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Public Service Commission

August 13, 2008

John T. Burnett, Esquire
Progress Energy Service Company, LLC
P.O. Box 14042
St. Petersburg, FL 33733-4042

STAFF'S FIRST DATA REQUEST

Re: DOCKET NO. 080512-EQ - Petition for approval of a negotiated power purchase for purchase of firm capacity and energy with Vision/FL, LLC, by Progress Energy Florida, Inc.

Dear Mr. Burnett:

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

1. It is staff's understanding that Progress and Vision/FL, LLC (Vision) will be submitting a revised copy of the purchased power agreement without tariff sheets which will have a term of 25 years. Please indicate if this is correct.
 - a) When will staff receive a copy of the revised agreement?
 - b) On Table 1 in Section 4 of the Contract, the Termination Date of the Contract is presently set as May 31, 2023. However, in the Petition, Paragraph 3 states the term of the Contract as being "through December 31, 2034." Do these dates need to be revised? If the answer is yes, please provide any necessary revisions.
 - c) Table 1 in Section 4 of the Contract states the Exemplary Early Capacity Payment Date is January 1, 2009. However, in the Petition, Paragraph 3 states that the term of the Contract begins "January 1, 2010." Do these dates need to be revised? If yes, please provide an amendment.
 - d) In the Introduction & Parties' Recitals section in Contract, no Execution Date is listed. Does the Contract tie the Execution Date to any specific event, such as approval by the Public Service Commission? If yes, please provide an explanation.
 - e) Section 11.4 of the Contract states that the Performance Security is to be adjusted "beginning January 1, 2007." Does this date need to be revised? If yes, please provide any necessary revisions.

DOCUMENT NUMBER-DATE

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2. Section 11.1 of the Contract states that upon execution of the Contract that Vision will provide Progress with Eligible Collateral in an amount according to Table 2. Please provide the current expected amount that Vision would have to provide, and what type of collateral, in order to meet this requirement?
3. See Section 11 of the Contract identified as "Completion/Performance Security." Does this Contract provide that if the Contract is executed, but the Qualifying Facility is not completed by the date of the avoided unit's in service date, that Progress would retain the amount of the performance security mentioned in Section 11.1 of the contract?
4. Section 12.1 of the Contract states that Progress will provide Vision on a monthly basis with a calculation of the termination fee of the contract, using the formulas set out in Appendix B. Please provide an estimated amount of the termination fee annually for the duration of the contract, assuming termination happens each January 1st.
5. What is the current status of the transmission interconnection agreement referenced in Section 6.4 of the Contract, and what is the projected date for completion of the interconnection?
6. Section 6.4 of the Contract states that Vision will be responsible for "all costs, expenses, taxes, fees, and charges associated with the delivery of energy to PEF." Please provide an estimate for each of these costs.
7. In Exhibit B of the Contract, "Calculation of Costs from the Vision Contract," includes an Excel Spreadsheet with a comparison of the payments to Vision Power Systems and the Avoided CC Unit costs. Please provide the Excel Spreadsheet shown, labeled "Vision Power Systems, Avoided Cost Analysis," which should include the termination fees mentioned above and the performance security mentioned above. Please allow for the spreadsheet to be manipulated for analysis by staff.
8. In the event that the Vision Qualifying Facility is unable to deliver some or all of the contracted 40 MW of firm capacity and energy provided for in the Contract, what effect would this have on Progress' ability to provide for its customer's electricity needs, including reserve capacity, and what measures would Progress take to replace the capacity and energy the Qualifying Facility would have provided?
9. Appendix D, Table 3 of the Contract contains a series of capacity payments examples for the avoided unit. Please calculate and provide the annual capacity payments for a 40 MW facility using Options A through D, for a 25 year term, from January 1, 2010 through December 31, 2034, and compare each of these to the capacity payments for the Avoided Unit described in Section 4 of the contract over the same time period.

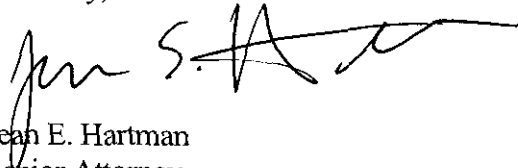
John T. Burnett, Esquire

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Please file the original and five copies of the requested information by Wednesday, August 20, 2008, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call or email Phillip Ellis at (850) 413-6626 or Pellis@psc.state.fl.us, or Jeanette Sickel at (850) 413-6461 or Jsickel@psc.state.fl.us, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "JEH", followed by a long horizontal flourish.

Jean E. Hartman
Senior Attorney

JEH:th

cc: Office of Commission Clerk
Office of Strategic Analysis & Governmental Affairs (Ellis, Sickel)