



Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

April 30, 2018

E-PORTAL FILING

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

Re: Docket No. 20180091-EQ – Petition for approval of revisions to standard offer for energy purchased from cogenerators and renewable generating facilities and standard offer contract for purchases of firm capacity and energy, by Florida Public Utilities Company.

Dear Ms. Stauffer:

Attached for filing, please find Florida Public Utilities Company's Responses to Staff's First Data Requests in the referenced docket.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Kind regards,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

Florida Public Utilities Response to Staffs First Data Request

RE: Docket No. 20180091-EQ – Petition for approval of revisions to standard offer for energy purchased from cogenerators and renewable generating facilities and standard offer contract for purchases of firm capacity and energy, by Florida Public Utilities Company.

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

1. Please complete the following table describing payments to a renewable provider based on the proposed tariffs included in FPUC's revised standard offer contract. Assume a renewable generator with a 10 MW output providing firm capacity with an in-service date of January 1, 2019, 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. Calculate the total Net Present Value (NPV) of all payments in 2019 dollars, and also provide an explanation of the method and rate used to calculate the NPV.

Please provide the completed table for each of the following five scenarios:

- Inside Northeast Florida Division
- Delivering to interconnection for Northeast Florida Division
- Inside Northwest Florida Division
- Delivering to interconnection for Northwest Florida Division

RESPONSE - The completed tables follow and are attached in Exhibit A (redacted). Each table uses a capacity factor of 70% which is indicated on each table. The Net Present Value (NPV) is calculated based on 2019 and uses a 2% rate for the calculation of the NPV amount. Other comments are shown below.

- Exact Capacity and Energy Rates are unknown at this time. Amounts included on the tables are estimates. The only exception to this is for the Capacity Payment Rate for the Northeast Division for the years 2019 through 2027.
- The Capacity Rate for the Northwest Florida is shown as \$0.00 for the year 2019 due to the minimum capacity payment included in the current contract. Other generation resources will not reduce this payment.
- Capacity Payments for “Delivery to Interconnection” for both divisions are included within the tables. However, should the wholesale energy provider elect to not provide capacity reductions based on deliveries to the interconnection point, it is possible that these payments will not be available.

Delivery from Inside Northeast Florida Division

Firm Capacity Amount (MW)	10
Capacity Factor	70%
Resulting Energy (MWH)	61,320

FPL Full Requirements Supplier	
FPL Estimated Avoided Cost (\$/MWH)	\$31.00
Annual Estimated Increase (%)	2%
Avoided Transmission Losses	1.5%

Payment to Third Party based on current SOC						
Year	Energy (MWH)	Capacity Rate** (\$/KW-MO)	Total Capacity Payments (\$)	Energy Rate** (\$/MWH)	Total Energy Payments (\$)	Total Payments (\$)
2019	61,320			\$31.00	\$1,929,868	
2020	61,320			\$31.62	\$1,968,465	
2021	61,320			\$32.25	\$2,007,835	
2022	61,320			\$32.90	\$2,047,991	
2023	61,320			\$33.56	\$2,088,951	
2024	61,320			\$34.23	\$2,130,730	
2025	61,320			\$34.91	\$2,173,345	
2026	61,320			\$35.61	\$2,216,812	
2027	61,320			\$36.32	\$2,261,148	
2028	61,320			\$37.05	\$2,306,371	
2029	61,320			\$37.79	\$2,352,498	
2030	61,320			\$38.54	\$2,399,548	
2031	61,320			\$39.32	\$2,447,539	
2032	61,320			\$40.10	\$2,496,490	
2033	61,320			\$40.90	\$2,546,420	
2034	61,320			\$41.72	\$2,597,348	
2035	61,320			\$42.56	\$2,649,295	
2036	61,320			\$43.41	\$2,702,281	
2037	61,320			\$44.28	\$2,756,327	
2038	61,320			\$45.16	\$2,811,453	
Total (nominal)	1,226,400				\$46,890,717	
Total NPV (2019)					37,840,549	
Rate for NPV	2%					

** Capacity and Energy Rates are Estimated

Delivery To Interconnection for Northeast Florida Division

Firm Capacity Amount (MW)	10
Capacity Factor	70%
Resulting Energy (MWH)	61,320

FPL Full Requirements Supplier	
FPL Estimated Avoided Cost (\$/MWH)	\$31.00
Annual Estimated Increase (%)	2%
Avoided Transmission Losses	1.5%

Payment to Third Party based on current SOC						
Year	Energy (MWH)	Capacity Rate** (\$/KW-MO)	Total Capacity Payments (\$)	Energy Rate** (\$/MWH)	Total Energy Payments (\$)	Total Payments (\$)
2019	61,320			\$31.00	\$1,900,920	
2020	61,320			\$31.62	\$1,938,938	
2021	61,320			\$32.25	\$1,977,717	
2022	61,320			\$32.90	\$2,017,272	
2023	61,320			\$33.56	\$2,057,617	
2024	61,320			\$34.23	\$2,098,769	
2025	61,320			\$34.91	\$2,140,745	
2026	61,320			\$35.61	\$2,183,560	
2027	61,320			\$36.32	\$2,227,231	
2028	61,320			\$37.05	\$2,271,775	
2029	61,320			\$37.79	\$2,317,211	
2030	61,320			\$38.54	\$2,363,555	
2031	61,320			\$39.32	\$2,410,826	
2032	61,320			\$40.10	\$2,459,043	
2033	61,320			\$40.90	\$2,508,224	
2034	61,320			\$41.72	\$2,558,388	
2035	61,320			\$42.56	\$2,609,556	
2036	61,320			\$43.41	\$2,661,747	
2037	61,320			\$44.28	\$2,714,982	
2038	61,320			\$45.16	\$2,769,281	
Total (nominal)	1,226,400				\$46,187,356	
Total NPV (2019)					37,272,941	
Rate for NPV	2%					

** Capacity and Energy Rates are Estimated

Delivery from Inside Northeast Florida Division

Firm Capacity Amount (MW)	10
Capacity Factor	70%
Resulting Energy (MWH)	61320

Gulf Power Full Requirements Supplier	
Gulf Power Estimated Avoided Cost (\$/MWH)	\$34.00
Annual Estimated Increase (%)	2%
Avoided Transmission Losses	1.5%

Payment to Third Party based on current SOC						
Year	Energy (MWH)	Capacity Rate** (\$/KW-MO)	Total Capacity Payments (\$)	Energy Rate** (\$/MWH)	Total Energy Payments (\$)	Total Payments (\$)
2019	61,320	\$0.00	\$0	\$34.00	\$2,116,629	
2020	61,320			\$34.68	\$2,158,962	
2021	61,320			\$35.37	\$2,202,141	
2022	61,320			\$36.08	\$2,246,184	
2023	61,320			\$36.80	\$2,291,108	
2024	61,320			\$37.54	\$2,336,930	
2025	61,320			\$38.29	\$2,383,669	
2026	61,320			\$39.06	\$2,431,342	
2027	61,320			\$39.84	\$2,479,969	
2028	61,320			\$40.63	\$2,529,568	
2029	61,320			\$41.45	\$2,580,159	
2030	61,320			\$42.27	\$2,631,763	
2031	61,320			\$43.12	\$2,684,398	
2032	61,320			\$43.98	\$2,738,086	
2033	61,320			\$44.86	\$2,792,848	
2034	61,320			\$45.76	\$2,848,705	
2035	61,320			\$46.67	\$2,905,679	
2036	61,320			\$47.61	\$2,963,792	
2037	61,320			\$48.56	\$3,023,068	
2038	61,320			\$49.53	\$3,083,529	
Total (nominal)	1,226,400				\$51,428,528	
Total NPV (2019)	1,002,670				41,502,538	
Rate for NPV	2%					

** Capacity and Energy Rates are Estimated

Delivery To Interconnection for Northwest Florida Division

Firm Capacity Amount (MW)	10
Capacity Factor	70%
Resulting Energy (MWH)	61,320

Gulf Power Full Requirements Supplier	
Gulf Power Estimated Avoided Cost (\$/MWH)	\$34.00
Annual Estimated Increase (%)	2%
Avoided Transmission Losses	1.5%

Payment to Third Party based on current SOC						
Year	Energy (MWH)	Capacity Rate** (\$/KW-MO)	Total Capacity Payments (\$)	Energy Rate** (\$/MWH)	Total Energy Payments (\$)	Total Payments \$()
2019	61,320	\$0.00	\$0	\$34.00	\$2,084,880	
2020	61,320			\$34.68	\$2,126,578	
2021	61,320			\$35.37	\$2,169,109	
2022	61,320			\$36.08	\$2,212,491	
2023	61,320			\$36.80	\$2,256,741	
2024	61,320			\$37.54	\$2,301,876	
2025	61,320			\$38.29	\$2,347,914	
2026	61,320			\$39.06	\$2,394,872	
2027	61,320			\$39.84	\$2,442,769	
2028	61,320			\$40.63	\$2,491,625	
2029	61,320			\$41.45	\$2,541,457	
2030	61,320			\$42.27	\$2,592,286	
2031	61,320			\$43.12	\$2,644,132	
2032	61,320			\$43.98	\$2,697,015	
2033	61,320			\$44.86	\$2,750,955	
2034	61,320			\$45.76	\$2,805,974	
2035	61,320			\$46.67	\$2,862,093	
2036	61,320			\$47.61	\$2,919,335	
2037	61,320			\$48.56	\$2,977,722	
2038	61,320			\$49.53	\$3,037,276	
Total (nominal)	1,226,400				\$50,657,100	
Total NPV (2019)					40,880,000	
Rate for NPV	2%					

** Capacity and Energy Rates are Estimated