.89	\$ 10,404	\$ 35,600	\$ 46,004	\$ 116.70	\$ (12,540)
2026				\$ 86.16	\$ 15.00	\$ 91.63	\$ 1.93	\$ 93.56	\$ 33,965	\$ 33,965	\$ 33,965	\$ 86.16	\$ 10,800	\$ 36,879	\$ 47,679	\$ 120.95	\$ (13,714)
2027				\$ 87.45	\$ 15.58	\$ 97.35	\$ 2.05	\$ 99.40	\$ 34,475	\$ 34,475	\$ 34,475	\$ 87.45	\$ 11,220	\$ 39,184	\$ 50,404	\$ 127.86	\$ (15,929)
2028				\$ 88.77	\$ 16.18	\$ 97.31	\$ 2.05	\$ 99.37	\$ 35,088	\$ 35,088	\$ 35,088	\$ 88.77	\$ 11,652	\$ 39,276	\$ 50,928	\$ 128.84	\$ (15,840)
2029				\$ 90.10	\$ 16.82	\$ 99.53	\$ 2.10	\$ 101.63	\$ 35,517	\$ 35,517	\$ 35,517	\$ 90.10	\$ 12,108	\$ 40,065	\$ 52,173	\$ 132.35	\$ (16,656)
2030				\$ 91.45	\$ 17.47	\$ 101.77	\$ 2.15	\$ 103.92	\$ 36,049	\$ 36,049	\$ 36,049	\$ 91.45	\$ 12,576	\$ 40,964	\$ 53,540	\$ 135.82	\$ (17,491)
2031				\$ 92.82	\$ 18.13	\$ 104.06	\$ 2.20	\$ 106.26	\$ 36,590	\$ 36,590	\$ 36,590	\$ 92.82	\$ 13,056	\$ 41,888	\$ 54,944	\$ 139.38	\$ (18,353)
2032				\$ 94.21	\$ 18.83	\$ 106.37	\$ 2.24	\$ 108.61	\$ 37,241	\$ 37,241	\$ 37,241	\$ 94.21	\$ 13,560	\$ 42,931	\$ 56,491	\$ 142.91	\$ (19,250)
Total									\$ -	\$ 647,643	\$ 647,643		\$ 184,419	\$ 700,637	\$ 885,056		\$ (237,413)
NPV									\$ -	\$ 231,036	\$ 231,036		\$ 58,402	\$ 249,463	\$ 307,866		\$ (76,829)

Table 6

Comparison of Projected Payments
 FB Energy vs. 2009 Standard Offer Contract at 74% Capacity Factor

Discount rate 8.48%
 Discount Date 6/30/2009
 Capacity 60
 Capacity Factor 74%

Attachment A
 Page 2 of 2

(1)	(2)			(3)	(4)				(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Year	Negotiated Capacity Payments \$/kW-mo.	Negotiated Energy Payments \$/MWh	Delivery Voltage Adj. \$/MWh	Total Negotiated Energy Payments \$/MWh	SOC Capacity Payments \$/kW-mo.	SOC Energy Payments \$/MWh	Delivery Voltage Adj. \$/MWh	Total SOC Energy Payments \$/MWh	Negotiated Capacity Payments \$000	Negotiated Energy Payments \$000	Negotiated Total Payments \$000	Negotiated Total Payment \$/MWh	SOC Capacity Payments \$000	SOC Energy Payments \$000	SOC Total Payments \$000	SOC Total Payment \$/MWh	Difference Between Negotiated and SOC
2009				\$ -				\$ -			\$ -				\$ -		\$ -
2010				\$ -				\$ -			\$ -				\$ -		\$ -
2011				\$ -				\$ -			\$ -				\$ -		\$ -
2012				\$ -				\$ -			\$ -				\$ -		\$ -
2013				\$ 53.25	\$ -	\$ 83.63	\$ 1.76	\$ 85.39		\$ 20,711	\$ 20,711	\$ 53.25	\$ -	\$ 33,213	\$ 33,213	\$ 85.39	\$ (12,502)
2014				\$ 54.05	\$ 9.55	\$ 82.11	\$ 1.73	\$ 83.85		\$ 21,022	\$ 21,022	\$ 54.05	\$ 4,011	\$ 32,611	\$ 36,622	\$ 94.16	\$ (15,600)
2015				\$ 54.86	\$ 9.92	\$ 85.18	\$ 1.80	\$ 86.97		\$ 21,337	\$ 21,337	\$ 54.86	\$ 7,140	\$ 33,825	\$ 40,965	\$ 105.32	\$ (19,628)
2016				\$ 55.68	\$ 10.28	\$ 79.32	\$ 1.67	\$ 80.99		\$ 21,717	\$ 21,717	\$ 55.68	\$ 7,404	\$ 31,591	\$ 38,995	\$ 99.98	\$ (17,278)
2017				\$ 56.52	\$ 10.68	\$ 72.10	\$ 1.52	\$ 73.62		\$ 21,982	\$ 21,982	\$ 56.52	\$ 7,692	\$ 28,634	\$ 36,326	\$ 93.39	\$ (14,343)
2018				\$ 57.37	\$ 11.10	\$ 72.33	\$ 1.53	\$ 73.85		\$ 22,312	\$ 22,312	\$ 57.37	\$ 7,992	\$ 28,724	\$ 36,716	\$ 94.40	\$ (14,403)
2019				\$ 58.23	\$ 11.52	\$ 73.39	\$ 1.55	\$ 74.94		\$ 22,647	\$ 22,647	\$ 58.23	\$ 8,292	\$ 29,150	\$ 37,442	\$ 96.27	\$ (14,796)
2020				\$ 59.10	\$ 11.97	\$ 74.98	\$ 1.58	\$ 76.56		\$ 23,049	\$ 23,049	\$ 59.10	\$ 8,616	\$ 29,861	\$ 38,477	\$ 98.66	\$ (15,428)
2021				\$ 59.99	\$ 12.42	\$ 79.07	\$ 1.67	\$ 80.74		\$ 23,331	\$ 23,331	\$ 59.99	\$ 8,940	\$ 31,404	\$ 40,344	\$ 103.73	\$ (17,013)
2022				\$ 60.89	\$ 12.90	\$ 81.75	\$ 1.72	\$ 83.48		\$ 23,681	\$ 23,681	\$ 60.89	\$ 9,288	\$ 32,467	\$ 41,755	\$ 107.35	\$ (18,074)
2023				\$ 61.80	\$ 13.40	\$ 85.55	\$ 1.81	\$ 87.35		\$ 24,036	\$ 24,036	\$ 61.80	\$ 9,648	\$ 33,976	\$ 43,624	\$ 112.16	\$ (19,588)
2024				\$ 62.73	\$ 13.92	\$ 83.56	\$ 1.76	\$ 85.32		\$ 24,464	\$ 24,464	\$ 62.73	\$ 10,020	\$ 33,274	\$ 43,294	\$ 111.01	\$ (18,830)
2025				\$ 63.67	\$ 14.45	\$ 88.45	\$ 1.87	\$ 90.31		\$ 24,763	\$ 24,763	\$ 63.67	\$ 10,404	\$ 35,127	\$ 45,531	\$ 117.06	\$ (20,768)
2026				\$ 64.62	\$ 15.00	\$ 91.63	\$ 1.93	\$ 93.56		\$ 25,134	\$ 25,134	\$ 64.62	\$ 10,800	\$ 36,389	\$ 47,189	\$ 121.32	\$ (22,055)
2027				\$ 65.59	\$ 15.58	\$ 97.35	\$ 2.05	\$ 99.40		\$ 25,511	\$ 25,511	\$ 65.59	\$ 11,220	\$ 38,662	\$ 49,882	\$ 128.25	\$ (24,370)
2028				\$ 66.57	\$ 16.18	\$ 97.31	\$ 2.05	\$ 99.37		\$ 25,965	\$ 25,965	\$ 66.57	\$ 11,652	\$ 38,754	\$ 50,406	\$ 129.24	\$ (24,441)
2029				\$ 67.57	\$ 16.82	\$ 99.53	\$ 2.10	\$ 101.63		\$ 26,283	\$ 26,283	\$ 67.57	\$ 12,108	\$ 39,529	\$ 51,637	\$ 132.76	\$ (25,354)
2030				\$ 68.59	\$ 17.47	\$ 101.77	\$ 2.15	\$ 103.92		\$ 26,677	\$ 26,677	\$ 68.59	\$ 12,576	\$ 40,420	\$ 52,996	\$ 136.26	\$ (26,320)
2031				\$ 69.62	\$ 18.13	\$ 104.06	\$ 2.20	\$ 106.26		\$ 27,077	\$ 27,077	\$ 69.62	\$ 13,056	\$ 41,329	\$ 54,385	\$ 139.83	\$ (27,308)
2032				\$ 70.66	\$ 18.83	\$ 106.37	\$ 2.24	\$ 108.61		\$ 27,558	\$ 27,558	\$ 70.66	\$ 13,560	\$ 42,360	\$ 55,920	\$ 143.38	\$ (28,362)
Total									\$ -	\$ 479,259	\$ 479,259		\$ 184,419	\$ 691,299	\$ 875,718		\$ (396,459)
NPV									\$ -	\$ 170,968	\$ 170,968		\$ 58,402	\$ 246,137	\$ 304,539		\$ (133,571)

Exhibit C

PROGRESS ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>PEF Response to Staff's Second Data Request: Question 1 - Attachment A</p>	<p><u>Question 1</u> – Attachment A:</p> <p>Table 5: negotiated capacity payments in Column 1 and the negotiated energy payments in first part of Column 2.</p> <p>Table 6: negotiated capacity payments in Column 1 and the negotiated energy payments in first part of Column 2.</p> <p><u>Question 3:</u> amount noted in Line 3.</p>	<p>§366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

STATE OF FLORIDA

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
NANCY ARGENZIANO
NATHAN A. SKOP
DAVID E. KLEMENT



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

Public Service Commission

ACKNOWLEDGEMENT

DATE: October 27, 2009

TO: John Burnett, Progress Energy

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 090372 or, if filed in an undocketed matter, concerning response to staff's 2nd data request, and filed on behalf of Progress Energy. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.

DOCUMENT NUMBER-DATE
10899 OCT 27 09
FPSC-COMMISSION CLERK

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850
An Affirmative Action/Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us