



Russell Badders  
Vice President, Associate General Counsel

FILED 5/1/2020  
DOCUMENT NO. 02348-2020  
FPSC - COMMISSION CLERK

May 1, 2020

Mr. Adam Teitzman, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 20200115-EQ  
Revised Proposed Tariff Sheets (Sheets Nos. 9.81.11 and 9.81.13)

Dear Mr. Teitzman:

Attached for electronic filing are revisions to proposed tariff sheets filed on April 1, 2020 in the above-referenced docket. These tariff sheets (Sheet Nos. 9.81.11 and 9.81.13) are intended to replace sheets of same numbers that were originally filed in proposed and legislative formats, in Attachments C and D to Gulf's petition. The two revised tariff sheets attached serve to correct a calculation error present in the previous tariff sheets. If you or your staff have any questions regarding this filing, please contact me at (850) 444-6550.

Sincerely,

/s/ Russell Badders  
Russell Badders  
Vice President & Associate General Counsel  
Gulf Power Company

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Attachments



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**APPENDIX II  
TO RATE SCHEDULE QS-2  
2030 AVOIDED UNIT INFORMATION**

The Company's Avoided Unit has been determined to be a 1,991 MW Combined Cycle Unit with an in-service date of June 1, 2030 and a contract heat rate of 5,996 Btu/kWh.

EXAMPLE STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS  
FOR A CONTRACT TERM OF TEN YEARS FROM THE IN-SERVICE DATE OF THE AVOIDED UNIT  
(\$/KW/MONTH)

Contract Year	Option A	Option B	Option C	Option D
	Normal Capacity Payment	Early Capacity Payment	Levelized Capacity Payment	Early Levelized Capacity Payment
2022	\$ -	\$ -	\$ -	\$ -
2023	\$ -	\$ -	\$ -	\$ -
2024	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$3.28	\$ -	\$3.68
2027	\$ -	\$3.34	\$ -	\$3.68
2028	\$ -	\$3.41	\$ -	\$3.68
2029	\$ -	\$3.48	\$ -	\$3.68
2030	\$5.34	\$3.54	\$5.86	\$3.68
2031	\$5.45	\$3.62	\$5.86	\$3.68
2032	\$5.57	\$3.69	\$5.86	\$3.68
2033	\$5.69	\$3.76	\$5.86	\$3.68
2034	\$5.81	\$3.84	\$5.86	\$3.68
2035	\$5.93	\$3.91	\$5.86	\$3.68
2036	\$6.05	\$3.99	\$5.86	\$3.68
2037	\$6.18	\$4.07	\$5.86	\$3.68
2038	\$6.31	\$4.15	\$5.86	\$3.68
2039	\$6.44	\$4.24	\$5.86	\$3.68
2040	\$6.58	\$4.32	\$5.86	\$3.68

**ESTIMATED AS-AVAILABLE ENERGY COST**

For informational purposes, the most recent estimated incremental avoided energy costs for the next ten years will be provided within thirty (30) days of written request.

**ESTIMATED UNIT FUEL COSTS (\$/MMBtu):**

The most recent estimated unit fuel costs for the Company's avoided unit will be provided within thirty (30) days of written request.

Issued by: Tiffany Cohen



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**2030 AVOIDED UNIT FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS**

Where, for a one-year deferral:

	<u>Value</u>
VAC <sub>m</sub> = Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$5.3425
K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1.4846
I <sub>n</sub> = total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of yearn;	\$635.92
O <sub>n</sub> = total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	\$12.69
i <sub>p</sub> = annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.00%
i <sub>o</sub> = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
r = annual discount rate, defined as the Company's incremental after-tax cost of capital;	6.95%
L = expected life of the Company's Avoided Unit;	40
n = year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	2030

**FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS**

A <sub>m</sub> = monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i <sub>p</sub> = annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.00%
i <sub>o</sub> = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.50%
n = year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
F = the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	\$490.8
r = annual discount rate, defined as the Company's incremental after-tax cost of capital;	6.95%
t = the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
G = the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years.	\$98.71

\*From Appendix E



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