

COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL  
MICHAEL G. COOKE  
GENERAL COUNSEL  
(850) 413-6199

# Public Service Commission

September 13, 2007

RECEIVED-FPSC  
07 SEP 13 PM 1:24  
COMMISSIONER  
CLERK

John T. Burnett  
Associate General Counsel  
Progress Energy Service Company, LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

**Re: Docket No. 070561-EQ - Petition for approval of negotiated power purchase contract for purchase of firm capacity and energy with BG&E of Florida, LLC. by Progress Energy Florida**

Dear Mr. Burnett:

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

1. Has BG&E obtained financing for the proposed project?
2. In what city and county does BG&E propose to build the biomass facility?
3. Has BG&E purchased a site for the proposed facility?
4. Given that the contract term to sell capacity and energy to PEF begins on January 1, 2011, what are the milestones for this project?
5. What conditions must be met between PEF and BG&E in order for PEF to make early payments?
6. According to Article 8.2.2 of the contract, PEF will pay interest if PEF fails to pay any amount payable under the Agreement when due. How does PEF plan to recover this expense? Please explain.
7. Has BG&E obtained a fuel supply contract? If so, with whom? What is the duration of this contract?
8. According to Article 11.4 of the contract, PEF will receive a monetary penalty if the contract is terminated due to delay. What will PEF do with this monetary penalty?

DOCUMENT NUMBER - DATE

08307 SEP 13 06

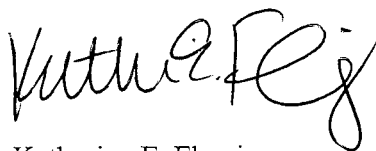
FPSC-COMMISSION CLERK

John T. Burnett  
September 12, 2007  
Page 2

9. Please provide an annual (year by year) CPVRR of payments for the period 2011 through 2030 pursuant to the contract versus payment comparable to PEF's avoided unit.
10. The petition states that under the performance provisions of the contract, the total payment rate is reduced by 10% if the twelve-month rolling capacity factor drops below 50%. Is this a sliding scale? If BG&E performs at an 80%, 70%, or 60% capacity factor, would payments stay the same? How does PEF make up energy resulting from the reduced performance?
11. Has BG&E entered into a contract with a transmission provider?

Please provide responses by September 21, 2007. If you have any questions, please do not hesitate to contact me at (850) 413-6218.

Sincerely,



Katherine E. Fleming  
Office of the General Counsel

cc: David I. Adelman and Frank D. LoMonte (Sutherland Law Firm)  
Office of Commission Clerk  
Division of Economic Regulation (Ballinger, Colson)