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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION
CLERK

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

Docket No. 110047-EQ

Dated: February 3, 2011

**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 the negotiated contract ("the Contract") between PEF and Trans World LLC ("Trans World") filed on February 3, 2011. In support of this Request, PEF states:

1. The Contract 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.

COM _____
 APA _____
 ECR 3
 GCL 1
 RAD _____
 SSC _____
 ADM _____
 OPC _____
 CLK 1

- (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

_____ claim of confidentiality
 _____ notice of intent
 request for confidentiality
 _____ filed by OPC

For DN 00840-11, which is in locked storage. You must be authorized to view this DN.-CLK

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

(c) Exhibit C is a justification 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 certain terms, dates, payment amounts, percentages, and insurance and environmental cost limits, 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 their 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 3rd day of February, 2011.

Handwritten signature of John T. Burnett in black ink, with the initials "JTB" written in the upper right corner of the signature.

R. ALEXANDER GLENN

General Counsel

JOHN T. BURNETT

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Attorneys for

PROGRESS ENERGY FLORIDA, INC.

REDACTED

Exhibit B

REDACTED

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REDACTED

Exhibit B to Petition
Calculation of Cost Savings
Trans World Contract

Comparison of Payments to Trans World and 2018 CT Avoided Costs

Contract MW: 40
Capacity Factor: 94%
PV Date 6/30/2011
Discount Rate: 8.10%

\$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			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Year													
2011	0	-					\$ -	\$ -	\$ -	\$ -	\$ -		
2012	0	-					\$ -	\$ -	\$ -	\$ -	\$ -		1.000
2013	6	166,040					\$ -	\$ 9,855	\$ 9,855	\$ 9,855	\$ 1,553		0.926
2014	12	329,373					\$ -	\$ 19,729	\$ 19,729	\$ 29,584	\$ 3,052		0.850
2015	12	329,373					\$ -	\$ 22,602	\$ 22,602	\$ 52,185	\$ 5,509		0.732
2016	12	330,276					\$ -	\$ 23,048	\$ 23,048	\$ 75,233	\$ 5,481		0.677
2017	12	329,373					\$ -	\$ 24,760	\$ 24,760	\$ 99,993	\$ 6,803		0.626
2018	12	329,373					\$ 1,693	\$ 26,002	\$ 27,696	\$ 127,689	\$ 9,288		0.670
2019	12	329,373					\$ 2,988	\$ 24,196	\$ 27,184	\$ 154,873	\$ 8,318		0.636
2020	12	330,276					\$ 3,076	\$ 22,975	\$ 26,052	\$ 180,925	\$ 6,661		0.496
2021	12	329,373					\$ 3,167	\$ 22,768	\$ 25,935	\$ 206,860	\$ 6,118		0.459
2022	12	329,373					\$ 3,260	\$ 23,258	\$ 26,517	\$ 233,377	\$ 6,200		0.424
2023	12	329,373					\$ 3,356	\$ 23,720	\$ 27,076	\$ 260,453	\$ 6,251		0.392
2024	12	330,276					\$ 3,454	\$ 26,662	\$ 30,116	\$ 290,569	\$ 8,713		0.363
2025	12	329,373					\$ 3,556	\$ 27,399	\$ 30,955	\$ 321,524	\$ 9,076		0.336
2026	12	329,373					\$ 3,661	\$ 27,529	\$ 31,190	\$ 352,714	\$ 8,764		0.311
2027	12	329,373					\$ 3,768	\$ 30,338	\$ 34,107	\$ 386,821	\$ 11,121		0.287
2028	12	330,276					\$ 3,879	\$ 29,623	\$ 33,502	\$ 420,323	\$ 9,877		0.266
2029	12	329,373					\$ 3,993	\$ 30,073	\$ 34,067	\$ 454,389	\$ 9,916		0.248
2030	12	329,373					\$ 4,111	\$ 30,975	\$ 35,086	\$ 489,476	\$ 10,332		0.227
2031	12	329,373					\$ 4,232	\$ 31,905	\$ 36,137	\$ 525,612	\$ 10,763		0.210
2032	12	330,276					\$ 4,357	\$ 32,942	\$ 37,298	\$ 562,911	\$ 11,220		0.195
2033	6	163,333					\$ 2,243	\$ 15,410	\$ 17,653	\$ 580,564	\$ 4,598		0.180
Total	240	6,591,975					\$ 54,794	\$ 525,769	\$ 580,564		\$ 159,606		
NPV 2011\$							\$ 18,018	\$ 215,114	\$ 233,132		\$ 61,597		

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“Initial Reduction Value” has the meaning assigned to it in Appendix A.

“Insurance Services Office” has the meaning assigned to it in Section 17.

“KVA” means one or more kilovolts-amperes of electricity, as the context requires.

“kW” means one or more kilowatts of electricity, as the context requires.

“kWh” means one or more kilowatt-hours of electricity, as the context requires.

“Letter of Credit” means a stand-by letter of credit from a Qualified Institution that is acceptable to PEF whose approval may not be unreasonably withheld.

“Material Adverse Change” means as to PEF, that PEF or PEF Guarantor, if applicable, or, as to RF/QF, that RF/QF or RF/QF Guarantor, if applicable, any of the following events; (a) such party is no longer Creditworthy or (b) the party of Party’s guarantor, if applicable, defaults on an aggregate of [REDACTED], whichever is less.

“Monthly Billing Period” means the period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m., on the Capacity Delivery Date and ending with the last calendar day of such month.

“MW” means one or more megawatts of electricity, as the context requires.

“MWh” means one or more megawatt-hours of electricity, as the context requires.

“Party” or “Parties” has the meaning assigned to it in the opening paragraph of this Contract.

“PEF” has the meaning assigned to it in the opening paragraph of this Contract.

“PEF Entities” has the meaning assigned to it in Section 16.

“PEF Guarantee” means a guarantee provided by PEF Guarantor that is acceptable to RF/QF whose approval may not be unreasonably withheld.

“PEF Guarantor” means a party that, at the time of execution and delivery of its PEF Guarantee is a direct or indirect owner of PEF and is (a) Creditworthy or is (b) reasonably acceptable to RF/QF as having verifiable Creditworthiness and a net worth sufficient to secure PEF’s obligations.

“PEF Security Account” means an account designated by PEF for the benefit of PEF free and clear of all liens (including liens of any lenders) to be established and maintained at a

Committed Capacity Test. The RF/QF shall certify that all such data is accurate and complete.

9. Payment for Electricity Produced by the Facility

9.1 Energy

9.1.1 PEF agrees to pay the RF/QF for energy produced by the Facility and delivered to PEF in accordance with the rates and procedures contained in this Agreement

9.1.2 PEF may, at its option, limit deliveries under this Contract to 110% of the Committed Capacity as set forth in Section 7. In the event that PEF chooses to limit deliveries, any energy in excess of 110% of the Committed Capacity will be paid for at the rates defined in Rate Schedule COG-1 and shall not be included in the calculations in this Section 9.

9.2 Capacity

The Parties agree that the Facility Payment rate in Section 9.3 includes payment for Capacity as well as Energy.

9.3 Payments for Energy and Capacity

9.3.1 Beginning on the Capacity Delivery Date, PEF shall pay RF/QF a Facility Payment at the rate of [REDACTED] for each MWh of net electric Energy delivered to the Delivery Point, subject to adjustment in this Agreement.

9.3.2 Beginning on [REDACTED] and continuing each year after, the Facility Payment shall be increased by [REDACTED] over the preceding year amount.

9.3.3 Beginning on the Capacity Delivery Date, the Annual Billing Factor will be calculated monthly. In the event that the Annual Billing Factor for any rolling 12 month period is less than 74%, the Facility Payment for such month shall be reduced by 5%.

9.3.4 The Annual Billing Factor for each Monthly Billing Period shall equal the ratio, expressed as a percentage, of the total net electric Energy delivered during the hours for the twelve most recently completed Monthly Billing Periods divided by the sum of the products of the Capacity multiplied by the total hours for each of the twelve most recently completed Monthly Billing Periods. Periods during a Force Majeure Event, or outages at the request of

no obligations under Section 16 in the event of a breach of the foregoing sentence by the Indemnified Party. Section 16 shall survive termination of this Agreement.

17. Insurance

- 17.1** The RF/QF shall procure or cause to be procured and shall maintain throughout the entire Term of this Contract, a policy or policies of liability insurance issued by an insurer acceptable to PEF on a standard "Insurance Services Office" commercial general liability form (such policy or policies, collectively, the "RF/QF Insurance"). An original certificate of insurance shall be delivered to PEF at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the RF/QF Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Contract, and (b) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Contract or (ii) caused by operation of the Facility or any of the RF/QF's equipment or by the RF/QF's failure to maintain the Facility or the RF/QF's equipment in satisfactory and safe operating condition. Effective at least fifteen (15) calendar days prior to the synchronization of the Facility with PEF's system, the RF/QF Insurance shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards. Without limiting the foregoing, the RF/QF Insurance must be reasonably acceptable to PEF. Any premium assessment or deductible shall be for the account of the RF/QF and not PEF.
- 17.2** The RF/QF Insurance shall have a minimum limit of [REDACTED] per occurrence, combined single limit, for bodily injury (including death) or property damage.
- 17.3** To the extent that the RF/QF Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the Effective Date of this Contract or such other date as may be agreed upon to protect the interests of the PEF Entities and the RF/QF Entities. Furthermore, to the extent the RF/QF Insurance is on a "claims made" basis, the RF/QF's duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the RF/QF Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the RF/QF during the term of this Contract.
- 17.4** The RF/QF Insurance shall provide that it may not be cancelled or materially altered without at least thirty (30) calendar days' written notice to PEF. The RF/QF shall provide PEF with a copy of any material

20.15 Set-Off

PEF may at any time, but shall be under no obligation to, set off or recoup any and all sums due from the RF/QF against sums due to the RF/QF hereunder without undergoing any legal process.

20.16 Change in Environmental Law or Other Regulatory Requirements

- (a) As used herein, “Change(s) in Environmental Law or Other Regulatory Requirements” means the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental or regulatory issues and that takes effect after the Effective Date.
- (b) The Parties acknowledge that Change(s) in Environmental Law or Other Regulatory Requirements could significantly affect the cost of the Avoided Unit (“Avoided Unit Cost Changes”) and agree that, if any such change(s) should affect the cost of the Avoided Unit more than the Threshold defined in Section 20.16(c) below, the Party affected by such change(s) may avail itself of the remedy set forth in Section 20.16(d) below as its sole and exclusive remedy.
- (c) The Parties recognize and agree that certain Change(s) in Environmental Law or Other Regulatory Requirements may occur that do not rise to a level that the Parties desire to impact this Agreement. Accordingly, the Parties agree that for the purposes of this Agreement, such change(s) will not be deemed to have occurred unless the change in Avoided Cost resulting from such change(s) exceed [REDACTED].
- (d) If an Avoided Unit Cost Change meets the threshold set forth in Section 20.16(c) above, the affected Party may request the avoided cost payments under this Contract be recalculated and that the avoided cost payments for the remaining term of the Contract be adjusted based on the recalculation. Any dispute regarding the application of this Section 20.16 shall be resolved in accordance with Section 20.8.

TABLE 2

Year	MCP (\$/kW-mo.)	MCPC (\$/kW-mo.)
2013		0.00
2014		0.00
2015		0.00
2016		0.00
2017		0.00
2018		6.05
2019		6.23
2020		6.41
2021		6.60
2022		6.79
2023		6.99
2024		7.20
2025		7.41
2026		7.63
2027		7.85
2028		8.08
2029		8.32
2030		8.56
2031		8.82
2032		9.08
2033		9.34

Exhibit C

PROGRESS ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
Trans World Petition	Exhibit B (Calculation of Cost Savings): Columns 3, 4, 5, 6 and 12 (capacity payment amounts)	<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>
Exhibit A (Trans World Contract)	<p>Page 8: "Material Adverse Change" Section: creditworthy amount;</p> <p>Page 18, Section 9.3.1: facility payment rate;</p> <p>Page 18, Section 9.3.2: facility payment date and percentage;</p> <p>Page 28, Section 17.2: minimum insurance limit amount;</p> <p>Page 37, Section 20.16(c): environmental/regulatory limit amount;</p> <p>Page 43, Table 2: \$/kW amounts for years 2013-2033.</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>

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State of Florida



Public Service Commission

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

John T. Burnett
P.O. Box 14042
St. Petersburg FL 33733

Re: Acknowledgement of Confidential Filing in Docket No. 110047-EQ

This will acknowledge receipt by the Florida Public Service Commission, Office of Commission Clerk, of a CONFIDENTIAL DOCUMENT filed on February 3, 2011, in the above-referenced docket.

Document Number 00840-11 has been assigned to this filing, which 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.