ORIGINAL

GRU

GAINESVILLE REGIONAL UTILITIES
Strategic Planning

July 25, 2000

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SAFETY & ELECTRIC RELIABILITY

Michael S. Haff
Florida Public Service Commission
Division of Electric & Gas
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

000000-PU

Dear Mr. Haff:

Pursuant to Section 366.05(7), Florida Statutes, please find enclosed the Commission's requested supplemental information on Gainesville Regional Utilities' generation expansion plans.

Should you have any questions regarding this submittal, please contact me at (352) 334-3400 x1272.

Sincerely,

Ed Regan
Strategic Planning Director

Enclosures

File: PSC - Supplemental Data Requests

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GAINESVILLE REGIONAL UTILITIES

Existing Generating Unit Operating Performance

(1)	(2)	(3)		(4)		(5)		(6)	
		Planned Outage Factor (POF)		Forced Outage Factor (FOF)		Equivalent Availability Factor (EAF)		Average Net Operating Heat Rate (ANOHR)	
Plant Name	Unit No.	Historical	Projected	Historical	Projected	Historical	Projected	Historical	Projected
John R. Kelly	7	0.0%	3.80%	1.8%	1.00%	97.7%	95.00%	14,758	14,758
(a)	8	8.9%	8.00%	0.7%	1.00%	89.9%	90.00%	12,467	12,500
	CT1	0.0%	0.00%	0.0%	1.00%	95.6%	95.00%	18,056	20,000
	CT2	0.0%	0.00%	1.9%	1.00%	94.9%	95.00%	19,251	20,000
	CT3	0.0%	0.00%	17.1%	1.00%	80.2%	95.00%	20,091	20,000
Deerhaven	1	8.3%	8.00%	0.8%	1.00%	90.7%	91.00%	12,072	12,000
	2	13.7%	14.00%	2.8%	3.00%	80.9%	81.00%	10,875	10,800
	CT1	0.0%	0.00%	1.8%	2.00%	92.3%	93.00%	19,172	19,000
	CT2	0.0%	0.00%	0.5%	2.00%	92.1%	93.00%	15,426	16,000
	CT3	3.0%	2.00%	1.6%	2.00%	90.1%	90.00%	12,880	12,800

Notes: Historical - weighted average of past three years.
Projected - average of next ten years.
(a) John R Kelly Unit #8 will be repowered in a combined-cycle configuration, commercial on or about March, 2001.

UTILITY : GAINESVILLE REGIONAL UTILITIES

Financial Assumptions
Base Case

AFUDC RATE		6.50 %
CAPITALIZATION RATIOS:		
	DEBT	70.00 %
	PREFERRED	0.00 %
	EQUITY	30.00 %
RATE OF RETURN		
	DEBT	6.50 %
	PREFERRED	N/A %
	EQUITY	14.00 %
INCOME TAX RATE:		
	STATE	N/A %
	FEDERAL	N/A %
	EFFECTIVE	N/A %
OTHER TAX RATE:		N/A %
DISCOUNT RATE:		8.75 %
TAX DEPRECIATION RATE		N/A %

UTILITY : GAINESVILLE REGIONAL UTILITIES

Financial Escalation Assumptions

(1) YEAR	(2) General Inflation %	(3) Plant Construction Cost %	(4) Fixed O&M Cost %	(5) Variable O&M Cost %
2000	3	3	3	3
2001	3	3	3	3
2002	3	3	3	3
2003	3	3	3	3
2004	3	3	3	3
2005	3	3	3	3
2006	3	3	3	3
2007	3	3	3	3
2008	3	3	3	3
2009	3	3	3	3

UTILITY : GAINESVILLE REGIONAL UTILITIES

LOSS OF LOAD PROBABILITY, RESERVE MARGIN,
AND EXPECTED UNSERVED ENERGY
BASE CASE LOAD & ENERGY FORECAST
BASE FUEL PRICE FORECAST

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	ANNUAL ISOLATED			ANNUAL ASSISTED (1)		
YEAR	LOSS OF LOAD PROBABILITY (DAYS/YR)	RESERVE MARGIN % (INCLUDING FIRM PURCH.)	EXPECTED UNSERVED ENERGY (MWH)	LOSS OF LOAD PROBABILITY (DAYS/YR)	RESERVE MARGIN (%)	EXPECTED UNSERVED ENERGY (MWH)
2000	5.69	15	4,756	0.0016	15	1.30
2001	1.90	35	1,903	0.0005	35	0.52
2002	1.75	32	1,650	0.0005	32	0.45
2003	1.17	38	787	0.0003	38	0.22
2004	1.50	36	1,007	0.0004	36	0.28
2005	1.97	33	1,280	0.0005	33	0.35
2006	1.61	30	1,363	0.0004	30	0.37
2007	1.79	27	1,580	0.0005	27	0.43
2008	1.93	25	1,831	0.0005	25	0.50
2009	2.85	23	2,261	0.0008	23	0.62

Note: (1) Annual expected unserved energy calculated by multipling isolated EUE by ratio of assisted versus isolated LOLP. LOLP calculated using isolated LOLP and State LOLP of 0.1 days/yr.

2. Identify and discuss any firm purchases that GRU expects to make from other utilities over the planning horizon. If an unidentified or unconfirmed future power purchase is part of GRU's generation expansion plan, explain the nature of that purchase.

GRU does not have any firm purchases planned as part of its generation expansion plan during the next ten years. However as always, GRU will be looking for opportunities to reduce the cost of service. GRU performs integrated least-cost planning continuously: examining RFPs to discover unknown options from other Utilities and Power Marketers; modeling multiple sensitivities using combinations of high, base, low, and constant differential fuel price forecasts and high, base, and low load and energy forecasts; combinations of investors, purchase, partnership, and sole ownership of new generating facilities, reconfiguring and repowering of existing facilities; as well as, continuing to evaluate and refine, as necessary, existing conservation and load control options.

3. For each of the generating units contained in GRU's Ten-Year Site Plan, discuss the "drop dead" date for a decision on whether or not to construct each unit. Provide a time line for the construction of each unit, including regulatory approval, final decision point, and vendor order.

The John R. Kelly Unit 8 Repowering project is the only construction planned by GRU for the next ten years. All permits are obtained and construction is well under way on Combined Cycle CC1 consisting of a repowered Unit 8 and its heat source combustion turbine CT4. Commercial operation is expected to commence in March of 2001.

4. **Identify and discuss all proposed or reasonably expected State and Federal environmental regulations or legislation that impacted GRU's generation expansion plan.**

None.

5. **Provide, on a system-wide basis, historical annual heating degree day (HDD) data for the period 1990-1999 and forecasted annual HDD data for the period 2000-2009.**

6. **Provide, on a system-wide basis, historical annual cooling degree day (CDD) data for the period 1990-1999 and forecasted annual CDD data for the period 2000-2009.**

7. **Provide, on a system-wide basis, the historical annual average real retail price of electricity in GRU's service territory for the period 1990-1999. Also, provide the forecasted annual average real retail price of electricity in GRU's service territory for the period 2000-2009. Indicate the type of price deflator used to calculate the historical prices and forecasted retail prices.**

	(5)	(6)	(7)	(7)
Year	Heating Degree Days	Cooling Degree Days	Real Retail Price (1986$/kWh)	Alachua Co. Price Index (1986=100.5)
history:				
1990	709	2,827	0.0631	115.4
1991	1,008	2,861	0.0619	116.5
1992	1,261	2,423	0.0603	120.2
1993	1,291	2,525	0.0619	121.1
1994	916	2,671	0.0573	129.6
1995	1,310	2,879	0.0527	135.9
1996	1,375	2,682	0.0533	140.1
1997	948	2,719	0.0515	144.0
1998	900	3,234	0.0482	146.0
1999	1,047	2,758	0.0472	150.4
forecast:				
2000	1,099	2,682	0.0453	154.9
2001	1,180	2,635	0.0440	159.5
2002	1,180	2,635	0.0430	164.3
2003	1,180	2,635	0.0422	169.3
2004	1,180	2,635	0.0413	174.3
2005	1,180	2,635	0.0402	179.6
2006	1,180	2,635	0.0391	184.9
2007	1,180	2,635	0.0381	190.5
2008	1,180	2,635	0.0371	196.2
2009	1,180	2,635	0.0361	202.1

8. **Provide the following data to support Schedule 4 of GRU's Ten-Year Site Plan: the 12 monthly peak demands for the years 1997, 1998, and 1999; and the date on which these monthly peaks occurred.**

	1997		1998		1999	
	Day	MW	Day	MW	Day	MW
January	19	284	29	242	6	351
February	12	239	9	256	23	278
March	4	259	13	263	16	250
April	7	252	2	266	27	322
May	20	307	21	352	26	337
June	30	341	18	396	15	358
July	3	366	1	381	30	413
August	20	373	27	381	2	419
September	3	353	4	344	3	368
October	1	305	5	326	12	315
November	17	234	16	257	1	252
December	15	282	18	242	2	298

Nominal, Delivered Residual Oil Prices
Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Residual Oil (By Sulphur Content)								
	Less Than 0.7%		Escalation	0.7% - 2.0%		Escalation	Greater Than 2.0%		Escalation
Year	$/BBL	c/Mbtu	%	$/BBL	c/Mbtu	%	$/BBL	c/Mbtu	%
history:									
1997				20.67	326	18.55%			
1998				17.31	273	-16.26%			
1999				17.69	279	2.20%			
forecast:									
2000				20.87	329	20.51%			
2001				22.58	356	8.21%			
2002				24.35	384	7.87%			
2003				26.19	413	7.55%			
2004				28.10	443	7.26%			
2005				30.06	474	7.00%			
2006				31.84	502	5.91%			
2007				33.61	530	5.58%			
2008				35.45	559	5.47%			
2009				37.29	588	5.19%			

Assumptions:
Heat Content = 151,000 Btu/gal, minimum
Sulfur content permitted to 2.5% (by weight), but stores average less than 1.5%
Ash content 0.05% by weight, maximum

Nominal, Delivered Residual Oil Prices
High Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Residual Oil (By Sulphur Content)								
	Less Than 0.7%		Escalation	0.7% - 2.0%		Escalation	Greater Than 2.0%		Escalation
Year	$/BBL	c/Mbtu	%	$/BBL	c/Mbtu	%	$/BBL	c/Mbtu	%
history:									
1997				20.67	326	18.55%			
1998				17.31	273	-16.26%			
1999				17.69	279	2.20%			
forecast:									
2000				20.87	329	20.51%			
2001				23.08	364	10.64%			
2002				25.49	402	10.44%			
2003				28.03	442	9.95%			
2004				30.76	485	9.73%			
2005				33.68	531	9.48%			
2006				36.47	575	8.29%			
2007				39.38	621	8.00%			
2008				42.55	671	8.05%			
2009				45.79	722	7.60%			

Assumptions:
Heat Content = 151,000 Btu/gal, minimum
Sulfur content permitted to 2.5% (by weight), but stores average less than 1.5%
Ash content 0.05% by weight, maximum

Nominal, Delivered Residual Oil Prices
Low Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Residual Oil (By Sulphur Content)								
	Less Than 0.7%		Escalation	0.7% - 2.0%		Escalation	Greater Than 2.0%		Escalation
Year	$/BBL	c/Mbtu	%	$/BBL	c/Mbtu	%	$/BBL	c/Mbtu	%
history:									
1997				20.67	326	18.55%			
1998				17.31	273	-16.26%			
1999				17.69	279	2.20%			
forecast:									
2000				20.87	329	20.51%			
2001				21.75	343	4.26%			
2002				22.51	355	3.50%			
2003				23.21	366	3.10%			
2004				23.78	375	2.46%			
2005				24.23	382	1.87%			
2006				24.48	386	1.05%			
2007				24.54	387	0.26%			
2008				24.54	387	0.00%			
2009				24.42	385	-0.52%			

Assumptions:
Heat Content = 151,000 Btu/gal, minimum
Sulfur content permitted to 2.5% (by weight), but stores average less than 1.5%
Ash content 0.05% by weight, maximum

Nominal, Delivered Distillate Oil and Natural Gas Prices
Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Distillate Oil			Natural Gas		
Year	$/BBL	c/Mbtu	Escalation %	c/Mbtu	c/Therm	Escalation %
history:						
1997	25.85	446	-8.79%	330	33.0	-2.08%
1998	23.01	397	-10.99%	287	28.7	-13.03%
1999	20.11	347	-12.59%	277	27.7	-3.48%
forecast:						
2000	24.11	416	4.79%	279	27.9	-2.79%
2001	25.73	444	6.73%	291	29.1	4.30%
2002	27.36	472	6.31%	303	30.3	4.12%
2003	29.04	501	6.14%	315	31.5	3.96%
2004	30.83	532	6.19%	327	32.7	3.81%
2005	32.63	563	5.83%	340	34.0	3.98%
2006	33.79	583	3.55%	353	35.3	3.82%
2007	35.01	604	3.60%	366	36.6	3.68%
2008	36.23	625	3.48%	378	37.8	3.28%
2009	37.44	646	3.36%	392	39.2	3.70%

Assumptions:

Distillate Oil: Heat Content = 138,000 Btu/gal, minimum
0.05% sulphur by weight, maximum
0.05% ash by weight, maximum

Natural Gas: Heat Content = 1,040 Btu/cubic foot, average

Nominal, Delivered Distillate Oil and Natural Gas Prices
High Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Distillate Oil			Natural Gas		
Year	$/BBL	c/Mbtu	Escalation %	c/Mbtu	c/Therm	Escalation %
history:						
1997	25.85	446	-8.79%	330	33.0	-2.08%
1998	23.01	397	-10.99%	287	28.7	-13.03%
1999	20.11	347	-12.59%	277	27.7	-3.48%
forecast:						
2000	24.11	416	4.79%	279	27.9	-2.79%
2001	26.14	451	8.41%	293	29.3	5.02%
2002	28.28	488	8.20%	308	30.8	5.12%
2003	30.49	526	7.79%	323	32.3	4.87%
2004	32.86	567	7.79%	340	34.0	5.26%
2005	35.36	610	7.58%	357	35.7	5.00%
2006	37.27	643	5.41%	374	37.4	4.76%
2007	39.24	677	5.29%	392	39.2	4.81%
2008	41.33	713	5.32%	410	41.0	4.59%
2009	43.47	750	5.19%	429	42.9	4.63%

Assumptions:

Distillate Oil: Heat Content = 138,000 Btu/gal, minimum
0.05% sulphur by weight, maximum
0.05% ash by weight, maximum

Natural Gas: Heat Content = 1,040 Btu/cubic foot, average

Nominal, Delivered Distillate Oil and Natural Gas Prices
Low Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Distillate Oil			Natural Gas		
Year	$/BBL	c/Mbtu	Escalation %	c/Mbtu	c/Therm	Escalation %
history:						
1997	25.85	446	-8.79%	330	33.0	-2.08%
1998	23.01	397	-10.99%	287	28.7	-13.03%
1999	20.11	347	-12.59%	277	27.7	-3.48%
forecast:						
2000	24.11	416	4.79%	279	27.9	-2.79%
2001	25.15	434	4.33%	287	28.7	2.87%
2002	26.20	452	4.15%	296	29.6	3.14%
2003	27.24	470	3.98%	306	30.6	3.38%
2004	28.23	487	3.62%	315	31.5	2.94%
2005	29.21	504	3.49%	325	32.5	3.17%
2006	29.62	511	1.39%	334	33.4	2.77%
2007	29.97	517	1.17%	343	34.3	2.69%
2008	30.26	522	0.97%	352	35.2	2.62%
2009	30.54	527	0.96%	361	36.1	2.56%

Assumptions:

Distillate Oil: Heat Content = 138,000 Btu/gal, minimum
0.05% sulphur by weight, maximum
0.05% ash by weight, maximum

Natural Gas: Heat Content = 1,040 Btu/cubic foot, average

Nominal, Delivered Coal Prices
Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Low Sulfur Coal (<1.0%)				Medium Sulfur Coal (1.0%-2.0%)				High Sulfur Coal (>2.0%)			
Year	$/Ton	c/Mbtu	Escalation %	% Spot Purchase	$/Ton	c/Mbtu	Escalation %	% Spot Purchase	$/Ton	c/Mbtu	Escalation %	% Spot Purchase
history:												
1997	43.21	166	-0.09%	20%	38.93	156	-0.05%	na	38.69	171	-0.54%	na
1998	43.10	166	-0.25%	30%	38.09	152	-2.16%	na	38.37	170	-0.83%	na
1999	43.22	166	0.28%	12%	37.49	150	-1.58%	na	37.03	164	-3.49%	na
forecast:												
2000	42.78	165	-0.74%	20%	37.19	149	-2.36%	na	36.74	163	-4.25%	na
2001	42.86	165	0.19%	20%	37.30	149	0.30%	na	36.80	163	0.16%	na
2002	42.92	165	0.14%	20%	37.72	151	1.13%	na	37.01	164	0.57%	na
2003	42.95	165	0.07%	20%	37.77	151	0.13%	na	37.06	164	0.14%	na
2004	43.09	166	0.33%	20%	37.93	152	0.42%	na	37.21	165	0.40%	na
2005	43.43	167	0.79%	20%	38.30	153	0.98%	na	37.57	166	0.97%	na
2006	44.18	170	1.73%	20%	38.99	156	1.80%	na	38.25	169	1.81%	na
2007	45.00	173	1.86%	20%	39.76	159	1.97%	na	39.00	173	1.96%	na
2008	45.32	174	0.71%	20%	39.99	160	0.58%	na	39.23	174	0.59%	na
2009	45.95	177	1.39%	20%	40.57	162	1.45%	na	39.80	176	1.45%	na

Assumptions:

	Btu/lb	lbs SO2 per MBtu	Ash Content
Low Sulfur (Compliance - Deerhaven Unit 2) Coal:	13,000	<= 1.2	.05 - .075
Medium Sulfur (Pulverized - Flue Gas Desulphurization Unit) Coal:	12,500	.015 - .02	.12 - .13
High Sulfur (Fluidized Bed Combustion Unit) Coal:	11,300	0.03	.09 - .10

Nominal, Delivered Coal Prices
High Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Low Sulfur Coal (<1.0%)				Medium Sulfur Coal (1.0%-2.0%)				High Sulfur Coal (>2.0%)			
Year	$/Ton	c/Mbtu	Escalation %	% Spot Purchase	$/Ton	c/Mbtu	Escalation %	% Spot Purchase	$/Ton	c/Mbtu	Escalation %	% Spot Purchase
history:												
1997	43.21	166	-0.09%	20%	38.93	156	-0.05%	na	38.69	171	-0.54%	na
1998	43.10	166	-0.25%	30%	38.09	152	-2.16%	na	38.37	170	-0.83%	na
1999	43.22	166	0.28%	12%	37.49	150	-1.58%	na	37.03	164	-3.49%	na
forecast:												
2000	42.78	165	-0.74%	20%	43.74	175	14.83%	na	43.53	193	13.45%	na
2001	43.11	166	0.77%	20%	44.12	176	0.87%	na	43.86	194	0.76%	na
2002	43.43	167	0.74%	20%	44.81	179	1.56%	na	44.35	196	1.12%	na
2003	43.74	168	0.71%	20%	45.15	181	0.76%	na	44.68	198	0.74%	na
2004	44.17	170	0.98%	20%	45.59	182	0.97%	na	45.13	200	1.01%	na
2005	44.81	172	1.45%	20%	46.26	185	1.47%	na	45.78	203	1.44%	na
2006	45.61	175	1.79%	20%	47.10	188	1.82%	na	46.61	206	1.81%	na
2007	46.48	179	1.91%	20%	48.01	192	1.93%	na	47.50	210	1.91%	na
2008	46.85	180	0.80%	20%	48.37	193	0.75%	na	47.87	212	0.78%	na
2009	47.53	183	1.45%	20%	49.09	196	1.49%	na	48.58	215	1.48%	na

Assumptions:

	Btu/lb	lbs SO2 per MBtu	Ash Content
Low Sulfur (Compliance - Deerhaven Unit 2) Coal:	13,000	<= 1.2	.05 - .075
Medium Sulfur (Pulverized - Flue Gas Desulphurization Unit) Coal:	12,500	.015 - .02	.12 - .13
High Sulfur (Fluidized Bed Combustion Unit) Coal:	11,300	0.03	.09 - .10

Nominal, Delivered Coal Prices
Low Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Low Sulfur Coal (<1.0%)				Medium Sulfur Coal (1.0%-2.0%)				High Sulfur Coal (>2.0%)			
Year	$/Ton	c/Mbtu	Escalation %	% Spot Purchase	$/Ton	c/Mbtu	Escalation %	% Spot Purchase	$/Ton	c/Mbtu	Escalation %	% Spot Purchase
history:												
1997	43.21	166	-0.09%	20%	38.93	156	-0.05%	na	38.69	171	-0.54%	na
1998	43.10	166	-0.25%	30%	38.09	152	-2.16%	na	38.37	170	-0.83%	na
1999	43.22	166	0.28%	12%	37.49	150	-1.58%	na	37.03	164	-3.49%	na
forecast:												
2000	42.78	165	-0.74%	20%	37.19	149	-2.36%	na	36.74	163	-4.25%	na
2001	42.78	165	0.00%	20%	37.24	149	0.13%	na	36.74	163	0.00%	na
2002	42.75	164	-0.07%	20%	37.59	150	0.94%	na	36.88	163	0.38%	na
2003	42.69	164	-0.14%	20%	37.57	150	-0.05%	na	36.86	163	-0.05%	na
2004	42.74	164	0.12%	20%	37.66	151	0.24%	na	36.95	163	0.24%	na
2005	42.98	165	0.56%	20%	37.96	152	0.80%	na	37.24	165	0.78%	na
2006	43.36	167	0.88%	20%	38.38	154	1.11%	na	37.64	167	1.07%	na
2007	43.79	168	0.99%	20%	38.84	155	1.20%	na	38.10	169	1.22%	na
2008	43.69	168	-0.23%	20%	38.77	155	-0.18%	na	38.02	168	-0.21%	na
2009	43.90	169	0.48%	20%	39.02	156	0.64%	na	38.27	169	0.66%	na

Assumptions:

	Btu/lb	lbs SO2 per MBtu	Ash Content
Low Sulfur (Compliance - Deerhaven Unit 2) Coal:	13,000	<= 1.2	.05 - .075
Medium Sulfur (Pulverized - Flue Gas Desulphurization Unit) Coal:	12,500	.015 - .02	.12 - .13
High Sulfur (Fluidized Bed Combustion Unit) Coal:	11,300	0.03	.09 - .10

Nominal, Delivered Nuclear Fuel and Firm Purchases

(1)	(2)	(3)	(4)	(5)
	Nuclear [a]		Financially Firm Purchases	
YEAR	c/MBtu	Escalation %	$/MWh	Escalation [b] %
history:				
1997	41.3		29.65	
1998	40.5	(1.94)	33.19	11.92
1999	41.4	2.22	33.79	1.80
forecast:				
2000	43.0	3.86		
2001	42.9	(0.23)		
2002	42.4	(1.17)		
2003	42.9	1.18		
2004	46.1	7.46		
2005	46.8	1.52		
2006	50.9	8.76		
2007	51.3	0.79		
2008	53.5	4.29		
2009	55.1	2.99		

Notes:
(a) Average yearly price based upon Florida Power Corporation's contracted prices as stated in letter dated January 17, 1997.
(b) Contract prices included a demand charge and an energy price. Escalation based on weighted average price.