

One Energy Place
Pensacola, Florida 32520

850.444.6111



May 30, 2000

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

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Dear Ms. Bayo:

Attached for official filing are an original and fifteen copies of the biennial report of Gulf Power Company prepared in response to the Federal Energy Regulatory Commission's Rules implementing Section 210 of PURPA (18 CFR Part 292, Subsection 292.302).

Sincerely,

Susan D. Ritenour

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

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Attachment

cc w/o attachment: Federal Energy Regulatory Commission
David P. Boergers

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SCHEDULE 292.302 (b)

The data submitted below is intended to fulfill the requirements of Section 292.302 of Chapter I, Title 18, Code of Federal Regulations.

NOTE: THE DATA GIVEN BELOW ARE ESTIMATES OF VARIOUS COSTS FOR GULF POWER COMPANY AND ARE NOT INTENDED FOR USE AS RATES FOR PURCHASES BY THE COMPANY. THE RATES FOR PURCHASES CAN BE OBTAINED BY CONTACTING:

Rates and Regulatory Matters Department
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0780
Phone: (850) 444-6231

- (1) The estimated avoided costs for Gulf Power Company, solely with respect to the energy component for various levels of purchases. These costs are stated on a cents per kilowatt-hour basis, using the daily and seasonal on-peak and off-peak periods, as specified by the Florida Public Service Commission, by year, for 2000 and each of the next five years.

SCHEDULE 292.302 (B) (1)

Gulf Power Company
Avoided Cost By Costing Period
For The Year 1999 (a)

<u>Pricing Periods (b)</u>	<u>Avoided Costs (c)</u> <u>Cents/KWH</u>
On-Peak	4.861
Off-Peak	2.193
Annual	2.863

- (a) For historical data, avoided costs in 100 MW increments are not available.
- (b) Pricing Period Definitions are included on Pages 4 - 9. The pricing periods are those that are currently specified by the Florida Public Service Commission.
- (c) Calculated as the linear average of all hourly marginal energy cost occurring in the designated costing period and year.

Gulf Power Company
Cogeneration
PURPA 210 Subpart A Section 292.302 (b) (1)
Comments

System block lambdas are calculated for ten blocks of 100 MW each and are utilized as estimated incremental avoided costs for Gulf Power Company, solely with respect to the energy component for various levels of purchases.

These costs are stated on a cents per kilowatt-hour basis for the overall on-peak and off-peak pricing periods. These pricing periods are those that are currently specified by the Florida Public Service Commission. The hours included in these pricing periods are identified under Pricing Period Definitions at the bottom of Pages 4 - 9.

GULF POWER COMPANY
PURPA FILING FOR THE 2000 PURPA REQUIREMENTS
ESTIMATED AVOIDED COSTS (CENTS/KWH)
2000

MW Blocks	Period 1 On Peak Hours	Period 2 Off Peak Hours	Period 3 Annual
1 - 100	2.76	1.90	2.15
101 - 200	2.73	1.88	2.13
201 - 300	2.70	1.87	2.11
301 - 400	2.67	1.85	2.09
401 - 500	2.64	1.84	2.07
501 - 600	2.61	1.83	2.05
601 - 700	2.59	1.81	2.03
701 - 800	2.57	1.80	2.02
801 - 900	2.55	1.79	2.01
901 - 1000	2.53	1.78	1.99

PRICING PERIOD DEFINITIONS

Period	Months	Days	Hours
(1) On Peak Hours	April - Oct	Mon - Fri	12:00 p.m. - 09:00 p.m.
	Nov - March	Mon - Fri	06:00 a.m. - 10:00 a.m.
(2) Off Peak Hours	April - October	Mon - Fri	09:00 p.m. - 12:00 a.m.
			12:00 a.m. - 12:00 p.m.
	Nov - March	Mon - Fri	12:00 a.m. - 06:00 a.m.
			10:00 a.m. - 06:00 p.m.
			10:00 p.m. - 12:00 a.m.
	Jan - Dec	Sat - Sun	All Hours
Observed Holidays		All Hours	
(3) Annual	Jan - Dec	Sun - Sat	All Hours

<p>Note: Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent avoided costs at the generator busses.</p>
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GULF POWER COMPANY
PURPA FILING FOR THE 2000 PURPA REQUIREMENTS
ESTIMATED AVOIDED COSTS (CENTS/KWH)
2001

MW Blocks	Period 1 On Peak Hours	Period 2 Off Peak Hours	Period 3 Annual
1 - 100	2.75	1.91	2.15
101 - 200	2.72	1.89	2.13
201 - 300	2.70	1.88	2.11
301 - 400	2.67	1.86	2.10
401 - 500	2.64	1.85	2.08
501 - 600	2.61	1.83	2.06
601 - 700	2.58	1.82	2.04
701 - 800	2.55	1.81	2.02
801 - 900	2.53	1.80	2.01
901 - 1000	2.51	1.78	1.99

PRICING PERIOD DEFINITIONS

Period	Months	Days	Hours
(1) On Peak Hours	April - Oct	Mon - Fri	12:00 p.m. - 09:00 p.m.
	Nov - March	Mon - Fri	06:00 a.m. - 10:00 a.m.
(2) Off Peak Hours	April - October	Mon - Fri	09:00 p.m. - 12:00 a.m.
			12:00 a.m. - 12:00 p.m.
	Nov - March	Mon - Fri	12:00 a.m. - 06:00 a.m.
			10:00 a.m. - 06:00 p.m.
	Jan - Dec	Sat - Sun	10:00 p.m. - 12:00 a.m.
		Observed Holidays	All Hours
(3) Annual	Jan - Dec	Sun - Sat	All Hours

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GULF POWER COMPANY
PURPA FILING FOR THE 2000 PURPA REQUIREMENTS
ESTIMATED AVOIDED COSTS (CENTS/KWH)
2002

MW Blocks	Period 1 On Peak Hours	Period 2 Off Peak Hours	Period 3 Annual
1 - 100	2.47	1.87	2.05
101 - 200	2.45	1.87	2.03
201 - 300	2.42	1.86	2.02
301 - 400	2.40	1.85	2.01
401 - 500	2.38	1.84	1.99
501 - 600	2.36	1.83	1.98
601 - 700	2.34	1.82	1.97
701 - 800	2.33	1.81	1.96
801 - 900	2.32	1.80	1.95
901 - 1000	2.30	1.79	1.94

PRICING PERIOD DEFINITIONS

Period	Months	Days	Hours
(1) On Peak Hours	April - Oct	Mon - Fri	12:00 p.m. - 09:00 p.m.
	Nov - March	Mon - Fri	06:00 a.m. - 10:00 a.m. 06:00 p.m. - 10:00 p.m.
(2) Off Peak Hours	April - October	Mon - Fri	09:00 p.m. - 12:00 a.m. 12:00 a.m. - 12:00 p.m.
		Mon - Fri	12:00 a.m. - 06:00 a.m. 10:00 a.m. - 06:00 p.m. 10:00 p.m. - 12:00 a.m.
	Jan - Dec	Sat - Sun	All Hours
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GULF POWER COMPANY
PURPA FILING FOR THE 2000 PURPA REQUIREMENTS
ESTIMATED AVOIDED COSTS (CENTS/KWH)
2003

MW Blocks	Period 1	Period 2	Period 3
	On Peak Hours	Off Peak Hours	Annual
1 - 100	2.34	1.85	1.99
101 - 200	2.32	1.84	1.98
201 - 300	2.30	1.83	1.97
301 - 400	2.28	1.82	1.96
401 - 500	2.27	1.82	1.95
501 - 600	2.25	1.81	1.94
601 - 700	2.24	1.80	1.93
701 - 800	2.22	1.79	1.92
801 - 900	2.21	1.79	1.91
901 - 1000	2.20	1.78	1.90

PRICING PERIOD DEFINITIONS

Period	Months	Days	Hours
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(2) Off Peak Hours	April - October	Mon - Fri	09:00 p.m. - 12:00 a.m.
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	Jan - Dec	Sat - Sun	All Hours
Observed Holidays		All Hours	
(3) Annual	Jan - Dec	Sun - Sat	All Hours

Note:
 Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent avoided costs at the generator busses.

GULF POWER COMPANY
PURPA FILING FOR THE 2000 PURPA REQUIREMENTS
ESTIMATED AVOIDED COSTS (CENTS/KWH)
2004

MW Blocks	Period 1	Period 2	Period 3
	On Peak Hours	Off Peak Hours	Annual
1 - 100	2.37	1.89	2.03
101 - 200	2.35	1.88	2.02
201 - 300	2.33	1.87	2.00
301 - 400	2.31	1.87	1.99
401 - 500	2.30	1.86	1.99
501 - 600	2.28	1.85	1.98
601 - 700	2.27	1.85	1.97
701 - 800	2.26	1.84	1.96
801 - 900	2.25	1.83	1.95
901 - 1000	2.23	1.82	1.94

PRICING PERIOD DEFINITIONS

Period	Months	Days	Hours
(1) On Peak Hours	April - Oct	Mon - Fri	12:00 p.m. - 09:00 p.m.
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Jan - Dec	Sat - Sun	All Hours	
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GULF POWER COMPANY
PURPA FILING FOR THE 2000 PURPA REQUIREMENTS
ESTIMATED AVOIDED COSTS (CENTS/KWH)
2005

MW Blocks	Period 1 On Peak Hours	Period 2 Off Peak Hours	Period 3 Annual
1 - 100	2.39	1.90	2.04
101 - 200	2.38	1.89	2.03
201 - 300	2.36	1.89	2.02
301 - 400	2.34	1.88	2.01
401 - 500	2.33	1.87	2.00
501 - 600	2.32	1.87	2.00
601 - 700	2.30	1.86	1.99
701 - 800	2.28	1.86	1.98
801 - 900	2.27	1.85	1.97
901 - 1000	2.26	1.84	1.96

PRICING PERIOD DEFINITIONS

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Note:
 Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent avoided costs at the generator busses.

Schedule 292.302 (b) (2)

Gulf Power's plan for the addition of capacity by amount and type, for purchases of firm energy and capacity, and for capacity retirements for each year during the succeeding ten years (2000-2009).

See Pages 11 - 12

Schedule 292.303 (b) (2)

Gulf Power Company

Capacity Additions

2000 - 2009

<u>Plant Name</u>	<u>Unit No.</u>	<u>Location</u>	<u>Type</u>	<u>Commercial Date In Service</u> (a)	<u>Amount (MW)</u>
Smith	3	Panama City	Base	2002	577.0
Unknown	N/A	Unknown	Peaking	2006	60.0
Unknown	N/A	Unknown	Peaking	2007	60.0
Unknown	N/A	Unknown	Peaking	2008	30.0

(a) Capacity additions are planned for commercial operation prior to the summer season.

Capacity Retirements

2000 - 2009

<u>Plant Name</u>	<u>Unit No.</u>	<u>Location</u>	<u>Type</u>	<u>Retirement Date</u>	<u>Amount (MW)</u>
Smith	A	Panama City, FL	CT	2007	32.0

Schedule 292.303 (b)

Gulf Power Company

Purchases of Firm Energy and Capacity

2000 - 2009

<u>Year</u>	<u>Firm Purchases</u>	
	<u>Amount of Capacity</u> <u>MW</u>	<u>Amount of Energy</u>
2000	462	No firm long-term purchases during this time period.
2001	462	
2002	19	
2003	19	
2004	19	
2005	0	
2006	0	
2007	0	
2008	0	
2009	0	

Schedule 292.302 (b) (3)

The estimated capacity costs at the completion of the planned capacity additions and planned capacity firm purchases in \$/KW and the associated energy costs of each unit in cents/KWH.

Gulf Power Company

Capacity and Energy Costs
of Planned Capacity

2000 - 2009

<u>Planned Capacity Additions</u>	<u>Capacity Cost Dollars/KW^(a)</u>	<u>Energy Cost Cents/KWH^(b)</u>
Base (2002)	383.30	2.89
Peaking (2006)	376.00	4.27
Peaking (2007)	385.00	4.23
Peaking (2008)	394.00	4.33

(a) Capacity costs are shown in nominal dollars.

(b) Average cents/KWH is based on the estimated fuel and variable O&M expenses for the first full calendar year in service.