

Ann Cole

100345-EQ

From: Ann Cole
Sent: Monday, December 06, 2010 3:01 PM
To: Betty Leland
Cc: Commissioners Advisors; Administrative Assistants - Commission Suite
Subject: FW: Support Request

Attachments: Kevin Hathaway.vcf; 09709-10.pdf; 101206 - Chairman Graham.PDF

Thanks, Betty. Attachments one and three have been printed and will be placed in *Docket correspondence - Consumers and their Representatives*, in the Docket Nos. referenced below. Attachment two is a copy of staff's recommendation filed on December 2, 2010, and assigned DN 09709-10, which is available by viewing the Document Number or Docket No. 100345-EQ.

From: Betty Leland **On Behalf Of** Office Of Commissioner Graham
Sent: Monday, December 06, 2010 11:28 AM
To: Ann Cole
Cc: Mark Long
Subject: FW: Support Request

PARTIES

Please add to dockets 100345, 100346 and 100347.

From: Kevin Hathaway [mailto:kevin@hathaway.biz]
Sent: Sunday, December 05, 2010 6:09 PM
To: Office Of Commissioner Graham
Cc: paul.lewisjr@pgnmail.com; Gammon, David W
Subject: Support Request

Chairman Graham,

Sir - thank you in advance for considering the attached support request.

You may be familiar with Dockets 100345, 100346 and 100347 which were at one time under your care as the Pre-Hearing Officer.

Although all parties: PSC, PEF and Hathaway have been working dilligently to bring the dockets into conformance with PSC policies... we seem to have somehow missed the target, and now the PSC Staff is forced to recommend disapproval.

Per the attached support request, please exercise the broad discretion available to the Commission to provide additional time for the PSC Staff to assist PEF and Hathaway to recalcualte capacity payments using 2010 baseline data.

Thank you for considering this request. I hope to meet you in person at the hearing scheduled for Tuesday, December 14th.

Respectfully,
Kevin

DOCUMENT NUMBER DATE

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12/6/2010

FPSC-COMMISSION CLERK

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Ann Cole

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Hathaway Renewable Energy, Inc.

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Monday, December 6, 2010

Chairman Art Graham
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Chairman Graham,

Reference: PSC Memorandum dated December 2, 2010; Ma, Graves, Franklin, Tan and Brown to Cole at the Office of Commission Clerk re: Dockets 100345, 100346, 100347

Thank you, your fellow commissioners, and the Public Service Commission (PSC) Staff for the collective effort to evaluate the merits of Dockets 100345, 100346 and 100347. Those dockets, which were filed by Progress Energy Florida (PEF) in support of three 16-20MW woody biomass fueled power only projects under development by Hathaway Renewable Energy, Inc., are being recommended for disapproval by the PSC Staff for the following reasons:

1. Need for Power
2. Cost-Effectiveness
3. Early Termination Security
4. Performance Guarantees

It is our understanding that should the capacity payments contained within the subject dockets be recalculated and revised using 2010 baseline data, vice the 2009 baseline data used, that items 2-4 above could be remedied to meet Commission policy. With respect to item 1 above, it would seem that based upon the PSC Staff's written comments, the Commission has the latitude to approve the dockets in question without establishing the need for power.

Hathaway Renewable Energy, Inc., requests that the Commission exercise it's considerable discretion in the matter of approving Dockets 100345, 100346 and 100347 by providing additional time for PEF and Hathaway to recalculate capacity rates using 2010 baseline data and to revise Dockets 100345, 100346 and 100347 accordingly. We further request that the Commission direct PSC Staff members to working closely with PEF and Hathaway to "get the numbers right," and to resubmit Dockets 100345, 100346 and 100347 for final consideration at the next available hearing.

By honoring the our request for additional time and PSC Staff support to recalculate and revise the capacity rates contained within Dockets 100345, 100346 and 100347, the Commission could potentially advance the collective interest of Florida taxpayers by facilitating projects that would:

1. Create 75 full-time power plant jobs, annual payroll estimated at \$5,000,000.00
2. Create 30 full-time forestry jobs, annual payroll estimated at \$2,000,000.00

3. Create a \$5,000,000.00/year domestic market for woody biomass
4. Remove approximately 440,000 tons of CO2 from the environment annually; vice an emissions of approximately 220,000 tons of CO2 annually from an equivalent amount of power generated by a natural gas-fired power plant.

Thank you for considering our above written requests. We look forward to working closely with the Commission to obtain final approval for Dockets 100345, 100346 and 100347. We also look forward to working closely with the Commission on future projects that will benefit the taxpayers of the State of Florida.

Respectfully,

A handwritten signature in black ink, appearing to read "Kevin W. Hathaway", with a horizontal line underneath the name.

Kevin W. Hathaway
President