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COMMISSION
CLERK

November 8, 2007

VIA HAND DELIVERY

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

Re: Joint petition to amend negotiated contract for firm capacity and energy from qualifying facility between Florida Power Corporation d/b/a Progress Energy Florida, Inc. and Florida Biomass Energy Group, L.L.C.; Docket No. 070645-EQ

Dear Ms. Cole:

Please find enclosed for filing in the above referenced docket supplemental information relating to the project description of the amended contract.

Thank you for your assistance in this matter. If you have any questions, please contact me at (727) 820-5184.

Sincerely,

John T. Burnett

JTB:cas
Enclosure

DOCUMENT NO. DATE
10202-07 11/08/07
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Docket 070645-EQ
PEF/IEG Amended Contract
Project Description

Pursuant to the terms of the Contract, Florida Biomass will construct, own, and operate a biomass-based fuel fired electrical generating plant ("the Facility") located in Florida, which it will operate as a Qualifying Facility ("QF") pursuant to regulations of the Commission. The Facility is expected to have a maximum nominal generating capability of approximately 145 megawatts ("MW"), using a liquid fuel produced from biomass grown on the Facility site as its primary fuel. Florida Biomass will sell firm capacity and energy from the Facility to PEF for a term of twenty-five (25) years, to begin no later than December 1, 2011 with a committed capacity between 116.6 MW and 134 MW. The expected annual energy from the Facility is 868,204 MWh, with expected on-peak energy being 397,927 MWh, and expected off-peak energy being 470,277 MWh.

Previously filed financial information for this petition summarizes a comparison of projected capacity and energy costs under the Contract against the costs of the comparative avoided unit, a nominal 528 megawatt combined cycle gas-fired plant with an estimated in-service date of December, 2013. The comparison in the financial information previously filed was modeled at a committed capacity of 116.6 megawatts and a capacity factor of 85%. The comparison shows that the Contract provides savings with a net present value of \$113 million over the 25-year base term of the Contract based on current fuel forecasts. Therefore, the cumulative present worth of the firm capacity and energy payments to Florida Biomass pursuant to the Contract are projected to be less than the cumulative present worth of costs associated with the Company's Hines 5 unit.

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