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May 19, 2015

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

Re: Docket No. 150101-EQ – Petition for Approval of Renewable Standard Offer
Contract and Tariff Schedule REF-1

Dear Ms. Stauffer:

Attached for electronic filing is Gulf Power Company's response to Staff's First Data Request in Docket 150101-EQ.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. McGee, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr
Regulatory and Pricing Manager

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Attachments

cc: Beggs & Lane
Jeffrey A. Stone, Esq.
Office of General Counsel
Kelley F. Corbari

1. Please complete the following tables describing payments to a renewable provider based on the proposed tariffs included in the Company's revised standard offer contract. When responding, assume a renewable generator with a 50 MW output providing firm capacity with an in-service date of January 1, 2016, operating at the minimum capacity factor required for full capacity payments and a contract duration of 20 years. Please state the capacity factor assumed for the calculations. In addition, please calculate the total Net Present Value (NPV) of all payments in 2016 dollars, and provide an explanation of the method and rate used to calculate the NPV.

Please provide the completed table for the following five scenarios:

- As-available energy (energy only payments)
- Normal capacity payments
- Levelized payments
- Early payments
- Early levelized payments

RESPONSE:

Please see pages 2 through 6. For each scenario, Gulf assumed a 50 MW renewable generator with an in-service date of January 1, 2016, operating at 90% capacity factor and meeting the minimum Equivalent Availability Factor specified in Gulf's Schedule REF-1 needed to receive full capacity payments. Gulf uses the Excel formula to determine the NPV of each payment stream. The annual discount rate used in the NPV calculation is 6.72%.

Staff's First Data Request
Docket No. 150101-EQ
GULF POWER COMPANY
May 19, 2015
Item No. 1
Page 2 of 6

As- Available Energy	Energy	Capacity Rates	Total Capacity Payments	Energy Rates	Total Energy Payments	Total Payments
Year	(MWh)	(\$/kW- mo)	(\$)	(\$/MWh)	(\$)	(\$)
2016	394,200	0.00	0	33.04	13,024,368	13,024,368
2017	394,200	0.00	0	36.37	14,337,054	14,337,054
2018	394,200	0.00	0	38.21	15,062,382	15,062,382
2019	394,200	0.00	0	40.88	16,114,896	16,114,896
2020	394,200	0.00	0	42.90	16,911,180	16,911,180
2021	394,200	0.00	0	45.09	17,774,478	17,774,478
2022	394,200	0.00	0	46.86	18,472,212	18,472,212
2023	394,200	0.00	0	50.13	19,761,246	19,761,246
2024	394,200	0.00	0	53.56	21,113,352	21,113,352
2025	394,200	0.00	0	55.94	22,051,548	22,051,548
2026	394,200	0.00	0	59.48	23,447,016	23,447,016
2027	394,200	0.00	0	62.04	24,456,168	24,456,168
2028	394,200	0.00	0	65.40	25,780,680	25,780,680
2029	394,200	0.00	0	68.58	27,034,236	27,034,236
2030	394,200	0.00	0	72.74	28,674,108	28,674,108
2031	394,200	0.00	0	76.58	30,187,836	30,187,836
2032	394,200	0.00	0	79.83	31,468,986	31,468,986
2033	394,200	0.00	0	83.57	32,943,294	32,943,294
2034	394,200	0.00	0	88.63	34,937,946	34,937,946
2035	394,200	0.00	0	91.44	36,045,648	36,045,648
Total (Nominal)			0		469,598,634	469,598,634
Total NPV (2016 \$)			0		227,275,693	227,275,693

Staff's First Data Request
Docket No. 150101-EQ
GULF POWER COMPANY
May 19, 2015
Item No. 1
Page 3 of 6

Normal	Energy	Capacity Rates ⁽¹⁾	Total Capacity Payments	Energy Rates ⁽²⁾	Total Energy Payments	Total Payments
Year	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2016	394,200	0.00	0	33.04	13,024,368	13,024,368
2017	394,200	0.00	0	36.37	14,337,054	14,337,054
2018	394,200	0.00	0	38.21	15,062,382	15,062,382
2019	394,200	0.00	0	40.88	16,114,896	16,114,896
2020	394,200	0.00	0	42.90	16,911,180	16,911,180
2021	394,200	0.00	0	45.09	17,774,478	17,774,478
2022	394,200	0.00	0	46.86	18,472,212	18,472,212
2023	394,200	4.57	1,598,891	49.71	19,595,682	21,194,573
2024	394,200	4.66	2,795,478	52.86	20,837,412	23,632,890
2025	394,200	4.78	2,866,172	55.31	21,803,202	24,669,374
2026	394,200	4.90	2,938,653	58.68	23,131,656	26,070,309
2027	394,200	5.02	3,012,967	61.24	24,140,808	27,153,775
2028	394,200	5.15	3,089,160	64.68	25,496,856	28,586,016
2029	394,200	5.28	3,167,280	67.77	26,714,934	29,882,214
2030	394,200	5.41	3,247,376	71.89	28,339,038	31,586,414
2031	394,200	5.55	3,329,497	75.94	29,935,548	33,265,045
2032	394,200	5.69	3,413,695	79.06	31,165,452	34,579,147
2033	394,200	5.83	3,500,022	82.72	32,608,224	36,108,246
2034	394,200	5.98	3,588,532	87.91	34,654,122	38,242,654
2035	394,200	6.13	3,679,281	90.62	35,722,404	39,401,685
Total (Nominal)			40,227,004		465,841,908	506,068,912
Total NPV (2016 \$)			16,081,435		225,754,667	241,836,102

- (1) Capacity rate effective as of avoided unit's June 1, 2023 in-service date.
(2) 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.

Staff's First Data Request
Docket No. 150101-EQ
GULF POWER COMPANY
May 19, 2015
Item No. 1
Page 4 of 6

Levelized	Energy	Capacity Rates ⁽¹⁾	Total Capacity Payments	Energy Rates ⁽²⁾	Total Energy Payments	Total Payments
Year	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2016	394,200	0.00	0	33.04	13,024,368	13,024,368
2017	394,200	0.00	0	36.37	14,337,054	14,337,054
2018	394,200	0.00	0	38.21	15,062,382	15,062,382
2019	394,200	0.00	0	40.88	16,114,896	16,114,896
2020	394,200	0.00	0	42.90	16,911,180	16,911,180
2021	394,200	0.00	0	45.09	17,774,478	17,774,478
2022	394,200	0.00	0	46.86	18,472,212	18,472,212
2023	394,200	5.05	1,766,650	49.71	19,595,682	21,362,332
2024	394,200	5.07	3,042,714	52.86	20,837,412	23,880,126
2025	394,200	5.10	3,061,088	55.31	21,803,202	24,864,290
2026	394,200	5.13	3,079,927	58.68	23,131,656	26,211,583
2027	394,200	5.17	3,099,242	61.24	24,140,808	27,240,050
2028	394,200	5.20	3,119,046	64.68	25,496,856	28,615,902
2029	394,200	5.23	3,139,350	67.77	26,714,934	29,854,284
2030	394,200	5.27	3,160,168	71.89	28,339,038	31,499,206
2031	394,200	5.30	3,181,512	75.94	29,935,548	33,117,060
2032	394,200	5.34	3,203,396	79.06	31,165,452	34,368,848
2033	394,200	5.38	3,225,834	82.72	32,608,224	35,834,058
2034	394,200	5.41	3,248,838	87.91	34,654,122	37,902,960
2035	394,200	5.45	3,272,425	90.62	35,722,404	38,994,829
Total (Nominal)			39,600,191		465,841,908	505,442,099
Total NPV (2016 \$)			16,081,436		225,754,667	241,836,103

- (1) Capacity rate effective as of avoided unit's June 1, 2023 in-service date.
(2) 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.

Staff's First Data Request
Docket No. 150101-EQ
GULF POWER COMPANY
May 19, 2015
Item No. 1
Page 5 of 6

Early	Energy	Capacity Rates ⁽¹⁾	Total Capacity Payments	Energy Rates ⁽²⁾	Total Energy Payments	Total Payments
Year	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2016	394,200	2.04	1,222,673	33.04	13,024,368	14,247,041
2017	394,200	2.09	1,253,593	36.37	14,337,054	15,590,647
2018	394,200	2.14	1,285,294	38.21	15,062,382	16,347,676
2019	394,200	2.20	1,317,797	40.88	16,114,896	17,432,693
2020	394,200	2.25	1,351,122	42.90	16,911,180	18,262,302
2021	394,200	2.31	1,385,290	45.09	17,774,478	19,159,768
2022	394,200	2.37	1,420,322	46.86	18,472,212	19,892,534
2023	394,200	2.43	1,456,239	49.71	19,595,682	21,051,921
2024	394,200	2.49	1,493,066	52.86	20,837,412	22,330,478
2025	394,200	2.55	1,530,823	55.31	21,803,202	23,334,025
2026	394,200	2.62	1,569,535	58.68	23,131,656	24,701,191
2027	394,200	2.68	1,609,226	61.24	24,140,808	25,750,034
2028	394,200	2.75	1,649,921	64.68	25,496,856	27,146,777
2029	394,200	2.82	1,691,645	67.77	26,714,934	28,406,579
2030	394,200	2.89	1,734,424	71.89	28,339,038	30,073,462
2031	394,200	2.96	1,778,285	75.94	29,935,548	31,713,833
2032	394,200	3.04	1,823,255	79.06	31,165,452	32,988,707
2033	394,200	3.12	1,869,362	82.72	32,608,224	34,477,586
2034	394,200	3.19	1,916,636	87.91	34,654,122	36,570,758
2035	394,200	3.28	1,965,104	90.62	35,722,404	37,687,508
Total (Nominal)			31,323,611		465,841,908	497,165,519
Total NPV (2016 \$)			16,081,436		225,754,667	241,836,103

(1) Capacity rate effective as of January 1, 2016.

(2) 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.

Staff's First Data Request
Docket No. 150101-EQ
GULF POWER COMPANY
May 19, 2015
Item No. 1
Page 6 of 6

Early Levelized	Energy	Capacity Rates ⁽¹⁾	Total Capacity Payments	Energy Rates ⁽²⁾	Total Energy Payments	Total Payments
Year	(MWh)	(\$/kW-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2016	394,200	2.36	1,417,552	33.04	13,024,368	14,441,920
2017	394,200	2.38	1,425,510	36.37	14,337,054	15,762,564
2018	394,200	2.39	1,433,670	38.21	15,062,382	16,496,052
2019	394,200	2.40	1,442,036	40.88	16,114,896	17,556,932
2020	394,200	2.42	1,450,613	42.90	16,911,180	18,361,793
2021	394,200	2.43	1,459,408	45.09	17,774,478	19,233,886
2022	394,200	2.45	1,468,425	46.86	18,472,212	19,940,637
2023	394,200	2.46	1,477,670	49.71	19,595,682	21,073,352
2024	394,200	2.48	1,487,149	52.86	20,837,412	22,324,561
2025	394,200	2.49	1,496,867	55.31	21,803,202	23,300,069
2026	394,200	2.51	1,506,831	58.68	23,131,656	24,638,487
2027	394,200	2.53	1,517,047	61.24	24,140,808	25,657,855
2028	394,200	2.55	1,527,522	64.68	25,496,856	27,024,378
2029	394,200	2.56	1,538,261	67.77	26,714,934	28,253,195
2030	394,200	2.58	1,549,272	71.89	28,339,038	29,888,310
2031	394,200	2.60	1,560,562	75.94	29,935,548	31,496,110
2032	394,200	2.62	1,572,137	79.06	31,165,452	32,737,589
2033	394,200	2.64	1,584,005	82.72	32,608,224	34,192,229
2034	394,200	2.66	1,596,172	87.91	34,654,122	36,250,294
2035	394,200	2.68	1,608,648	90.62	35,722,404	37,331,052
Total (Nominal)			30,119,358		465,841,908	495,961,266
Total NPV (2016 \$)			16,081,432		225,754,667	241,836,099

(1) Capacity rate effective as of January 1, 2016.

(2) 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.