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Public Service Commission

October 24, 2014

Ms. Beth Keating
GUNSTER, YOAKLEY & STEWART, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
bkeating@gunster.com

STAFF FIRST DATA REQUEST

Re: Docket No. 140185-EQ, Petition of Florida Public Utilities Company for Approval of Negotiated Power Purchase Contract with Eight Flags Energy, LLC.

Dear Ms. Keating:

By this letter, the Commission staff requests that Florida Public Utilities Company (FPUC or Utility) provide responses to the following data requests.

1. Please state the date on which the Eight Flags Energy, LLC (Eight Flags) facility received QF certification from FERC. Also, please identify the portion(s) of Rule 25-17.080, F.A.C., which apply to the Eight Flags facility allowing it to be certified as a Qualifying Facility.
2. Please discuss the requirements of Rule 25-17.080(2)(c) and (3)(d), F.A.C., and describe how the Eight Flags facility meets these requirements.
3. Please explain in detail, using diagrams if necessary, how the operations of the individual generating units described in this docket and Docket No. 140180 (Rayonier) affect one another. Also, please explain or describe how these two units will be connected electrically.
4. Please explain how FPUC can ensure that no subsidies will exist between the two generating units in this docket and Docket No. 140180 (Rayonier).
5. Please explain how the company is able to pay Eight Flags a price for energy and capacity that is above the standard offer avoided cost. As part of the response, please provide a table showing the amounts for the contract payments in this docket and those that would be made under the standard offer contract.

6. Please refer to footnote 5 on pages 6-7 of FPUC's Petition. Please state whether an RFP or other competitive process for selecting the O&M service provider has been initiated. If so, state the date FPUC expects such contract to be in place. If not, please state the dates that FPUC expects such a process to be initiated and concluded.
7. Please state whether FPUC has included the costs for the O&M service provider in the overall comparison of costs between the Eight Flags contract and the current purchase agreement with JEA? If not, please provide the cost comparison that includes these costs, and state how these costs will be recovered.
8. Please refer to paragraph 12 on pages 6-7 of FPUC's Petition. Please explain the components of the non-fuel charge other than O&M expenses. As part of the response, provide a breakdown of the non-fuel charge by percentages for each component, and explain the basis for the percentages.
9. Please refer to paragraph 13 on page 7 of FPUC's Petition, which states that in the event Eight Flags fails to provide its contracted minimum quantity of electric energy to FPUC, FPUC will reduce the amount paid for the energy it did receive by the difference it paid another provider. Please identify from which provider FPUC will purchase this shortfall amount, and how FPUC can be certain this differential amount will be available if and when it is needed.
10. Please refer to paragraph 20 on page 9 of FPUC's Petition, which states the generating and auxiliary equipment will be elevated 10 feet above grade. Please explain the basis for this determination.
11. Please explain whether FPUC is required to pay its current contract suppliers (JEA and/or Gulf Power) a minimum charge for committed capacity. If so, explain how FPUC can ensure that its customers will never be in a position of paying for unused capacity from JEA and/or Gulf Power, as well as paying for capacity from Eight Flags.

Please file the original and five copies of the requested information by **Friday, November 14, 2014**, with Carlotta Stauffer, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6234 if you have any questions.

Sincerely,

/s/ Kelley F. Corbari

Kelley F. Corbari
Senior Attorney

KFC/dml

cc: Office of Commission Clerk