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May 2, 2012

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

RECEIVED FPSC  
MAY -3 AM 11:13  
COMMISSION  
CLERK

Re: Docket No. 120071-EQ

Dear Ms. Cole:

Enclosed are the original and five copies of Gulf Power Company's response to Staff's First Data Request in Docket 120071-EQ.

Sincerely,

wb

Enclosures

cc: Beggs & Lane  
Jeffrey A. Stone, Esq.  
Division of Regulatory Analysis  
Phillip Ellis  
Office of General Counsel  
Pauline Robinson  
Division of Economic Regulation  
Connie Kummer

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02834 MAY-3 2012  
FPSC-COMMISSION CLERK

1. Please complete the tables below describing payments to a renewable provider based on the proposed tariffs included in the company's revised standard offer contract. Please assume the renewable generator is a 50 MW facility providing firm capacity at the minimum capacity factor required for full capacity payments, with an in-service date of January 1, 2013 and a contract duration of 20 years. Please provide this information for the following scenarios:
  - Normal Payments
  - Levelized Payments
  - Early Payments
  - Early Levelized Payments

RESPONSE:

See pages 2 through 5 for response to this Item.

Staff's First Data Request  
Docket No. 120071-EQ  
GULF POWER COMPANY  
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Committed Capacity (MW)		50				
Capacity Factor (%)		90				
Payment Type:		Normal				
Year	Energy	Capacity Rates (1)	Total Capacity Payments	Energy Rates (2)	Total Energy Payments	Total Payments
	(MWh)	(\$/kW-mo)	(\$000)	(\$/MWh)	(\$000)	(\$000)
2013	394,200	0.00	0	36.99	14,581	14,581
2014	394,200	0.00	0	39.53	15,583	15,583
2015	394,200	0.00	0	50.80	20,025	20,025
2016	394,200	0.00	0	56.37	22,221	22,221
2017	394,200	0.00	0	59.31	23,380	23,380
2018	394,200	0.00	0	63.20	24,913	24,913
2019	394,200	0.00	0	67.15	26,471	26,471
2020	394,200	0.00	0	71.02	27,996	27,996
2021	394,200	0.00	0	75.03	29,577	29,577
2022	394,200	\$6.13	2,145	78.08	30,779	32,924
2023	394,200	\$6.22	3,735	82.31	32,447	36,182
2024	394,200	\$6.35	3,809	85.45	33,684	37,493
2025	394,200	\$6.47	3,884	90.62	35,722	39,606
2026	394,200	\$6.60	3,961	90.34	35,612	39,573
2027	394,200	\$6.73	4,039	93.62	36,905	40,944
2028	394,200	\$6.86	4,119	98.59	38,864	42,983
2029	394,200	\$7.00	4,200	100.29	39,534	43,734
2030	394,200	\$7.14	4,283	103.33	40,733	45,016
2031	394,200	\$7.28	4,368	106.03	41,797	46,165
2032	394,200	\$7.42	4,454	108.61	42,814	47,268
<b>Total</b>	<b>7,884,000</b>		<b>42,997</b>		<b>613,638</b>	<b>656,635</b>
<b>NPV</b>			<b>15,370</b>		<b>289,163</b>	<b>304,533</b>

- (1) Normal capacity payment rate effective as of avoided unit's June 1, 2022 in-service date.
- (2) Projected as-available energy rates shown prior the avoided unit's June 1, 2022 in-service date. The lower of projected as-available energy rates or projected avoided unit energy rates shown as of in-service date.

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Committed Capacity (MW)		50				
Capacity Factor (%)		90				
Payment Type:		Levelized				
Year	Energy	Capacity Rates (1)	Total Capacity Payments	Energy Rates	Total Energy Payments	Total Payments
	(MWh)	(\$/kW-mo)	(\$000)	(\$/MWh)	(\$000)	(\$000)
2013	394,200	0.00	0	36.99	14,581	14,581
2014	394,200	0.00	0	39.53	15,583	15,583
2015	394,200	0.00	0	50.80	20,025	20,025
2016	394,200	0.00	0	56.37	22,221	22,221
2017	394,200	0.00	0	59.31	23,380	23,380
2018	394,200	0.00	0	63.20	24,913	24,913
2019	394,200	0.00	0	67.15	26,471	26,471
2020	394,200	0.00	0	71.02	27,996	27,996
2021	394,200	0.00	0	75.03	29,577	29,577
2022	394,200	\$6.62	2,318	78.08	30,779	33,097
2023	394,200	\$6.63	3,980	82.31	32,447	36,427
2024	394,200	\$6.65	3,989	85.45	33,684	37,673
2025	394,200	\$6.66	3,998	90.62	35,722	39,720
2026	394,200	\$6.68	4,007	90.34	35,612	39,619
2027	394,200	\$6.69	4,016	93.62	36,905	40,921
2028	394,200	\$6.71	4,025	98.59	38,864	42,889
2029	394,200	\$6.72	4,035	100.29	39,534	43,569
2030	394,200	\$6.74	4,044	103.33	40,733	44,777
2031	394,200	\$6.76	4,054	106.03	41,797	45,851
2032	394,200	\$6.77	4,064	108.61	42,814	46,878
<b>Total</b>	<b>7,884,000</b>		<b>42,529</b>		<b>613,638</b>	<b>656,167</b>
<b>NPV</b>			<b>15,370</b>		<b>289,163</b>	<b>304,533</b>

- (1) Normal capacity payment rate effective as of avoided unit's June 1, 2022 in-service date.
- (2) Projected as-available energy rates shown prior the avoided unit's June 1, 2022 in-service date. The lower of projected as-available energy rates or projected avoided unit energy rates shown as of in-service date.

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Committed Capacity (MW)		50				
Capacity Factor (%)		90				
Payment Type:		Early				
Year	Energy	Capacity Rates (1)	Total Capacity Payments	Energy Rates (2)	Total Energy Payments	Total Payments
	(MWh)	(\$/kW-mo)	(\$000)	(\$/MWh)	(\$000)	(\$000)
2013	394,200	\$2.10	1,257	36.99	14,581	15,838
2014	394,200	\$2.14	1,282	39.53	15,583	16,865
2015	394,200	\$2.18	1,307	50.80	20,025	21,332
2016	394,200	\$2.22	1,333	56.37	22,221	23,554
2017	394,200	\$2.27	1,360	59.31	23,380	24,740
2018	394,200	\$2.31	1,386	63.20	24,913	26,299
2019	394,200	\$2.36	1,414	67.15	26,471	27,885
2020	394,200	\$2.40	1,442	71.02	27,996	29,438
2021	394,200	\$2.45	1,470	75.03	29,577	31,047
2022	394,200	\$2.50	1,499	78.08	30,779	32,278
2023	394,200	\$2.55	1,529	82.31	32,447	33,976
2024	394,200	\$2.60	1,559	85.45	33,684	35,243
2025	394,200	\$2.65	1,590	90.62	35,722	37,312
2026	394,200	\$2.70	1,621	90.34	35,612	37,233
2027	394,200	\$2.76	1,653	93.62	36,905	38,558
2028	394,200	\$2.81	1,686	98.59	38,864	40,550
2029	394,200	\$2.87	1,719	100.29	39,534	41,253
2030	394,200	\$2.92	1,753	103.33	40,733	42,486
2031	394,200	\$2.98	1,788	106.03	41,797	43,585
2032	394,200	\$3.04	1,823	108.61	42,814	44,637
<b>Total</b>	<b>7,884,000</b>		<b>30,473</b>		<b>613,638</b>	<b>644,111</b>
<b>NPV</b>			<b>15,370</b>		<b>289,163</b>	<b>304,533</b>

- (1) Capacity payment rate effective as of January 1, 2013.
- (2) Projected as-available energy rates shown prior the avoided unit's June 1, 2022 in-service date. The lower of projected as-available energy rates or projected avoided unit energy rates shown as of in-service date.

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Committed Capacity (MW)		50				
Capacity Factor (%)		90				
Payment Type:		Early Levelized				
Year	Energy	Capacity Rates (1)	Total Capacity Payments	Energy Rates (2)	Total Energy Payments	Total Payments
	(MWh)	(\$/kW-mo)	(\$000)	(\$/MWh)	(\$000)	(\$000)
2013	394,200	\$2.39	1,436	36.99	14,581	16,017
2014	394,200	\$2.40	1,438	39.53	15,583	17,021
2015	394,200	\$2.40	1,441	50.80	20,025	21,466
2016	394,200	\$2.41	1,444	56.37	22,221	23,665
2017	394,200	\$2.41	1,447	59.31	23,380	24,827
2018	394,200	\$2.42	1,450	63.20	24,913	26,363
2019	394,200	\$2.42	1,454	67.15	26,471	27,925
2020	394,200	\$2.43	1,457	71.02	27,996	29,453
2021	394,200	\$2.43	1,460	75.03	29,577	31,037
2022	394,200	\$2.44	1,463	78.08	30,779	32,242
2023	394,200	\$2.44	1,467	82.31	32,447	33,914
2024	394,200	\$2.45	1,470	85.45	33,684	35,154
2025	394,200	\$2.46	1,474	90.62	35,722	37,196
2026	394,200	\$2.46	1,477	90.34	35,612	37,089
2027	394,200	\$2.47	1,481	93.62	36,905	38,386
2028	394,200	\$2.47	1,485	98.59	38,864	40,349
2029	394,200	\$2.48	1,489	100.29	39,534	41,023
2030	394,200	\$2.49	1,493	103.33	40,733	42,226
2031	394,200	\$2.49	1,497	106.03	41,797	43,294
2032	394,200	\$2.50	1,501	108.61	42,814	44,315
<b>Total</b>	<b>7,884,000</b>		<b>29,324</b>		<b>613,638</b>	<b>642,962</b>
<b>NPV</b>			<b>15,370</b>		<b>289,163</b>	<b>304,533</b>

- (1) Capacity payment rate effective as of January 1, 2013.
- (2) Projected as-available energy rates shown prior the avoided unit's June 1, 2022 in-service date. The lower of projected as-available energy rates or projected avoided unit energy rates shown as of in-service date.

2. Please describe the basis of the timing and size of the need for the avoided unit identified in Paragraph 8 of Gulf's petition. As part of this response, please complete the table below for each season, providing the company's reserve margin projections.

RESPONSE:

**Forecast of Capacity and Demand during Time of (Winter/Summer) Peak**

Year	Available Capacity				System Peak Demand <sup>(1)</sup>		Reserve Margin		Maint.	Reserve Margin	
	Installed	Imports/ (Exports) <sup>(2)</sup>	QF	Total	Total	Firm	Before Maint.			After Maint.	
	MW	MW	MW	MW	MW	MW	MW	%	MW	MW	%
2012	2,683	285	0	2,968	2,601	2,601	367	14.1%	0	367	14.1%
2013	2,683	285	0	2,968	2,628	2,628	340	12.9%	0	340	12.9%
2014	2,683	674	0	3,357	2,664	2,664	693	26.0%	0	693	26.0%
2015	2,683	674	0	3,357	2,695	2,695	662	24.6%	0	662	24.6%
2016	2,679	674	0	3,353	2,718	2,718	635	23.4%	0	635	23.4%
2017	2,679	674	0	3,353	2,753	2,753	600	21.8%	0	600	21.8%
2018	2,677	674	0	3,351	2,787	2,787	564	20.2%	0	564	20.2%
2019	2,663	674	0	3,337	2,822	2,822	515	18.2%	0	515	18.2%
2020	2,663	674	0	3,337	2,871	2,871	466	16.2%	0	466	16.2%
2021	2,663	674	0	3,337	2,913	2,913	424	14.6%	0	424	14.6%
2022	2,663	674	0	3,337	2,954	2,954	383	13.0%	0	383	13.0%
2023	2,663	(211)	0	2,452	2,993	2,993	(541)	-18.1%	0	(541)	-18.1%

(1) Gulf's Summer Peak Demand

(2) Imports/(Exports) include MW sum of Gulf's firm PPAs and Scherer 3 wholesale sale

As discussed on pages 2 and 3 of Gulf's 2012 Ten Year Site Plan, Gulf's next potential capacity need begins to develop in 2022 and increases to approximately 900 MWs following the expiration of the Gulf's purchased power agreement with Shell Energy. In 2022, Gulf's projected capacity reserves begin to fall below the required level needed to meet Gulf's reserve margin target that is used in the Southern electric system (SES) operating companies' 2012 integrated resource plan (IRP). The SES IRP, developed for the 2012 budget, indicates that Gulf would need to add combustion turbine (CT) capacity during the 2022-2023 timeframe. Therefore, Gulf is proposing as its next potential resource addition a generic 2 unit CT facility which is used for Gulf's 2012 Renewable Standard Offer Contract pricing.