

**Florida  
Power**  
CORPORATION

RECEIVED-FPSC

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RECORDS AND  
REPORTING

**JAMES A. MCGEE**  
SENIOR COUNSEL

November 15, 2000

Ms. Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 000001-EI;  
**Request for Confidential Classification.**

Dear Ms. Bayó:

Enclosed for filing in the subject docket is Florida Power Corporation's Request for Confidential Classification accompanied by a sealed envelope containing the documents subject to the Request, with the confidential information highlighted. Also enclosed are two copies of the documents with the confidential information redacted. **The highlighted portions of the unredacted version should be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.**

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced Request in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/kbd  
Enclosures

cc: Parties of record

DOCUMENT NUMBER-DATE  
14-833 NOV 16 00  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Fuel and Purchased Power Cost  
Recovery Clause with Generating  
Performance Incentive Factor.

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Docket No. 000001-EI

Submitted for filing:  
November 17, 2000

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Florida Power Corporation (Florida Power or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of highlighted portions of the documents contained in the sealed envelope enclosed with this request (the Documents). Two public copies of the Documents, with the confidential information redacted, are also enclosed. The Documents were requested by Staff in connection with its First Set of Interrogatories to Florida Power Corporation and its First Request for Production of Documents propounded upon the Company in the subject docket. In support of its request, Florida Power states as follows:

1. The highlighted portions of the Documents consist of sensitive pricing information from five purchase power agreements (PPAs) between Florida Power and certain utility and non-utility suppliers identified in response to Interrogatory No. 7 (subparts C, E and H), and produced in response to Production Request No.
2. The PPAs are all of current vintage, taking place entirely withing calendar year 2000, including two that have not yet commenced.

DOCUMENT NUMBER-DATE

14833 NOV 16 8

FLORIDA POWER CORPORATION

FPSC-RECORDS/REPORTING

2. Disclosure of the pricing terms associated with these PPAs, particularly when coupled with other key contract terms for which protection is not sought (*e.g.*, capacity amounts and energy/capacity factor provisions, call terms, and contract durations), would provide other potential power suppliers specific, up-to-date information regarding Florida Power's recent and upcoming purchases, thus enabling these potential suppliers to tailor their bids accordingly. This in turn would deprive Florida Power and its ratepayers of the opportunity to receive the lowest possible bid that a supplier without superior market information might give.

3. Subsection 366.093(1) provides that any records "found by the commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [requiring disclosure under the Public Records Act]." Proprietary confidential business information includes, but is not limited to, "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms." Section 366.093(3)(d). It also includes "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." Section 366.093(3)(e). The designated portions of the Documents fall within these statutory categories and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

4. The designated information for which confidential classification is sought is intended to be and is treated by the Company as private and has not been publicly disclosed.

WHEREFORE, Florida Power respectfully requests that the highlighted information in the Documents contained in the sealed envelope enclosed with this request be classified as confidential for the reasons set forth above.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION

By 

James A. McGee  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5184  
Facsimile: (727) 820-5519

**FLORIDA POWER CORPORATION**

**DOCKET NO. 000001-EI**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Request for Confidential Classification has been furnished to the following individuals by regular U.S. Mail this 15th day of November, 2000.

W. Cochran Keating, Esquire  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Jeffrey A. Stone, Esquire  
Russell A. Badders, Esquire  
Beggs & Lane  
P. O. Box 12950  
Pensacola, FL 32576-2950

Stephen C. Burgess, Esquire  
Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, FL 32399-1400

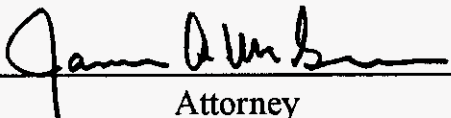
Norman Horton, Jr., Esquire  
Messer, Caparello & Self  
P. O. Box 1876  
Tallahassee, FL 32302

Lee L. Willis, Esquire  
James D. Beasley, Esquire  
Ausley & McMullen  
P.O. Box 391  
Tallahassee, FL 32302

John W. McWhirter, Jr., Esquire  
McWhirter, Reeves, et al.  
100 N. Tampa Street, Suite 2900  
Tampa, FL 33602

Matthew M. Childs, Esquire  
Steel, Hector & Davis  
215 S. Monroe Street, Suite 601  
Tallahassee, Florida 32301

Joseph A. McGlothlin, Esquire  
Vicki Gordon Kaufman, Esquire  
McWhirter, Reeves, et al.  
117 S. Gadsden Street  
Tallahassee, FL 32301

  
\_\_\_\_\_  
Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power )  
cost recovery clause and )  
generating performance incentive )  
factor. )  
\_\_\_\_\_ )

Docket No.: 000001-EI  
Filed: November 15, 2000

**FLORIDA POWER CORPORATION'S  
SUPPLEMENTAL RESPONSE TO STAFF'S FIRST REQUEST FOR PRODUCTION  
OF DOCUMENTS (NOS. 1-2)**

FLORIDA POWER CORPORATION ("FPC") hereby submits its Supplemental Response to Staff's First Request for Production of Documents propounded on October 10, 2000, as follows:

- R1. Please refer to page 7 of Karl H. Wieland's direct testimony, prefiled September 21, 2000. Mr. Wieland states "Florida Power has several wholesale contracts with Seminole [Electric Cooperative], some of which represent Seminole's own firm resources, and others that provide for the sale of supplemental energy to supply the portion of their load in excess of Seminole's own resources, 1327 MW in 2001." Please provide a copy of each wholesale contract that Mr. Wieland has referenced in the preceding statement.
- A1. The requested documents have been provided.
- R2. If the response to Interrogatory No. 6 is affirmative, please provide a copy of each purchased power agreement referenced in Interrogatory No. 7.
- A2. The requested documents have been provided, subject to FPC's request for confidential classification.

PPA # 1



January 12, 2000

Rolando Sanz-Guerrero, Manager  
Business Development and Fuels  
City of Lakeland  
Department of Electric & Water Utilities  
501 East Lemon Street  
Lakeland, FL 33801-5079

**Re: Summer 2000 Sale by City of Lakeland  
To Florida Power Corporation**

Dear Rolando:

This letter is to confirm the agreement between the City of Lakeland (Lakeland) and Florida Power Corporation (FPC) under the terms set forth below. This transaction is entered into by and between Lakeland and FPC under Service Schedule OS, pursuant to the Contract of Interchange Service entered into between Lakeland and FPC on November 3, 1980 and amended on October 1, 1999.

**SELLER:** Lakeland

**BUYER:** FPC

**TYPE OF SERVICE:** Unit contingent (Unit McIntosh #5) – If McIntosh Unit #5 is on-line, FPC shall be entitled to receive its energy in accordance with the quantity as set forth herein

**QUANTITY:** 54 MW / 7 x 16

**TERM:** June 1, 2000 through August 31, 2000

**CHARGES:** The charges for all energy delivered at the Point of Delivery, including losses and transmission charges, shall be equal to the sum of the following applicable charges:

- (1) Capacity Fee: [REDACTED] per MW month
- (2) Energy Charge: [REDACTED] per MWH delivered to Point of Delivery

**SCHEDULE:** Day prior 11 AM Eastern Prevailing Time (EPT)

**DELIVERY POINT:** Lakeland - FPC interface on a firm path or any available delivery point from the Florida Municipal Power Pool

**CONFIDENTIAL**

Mr. Rolando Sanz-Guerrero  
January 12, 2000  
Page 2 of 3

**REFUND CAPACITY:** (1) If Lakeland curtails a schedule on any day and for any reason, Lakeland shall provide FPC with a pro rata refund of capacity.

For example: If, on July 30, the schedule is cut for any time and for any reason, Lakeland shall refund one twentieth (1/20) of the monthly capacity payment (\$ [REDACTED] per MW) shall be refunded by Lakeland to FPC. The sum total of refunds for any month shall not exceed the monthly capacity fee. If the schedule resumes and it is consequently cut during the same day, no further refund shall be provided for that day. If, on a given day, the schedule has been cut during any hour, FPC shall have sole discretion as to whether the schedule shall be resumed for balance of day upon the unit becoming available.

(2) If FPC is due a refund of a capacity payment for a prior month (*i.e.*, June 2000 or July 2000 capacity payments), Lakeland shall deduct such refund amount from the capacity payment of the subsequent month. If such refundable amount accrues in August of 2000, FPC shall bill Lakeland for the refund amount due. Lakeland shall pay the full amount within fifteen (15) days of its receipt of such an invoice.

(3) If Lakeland curtails a schedule and resells such scheduled power into the market for economic reasons, Lakeland shall reimburse FPC for FPC's replacement costs for such curtailed power, including any transmission charges incurred as a result of such curtailment. "Replacement costs" means the price at which FPC, acting in a commercially reasonable manner, purchases substitute power not delivered by Lakeland. In no event shall replacement cost include any penalties, ratcheted demand or similar charges.

**COORDINATION:** Scheduling and coordination shall be between Buyer's and Seller's respective trading centers

**REPRESENTATIONS AND WARRANTIES:** As of the date of Lakeland's execution of this letter agreement, Lakeland represents and warrants to FPC that:

- (1) It is duly organized and validly existing under the laws of the jurisdiction of its organization and, if relevant under such laws, in good standing;
- (2) It has the corporate, governmental and/or other legal capacity, authority and power to execute and deliver this letter agreement and to perform its obligations under this letter agreement, and it has taken all necessary action to authorize such execution, delivery and performance;
- (3) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

CONFIDENTIAL



- (4) All governmental and other authorizations, approvals, consents, notices and filings that are required to have been obtained or submitted by it with respect to this letter agreement have been obtained or submitted and are in full force and effect, and all conditions of any such authorizations, approvals, consents, notices and filings have been complied with;
- (5) Its obligations under this letter agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law); and
- (6) It has made its trading and investment decisions (including regarding the suitability thereof) based upon its own judgment and any advice from such advisors as it has deemed necessary and not in reliance upon any view expressed by FPC.

**FLORIDA POWER CORPORATION**

**CITY OF LAKELAND, FLORIDA**

By: 

Name: Roy A. Anderson

Title: Senior Vice President, Energy Supply

Date: 1-13-00

By: 

Name: Rolando Sanz-Guerrero

Title: Mgr. Wholesale Energy

Date: 1-12-00

PPA # 2

MORGAN STANLEY CAPITAL GROUP INC.  
1585 BROADWAY  
NEW YORK, NEW YORK 10036

November 17, 1999.

Florida Power Corporation  
Mike Keen  
Fax: (727) 826-4025

Ref: e60307  
Trade Date: November 10, 1999

This is to confirm Morgan Stanley Capital Group Inc.'s (MSCGI) sale of a capacity and energy from the Discover Generating Unit located in Lee County, Alabama to Florida Power Corporation (FPC). The terms are as follows:

Capacity Buyer: FPC

Capacity Seller: MSCGI

Type: Unit firm Capacity and Associated Energy.

Scheduling Date(s): Monday through Friday, the Business Day prior to the Delivery Period

Delivery Period: Monday through Sunday, December 15, 1999 through March 15, 2000. Hour Ending (HE) 0800 through HE 2300 (16 hours per day), Eastern Prevailing Time (EPT).

Delivery Day: A calendar date specific 16 hour Delivery Period.

Scheduling Deadline: If scheduling, FPC will contact MSCGI on or before 10:00 am EPT the Business Day prior to the Delivery Period.

If scheduled, FPC will have the obligation to buy and receive from, and MSCGI will have the obligation to sell and deliver to FPC at the delivery point, the Quantity called for during all Delivery Hours for any day in which FPC has exercised its option.

Monthly Capacity Payment :  
\$ [redacted] per Kwm capacity payment \$ [redacted] total due to MSCGI by FPC two Business Days after receipt of MSCGI's invoice.

Energy Price: \$ [redacted] per MWh

Quantity: 19 Mwh per hour for the Delivery Period of December 15, 1999 through December 31, 1999; and  
15 Mwh per hour for the Delivery Period of January 1, 2000 through March 15, 2000.

Delivery Location: The Florida/Georgia Border at FPC.

CONFIDENTIAL

Path Scheduling: Best efforts will be used to complete scheduling by 12:00 p.m. EPT the Business Day prior to delivery.

Special Conditions:

For each Delivery Day during the Delivery Period, that FPC has scheduled energy and the Discover Generating Unit is not available to meet the obligation to deliver the called for energy; MSCGI will reimburse to FPC 20% of that month's capacity payment. The reimbursement shall never exceed that month's capacity payment.

This confirmation letter is being provided pursuant to and in accordance with the Electric Power Service Agreement dated June 1, 1997 ("agreement") between FPC and MSCGI, and constitutes part of and is subject to all of the terms and provisions of such agreement. Terms used but not defined herein shall have the meaning ascribed to them in the agreement.

Please confirm that the terms stated herein accurately reflect the agreement reached between FPC and MSCGI by returning an executed copy of this Confirmation Letter.

Call to Exercise Option:	212-761-8748
24 hour Scheduling:	212-761-8748
Fax:	212-761-0292

Morgan Stanley Capital Group Inc.

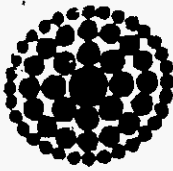
Joseph F. Delaney, III  
Principal-Authorized Signatory

Florida Power Corporation

By: 

Title: Director, Power Marketing

Date: 11/18/99



**Florida  
Power**  
CORPORATION

PPA # 3

December 8, 1999

Post-it Fax Note	7671	Date	12/10/99	# of pages	2
To	MIKE CARL	From	RAY M. CROOKS		
Co./Dept.	FPC - Power Mkts	Co.	RCE		
Phone #	727-826-4020	Phone #	407-824-7216		
Fax #	727-826-4025	Fax #	407-824-6504		

Mr. Thomas M. Moses  
District Administrator  
Reedy Creek Improvement District  
1900 Hotel Plaza Boulevard  
Lake Buena Vista, FL 32830

Dear Mr. Moses:

This letter ("Confirmation Letter") confirms the transaction entered into by and between the Reedy Creek Improvement District (RCID) and Florida Power Corporation (FPC), as outlined below. The Confirmation Letter is entered into by and between the parties under Service Schedule OS pursuant to their Contract for Interchange Service dated September 15, 1989 and as amended by Amendment #1 on December 13, 1995, collectively ("Contract for Interchange Service").

**SELLER:** RCID

**BUYER:** FPC

**TYPE OF SERVICE:** Firm - Multiple Unit Contingent \*\*

**TERM:** December 13, 1999 through February 29, 2000

**QUANTITY:**

- (1) 30 MW from December 13, 1999 through December 31, 1999,
- (2) 10 MW from January 1, 2000 through January 31, 2000, and
- (3) 30 MW from February 1, 2000 through February 29, 2000.

**BLACKOUT DATES:** RCID shall supply the capacity stated above except for the following days: 12/31/99, 01/01/2000 - 01/05/2000. No power shall be made available by RCID to FPC on those dates.

**CHARGE:** The charges for all capacity and energy delivered at the Delivery Point, including losses and transmission charges under this Confirmation Letter, shall be equal to the sum of the applicable charges set forth immediately below:

- (1) Capacity Charge: ██████ kW month
- (2) Energy Charge: ██████ MWh

**SCHEDULE:** Hourly as called (60 minutes notice of schedule prior to hour called) from 0001 (EPT) December 13, 1999 until 2400 (EPT) February 29, 2000. All scheduled power has a four (4) hour minimum take.

**DELIVERY POINT:** RCID - FPC interface on a firm path or any available delivery point from the RCID.

**COORDINATION:** Scheduling and coordination shall be conducted between FPC's and RCID's respective trading centers.

One Power Plaza: 283 - Thirteenth Avenue South • P.O. Box 14042 • St. Petersburg • Florida 33701 • (727) 826-4030  
A Florida Progress Company

CONFIDENTIAL

Mr. Thomas M. Moses  
 December 8, 1999  
 Page 2 of 2

**OTHER TERMS & CONDITIONS:**

(1) If energy delivery is pre-scheduled in any day, and the pre-scheduled amount is not fully delivered in any hour, then the ratio of the actual delivered energy in that hour to the pre-scheduled amount is the Availability When Called for that particular hour. If the full pre-scheduled amount is not delivered for more than one (1) hour during any given day, then the Availability When Called for that day shall be the lowest of the hourly calculations. The Monthly Availability When Called shall be the average of the daily calculations. Any day in which no energy was pre-scheduled shall have no effect on the monthly Availability When Called.

(2) Capitalized terms used herein and not defined are used as defined in the Contract for Interchange Service.

**FAILURE TO PERFORM:** If, for any reason, RCID fails to deliver energy pursuant to this Confirmation Letter for any hour during a day when scheduled, then such day shall be classified as a Non-Performance Day. RCID shall refund capacity charges commensurate with actual non-performance. For example, if FPC calls on the energy four hours during the month of February and RCID's Monthly Availability When Called is 75%, then RCID will forfeit (1/4) or 25% of the current month's Capacity Charge. RCID's sole liability for failure to deliver scheduled energy shall be limited to the capacity payments which RCID receives from FPC; and in no case shall it be greater than 100% of the capacity payment otherwise chargeable by RCID to FPC for the month in which the non-delivery occurred. RCID shall not cut delivery of this energy and associated capacity in order to take advantage of other market opportunities.

**\*\*AVAILABILITY:** RCID will provide FPC with "Firm Multiple Unit Contingent" power, and such power will be made available to FPC when both (i) the Orlando Cogen Limited L.P. ("Orlando Cogen") and (ii) RCID's Combined Cycle Unit are available. In the event that either unit becomes fully or partially unavailable, FPC will receive a pro-rata share of the MWs of capacity for the applicable period. For example, in the month of February 2000, if the availability upon FPC's notice of schedule, where RCID's portion of the Orlando Cogen Unit is 35 MW, and the availability of RCID's Combined Cycle Unit is 38 MW, and the Orlando Cogen Unit then becomes unavailable, then FPC would be entitled to a firm capacity of 16 MW  $(38 \text{ MW} / 73 \text{ MW}) \times 30 \text{ MW} = 16 \text{ MW}$ . To the extent both of these resources are fully or partially unavailable, RCID will supply the power to FPC from other RCID system resources so long as RCID Native Firm Load is not curtailed. RCID Native Firm Load is defined as all retail electric energy customers served under RCID rate schedules. RCID agrees not to cut a schedule delivery for the purpose of selling energy to the wholesale energy market.

This Confirmation Letter constitutes an integral part of the Contract for Interchange Service between the two parties, which should be read and construed together with this Confirmation Letter. Confirmation Letters may modify terms and conditions stated in the Contract for Interchange Service. However, where there is an irreconcilable conflict between the terms of this Confirmation Letter and the Contract for Interchange Service, the terms of the Confirmation Letter shall control.

This letter confirms the agreement between the parties for the purchase and sale of capacity and energy pursuant to the terms and conditions contained herein.

REEDY CREEK IMPROVEMENT DISTRICT

By: Thomas M. Moses

Name: Thomas M. Moses

Title: District Administrator

12/10/99

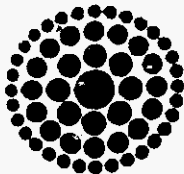
FLORIDA POWER CORPORATION

By: Michael A. Carl

Name: Michael A. Carl

Title: Director, Power Marketing

12/9/99



August 29, 2000

Mr. Thomas M. Moses  
District Administrator  
Reedy Creek Improvement District  
1900 Hotel Plaza Boulevard  
Lake Buena Vista, FL 32830

Dear Mr. Moses:

This letter ("Confirmation Letter") confirms the transaction entered into by and between the Reedy Creek Improvement District (RCID) and Florida Power Corporation (FPC), as outlined below. The Confirmation Letter is entered into by and between the parties under Service Schedule OS pursuant to their Contract for Interchange Service dated September 15, 1989 and as amended by Amendment #1 on December 13, 1995, collectively ("Contract for Interchange Service").

**SELLER:** RCID

**BUYER:** FPC

**TYPE OF SERVICE:** Firm - Multiple Unit Contingent \*\*

**TERM:** December 1, 2000 through February 28, 2001

**QUANTITY:**

- (1) 60 MW from December 1, 2000 through December 31, 2000;
- (2) 40 MW from January 1, 2001 through January 31, 2001; and
- (3) 20 MW from February 1, 2001 through February 28, 2001.

**CHARGE:** The charges for all capacity and energy delivered at the Delivery Point, including losses and transmission charges under this Confirmation Letter, shall be equal to the sum of the applicable charges set forth immediately below:

(1) Capacity Charge: █████ kW month

(2) Energy Charge: █████ MWh

**SCHEDULE:** Hourly as called (60 minutes notice of schedule prior to hour called) from 0001 (EPT) December 1, 2000 until 2400 (EPT) February 28, 2001. All scheduled power has a four-(4) hour continuous minimum take.

**DELIVERY POINT:** RCID - FPC interface on a firm path or any available delivery point from the RCID.

**COORDINATION:** Scheduling and coordination shall be conducted between FPC's and RCID's respective trading centers.

**CONFIDENTIAL**

**OTHER TERMS & CONDITIONS** (1) If energy delivery is pre-scheduled in any day, and the pre-scheduled amount is not fully delivered in any hour, then the ratio of the actual delivered energy in that hour to the pre-scheduled amount is the Availability When Called for that particular hour. If the full pre-scheduled amount is not delivered for more than one (1) hour during any given day, then the Availability When Called for that day shall be the lowest of the hourly calculations. The Monthly Availability When Called shall be the average of the daily calculations. Any day in which no energy was pre-scheduled shall have no effect (not included in the Monthly Availability When Called calculation) on the monthly Availability When Called.

(2) Capitalized terms used herein and not defined are used as defined in the Contract for Interchange Service.

**FAILURE TO PERFORM:** If, for any reason, RCID fails to deliver energy pursuant to this Confirmation Letter for any hour during a day when scheduled, then such day shall be classified as a Non-Performance Day. RCID shall refund capacity charges commensurate with actual non-performance. For example, if FPC calls on the energy four (4) hours during the month of February and RCID's Monthly Availability When Called is 75%, then RCID shall forfeit (1/4) or 25% of the current month's Capacity Charge. RCID's sole liability for failure to deliver scheduled energy as agreed shall be limited to the capacity payments which RCID receives from FPC, which in no case, shall it be greater than 100% of the capacity payment otherwise chargeable by RCID to FPC for the month in which the non-delivery occurred. RCID shall not cut delivery of this energy and associated capacity in order to take advantage of other market opportunities.

**\*\*AVAILABILITY:** RCID shall provide FPC with "Firm Multiple Unit Contingent" power, and such power shall be made available to FPC when both (i) the Orlando Cogen Limited L.P. ("Orlando Cogen") and (ii) RCID's Combined Cycle Unit are available. In the event that either unit becomes fully or partially unavailable, RCID shall provide FPC with a pro-rata share of the MWs of capacity for the applicable period. For example, in the month of February 2001, if the availability upon FPC's notice of schedule, where RCID's portion of the Orlando Cogen Unit is 35 MW and the availability of RCID's Combined Cycle Unit is 38 MW, and the Orlando Cogen Unit becomes unavailable, FPC would be entitled to a firm capacity of 10 MW  $(38 \text{ MW} / 73 \text{ MW}) \times 20 \text{ MW} = 10 \text{ MW}$ . To the extent both of these resources are fully or partially unavailable, RCID shall supply the power to FPC from other available RCID system resources so long as RCID Native Firm Load is not curtailed. RCID Native Firm Load is defined as all retail electric energy customers served under RCID rate schedules. RCID agrees not to cut a schedule delivery for the purpose of selling energy to the wholesale energy market.

This Confirmation Letter constitutes an integral part of the Contract for Interchange Service between the two parties, which should be read and construed together with this Confirmation Letter. Confirmation Letters may modify terms and conditions stated in the Contract for Interchange Service. However, where there is an irreconcilable conflict between the terms of this Confirmation Letter and the Contract for Interchange Service, the terms of the Confirmation Letter shall control.

This letter confirms the agreement between the parties for the purchase and sale of capacity and energy pursuant to the terms and conditions contained herein.

**REEDY CREEK IMPROVEMENT DISTRICT**

By: \_\_\_\_\_

Name: Thomas M. Moses

Title: District Administrator

Date: 9/18/00

**FLORIDA POWER CORPORATION**

By: \_\_\_\_\_

Name: Michael A. Carl

Title: Director, Power Marketing

Date: 8/29/00

PPA # 5



Agreement For Unit Specific-Firm Capacity and Energy Call Option

Agreement: Between Florida Power & Light Company ("FPL") and Florida Power Corporation ("Buyer")

Term: December 15, 2000 through February 28, 2001, 7X12, including NERC holidays

Capacity Source: Florida Crushed Stone cogeneration resource located in Buyer's control area

Energy Source: FPL System Incremental

Capacity Amount: 50 MW

Energy Delivery: Minimum Take Period: 12 hours / day (on a consecutive schedule or split schedule). Split schedule:  
 H.E. 0600 to H.E. 1100  
 H.E. 1800 to H.E. 2300  
 (The split schedule or consecutive schedule must be specified by the Buyer at strike time.)

Strike Price: [REDACTED] / MWh

Strike Time: No later than 10 A.M. Eastern Prevailing Time (EPT), business day ahead.

Delivery Point: FPL/FPC interconnection.

Capacity Premium: [REDACTED] / kW-Month for 50 MW  
 Monthly Total: December 2000 equals \$[REDACTED]  
 Monthly Total: January and February 2001 equals \$[REDACTED] per month  
 Total Capacity Premium: \$[REDACTED]

Premium Due: The December and January Capacity Premiums due January 3, 2001 and the February Capacity Premium due February 2, 2001.

Wire Transfer to: Bank America of Dallas, TX  
 ABA# 111000012 Account# 3750132076

Confidential October 10, 2000

CONFIDENTIAL



# ENERGY

MARKETING & TRADING

a division of Florida Power & Light Company

Conditions:

- 1) This Agreement is pursuant to the terms and conditions of Tariff No. 1 For Sales of Power And Energy By Florida Power & Light Company ("Tariff") and the Service Agreement for service under the Tariff between FPL and Buyer.
- 2) FPL will sell the specified quantity of electricity to Buyer for the Strike Price when Buyer exercises the Call Option by the contract Strike Time.
- 3) FPL shall have the right to recall the contract energy back from Buyer, only in instances when the Capacity Source is unavailable and the Energy Source is required to serve FPL's total retail load or when the Capacity Source is available and the Energy Source is required to serve FPL's firm retail load.
- 4) If FPL fails to deliver any portion of the scheduled energy for any day for any reason other than what is excused in Condition 3 above, FPL will refund ten percent (10%) of the Capacity Premium for the current month. (i.e., if FPL fails to deliver one day in January, FPL will refund 10% of January's Capacity Premium).

Confidentiality:

FPL and Buyer regard the pricing and terms and conditions in this confirmation letter as proprietary information under Florida law. Both parties agree to notify the other party as soon as possible of any request for such proprietary information, and not to distribute any such proprietary information without first notifying the other party. All information in this confirmation letter may be released after December 31, 2001.

Authorized By:

\_\_\_\_\_  
Larry Tittle  
Florida Power Corporation

Authorized By:

\_\_\_\_\_  
Joe Stepenovitch  
Florida Power & Light  
Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power )  
cost recovery clause and )  
generating performance incentive )  
factor. )  
\_\_\_\_\_ )

Docket No.: 000001-EI  
Filed: November 15, 2000

**FLORIDA POWER CORPORATION'S SUPPLEMENTAL RESPONSE TO STAFF'S  
FIRST SET OF INTERROGATORIES (NOS. 4-10)**

FLORIDA POWER CORPORATION ("FPC") hereby submits its Supplemental Response to Staff's First Set of Interrogatories (Nos. 4-10) propounded on October 10, 2000, as follows:

The name, address and relationship to Florida Power Corporation of those persons providing the answers to each of the following interrogatories are as follows:

Karl Wieland, Manager, Financial Analysis

Florida Power Corporation  
P. O. Box 14042  
St. Petersburg, Florida 33733

## INTERROGATORIES

4. If the response to the previous interrogatory is affirmative, please respond to the following for each occurrence:

A. Name of generating unit

Response: Please refer to column (A) in the table below.

B. Explain the reason for the unplanned outage

Response: Please refer to column (B) in the table below.

C. Date of unplanned outage

Response: Please refer to column (C) in the table below.

D. Date which Florida Power placed or expects to place generating unit back into service

Response: Please refer to column (D) in the table below.

E. Indicate the amount of unavailable energy and capacity because the unit is not or was not in service.

Response: Please refer to column (E) in the table below. The unavailable capacity is based on ratings for the appropriate month listed on Schedule A-4. The amount of unavailable energy was estimated by multiplying the duration of the outage (in hours) by the capacity of the unit and by the unit's net output factor. The net output factor is based on the unit's actual equivalent availability factor. The above calculation estimates the amount of energy unavailable because of the outage. It does not take into consideration the fact that random unplanned outages are normal for any generation unit and are taken into account when fuel projections are made.

F. Indicate the amount of unavailable energy and capacity that was replaced with other Florida Power generating units.

Response: Florida Power purchased economy energy during these outages as well as when the units were operating. There is no reliable way to determine what economy purchases might not have been made, had these unplanned outages not occurred.

**Response to Interrogatory No. 5, Parts A through E**

<b>Steam and Nuclear Unit Outages Greater Than 72 Hours in Duration January 2000 - September 2000</b>					
<b>(A)  Name of Generating Unit</b>	<b>(B)  Outage Description</b>	<b>(C) (D)  Outage Dates</b>		<b>(E)  Unavailable Capacity and Energy</b>	
		<b>Start</b>	<b>End</b>	<b>MW</b>	<b>MWh</b>
ANCLOTE 1	GENERATOR GROUND- EXCITER RECTIFIER BANK INSULATION BAD	1/4/00	1/11/00	517	31,366
ANCLOTE 1	REPAIR EXPANSION JOINT LEAK IN GAS RECIRCULATION DUCT	2/14/00	2/25/00	510	31,509
ANCLOTE 1	TURBINE- REPAIR #2 CONTROL VALVE	4/24/00	4/29/00	510	30,856
BARTOW 1	#1 EXCITER FAILURE	8/12/00	8/15/00	122	8,031
BARTOW 3	C BURNER CORNER CAUGHT FIRE DUE TO LEAKING OIL GUN	4/22/00	4/26/00	206	13,037
BARTOW 3	RECONNECT 3B STEP UP TRANSFORMER AFTER INSULATOR REPAIR	9/22/00	9/28/00	206	19,630
CRYSTAL RIVER 1	PRECIPITATOR OUTAGE	4/19/00	4/26/00	381	62,837
CRYSTAL RIVER 1	LOSS OF 6900 VOLT BUS (FAULT)	6/17/00	6/20/00	381	30,817
CRYSTAL RIVER 1	SUPERHEAT TUBE LEAK - PLATEN SECTION	9/13/00	9/16/00	381	23,270
CRYSTAL RIVER 2	REPAIR OF #2 TURBINE BEARING	1/8/00	1/11/00	468	31,429
CRYSTAL RIVER 2	TURBINE BEARING REPAIR AND OIL FLUSH	4/25/00	5/10/00	477	143,302
CRYSTAL RIVER 2	GENERATOR DAMAGE FROM FAULT; HP/IP TURBINE ROTOR REPLACEMENT	6/1/00	9/1/00	477	744,078
CRYSTAL RIVER 2	PULVERIZER MILL INSPECTION/REPAIR	9/2/00	9/6/00	477	31,975
CRYSTAL RIVER 3	MAINTENANCE OUTAGE TO REPAIR/REPLACE PRESSURIZER SAFETY VALVE TO REACTOR COOLANT DRAIN TANK	9/9/00	9/16/00	774	134,724
TIGER BAY 1	GAS TURBINE GENERATOR TRIP DUE TO FAILED EXCITER BRUSHES - FIRST START FAILED DUE TO COMPRESSOR BLEED VALVE	8/12/00	8/15/00	215	16,224
UNIVERSITY OF FLORIDA	COMPUTER CONTROL CARD FAILURE	6/16/00	6/19/00	42	2,701

**6. Did Florida Power enter into any purchased power agreements with any other electric utility or non-utility generator with a duration of one month or longer since January 1, 2000?**

**Response:** Yes. Florida Power has entered into five such agreements.

7. If the response to the previous interrogatory is affirmative, please respond to the following for each purchased power agreement:

A. Does FPC have economic dispatch rights to the capacity, if any, and energy associated with the purchase power agreement comparable to one of its own units?

Response: Yes, depending on the specific agreement, FPC has the right to schedule power delivery from as little as one hours notice to a maximum of 10 AM the prior day.

B. Provide the amount of capacity (MW), if any

Response: PPA #1: 54 MW  
PPA #2: 15 MW  
PPA #3: 10 MW (January), 30 MW (February)  
PPA #4: 60 MW  
PPA #5: 50 MW

C. Provide the demand charge (\$/kw), if applicable

Response: PPA #1: \$ [REDACTED] /kw per month  
PPA #2: \$ [REDACTED] /kw per month  
PPA #3: \$ [REDACTED] /kw per month  
PPA #4: \$ [REDACTED] /kw per month  
PPA #5: \$ [REDACTED] /kw per month

**D. Provide the amount of energy (MWH) or capacity factor**

**Response:** PPA #1: 864 MWH per day when called on.  
PPA #2: 240 MWH per day when called on.  
PPA #3: 40 MWH (min), 240 MWH (max) per day when called on in January, 120 MWH (min,) 720 MWH (max) per day when called on in February.  
PPA #4: 240 MWH (min), 1440 MWH (max) per day when called on.  
PPA #5: 600 MWH per day when called on.

**E. Provide the energy charge (\$/kwh)**

**Response:** PPA #1: \$ [REDACTED] /kwh  
PPA #2: \$ [REDACTED] /kwh  
PPA #3: \$ [REDACTED] /kwh  
PPA #4: \$ [REDACTED] /kwh  
PPA #5: \$ [REDACTED] /kwh

**F. Provide the number of hours per day and days per week that the supplier will provide capacity, if any, and energy to FPC**

**Response:** PPA #1: 16 hrs per day, 7 days per week  
PPA #2: 16 hrs per day, 7 days per week  
PPA #3: 24 hrs per day, 7 days per week  
PPA #4: 24 hrs per day, 7 days per week  
PPA #5: 12 hrs per day, 7 days per week

**G. For each purchase power agreement greater than one year in duration, provide the monthly costs for each purchased power agreement during each month. For each month, itemize the costs into the following components: demand, energy, other (please specify), and total.**

**Response:** Florida Power has not entered into any purchased power agreements greater than one year in duration since January 1, 2000.

H. For each purchase power agreement one-year or less in duration, provide the monthly costs for each purchased power agreement during each month. For each month, itemize the costs into the following components: demand, energy, other (please specify), and total.

Response:

**PPA #1**

	<u>June</u>	<u>July</u>	<u>August</u>
Demand	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Energy	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

**PPA #2**

	<u>January</u>	<u>February</u>	<u>March</u>
Demand	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Energy	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

**PPA #3**

	<u>January</u>	<u>February</u>
Demand	\$ [REDACTED]	\$ [REDACTED]
Energy	\$ [REDACTED]	\$ [REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]

**PPA #4**

	<u>December</u>
Demand	\$ [REDACTED]
Energy	0*
Total	\$ [REDACTED]

**PPA #5**

	<u>December</u>
Demand	\$ [REDACTED]
Energy	0*
Total	\$ [REDACTED]

\* Contract does not start until December, 2000



**I. Provide the start and end dates.**

**Response:**

PPA #1:	Start	June 1, 2000	End	August 31, 2000
PPA #2:	Start	Jan 1,2000	End	March 15, 2000
PPA #3:	Start	Jan 6,2000	End	Feb 29, 2000
PPA #4:	Start	Dec 1, 2000	End	Dec 31, 2000
PPA #5:	Start	Dec 15, 2000	End	Dec 31, 2000

**8. For the following interrogatories, please refer to Schedule E-4, February 2000, in Karl H. Wieland's Projection Exhibit, filed October 1, 1999 and Florida Power's February 2000 Schedule A-4.**

**A. Please explain the variance between the projected capacity factor of 92.6% shown on schedule E-4 and the actual capacity factor of 79% shown on schedule A-4 for Crystal River Unit 5.**

**Response:** Florida Power dispatches its generating and purchased power resources to minimize the total cost of generation. Variances between estimated and actual capacity factors are a result of differences between actual and projected unit availability, differences in dispatch requirements such as higher or lower system demand, changes in the availability of lower-cost units or purchased power, or changes in dispatch economics caused by changes in the fuel prices.

Crystal River Unit 5 had no outages in the month of February that would have reduced its capacity factor, therefore the variance is due actual dispatch economics being different from estimated dispatch economics. Schedule A-3 for the month of February shows that actual total coal generation at the Crystal River site exceeded the estimate by 29,297 MWh, or 2.5%. Comparing Schedules A-4 and E-4 further shows that reduced output from Crystal River Unit 5 was more than offset by increases in generation at the other coal units, particularly Crystal River Unit 2 whose capacity factor increased from an estimated 48% to an actual 69%.

**9. For the following interrogatories, please refer to Schedule E-4, April 2000, in Karl H. Wieland's Projection Exhibit, filed October 1, 1999 and Florida Power's April 2000 Schedule A-4.**

**A. Please explain the variance between the projected capacity factor of 73.0% shown on schedule E-4 and the actual capacity factor of 63% shown on schedule A-4 for Crystal River Unit 1.**

**Response:** Please refer to the response to interrogatory 8 for a general discussion of capacity factor variances.

Crystal River Unit 1's lower than estimated capacity factor for the month of April 2000 may be primarily due to an unanticipated maintenance outage for the electrostatic precipitator. This outage resulted in an actual equivalent availability factor of 72.9% compared to the estimate of 89.5%. Nonetheless, Schedule A-3 for the month of April shows that actual total coal generation at the Crystal River site exceeded the estimate by 369,875 MWh, or 56.6% because of changes in scheduled outages for Crystal River Units 2 and 4.

**10. For the following interrogatories, please refer to Schedule E-4, June 2000, in Karl H. Wieland's Projection Exhibit, filed October 1, 1999 and Florida Power's June 2000 Schedule A-4.**

**A. Please explain the variance between the projected capacity factor of 80.0% shown on schedule E-4 and the actual capacity factor of 70% shown on schedule A-4 for Crystal River Unit 1.**

**Response:** Please refer to the response to interrogatory 8 for a general discussion of capacity factor variances.

Crystal River Unit 1's lower than estimated capacity factor for the month of June 2000 may be primarily due to an unanticipated forced outage to repair lightning damage to the auxiliary transformer. This outage resulted in an actual equivalent availability factor of 78.4% compared to the estimate of 88.8%.

**B. Please explain the variance between the projected capacity factor of 65.9% shown on schedule E-4 and the actual capacity factor of 2% shown on schedule A-4 for Crystal River Unit 2.**

**Response:** Crystal River Unit 2's lower than estimated capacity factor for the month of June 2000 is due to an unanticipated forced outage to repair the unit's generator. This outage began at 8:00 p.m. on June 1 and kept the unit out of service for the remainder of the month.

**AFFIDAVIT**

STATE OF FLORIDA        )

Docket No. 000001-EI

COUNTY OF PINELLAS    )

I, Karl Wieland, having been first duly sworn, hereby depose and affirm that I am employed by Florida Power Corporation in the capacity of Manager, Financial Analysis; that I am the person who provided answers to interrogatories 1, 2, 3, and 11 for the Supplemental Response of Florida Power Corporation to Staff's First Set of Interrogatories (Nos. 1-11) to Florida Power Corporation and that said answers are true and correct to the best of my knowledge and belief.

Dated this \_\_\_\_ day of November, 2000.

**FLORIDA POWER CORPORATION**

By: \_\_\_\_\_  
Karl Wieland  
Manager, Financial Analysis

The foregoing was acknowledged before me this \_\_\_\_ day of November, 2000, by Karl Wieland, who is personally known to me and who took an oath.

\_\_\_\_\_  
Notary