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Public Service Commission

October 29, 2008

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COMMISSION
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Steven R. Griffin, Esquire
Beggs & Lane
501 Commendencia Street
Pensacola, FL 32591-2950

STAFF'S DATA REQUEST

Re: Docket No. 080612-EI - Petition of Gulf Power Company For Approval of Negotiated Renewable Energy Power Purchase Agreement with Bay County, Florida.

Dear Mr. Griffin:

By this letter, the Commission staff requests that Gulf Power Company (Gulf) provide responses to the following data requests:

1. Paragraph 9 of the Negotiated Contract for Purchase of Renewable Energy discusses Environmental Interests, ending with the statement, "Details regarding the delivery of such interests to the Company will be mutually agreed upon by the Parties." Please respond to the following:
 - a. Does Gulf anticipate some monetary value being assigned to the "interests" that Gulf would receive?
 - b. Please provide an estimate of the monetary value, if any, of the Renewable Energy Credits (RECs) that Gulf would receive.
 - c. Does Gulf foresee the cost of RECs plus negotiated fixed price for energy exceeding full avoided cost of energy?
 - d. Please provide a chart, similar to Exhibit B of the Petition, showing the total cost of energy and estimated cost of purchased RECs for the 6-year life of the contract compared to the As-Available Energy Cost.
2. The Negotiated Contract for Purchase of Renewable Energy includes, as Appendix A, an Interconnection Agreement between Gulf and Bay County that appears to have been in place since 1987. The chart responding to Question 7 of Staff's first data request, however, says no prior contract existed for the energy from the Bay County

DOCUMENT NUMBER - DATE

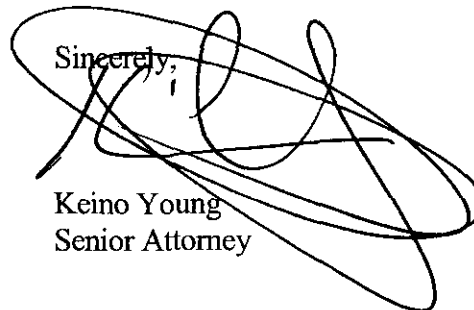
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Resource Recovery Facility. In addition, Gulf's response to Staff's Question 2 discusses energy delivered between 2000 and 2007. Please respond to the following:

- a. Does Staff correctly understand that an interconnection with Gulf's system has existed since 1987, but no contract existed until 2008 for delivery of the energy generated by the Bay County Facility?
 - b. Who received energy generated by the Facility delivered between the time the interconnection facility was completed and 2008?
3. Please provide historic energy generation and projected power purchases, in MWh per month, beginning in 2002 till the end of the contract's term.
 4. Does Gulf have any security provisions with regards to on-peak or off-peak power production by the Bay County Facility?
 5. Are energy payments reduced if Bay County fails to deliver sufficient energy to meet any specific capacity factor or other metric?
 6. What is the estimate of total savings to Gulf's ratepayers through the energy contract with Bay County as compared to purchase of "As-Available" energy?
 7. Reference Attachment A of Gulf's response to Staff's first data request. Staff has noted that simple averaging of the monthly rates do not provide the averages shown on the chart. Please provide a detailed explanation of the calculations used to determine the annual average territorial (as-available) rate.

Please provide responses by Wednesday, November 5, 2008. If you have any questions, please do not hesitate to contact me at (850) 413-6226.

Sincerely,

Keino Young
Senior Attorney

cc: Office of Commission Clerk
Office of Strategic Analysis & Governmental Affairs (Garl, Ellis)
Docket 080612-EI - Parties