

Ruth Nettles

From: Rhonda Dulgar [rdulgar@yvlaw.net]
Sent: Thursday, October 30, 2008 1:22 PM
To: Jeffrey Stone; Russell Badders; Filings@psc.state.fl.us; Keino Young; Susan Ritenour; Schef Wright
Subject: Docket 080612-EI - Electronic Filing
Attachments: 080612.BayCounty.PetitionToIntervene.10-30-08.pdf

a. Person responsible for this electronic filing:

Robert Scheffel Wright
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, FL 32301
(850) 222-7206
swright@yvlaw.net

b. 080612-EI

In Re: Petition of Gulf Power Company For Approval of Negotiated Renewable Energy Power Purchase Agreement with Bay County, Florida.

c. Document being filed on behalf of Bay County, Florida.

d. There are a total of 6 pages.

e. The document attached for electronic filing is the Petition to Intervene of Bay County, Florida.

(see attached file: 080612.BayCounty.PetitionToIntervene.10-30-08.pdf)

Thank you for your attention and assistance in this matter.

Rhonda Dulgar
Secretary to Schef Wright
Phone: 850-222-7206
FAX: 850-561-6834

*DML
10/30/08
KMP*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Gulf Power Company For)
Approval of Negotiated Renewable Energy Power)
Purchase Agreement with Bay County, Florida)
_____)

Docket No. 080612-EI
Filed: October 30, 2008

PETITION TO INTERVENE OF BAY COUNTY, FLORIDA

BAY COUNTY, FLORIDA, by and through its undersigned attorneys and pursuant to Chapters 120 and 366, Florida Statutes,¹ and Rules 25-22.036, 25-22.039 and 28-106.201, Florida Administrative Code ("F.A.C."), hereby petitions to intervene in the above-styled docket in support of Gulf Power Company's ("Gulf" or "Company") petition for approval of the Amended and Restated Negotiated Contract for Purchase of Renewable Energy Between Gulf Power Company and Bay County, Florida (the "Negotiated Renewable Energy Contract" or "Contract"), which was executed by Gulf Power and the County on September 5, 2008

Bay County supports the Commission's approval of the Negotiated Renewable Energy Contract, because it will provide meaningful fuel diversity benefits, both physical and financial, to Gulf and its customers and will further the State's goals of promoting and protecting renewable energy resources within the state, reducing Florida's dependence on natural gas and fuel oil for electricity production, reducing energy cost volatility, and minimizing costs to Gulf's customers. Accordingly, the Commission should approve the Negotiated Renewable Energy Contract for cost recovery purposes.

In further support of its Petition, Bay County states as follows.

¹ All references herein to the Florida Statutes are to the 2007 edition thereof.

PROCEDURAL BACKGROUND

1. The name, address, and telephone number of the Petitioner is as follows:

Bay County, Florida
Attention: Terrell K. Arline, County Attorney
Office of the Bay County Attorney
810 West 11th Street
Panama City, Florida 32401

2. All pleadings, orders, and correspondence relative to this docket should be directed to Petitioner's representatives as follows:

Robert Scheffel Wright
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301

with a courtesy copy to:

Terrell K. Arline, County Attorney
Office of the Bay County Attorney
810 West 11th Street
Panama City, Florida 32401

3. The agency affected by this Petition is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850.

FACTUAL BACKGROUND

4. Gulf Power Company is a public utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes. Bay County is a political subdivision of the State of Florida. The County owns the Bay County Resource Recovery Facility, which produces electricity from the combustion of municipal solid waste. The Facility is a renewable energy generating facility within the meaning of Sections 366.91 and 366.92, Florida Statutes, as well as

a qualifying small power production facility within the meaning of applicable federal and Florida statutes and rules. The Facility's nameplate capacity is 15.075 MW, and its expected maximum output is 13.65 MW.

5. The Negotiated Renewable Energy Contract between Gulf and Bay County provides for Gulf to purchase all of the electrical output of the Facility at fixed prices for six years: \$72.50 per megawatt-hour for the first four years of the Contract and \$75.00 per megawatt-hour for the final two years of the Contract. The Contract also entitles Gulf to receive one hundred percent (100%) of all Renewable Energy Certificates, Green Tags, carbon credits or allowances, or other tradable environmental interests that result from electrical energy generated by the Facility during the term of the Contract.

BAY COUNTY'S SUBSTANTIAL INTERESTS

6. The Facility is an integral part of the County's waste management infrastructure, and the revenues from the Negotiated Renewable Energy Contract will support the County's fulfillment of its waste management responsibilities. Additionally, of course, the County is a retail customer of Gulf Power and will therefore benefit from Gulf's purchase of cost-effective renewable power from the Facility. Accordingly, the County's substantial interests will be affected and determined by the Commission's action with regard to Gulf's Petition.

DISCUSSION: APPROVAL OF THE CONTRACT

7. The Commission should approve the Negotiated Renewable Energy Contract because it promotes and fulfills many of the specific goals of applicable Florida Statutes.

Specifically, the Contract will:

- provide cost-effective power supply and minimize electric cost volatility to Gulf and Gulf's customers, including Bay County;

- reduce Florida's dependence on natural gas and fuel oil for electricity production;
- promote the State's goals of encouraging the production of renewable energy produced by Florida renewable energy generating facilities;
- reduce environmental impacts associated with electricity generation; and
- provide both physical fuel diversity and financial fuel diversity benefits for Gulf, Gulf's customers, and the State.

8. The County agrees with Gulf Power that the rates, terms, and conditions of the Negotiated Renewable Energy Contract are fair to the County, to Gulf Power, and to Gulf Power's customers, including the County, in that the renewable energy purchased by Gulf under the Contract will provide cost-effective renewable energy, fuel diversity, fuel cost stability, and energy security to Gulf and Gulf's customers.

9. The County further agrees that the Company is entitled to the Commission's approval of the Negotiated Renewable Energy Contract by Sections 366.91 and 366.92, Florida Statutes, and by Commission Rules 25-17.0832 and 25-17.240, F.A.C.

ISSUES TO BE DETERMINED BY THE COMMISSION

10. The County does not believe that there are any issues of material fact in dispute in this proceeding. The ultimate issue to be decided by the Commission is whether to approve the Negotiated Renewable Energy Contract, and the County agrees that Gulf Power Company is entitled to this relief by the facts set forth in Gulf's Petition, namely that the power supplied by the County under the Contract will provide cost-effective renewable energy to and for the Company and its customers.

CONCLUSION AND RELIEF REQUESTED

As the supplier of renewable energy to Gulf Power, and as a retail customer of Gulf Power, the County's substantial interests will be determined by the Commission's action on

Gulf's Petition. Accordingly, Bay County is entitled to intervene in this docket. For the reasons set forth above, the Negotiated Renewable Energy Contract between Gulf Power Company and Bay County is in the best interests of Gulf Power Company, the Company's customers, Bay County, and the State as a whole, and accordingly, the Commission should approve the Contract for cost recovery.

WHEREFORE, Bay County respectfully petitions the Commission to grant this Petition to Intervene, and Bay County further respectfully prays that the Commission will approve the Negotiated Renewable Energy Contract between the Company and Bay County for cost recovery purposes.

Respectfully submitted this 30th day of October, 2008.



Robert Scheffel Wright
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301
(850) 222-7206 Telephone
(850) 561-6834 Facsimile
swright@yvlaw.net

and

Terrell K. Arline, County Attorney
Office of the Bay County Attorney
810 West 11th Street
Panama City, Florida 32401
(850) 784-6112 Telephone
tarline@co.bay.fl.us

Attorneys for Bay County, Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic delivery and U.S. Mail this 30th day of October, 2008, to the following:

Keino Young
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Jeffrey Stone/Russell Badders
Steve Griffin
Beggs & Lane Law Firm
P.O. Box 12950
Pensacola, Florida 32591

Susan Ritenour
Gulf Power Company
One Energy Place
Pensacola, Florida 32520


Attorney