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Public Service Commission

April 13, 2011

Mr. John T. Burnett, Esq.
Associate General Counsel
Progress Energy Florida, Inc.
Post Office Box 14042
St. Petersburg, Florida 33733-4042

STAFF'S FIRST DATA REQUEST

Re: Docket No. 110090-EQ – Petition for approval of negotiated power purchase agreement with U.S. EcoGen Polk, LLC by Progress Energy Florida, Inc.

Dear Mr. Burnett:

By this letter, the Commission staff requests that Progress Energy Florida, Inc. (PEF) provide responses to the following data requests.

1. Please complete the following table estimating the payments to U.S. EcoGen Polk LLC and Progress's avoided cost of capacity and energy. Please assume the biomass unit has a committed capacity of 60 MW, with an annual billing capacity factor sufficient to receive a full capacity payment. Please provide information for each of the following six avoided unit and fuel forecast combinations, with the most recent fuel forecasts available:

Fuel Forecasts	Avoided Unit Comparison
<ul style="list-style-type: none">• Low• Baseline• High	<ul style="list-style-type: none">• 2010 Standard Offer (178 MW CT in June, 2018)• 2011 Standard Offer (178 MW CT in June, 2020)

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Standard Offer Contract						(2010 or 2011) ¹					
Fuel Forecast						(Low, Baseline, or High)					
Year	Energy	Contract Payments				Avoided Payments				Difference	
		Capacity	Energy	Total	Cumulative	Capacity	Energy	Total	Cumulative	Annual	Cumulative
	(MWh)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
2011											
2012											
2013											
2014											
2015											
2016											
2017											
2018											
2019											
2020											
2021											
2022											
2023											
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2033											
2034											
2035											
2036											
2037											
2038											
2039											
2040											
2041											
2042											
2043											
Sum											
NPV (\$2011)											

¹ Please complete a table for each fuel forecast as depicted in the table on page 1. Therefore, we anticipate receiving six tables as follows: 2010 standard contract for low fuel forecast, 2010 standard contract for baseline fuel forecast, 2010 standard contract for high fuel forecast; and 2011 standard offer contract for low fuel forecast, 2011 standard order contract for baseline fuel forecast, and 2011 standard order contract for high fuel forecast.

2. Please complete the following table detailing the fuel forecast utilized in Progress Energy Florida’s filing, and for each of the three fuel forecasts detailed in Question 1. Please provide the date each fuel forecast was developed along with its estimated \$/MMBTU² by year for each fuel type.

Year	Natural Gas	Coal	Uranium	Oil
	(\$/MMBTU)	(\$/MMBTU)	(\$/MMBTU)	(\$/MMBTU)
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
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2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				

² MMBTU – Million British Thermal Unit.

3. Please refer to Section 11 and Appendix 5 of the Purchased Power Agreement, relating to Completion/Performance Security and Eligible Collateral Requirements, respectively. Please complete the following table, providing the estimated Eligible Collateral Required for each Credit Class based on a 60 MW committed capacity.

Eligible Collateral Requirement (\$000)			
Period Begins	30 Days after FPSC Approval Date	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 6 after Capacity Delivery Date
Period Ends	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 5 after Capacity Delivery Date	Termination Date
A- and Above			
BBB+ to BBB			
BBB-			
Below BBB-			

4. Please complete the following table, providing the maximum difference between the contract payments and avoided payments for each period discussed. As part of this response, include the values for both the 2010 and 2011 Standard Offer Contracts with the baseline fuel forecast provided as response to Question 1.

Maximum Cumulative Difference (\$000)			
Period Begins	30 Days after FPSC Approval Date	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 6 after Capacity Delivery Date
Period Ends	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 5 after Capacity Delivery Date	Termination Date
2010 Standard Offer			
2011 Standard Offer			

5. Please compare the Eligible Collateral identified in Question 3 with the maximum cumulative difference for each period in Question 4. Please identify for each period whether the eligible collateral requirement is above, equal, or below the maximum cumulative difference. Please complete the table for both the 2010 and 2011 Standard Offer Contracts values.

Comparison of Collateral & Payment Difference (Above, Equal, Below)			
Standard Offer Contract: 2010			
Period Begins	30 Days after FPSC Approval Date	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 6 after Capacity Delivery Date
Period Ends	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 5 after Capacity Delivery Date	Termination Date
A- and Above			
BBB+ to BBB			
BBB-			
Below BBB-			

Comparison of Collateral & Payment Difference (Above, Equal, Below)			
Standard Offer Contract: 2011			
Period Begins	30 Days after FPSC Approval Date	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 6 after Capacity Delivery Date
Period Ends	Financial Closing or 2 nd Anniversary of FPSC Approval Date	Year 5 after Capacity Delivery Date	Termination Date
A- and Above			
BBB+ to BBB			
BBB-			
Below BBB-			

Please file the original and five copies of the requested information by April 27, 2011, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6183 if you have any questions.

Sincerely,



Pauline E. Evans
 Attorney
 Office of the General Counsel

PE/gdr

cc: Office of Commission Clerk