

Collin Roehner

From: Dorothy Menasco on behalf of Records Clerk
Sent: Thursday, June 30, 2016 3:24 PM
To: 'madarnes@southernco.com'
Subject: FW: Gulf Power Company's Biennial Report Filing - PURPA
Attachments: 6.30.16 GPCs Biennial Report for FERC.pdf

Good afternoon, Ms. Darnes:

Your filing was found in a mailbox that does not accept e-filings. The Commission has made available for e-filing an electronic filing web form. This e-filing method is available from the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form.

A link to the Commission's electronic filing requirements is also being included for your convenience.

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In order for your filing to be accepted, it will need to be resubmitted through the Florida Public Service Commission Electronic Filing Web Form, by U.S. Mail, or by hand-delivery to:

Carlotta S. Stauffer, Commission Clerk
Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Please call our office if you have any questions regarding the filing process.

*Dorothy Menasco
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770*

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Your e-mail communications may therefore be subject to public disclosure.

From: Darnes, Melissa Ann [<mailto:MADARNES@SOUTHERNCO.COM>]
Sent: Thursday, June 30, 2016 12:47 PM
To: Records Clerk
Subject: Gulf Power Company's Biennial Report Filing - PURPA

Attached please find Gulf Power Company's PURPA biennial report submitted per FERC rules.

Melissa Darnes

Gulf Power Company • Admin Assistant Sr/Regulatory & Pricing
One Energy Place • Pensacola, FL 32520-0601
Phone: 850.444.6730 • Fax: 850.444.6026

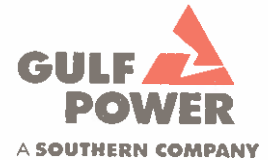
Stay connected with Gulf Power



Robert L. McGee, Jr.
Regulatory & Pricing Manager

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RLMCGEE@southernco.com



June 30, 2016

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

Dear Ms. Stauffer:

Attached for electronic filing is Gulf Power Company's biennial report prepared in response to the Federal Energy Regulatory Commission's Rules implementing Section 210 of PURPA (18 CFR Part 292, Subsection 292.302).

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr." The signature is written in a cursive, flowing style.

Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

Attachment

cc w/o attachment: Federal Energy Regulatory Commission
Kimberly D. Bose, Secretary

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:

Regulatory and Cost Recovery Department
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780
Phone: (850) 444-6253

- (1) The actual and 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 actual 2015 and estimated 2016 - 2021.

See Pages 2 – 9

Gulf Power Company

Avoided Cost By Costing Period
For The Year 2015 ^(a)

| <u>Pricing Period ^(b)</u> | <u>Avoided Costs cents/kWh ^(c)</u> |
|--------------------------------------|---|
| On-Peak | 31.67 |
| Off-Peak | 23.09 |
| Annual | 25.24 |

- (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 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
 ESTIMATED AVOIDED COST IN CENTS / KWH
 2016**

| MW Blocks | Period 1 On Peak Hours | Period 2 Off Peak Hours | Period 3 Annual |
|------------------|-----------------------------------|------------------------------------|----------------------------|
| 1 - 100 | 3.12 | 2.41 | 2.59 |
| 101 - 200 | 3.11 | 2.40 | 2.58 |
| 201 - 300 | 3.10 | 2.39 | 2.56 |
| 301 - 400 | 3.09 | 2.37 | 2.55 |
| 401 - 500 | 3.07 | 2.36 | 2.54 |
| 501 - 600 | 3.06 | 2.35 | 2.53 |
| 601 - 700 | 3.05 | 2.34 | 2.52 |
| 701 - 800 | 3.04 | 2.33 | 2.51 |
| 801 - 900 | 3.03 | 2.32 | 2.50 |
| 901 - 1000 | 3.01 | 2.31 | 2.49 |

PRICING PERIOD DEFINITIONS

| Period | Months | Days | Hours |
|--------------------|--------------------|--|--|
| (1) On Peak Hours | April - October | Monday - Friday | 12:00 PM -9:00 PM |
| | November - March | Monday - Friday | 6:00 AM -10:00 AM 6:00 PM -10:00 PM |
| (2) Off Peak Hours | April - October | Monday - Friday | 12:00 AM -12:00 PM 9:00 PM -12:00 AM |
| | November - March | Monday - Friday | 12:00 AM -6:00 AM 10:00 AM -6:00 PM 10:00 PM -12:00 AM |
| | January - December | Saturday - Sunday Observed Holidays | All Hours All Hours |
| (3) Annual | January - December | Sunday - Saturday | All Hours |

Note:

Projected marginal energy costs for each of the ten 100MW decrements into territorial load and represent avoided cost at the generator buses.

**GULF POWER COMPANY
 ESTIMATED AVOIDED COST IN CENTS / KWH
 2017**

| MW Blocks | Period 1 On Peak Hours | Period 2 Off Peak Hours | Period 3 Annual |
|------------------|-----------------------------------|------------------------------------|----------------------------|
| 1 - 100 | 3.19 | 2.50 | 2.67 |
| 101 - 200 | 3.18 | 2.49 | 2.66 |
| 201 - 300 | 3.17 | 2.48 | 2.65 |
| 301- 400 | 3.16 | 2.47 | 2.64 |
| 401 - 500 | 3.14 | 2.46 | 2.63 |
| 501 - 600 | 3.13 | 2.45 | 2.62 |
| 601 - 700 | 3.12 | 2.43 | 2.61 |
| 701 - 800 | 3.11 | 2.42 | 2.59 |
| 801 - 900 | 3.09 | 2.41 | 2.58 |
| 901 - 1000 | 3.08 | 2.40 | 2.57 |

PRICING PERIOD DEFINITIONS

| Period | Months | Days | Hours |
|--------------------|--------------------|--|--|
| (1) On Peak Hours | April - October | Monday - Friday | 12:00 PM -9:00 PM |
| | November - March | Monday - Friday | 6:00 AM -10:00 AM 6:00 PM -10:00 PM |
| (2) Off Peak Hours | April - October | Monday - Friday | 12:00 AM -12:00 PM 9:00 PM -12:00 AM |
| | November - March | Monday - Friday | 12:00 AM -6:00 AM 10:00 AM -6:00 PM 10:00 PM -12:00 AM |
| | January - December | Saturday - Sunday Observed Holidays | All Hours All Hours |
| (3) Annual | January - December | Sunday - Saturday | All Hours |

Note:

Projected marginal energy costs for each of the ten 100MW decrements into territorial load and represent avoided cost at the generator buses.

**GULF POWER COMPANY
 ESTIMATED AVOIDED COST IN CENTS / KWH
 2018**

| MW Blocks | Period 1 On Peak Hours | Period 2 Off Peak Hours | Period 3 Annual |
|------------------|-----------------------------------|------------------------------------|----------------------------|
| 1 - 100 | 3.83 | 3.01 | 3.22 |
| 101 - 200 | 3.81 | 3.00 | 3.21 |
| 201 - 300 | 3.80 | 2.99 | 3.20 |
| 301- 400 | 3.79 | 2.98 | 3.18 |
| 401 - 500 | 3.78 | 2.97 | 3.17 |
| 501 - 600 | 3.76 | 2.96 | 3.16 |
| 601 - 700 | 3.75 | 2.95 | 3.15 |
| 701 - 800 | 3.74 | 2.93 | 3.14 |
| 801 - 900 | 3.73 | 2.92 | 3.12 |
| 901 - 1000 | 3.72 | 2.91 | 3.11 |

PRICING PERIOD DEFINITIONS

| Period | Months | Days | Hours |
|--------------------|--------------------|--|--|
| (1) On Peak Hours | April - October | Monday - Friday | 12:00 PM -9:00 PM |
| | November - March | Monday - Friday | 6:00 AM -10:00 AM 6:00 PM -10:00 PM |
| (2) Off Peak Hours | April - October | Monday - Friday | 12:00 AM -12:00 PM 9:00 PM -12:00 AM |
| | November - March | Monday - Friday | 12:00 AM -6:00 AM 10:00 AM -6:00 PM 10:00 PM -12:00 AM |
| | January - December | Saturday - Sunday Observed Holidays | All Hours All Hours |
| (3) Annual | January - December | Sunday - Saturday | All Hours |

Note:

Projected marginal energy costs for each of the ten 100MW decrements into territorial load and represent avoided cost at the generator buses.

**GULF POWER COMPANY
 ESTIMATED AVOIDED COST IN CENTS / KWH
 2019**

| MW Blocks | Period 1 On Peak Hours | Period 2 Off Peak Hours | Period 3 Annual |
|------------------|-----------------------------------|------------------------------------|----------------------------|
| 1 - 100 | 4.16 | 3.32 | 3.53 |
| 101 - 200 | 4.14 | 3.31 | 3.52 |
| 201 - 300 | 4.12 | 3.29 | 3.50 |
| 301- 400 | 4.11 | 3.28 | 3.48 |
| 401 - 500 | 4.09 | 3.26 | 3.47 |
| 501 - 600 | 4.07 | 3.25 | 3.45 |
| 601 - 700 | 4.06 | 3.24 | 3.44 |
| 701 - 800 | 4.05 | 3.22 | 3.43 |
| 801 - 900 | 4.03 | 3.21 | 3.42 |
| 901 - 1000 | 4.02 | 3.20 | 3.41 |

PRICING PERIOD DEFINITIONS

| Period | Months | Days | Hours |
|--------------------|--------------------|-------------------|--------------------|
| (1) On Peak Hours | April - October | Monday - Friday | 12:00 PM -9:00 PM |
| | November - March | Monday - Friday | 6:00 AM -10:00 AM |
| | | | |
| (2) Off Peak Hours | April - October | Monday - Friday | 12:00 AM -12:00 PM |
| | | | 9:00 PM -12:00 AM |
| | November - March | Monday - Friday | 12:00 AM -6:00 AM |
| | | | 10:00 AM -6:00 PM |
| | | | 10:00 PM -12:00 AM |
| January - December | Saturday - Sunday | All Hours | |
| | Observed Holidays | All Hours | |
| (3) Annual | January - December | Sunday - Saturday | All Hours |

Note:

Projected marginal energy costs for each of the ten 100MW decrements into territorial load and represent avoided cost at the generator buses.

**GULF POWER COMPANY
 ESTIMATED AVOIDED COST IN CENTS / KWH
 2020**

| | Period 1 On Peak Hours | Period 2 Off Peak Hours | Period 3 Annual |
|------------------|-----------------------------------|------------------------------------|----------------------------|
| MW Blocks | | | |
| 1 - 100 | 4.49 | 3.65 | 3.87 |
| 101 - 200 | 4.48 | 3.64 | 3.85 |
| 201 - 300 | 4.46 | 3.63 | 3.84 |
| 301- 400 | 4.44 | 3.62 | 3.83 |
| 401 - 500 | 4.42 | 3.61 | 3.81 |
| 501 - 600 | 4.40 | 3.60 | 3.80 |
| 601 - 700 | 4.38 | 3.58 | 3.78 |
| 701 - 800 | 4.36 | 3.57 | 3.77 |
| 801 - 900 | 4.34 | 3.56 | 3.75 |
| 901 - 1000 | 4.33 | 3.54 | 3.74 |

PRICING PERIOD DEFINITIONS

| Period | Months | Days | Hours |
|--------------------|--|--------------------|--------------------|
| (1) On Peak Hours | April - October | Monday - Friday | 12:00 PM -9:00 PM |
| | November - March | Monday - Friday | 6:00 AM -10:00 AM |
| | | | 6:00 PM -10:00 PM |
| (2) Off Peak Hours | April - October | Monday - Friday | 12:00 AM -12:00 PM |
| | | | 9:00 PM -12:00 AM |
| | November - March | Monday - Friday | 12:00 AM -6:00 AM |
| | | | 10:00 AM -6:00 PM |
| January - December | Saturday - Sunday Observed Holidays | 10:00 PM -12:00 AM | |
| | | All Hours | |
| (3) Annual | January - December | Sunday - Saturday | All Hours |
| | | | All Hours |

Note:

Projected marginal energy costs for each of the ten 100MW decrements into territorial load and represent avoided cost at the generator buses.

**GULF POWER COMPANY
 ESTIMATED AVOIDED COST IN CENTS / KWH
 2021**

| MW Blocks | Period 1 On Peak Hours | Period 2 Off Peak Hours | Period 3 Annual |
|------------------|-----------------------------------|------------------------------------|----------------------------|
| 1 - 100 | 4.78 | 3.86 | 4.09 |
| 101 - 200 | 4.75 | 3.84 | 4.07 |
| 201 - 300 | 4.71 | 3.82 | 4.05 |
| 301- 400 | 4.68 | 3.80 | 4.02 |
| 401 - 500 | 4.65 | 3.78 | 4.00 |
| 501 - 600 | 4.63 | 3.77 | 3.98 |
| 601 - 700 | 4.61 | 3.76 | 3.97 |
| 701 - 800 | 4.59 | 3.74 | 3.96 |
| 801 - 900 | 4.58 | 3.73 | 3.95 |
| 901 - 1000 | 4.56 | 3.72 | 3.93 |

PRICING PERIOD DEFINITIONS

| Period | Months | Days | Hours |
|--------------------|--------------------|--|--|
| (1) On Peak Hours | April - October | Monday - Friday | 12:00 PM -9:00 PM |
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| | November - March | Monday - Friday | 12:00 AM -6:00 AM 10:00 AM -6:00 PM 10:00 PM -12:00 AM |
| | January - December | Saturday - Sunday Observed Holidays | All Hours All Hours |
| (3) Annual | January - December | Sunday - Saturday | All Hours |

Note:

Projected marginal energy costs for each of the ten 100MW decrements into territorial load and represent avoided cost at the generator buses.

Schedule 292.302 (b) (2)

Gulf Power Company'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 (2016-2025).

See Pages 11 – 12

Gulf Power Company

Capacity Additions ^(a)

2016 – 2025

| <u>Plant Name</u> | <u>Unit No.</u> | <u>Location</u> | <u>Type</u> | <u>Commercial In-Service Date</u> ^(b) | <u>Amount (MW)</u> |
|---------------------|-----------------|-----------------|-------------|--|--------------------|
| Combustion Turbines | 1-3 | Not sited | GT | 6/2023 | 654.0 |

(a) As contained in Gulf's 2016 Ten Year Site Plan on file with the Florida Public Service Commission.

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

Capacity Retirements ^(a)

2016 – 2025

| <u>Plant Name</u> | <u>Unit No.</u> | <u>Location</u> | <u>Type</u> | <u>Retirement Date</u> | <u>Amount (MW)</u> |
|-------------------|-----------------|-----------------|-------------|------------------------|----------------------|
| Scholz | 1-2 | Jackson Co. | FS | 4/2015 | 92.0 |
| Smith | 1-2 | Bay County Co. | FS | 3/2016 | 357.0 ^(b) |
| Pea Ridge | 1-3 | Santa Rosa Co. | CT | 12/2018 | 12.0 |

(a) As contained in Gulf's 2016 Ten Year Site Plan on file with the Florida Public Service Commission.

(b) Total MWs retired.

Gulf Power Company

Purchases of Firm Energy and Capacity

2016 – 2025 ^(a)

| <u>Year</u> | <u>Firm Purchases</u> | |
|-------------|--|---|
| | <u>Capacity Amount</u> ^(b) <u>MW</u> | <u>Energy Amount</u> ^(c) <u>MWh</u> |
| 2016 | 943 | 5,794,989 |
| 2017 | 943 | 6,315,246 |
| 2018 | 943 | 6,057,996 |
| 2019 | 943 | 5,665,678 |
| 2020 | 943 | 3,802,488 |
| 2021 | 943 | 3,629,785 |
| 2022 | 943 | 3,741,959 |
| 2023 | 58 ^(d) | 1,630,398 |
| 2024 | 58 ^(d) | 675,570 |
| 2025 | 58 ^(d) | 674,409 |

- (a) As contained in Gulf's 2016 Ten Year Site Plan on file with the Florida Public Service Commission.
- (b) Cumulative capacity amounts (885 MW+58 MW) shown.
- (c) Estimated annual energy purchase amount shown.
- (d) MWs scheduled during the system seasonal peak hour per contract obligation to deliver fixed amount per hour.

Schedule 292.302 (b) (3)

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

| | | |
|---|--|--|
| <u>Gulf Power Company</u> | | |
| Capacity and Energy Costs Of Planned Capacity ^(a) | | |
| <u>2016 – 2025</u> | | |
| <u>Planned Capacity Additions</u> | Capacity Cost <u>\$/kW ^(b)</u> | Energy Cost <u>cents/kWh ^(c)</u> |
| Combustion Turbines | 598 | 7.65 |

- (a) As contained in Gulf's 2016 Ten Year Site Plan on file with the Florida Public Service Commission.
- (b) Capacity costs are shown as in-service year dollars.
- (c) Average cents/kWh is based on the estimated fuel and variable O&M expenses for the first full calendar year in service.