

FEDERAL ENERGY REGULATORY COMMISSION  
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:  
Tenaska Alabama II Partners, L.P. and  
Alabama Power Company  
Docket No. EC20-4-000

October 23, 2019

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Reference: Data Request

Dear Counsel:

On October 2, 2019, you filed an application on behalf of Tenaska Alabama II Partners, L.P. (TAP II) and Alabama Power Company (Alabama Power) (together, Applicants) pursuant to section 203(a) of the Federal Power Act<sup>1</sup> requesting Commission authorization for Alabama Power to acquire the membership interests of TAP II

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<sup>1</sup> 16 U.S.C. § 824b (2012).

(Proposed Transaction). Please be advised that the application is deficient and the Commission requires additional information in order to process it. Accordingly, please respond to the information requested below.

1. You state that TAP II transferred operational control over the Tenaska Central Alabama Generation Station (Generator) to Shell Energy North America, L.P., which in turn entered into a separate agreement (Central Alabama Tolling Arrangement) with Gulf Power Company. The Central Alabama Tolling Arrangement is slated to expire on May 24, 2023. Please provide the provisions in the Central Alabama Tolling Arrangement that apply if Gulf Power Company chooses to end Central Alabama Tolling Arrangement before May 24, 2023. Please explain where Generator's capacity will be located once Gulf Power Company is not part of the Southern Company Balancing Authority Area. After the Central Alabama Tolling Arrangement expires, please explain if Generator will be subject to another long-term agreement with a public utility.
2. You state that Alabama Power's Proposed Transaction falls directly into a category of transactions that may not need to offer ratepayer protection or a hold harmless commitment because it addresses a reliability need identified through its integrated resource plan process. Please describe the reliability issue that the Proposed Transaction addresses and explain how the Proposed Transaction will resolve the reliability need. Also, please clarify how Alabama Power's integrated resource plan relates to the Proposed Transaction.
3. In Attachment 3 of the application, Alabama Power proposes to record the acquisition of TAP II through Account 102, Electric Plant Purchased or Sold, but does not include any dollar amounts. Additionally, Entry 2 combines multiple accounts. However, the Commission's regulations require that if an applicant is required to maintain its books of account in accordance with the Commission's Uniform System of Accounts, it must present proposed accounting entries showing the effect of the transaction with sufficient detail to indicate the effects on all account balances (including amounts transferred on an interim basis).<sup>2</sup> Please provide complete pro forma accounting entries with dollar amounts for Alabama Power. Please provide separately the amounts for each plant account recorded in Entry 2.

The information requested in this letter will constitute an amendment to the application. The application will not be a completed application for purposes of section 33.11(a) of the Commission's regulations, 18 C.F.R. § 33.11(a) (2019), until the

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<sup>2</sup> 18 C.F.R. section 33.5.

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information requested in this letter is submitted. A notice of amendment will be issued upon receipt of your response.

This letter is issued pursuant to the authority delegated to the Director, Division of Electric Power Regulation – West, under 18 C.F.R. § 375.307(a)(1)(v) (2019) and is interlocutory. This order is not subject to rehearing pursuant to 18 C.F.R. § 385.713 (2019). Please file the requested information within 30 days of the date of this letter.

Please submit your response electronically.

In addition, please provide a copy of the response to all parties that have either requested or been granted intervention in this proceeding. Failure to respond to this letter within the time period specified may result in an order rejecting the filing.

Sincerely,

Steven T. Wellner, Director  
Division of Electric Power  
Regulation – West

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