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March 28, 2017

Kelley F. Corbari, Senior Attorney  
Office of the General Counsel  
Florida Public Service Commission  
2540 Oak Boulevard  
Tallahassee, Florida 32399-0850

RE: Docket No. 160186-EI; Hearing Exhibits 36 and 247

Dear Kelley,

This letter will serve to confirm the agreement between Gulf and OPC regarding the appropriate contents of hearing Exhibit 36 and hearing Exhibit 247.

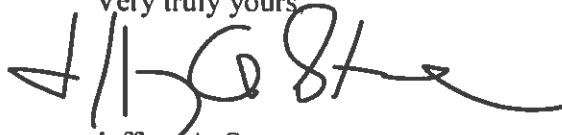
As initially assembled, the two exhibits are identical except for the cover sheets (i.e., pages 2 through 7 are inadvertently the same in both exhibits). It has always been the intent and understanding of Staff, OPC and Gulf that Exhibit 36 should be limited to the cover sheet and current pages 5, 6, and 7 and that hearing Exhibit 247 should be limited to the cover sheet and current pages 2, 3, and 4. The resulting Exhibit 36 will then consist of 4 pages, including the cover, and will be appropriately limited to the version of RMM-3 that was attached to the pre-filed direct testimony of OPC Witness McCullar. The resulting Exhibit 247 will then consist of 4 pages, including the cover, and will be appropriately limited to the version of RMM-3 attached to the pre-filed rebuttal testimony of Gulf Witness Markey. Copies of the reformulated Hearing Exhibit 36 and Exhibit 247 are enclosed with this letter.

Kelley F. Corbari, Senior Attorney  
March 28, 2017  
Page 2

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Based on discussions with Charles Rehwinkel, I am authorized to represent that OPC concurs with this approach. If anything further is needed from either Gulf or OPC to achieve the desired clarification of the official record, please let us know.

Very truly yours

A handwritten signature in black ink, appearing to read 'JAS', with a long horizontal flourish extending to the right.

Jeffrey A. Stone  
For the firm

Enclosures

cc: Commission Clerk  
Counsel for parties of record

# Exhibit

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: EXHIBIT: 36  
PARTY: OFFICE OF PUBLIC COUNSEL – (DIRECT)  
DESCRIPTION: Roxie McCullar RMM-3

Company: Gulf Power  
 Account: 365.00  
 Iowa Curve R0.5  
 Avg Life: 50  
 FNS: -22%

**Generation Arrangement**

Vintage Year	Age	12/31/16 Amount Surviving	Average Remaining Life	Average Service Life	Average Service Life Weights	Average Remaining Life Weights	Theoretical Reserve Ratio	Theoretical Reserve Amount
A	B	C	F	G=E+D*F	H=C/G	I=F*H	J=1-(F/G)	H=C*(1-FNS)*J
Total		153,061,774	39.02	50.00	3,061,235	119,460,199		40,993,921
2016	0.5	9,099,716	49.69	50.00	181,994	9,043,395	0.0062	68,712
2015	1.5	4,122,715	49.07	50.00	82,454	4,046,070	0.0186	93,506
2014	2.5	5,291,655	48.45	50.00	105,833	5,127,842	0.0310	199,852
2013	3.5	6,900,047	47.84	50.00	138,001	6,601,357	0.0433	364,402
2012	4.5	5,658,021	47.22	50.00	113,160	5,343,518	0.0556	383,693
2011	5.5	5,969,190	46.61	50.00	119,384	5,564,188	0.0678	494,102
2010	6.5	4,420,630	46.00	50.00	88,413	4,066,629	0.0801	431,881
2009	7.5	3,053,055	45.39	50.00	61,061	2,771,327	0.0923	343,709
2008	8.5	2,382,971	44.78	50.00	47,659	2,134,083	0.1044	303,644
2007	9.5	3,440,643	44.17	50.00	68,813	3,039,529	0.1166	489,358
2006	10.5	4,546,279	43.57	50.00	90,926	3,961,229	0.1287	713,761
2005	11.5	3,657,787	42.96	50.00	73,156	3,142,897	0.1408	628,166
2004	12.5	8,868,887	42.36	50.00	177,378	7,513,580	0.1528	1,653,475
2003	13.5	2,210,734	41.76	50.00	44,215	1,846,318	0.1648	444,588
2002	14.5	3,401,081	41.16	50.00	68,022	2,799,641	0.1768	733,757
2001	15.5	2,593,805	40.56	50.00	51,876	2,104,065	0.1888	597,483
2000	16.5	2,222,676	39.96	50.00	44,454	1,776,452	0.2008	544,393
1999	17.5	1,972,533	39.37	50.00	39,451	1,553,011	0.2127	511,816
1998	18.5	2,094,128	38.77	50.00	41,883	1,623,839	0.2246	573,752
1997	19.5	1,915,503	38.18	50.00	38,310	1,462,605	0.2364	552,535
1996	20.5	2,729,038	37.59	50.00	54,581	2,051,508	0.2483	826,587
1995	21.5	4,605,031	37.00	50.00	92,101	3,407,448	0.2601	1,461,052
1994	22.5	4,283,419	36.41	50.00	85,668	3,119,131	0.2718	1,420,431
1993	23.5	4,502,036	35.82	50.00	90,041	3,225,607	0.2835	1,557,244
1992	24.5	4,935,770	35.24	50.00	98,715	3,478,799	0.2952	1,777,505
1991	25.5	4,360,725	34.66	50.00	87,214	3,022,856	0.3068	1,632,200
1990	26.5	4,141,564	34.08	50.00	82,831	2,823,056	0.3184	1,608,580
1989	27.5	3,295,124	33.51	50.00	65,902	2,208,183	0.3299	1,326,067
1988	28.5	3,001,421	32.93	50.00	60,028	1,977,016	0.3413	1,249,774
1987	29.5	2,963,165	32.37	50.00	59,263	1,918,096	0.3527	1,274,984
1986	30.5	2,702,478	31.80	50.00	54,050	1,718,776	0.3640	1,200,117
1985	31.5	3,636,648	31.24	50.00	72,733	2,272,017	0.3752	1,664,851
1984	32.5	2,788,808	30.68	50.00	55,776	1,711,167	0.3864	1,314,722
1983	33.5	1,803,977	30.12	50.00	36,080	1,086,873	0.3975	874,867
1982	34.5	2,410,779	29.57	50.00	48,216	1,425,897	0.4085	1,201,555
1981	35.5	1,865,937	29.03	50.00	37,319	1,083,229	0.4195	954,904

Company: Gulf Power  
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 Iowa Curve R0.5  
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A	B	C	F	G=E+D*F	H=C/G	I=F*H	J=1-(F/G)	H=C*(1-FNS)*J
<b>Total</b>		153,061,774	39.02	50.00	3,061,235	119,460,199		40,993,921
1980	36.5	1,558,738	28.48	50.00	31,175	887,967	0.4303	818,341
1979	37.5	1,690,553	27.94	50.00	33,811	944,844	0.4411	909,764
1978	38.5	1,289,493	27.41	50.00	25,790	706,911	0.4518	710,750
1977	39.5	1,146,453	26.88	50.00	22,929	616,342	0.4624	646,736
1976	40.5	92,468	26.35	50.00	1,849	48,740	0.4729	53,349
1975	41.5	894,999	25.83	50.00	17,900	462,422	0.4833	527,744
1974	42.5	1,201,634	25.32	50.00	24,033	608,437	0.4937	723,699
1973	43.5	986,790	24.81	50.00	19,736	489,548	0.5039	606,634
1972	44.5	850,429	24.30	50.00	17,009	413,270	0.5140	533,334
1971	45.5	714,491	23.79	50.00	14,290	340,026	0.5241	456,847
1970	46.5	536,458	23.30	50.00	10,729	249,956	0.5341	349,533
1969	47.5	383,906	22.80	50.00	7,678	175,088	0.5439	254,759
1968	48.5	334,190	22.31	50.00	6,684	149,147	0.5537	225,753
1967	49.5	402,389	21.83	50.00	8,048	175,687	0.5634	276,576
1966	50.5	243,960	21.35	50.00	4,879	104,175	0.5730	170,537
1965	51.5	269,591	20.88	50.00	5,392	112,559	0.5825	191,578
1964	52.5	287,589	20.41	50.00	5,752	117,368	0.5919	207,669
1963	53.5	241,815	19.94	50.00	4,836	96,434	0.6012	177,365
1962	54.5	173,578	19.48	50.00	3,472	67,620	0.6104	129,269
1961	55.5	226,564	19.02	50.00	4,531	86,190	0.6196	171,256
1960	56.5	216,138	18.57	50.00	4,323	80,267	0.6286	165,763
1959	57.5	202,611	18.12	50.00	4,052	73,426	0.6376	157,606
1958	58.5	174,433	17.68	50.00	3,489	61,664	0.6465	137,578
1957	59.5	189,189	17.24	50.00	3,784	65,214	0.6553	151,249
1956	60.5	191,138	16.80	50.00	3,823	64,218	0.6640	154,842
1955	61.5	138,387	16.37	50.00	2,768	45,298	0.6727	113,569
1954	62.5	111,423	15.94	50.00	2,228	35,516	0.6812	92,606
1953	63.5	97,524	15.51	50.00	1,950	30,257	0.6898	82,066
1952	64.5	61,888	15.09	50.00	1,238	18,679	0.6982	52,716
1951	65.5	50,287	14.67	50.00	1,006	14,757	0.7066	43,347
1950	66.5	54,814	14.26	50.00	1,096	15,630	0.7149	47,805
1949	67.5	56,405	13.84	50.00	1,128	15,618	0.7231	49,760
1948	68.5	43,988	13.44	50.00	880	11,820	0.7313	39,246
1947	69.5	31,745	13.03	50.00	635	8,272	0.7394	28,637
1946	70.5	24,234	12.62	50.00	485	6,118	0.7475	22,101
1945	71.5	14,020	12.22	50.00	280	3,427	0.7556	12,924

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A	B	C	F	G=E+D*F	H=C/G	I=F*H	J=1-(F/G)	H=C*(1-FNS)*J
Total		153,061,774	39.02	50.00	3,061,235	119,460,199		40,993,921
1944	72.5	4,225	11.82	50.00	85	999	0.7636	3,936
1943	73.5	2,245	11.42	50.00	45	513	0.7716	2,113
1942	74.5	5,249	11.02	50.00	105	1,157	0.7795	4,992
1941	75.5	3,155	10.63	50.00	63	671	0.7874	3,031
1940	76.5	2,859	10.23	50.00	57	585	0.7954	2,774
1939	77.5	2,389	9.84	50.00	48	470	0.8033	2,341
1938	78.5	4,130	9.44	50.00	83	780	0.8112	4,087
1937	79.5	2,293	9.04	50.00	46	415	0.8191	2,292
1936	80.5	1,379	8.65	50.00	28	238	0.8271	1,391
1935	81.5	537	8.25	50.00	11	89	0.8350	547
1934	82.5	199	7.85	50.00	4	31	0.8430	205
1933	83.5	107	7.45	50.00	2	16	0.8511	112
1932	84.5	159	7.04	50.00	3	22	0.8592	166
1931	85.5	166	6.63	50.00	3	22	0.8674	175
1930	86.5	229	6.22	50.00	5	29	0.8757	245
1929	87.5	83	5.80	50.00	2	10	0.8841	89
1928	88.5	86	5.37	50.00	2	9	0.8926	93

# Exhibit

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 160186 EXHIBIT: 247  
PARTY: GULF POWER COMPANY –  
(REBUTTAL)  
DESCRIPTION: R. M. Markey RMM-3

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 160186 EXHIBIT: 247  
PARTY: GULF POWER COMPANY --  
(REBUTTAL)  
DESCRIPTION: R. M. Markey RMM-3

Florida Public Service Commission  
Docket No. 160186-EI  
GULF POWER COMPANY  
Witness: Richard M. Markey  
Exhibit No. \_\_\_(RMM-3)  
Schedule 1  
Page 1 of 1

Gulf Power Company  
Late-Filed Exhibit No. 3  
Deposition of Michael L. Burroughs  
Docket No. 160186-EI  
Page 1 of 1

**Request:** Documentation of any environmental analysis supporting the statement that 2,728 acres is the minimum acreage necessary to get a Consumptive Use Permit (CUP) for the North Escambia site.

**Response:** The following is a letter provided in support of the statement that 2,728 acres is the minimum acreage necessary to get a CUP for the North Escambia site.

Gulf Power conducted a preliminary evaluation of the North Escambia site groundwater pump test data, as well as hydrologic units beneath the site, to determine input parameters required to support a Northwest Florida Water Management District consumptive use permit. Several criteria are required for permit approval including 1) that the water proposed to be used will not significantly impact adjacent water users, and 2) the water use will not have a significant impact on the natural systems surrounding the site.

I have been modeling groundwater systems for the past 26 years with Southern Company and others. My professional opinion of the generation site is as follows:

Under normal conditions, the majority of the water required for generation will be pulled from the Escambia River. In addition to surface water withdrawals, the generating units will have daily water needs that require groundwater due to its water quality. During significant drought periods, additional groundwater withdrawals will be necessary to supplement surface water flows.

Based on the preliminary evaluation of the North Escambia Site, the entire 2,728 acres will be necessary to support the Consumptive Use groundwater needs for future generation at this site.



*Steven C. Bearce*  
Steven C. Bearce  
Professional Geology License PG#1911  
1/11/2017 Date



# Escambia County Site



**Note:**  
This map is informational only, and is not a survey.  
Boundaries shown hereon are approximate.

Map Projection: Lambert Conformal Conic  
Data Sources: Escambia County Property Appraiser,  
Florida Department of Revenue, Bing Maps

● Well  
□ Gulf Power Property

1 inch = 4,000 feet



Florida Public Service Commission  
Docket No. 160186-EI  
GULF POWER COMPANY  
Witness: Richard M. Markey  
Exhibit No. \_\_\_\_ (RMM-3)  
Schedule 2  
Page 1 of 1

<b>North Escambia</b>	
<b>Preliminary Survey &amp; Investigation Costs</b>	
<b>General Support</b>	<b>\$3,043,557</b>
Preliminary Geotechnical Investigation	\$ 466,134
Phase 1 Analysis (Bechtel)	\$ 767,237
Phase 1 Analysis (Mactec)	\$ 667,721
Hydrogeological Study & Other Site Investigation	\$1,142,465
<b>Resource/Financial Planning</b>	<b>\$524,783</b>
<b>Legal Fees</b>	<b>\$7,670</b>
<b>Total Site Investigation</b>	<b>\$3,576,010</b>