

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Gulf Power Company's Petition for
Approval of Purchased Power Arrangement
Regarding Smith Unit 3 for Cost Recovery
Through Recovery Clauses Dealing with
Purchased Capacity and Purchased Energy

Docket No.: 010827-EI

Filed: August 24, 2001

The Federal Executive Agencies' Petition to Intervene

The Federal Executive Agencies, pursuant to rules 25-22.039 and 28-106.205, Florida Administrative Code, hereby files its Petition to Intervene in this docket, in the capacity, and for the reasons, set forth below.

1. The name, address, and telephone number of Petitioner is:

Federal Executive Agencies
c/o United States Air Force Utility Litigation Team
AFCESA/Utility Litigation Team
139 Barnes Drive
Tyndall Air Force Base, Florida 32403
Ph: 850-283-6347

2. The name, address and telephone number of Petition's representatives for purposes of service during the course of the proceeding is:

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AFCESA/Utility Litigation Team
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3. The Federal Executive Agencies consist of certain agencies of the United States Government who have offices, facilities, and/or installations in the service area of Gulf Power Company (Gulf Power), which offices, facilities, and/or installations purchase electric utility service from Gulf Power. Chief among those federal customers, in terms of size, are several major military installations served by Gulf Power, including but not limited to Tyndall Air Force Base, Eglin Air Force Base, Naval Coastal Systems Station, and Naval Air Station Pensacola.

4. Electricity represents one of the largest variable expenses of operating the federal offices, facilities, and installations on whose behalf intervention is sought herein, and all will be affected by any action the Florida Public Service Commission (PSC) takes in this docket. Upon information and belief, the Federal Executive Agencies in Gulf Power's service area are collectively one of the largest of Gulf Power's customers. Tyndall Air Force Base, and the Naval Coastal Systems Station, are both located in Bay County, in or adjacent to Panama City, and upon information and belief will be directly affected by the voltage support to be provided by the Smith Unit 3 generation facility.

5. For the reasons set forth above, the Federal Executive Agencies have a substantial interest in the proceedings in this docket.

6. The Federal Executive Agencies submit that there is good cause to allow their intervention at this time, and that the Federal Executive Agencies have not unreasonably delayed in acting in this matter.

a. The Federal Executive Agencies routinely monitor utility company filings for rate increases affecting federal facilities. In mid-July 2001 the Federal Executive Agencies became aware of Gulf Power's filing dated 7-6-01, opened by this

PSC on 7-9-01 as docket number 010949-EI, which filing provided notice of Gulf Power's intention to use a test year ending 5-31-03 in a rate filing to be made on or about 9-4-01. Because docket 010949-EI was at a very preliminary stage, the Federal Executive Agencies had no reason to believe that there was any time urgency relating to the rate filing matter.

b. Thereafter, in August 2001, in the course of the Federal Executive Agencies' routine conduct of their business, the Federal Executive Agencies's obtained and reviewed Gulf Power's initial filing in docket 010949-EI, and the following statement therein by Gulf Power was noted:

On June 8, 2001, Gulf filed a petition seeking approval of a proposed purchased power arrangement with regard to Smith Unit 3. Simultaneously, Gulf filed a request for an expedited review and decision regarding that petition. The results of that case clearly will have an impact on the rate filing noticed by this letter, both with regard to timing and amount.

c. The Federal Executive Agencies thereupon expeditiously obtained Gulf Power's initial June 8, 2001 filing in this docket number 010827-EI.

d. The Federal Executive Agencies would note that the caption to docket 010827-EI, as it appears on this PSC's internet website, reads as follows: "Petition by Gulf Power Company for approval of purchased power arrangement regarding Smith Unit 3 for cost recovery through recovery clauses dealing with purchased capacity and purchased energy." The Federal Executive Agencies respectfully submit that the caption to docket 010827-EI does not give notice that the issues therein are far more significant than just approval of a purchased power arrangement, specifically in that PSC approval of Gulf Power's Petition in docket 010827-EI will as a practical matter constitute approval of Gulf Power's transfer of a significant new generating asset of Gulf Power to an

affiliate, in an action that will, as Gulf Power acknowledges in its rate filing in docket 010949-EI, significantly affect its rate filing.

e. Furthermore, the very compressed and highly expedited schedule which this PSC is utilizing in this docket 010827-EI is, upon information and belief, unusual for a docket of this significance, and results in the matter being more advanced than would normally be the case regarding an intervention sought at this point in this type of proceeding, but through no fault or negligence of the Federal Executive Agencies.

7. The Federal Executive Agencies are very concerned that the extreme speed with which this proceeding is being prosecuted may prevent the full discovery and exposition of the facts and arguments before the PSC, by parties already participating in the case, which the Federal Executive Agencies believes is necessary and appropriate to the issues in this docket, and the Federal Executive Agencies seeks to intervene to protect its interest in that regard.

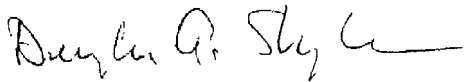
8. Subject to review by the Federal Executive Agencies of the Purchased Power Arrangement and related confidential filings, **the Federal Executive Agencies do not anticipate participating in discovery or filing of expert testimony, in this proceeding.** The Federal Executive Agencies seek expedited access to the unredacted Purchased Power Arrangement and all other confidential filings by Gulf Power, and the Federal Executive Agencies stand ready to execute a reasonable confidentiality agreement in that regard.

9. This intervention is sought by the Federal Executive Agencies solely in their proprietary capacity as customers of Gulf Power, and not in the sovereign capacity of the government of the United States of America. The representatives filing this

petition are the duly authorized representatives of the Federal Executive Agencies in Gulf Power's service area.

10. The affected agency is the Florida Public Service Commission, 2540 Shumard Oak Blvd, Tallahassee FL 32399-0850.

WHEREFORE, the Federal Executive Agencies request that the PSC grant its petition to Intervene and that it be accorded full party status in this docket.



Douglas A. Shropshire, Lt. Col., USAFR
AFCESA/Utility Litigation Team
For Petitioner

CERTIFICATE OF SERVICE

I hereby certify that a copy of the forgoing Federal Executive Agencies' Petition to Intervene has been furnished by US Mail, this 24 day of August, 2001, to:

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(gulfPetition)