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Nuclear Options Offered By Progress Energy Florida

Presentation to the
Gainesville City Commission
October 8, 2007



The Progress Energy Florida Offer

- Enables Nuclear Early Cost Recovery Option
- Requested Generating Muni's to indicate interest (over subscription likely)
- Will let us know capacity available
- MOU with PEF
- Need Hearing in late January or February



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2007 Production Cost Estimates

| Capacity Factor | \$/MWH* | |
|--------------------|---------|---------|
| | Low | High |
| 90% | \$46.97 | \$60.00 |
| 85% | \$48.73 | \$62.53 |
| 80% | \$50.72 | \$65.37 |
| 75% | \$52.96 | \$68.60 |

*Add approximately \$3 per
MWH for delivery



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Estimated GRU Costs Through Construction and Operation License and Guaranteed Maximum Price

| MW | 2007 (\$M) | 2008 (\$M) |
|-----|------------|------------|
| 25 | 1.0 | 1.6 |
| 50 | 2.0 | 3.1 |
| 75 | 2.9 | 4.7 |
| 100 | 3.9 | 6.2 |



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CR 3 UPGRADE CAPACITY, TIMING AND COSTS

| CY | UPGRADE | CAPACITY INCREASE (MW) | GRU'S SHARE (MW) | GRU'S NOMINAL COST (\$M) |
|-------|---|------------------------|------------------|--------------------------|
| 2007 | Improved Control Systems | 12 | 0.17 | \$0.4 |
| 2009 | Low Pressure Turbine Upgrade | 28 | 0.39 | \$0.8 |
| 2011 | High Pressure Turbine and Generator Rotor Upgrades, Stator Rewind | 140 | 1.97 | \$4.2 |
| Total | | 180 | 2.53 | \$5.4 |



GRU Share =
Total Cost (Overnite basis)

1.40790%
381.1 \$M

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Recommendation

The City Commission authorize the General Manager or her designee to enter into negotiations to secure an option on base load nuclear generation capacity to be developed by Progress Energy Florida in Levy County Florida

