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COMMISSION  
CLERK



May 2, 2014

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

Re: Docket No. 140064-EQ – Petition for Approval of Renewable Standard Offer  
Contract and Tariff Schedule REF-1

Dear Ms. Stauffer:

Enclosed are the original and five copies of Gulf Power Company's response to  
Staff's First Data Request in Docket 140064-EQ.

Sincerely,

Robert L. McGee, Jr  
Regulatory and Pricing Manager

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Enclosures

cc: Beggs & Lane  
Jeffrey A. Stone, Esq.  
Office of General Counsel  
Michael Lawson  
Division of Engineering  
Phillip Ellis  
Division of Economics  
Patti Daniel

COM \_\_\_\_\_  
AFD \_\_\_\_\_  
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ECO 1  
ENG 3  
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1. Please complete the tables below describing payments to a renewable provider based on the proposed tariffs included in the Company's revised standard offer contract. Please assume a renewable generator with 50 MW providing firm capacity with an in-service date of January 1, 2015, operating at the minimum capacity factor required for full capacity payments, for a contract duration of 20 years. Please provide the following scenarios:

- As-Available Energy (Energy Only)
- Normal Payments
- Levelized Payments
- Early Payments
- Early Levelized Payments

Please also provide an explanation of the method and rate used to calculate the NPV. Please calculate the NPV in 2015 dollars.

ANSWER:

See pages 2 through 6 for each scenario. Gulf uses the Excel formula to determine the NPV of each payment stream. The annual discount rate used in the NPV calculation is 6.39%

<b>In-Service Date</b>		January 1, 2015				
<b>Committed Capacity (MW)</b>		50				
<b>Capacity Factor (%) <sup>(1)</sup></b>		90				
<b>Payment Type:</b>		As-Available (Energy Only)				
Year	Energy	Capacity	Total Capacity Payments	Energy	Total Energy	Total
	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	394,200	0.00	0	33.14	13,063,788	13,063,788
2016	394,200	0.00	0	36.92	14,553,864	14,553,864
2017	394,200	0.00	0	40.77	16,071,534	16,071,534
2018	394,200	0.00	0	42.53	16,765,326	16,765,326
2019	394,200	0.00	0	44.81	17,664,102	17,664,102
2020	394,200	0.00	0	47.14	18,582,588	18,582,588
2021	394,200	0.00	0	50.31	19,832,202	19,832,202
2022	394,200	0.00	0	53.33	21,022,686	21,022,686
2023	394,200	0.00	0	57.36	22,611,312	22,611,312
2024	394,200	0.00	0	61.68	24,314,256	24,314,256
2025	394,200	0.00	0	64.97	25,611,174	25,611,174
2026	394,200	0.00	0	67.97	26,793,774	26,793,774
2027	394,200	0.00	0	71.95	28,362,690	28,362,690
2028	394,200	0.00	0	76.42	30,124,764	30,124,764
2029	394,200	0.00	0	79.86	31,480,812	31,480,812
2030	394,200	0.00	0	84.39	33,266,538	33,266,538
2031	394,200	0.00	0	88.22	34,776,324	34,776,324
2032	394,200	0.00	0	91.73	36,159,966	36,159,966
2033	394,200	0.00	0	96.15	37,902,330	37,902,330
2034	394,200	0.00	0	100.80	39,735,360	39,735,360

Grand totals	0	508,695,390	508,695,390
NPV (2015 \$)	0	252,041,209	252,041,209

(1) Potential capacity factor for renewable facility meeting 95% Equivalent Availability Factor.



<b>In-Service Date</b>		January 1, 2015				
<b>Committed Capacity (MW)</b>		50				
<b>Capacity Factor (%) <sup>(1)</sup></b>		90				
<b>Payment Type:</b>		Normal				
Year	Energy	Capacity	Total Capacity Payments	Energy	Total Energy	Total
	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	394,200	0.00	0	33.14	13,063,788	13,063,788
2016	394,200	0.00	0	36.92	14,553,864	14,553,864
2017	394,200	0.00	0	40.77	16,071,534	16,071,534
2018	394,200	0.00	0	42.53	16,765,326	16,765,326
2019	394,200	0.00	0	44.81	17,664,102	17,664,102
2020	394,200	0.00	0	47.14	18,582,588	18,582,588
2021	394,200	0.00	0	50.31	19,832,202	19,832,202
2022	394,200	0.00	0	53.33	21,022,686	21,022,686
2023	394,200	6.71	2,349,038	56.91	22,433,922	24,782,960
2024	394,200	6.85	4,107,041	61.15	24,105,330	28,212,371
2025	394,200	7.02	4,210,902	64.42	25,394,364	29,605,266
2026	394,200	7.20	4,317,389	67.46	26,592,732	30,910,121
2027	394,200	7.38	4,426,569	71.27	28,094,634	32,521,203
2028	394,200	7.56	4,538,511	75.70	29,840,940	34,379,451
2029	394,200	7.76	4,653,283	79.12	31,189,104	35,842,387
2030	394,200	7.95	4,770,957	83.57	32,943,294	37,714,251
2031	394,200	8.15	4,891,607	87.42	34,460,964	39,352,571
2032	394,200	8.36	5,015,308	90.94	35,848,548	40,863,856
2033	394,200	8.57	5,142,138	95.43	37,618,506	42,760,644
2034	394,200	8.79	5,272,174	100.04	39,435,768	44,707,942

Grand totals	53,694,917	505,514,196	559,209,113
NPV (2015 \$)	21,697,013	250,761,202	272,458,215

- (1) Potential capacity factor for renewable facility meeting 95% Equivalent Availability Factor.
- (2) Capacity rate effective as of avoided unit's June 1, 2023 in-service date.
- (3) Projected as-available energy rates shown prior the avoided unit's June 1, 2023 in-service date. The lower of the projected as-available energy rate or the projected avoided unit energy rate shown as of in-service date.

In-Service Date		January 1, 2015				
Committed Capacity (MW)		50				
Capacity Factor (%) <sup>(1)</sup>		90				
Payment Type:		Levelized				
Year	Energy	Capacity	Total Capacity Payments	Energy	Total Energy	Total
	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	394,200	0.00	0	33.14	13,063,788	13,063,788
2016	394,200	0.00	0	36.92	14,553,864	14,553,864
2017	394,200	0.00	0	40.77	16,071,534	16,071,534
2018	394,200	0.00	0	42.53	16,765,326	16,765,326
2019	394,200	0.00	0	44.81	17,664,102	17,664,102
2020	394,200	0.00	0	47.14	18,582,588	18,582,588
2021	394,200	0.00	0	50.31	19,832,202	19,832,202
2022	394,200	0.00	0	53.33	21,022,686	21,022,686
2023	394,200	7.40	2,588,490	56.91	22,433,922	25,022,412
2024	394,200	7.43	4,455,429	61.15	24,105,330	28,560,759
2025	394,200	7.46	4,478,786	64.42	25,394,364	29,873,150
2026	394,200	7.50	4,502,734	67.46	26,592,732	31,095,466
2027	394,200	7.55	4,527,287	71.27	28,094,634	32,621,921
2028	394,200	7.59	4,552,461	75.70	29,840,940	34,393,401
2029	394,200	7.63	4,578,272	79.12	31,189,104	35,767,376
2030	394,200	7.67	4,604,735	83.57	32,943,294	37,548,029
2031	394,200	7.72	4,631,868	87.42	34,460,964	39,092,832
2032	394,200	7.77	4,659,687	90.94	35,848,548	40,508,235
2033	394,200	7.81	4,688,209	95.43	37,618,506	42,306,715
2034	394,200	7.86	4,717,453	100.04	39,435,768	44,153,221

Grand totals	52,985,409	505,514,196	558,499,605
NPV (2015 \$)	21,697,015	250,761,202	272,458,217

- (1) Potential capacity factor for renewable facility meeting 95% Equivalent Availability Factor.
- (2) Capacity rate effective as of avoided unit's June 1, 2023 in-service date.
- (3) Projected as-available energy rates shown prior the avoided unit's June 1, 2023 in-service date. The lower of the projected as-available energy rate or the projected avoided unit energy rate shown as of in-service date.



<b>In-Service Date</b>		January 1, 2015				
<b>Committed Capacity (MW)</b>		50				
<b>Capacity Factor (%) <sup>(1)</sup></b>		90				
<b>Payment Type:</b>		Early				
Year	Energy	Capacity	Total Capacity Payments	Energy	Total Energy	Total
	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	394,200	2.67	1,603,129	33.14	13,063,788	14,666,917
2016	394,200	2.74	1,643,669	36.92	14,553,864	16,197,533
2017	394,200	2.81	1,685,235	40.77	16,071,534	17,756,769
2018	394,200	2.88	1,727,852	42.53	16,765,326	18,493,178
2019	394,200	2.95	1,771,547	44.81	17,664,102	19,435,649
2020	394,200	3.03	1,816,347	47.14	18,582,588	20,398,935
2021	394,200	3.10	1,862,279	50.31	19,832,202	21,694,481
2022	394,200	3.18	1,909,374	53.33	21,022,686	22,932,060
2023	394,200	3.26	1,957,659	56.91	22,433,922	24,391,581
2024	394,200	3.35	2,007,165	61.15	24,105,330	26,112,495
2025	394,200	3.43	2,057,923	64.42	25,394,364	27,452,287
2026	394,200	3.52	2,109,965	67.46	26,592,732	28,702,697
2027	394,200	3.61	2,163,322	71.27	28,094,634	30,257,956
2028	394,200	3.70	2,218,029	75.70	29,840,940	32,058,969
2029	394,200	3.79	2,274,120	79.12	31,189,104	33,463,224
2030	394,200	3.89	2,331,629	83.57	32,943,294	35,274,923
2031	394,200	3.98	2,390,592	87.42	34,460,964	36,851,556
2032	394,200	4.09	2,451,047	90.94	35,848,548	38,299,595
2033	394,200	4.19	2,513,030	95.43	37,618,506	40,131,536
2034	394,200	4.29	2,576,580	100.04	39,435,768	42,012,348

Grand totals	41,070,493	505,514,196	546,584,689
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NPV (2015 \$)	21,697,009	250,761,202	272,458,211
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- (1) Potential capacity factor for renewable facility meeting 95% Equivalent Availability Factor.
- (2) Capacity rate effective as of January 1, 2015.
- (3) Projected as-available energy rates shown prior the avoided unit's June 1, 2023 in-service date. The lower of the projected as-available energy rate or the projected avoided unit energy rate shown as of in-service date.

<b>In-Service Date</b>		January 1, 2015				
<b>Committed Capacity (MW)</b>		50				
<b>Capacity Factor (%) <sup>(1)</sup></b>		90				
<b>Payment Type:</b>		Early Levelized				
Year	Energy	Capacity	Total Capacity Payments	Energy	Total Energy	Total
	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	394,200	3.12	1,874,287	33.14	13,063,788	14,938,075
2016	394,200	3.14	1,883,315	36.92	14,553,864	16,437,179
2017	394,200	3.15	1,892,571	40.77	16,071,534	17,964,105
2018	394,200	3.17	1,902,062	42.53	16,765,326	18,667,388
2019	394,200	3.19	1,911,792	44.81	17,664,102	19,575,894
2020	394,200	3.20	1,921,769	47.14	18,582,588	20,504,357
2021	394,200	3.22	1,931,997	50.31	19,832,202	21,764,199
2022	394,200	3.24	1,942,485	53.33	21,022,686	22,965,171
2023	394,200	3.26	1,953,238	56.91	22,433,922	24,387,160
2024	394,200	3.27	1,964,262	61.15	24,105,330	26,069,592
2025	394,200	3.29	1,975,566	64.42	25,394,364	27,369,930
2026	394,200	3.31	1,987,155	67.46	26,592,732	28,579,887
2027	394,200	3.33	1,999,037	71.27	28,094,634	30,093,671
2028	394,200	3.35	2,011,220	75.70	29,840,940	31,852,160
2029	394,200	3.37	2,023,711	79.12	31,189,104	33,212,815
2030	394,200	3.39	2,036,518	83.57	32,943,294	34,979,812
2031	394,200	3.42	2,049,648	87.42	34,460,964	36,510,612
2032	394,200	3.44	2,063,111	90.94	35,848,548	37,911,659
2033	394,200	3.46	2,076,914	95.43	37,618,506	39,695,420
2034	394,200	3.49	2,091,066	100.04	39,435,768	41,526,834

Grand totals	39,491,723	505,514,196	545,005,919
NPV (2015 \$)	21,697,011	250,761,202	272,458,213

- (1) Potential capacity factor for renewable facility meeting 95% Equivalent Availability Factor.
- (2) Capacity rate effective as of January 1, 2015.
- (3) Projected as-available energy rates shown prior the avoided unit's June 1, 2023 in-service date. The lower of the projected as-available energy rate or the projected avoided unit energy rate shown as of in-service date.