

**Susan D. Ritenour**  
Secretary and Treasurer  
and Regulatory Manager

One Energy Place  
Pensacola, Florida 32520-0781

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July 18, 2007

ORIGINAL  
COMMISSION  
CLERK  
07 JUL 19 AM 9:29  
RECEIVED-FPSC

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

Dear Ms. Cole:

Re: Docket No.: 070001-EI

Enclosed are an original and seven copies of Gulf Power Company's Request  
Confidential Classification regarding the Company's response to Commission  
Staff's First Request for Production of Documents to Gulf Power.

CTR \_\_\_\_\_ Sincerely,

ECR 2  
GCL 2 *Susan D. Ritenour*

OPC \_\_\_\_\_

RCA \_\_\_\_\_

SCR \_\_\_\_\_

SGA \_\_\_\_\_ bh

SEC \_\_\_\_\_ cc: Beggs & Lane  
Jeffrey A. Stone, Esq.

OTH copy  
records

DOCUMENT NUMBER-DATE

06048 JUL 19 07

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ORIGINAL**

IN RE: Fuel and purchased power cost  
recovery clause and generating performance  
incentive factor

Docket No.: 070001-EI  
Date: July 18, 2007

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

GULF POWER COMPANY [“Gulf Power”, “Gulf”, or the “Company”], by and through its undersigned attorneys and pursuant to Rule 25-22.006, Florida Administrative Code, hereby files a request that the Florida Public Service Commission enter an order protecting from public disclosure certain information submitted by Gulf Power in response to Commission Staff’s First Request for Production of Documents to Gulf Power Company (Nos. 1-6). As grounds for this request, the Company states:

1. On June 29, 2007, Gulf Power filed a Notice of Intent to Request Confidential Classification of information submitted in response to requests numbered 2 and 4 of Commission Staff’s First Request for Production pursuant to Rule 25-22.006, F.A.C. Because the documents are still in possession of the Commission Staff, Gulf files this Request for Confidential Classification pursuant to Rule 25-22.006(3)(a), F.A.C.

2. A portion of the information submitted by Gulf Power in response to requests numbered 2 and 4 of Commission Staff’s First Request for Production is proprietary confidential business information regarding contractual matters which would cause irreparable harm to Gulf Power, the entities with whom it has entered into contracts and most importantly to Gulf’s customers if such information were disclosed to the general public. The information is entitled to confidential classification pursuant to §366.093(3) (d) and (e), Florida Statutes. Specifically, the confidential information consists of pricing terms for coal and natural gas offered to and/or purchased by Gulf Power in connection with Requests for Proposal issued by Gulf Power in 2006. Disclosure of this information would negatively impact Gulf’s ability to negotiate pricing

DOCUMENT NUMBER-DATE

06048 JUL 19 07

FPSC-COMMISSION CLERK


favorable to its customers in the future. In addition, potential counterparties may refuse to enter into contracts with Gulf or would charge higher prices if the contract terms were made public.

3. The information filed pursuant to this Request is intended to be, and is treated as, confidential by the Gulf Power and has not been otherwise publicly disclosed.

4. Submitted as Exhibit "A" are copies of the subject documents, on which is highlighted the information for which confidential classification is requested. Exhibit "A" should be treated as confidential pending a ruling on this request. Attached as Exhibit "B" are two (2) edited copies of the subject documents, which may be made available for public review and inspection. Attached as Exhibit "C" to this request is a line-by-line/field-by-field justification for the request for confidential classification.

WHEREFORE, Gulf Power Company respectfully requests that the Commission enter an order protecting the information highlighted on Exhibit "A" from public disclosure as proprietary confidential business information.

Respectfully submitted this 18<sup>th</sup> day of July, 2007.



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**JEFFREY A. STONE**  
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**Attorneys for Gulf Power Company**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power cost  
recovery clause and generating performance  
incentive factor

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Docket No.: 070001-EI  
Date: July 18, 2007

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

**EXHIBIT "A"**

Provided to the Commission Clerk  
under separate cover as confidential information

Staff's First Request for Production of  
Documents  
Docket No. 070001-EI  
GULF POWER COMPANY  
June 29, 2007  
Item No. 2  
Page 1 of 1

2. If GULF has prepared any summarized evaluations of 2006 coal RFP results, please provide a copy.

ANSWER:

See documents bearing Bates Stamp Nos. 21 through 28.



DATE: August 31, 2006

RE: GULF POWER COMPANY SPOT COAL SOLICITATION  
MARCH – DECEMBER 2006

FROM: Tris Swindle

To: Rusty Ball

This letter is written to document the recent spot coal purchase that was made on behalf of Gulf Power Company for the period March through December 2006. This solicitation was made to replace coal that had been supplied under the long-term coal supply agreement between Gulf and Peabody COALSALES to Plants Crist and Smith.

On January 23, 2006, Peabody sent a letter notifying Gulf of a permanent force majeure event at the Millennium portal of the Galatia Mine, citing adverse geological conditions as the cause. This mine had been the sole source for the supply of coal under this agreement. As a result of this force majeure claim, a review of Plant Crist and Smith's remaining 2006 inventory plan indicated the need to purchase approximately 1,500,000 tons of spot coal to replace the tons lost due to COALSALES' non-performance. Since COALSALES had not made any shipments under their base agreement with Gulf since August 2005, the decision was made to proceed with a spot coal solicitation in anticipation of future non-deliveries under this agreement. On January 17, 2006, a solicitation was emailed to the approved Gulf Power Company bidder's list. The proposal asked for offers for the period March through December 2006. The bid close date was January 31, 2006. In response to the solicitation, ten (10) bids from seven (7) different suppliers were received. The sources for these bids included offers from the Southern Appalachian, Australian, Russian, Colombian and South African coal supply regions.

In evaluating the offers submitted, the decision was made to re-bid this solicitation as the offers received were viewed to be non-competitive as compared to market intelligence gleaned from other sources, specifically Argus Coal Daily. With your permission, on February 8, 2006, a second email was issued requesting that each supplier either (1) modify their original offer or (2) leave their original offer unchanged. These offers were due on February 13, 2006. In evaluating the re-bids, economics to derive a delivered least cost line-up was employed using the ten (10) offers, their applicable transportation rates provided by Terry Howell, Transportation Agent, and their SO<sub>2</sub> allowance values

provided by Gary Hart, Manager of Emissions Trading. The least cost offer submitted was from Constellation Energy. This bid was a brokered coal offer from Russia's Kuzbass region. Constellation would not agree to any of Gulf's spot coal terms and conditions and since this was a brokered coal offer, the decision was made to not purchase this coal.

A

B

1 The next least cost offer was submitted by Glencore LTD. On the re-bid, Glencore  
2 elected not to modify their original offer. Their bid was still the most economical offer  
3 received. The source for this offer was Russian coal which, at the time, had not been  
4 extensively burned at Crist or Smith. Even though this bid was ultimately more  
5 economical than the next least cost offer from Interocean Coal Sales LDC (see below),  
6 the decision was made to not purchase a large quantity of this coal and instead go with  
7 the proven Interocean coal, which has been burned at both Crist and Smith for the past  
8 five years. The Glencore coal delivered to Crist for [REDACTED], including sulfur. The  
9 decision was made to purchase 260,000 tons of this coal for the reason stated above. The  
10 next least cost offer was submitted by Interocean for their Colombian coal, an approved  
11 source at both Crist and Smith. On their re-bid, Interocean reduced their FOB barge price  
12 and lowered their guaranteed sulfur content such that their modified offer delivered to  
13 Crist for [REDACTED], including sulfur. The decision was made to purchase 1,145,000  
14 tons of this coal.

The total purchased volume for this buy was 1,405,000 tons, or 95,000 tons short of the 1,500,000 tons indicated on Gulf's inventory spreadsheet. The decision was made to purchase this remaining uncommitted need at a future date. After review and concurrence of the above information with you, Purchase Order FP06004 was issued to Glencore for the Russian coal and Purchase Order FP06005 was issued to Interocean covering the Colombian purchase. These purchase orders were entered and verified in FAACS.

Cc  
SBC  
DJR  
CHH  
SCD



**CONFIRMATION  
(COAL PURCHASE/SALE AGREEMENT)**

Transaction Date: March 2, 2006

A

|          | Seller         | Buyer              |
|----------|----------------|--------------------|
| Company: | Glencore LTD,  | Gulf Power Company |
| Attn:    | John McConaghy | Tris Swindle       |
| Phone:   | 203-329-4958   | 205-257-8722       |
| Fax:     | 203-978-2630   | 205-257-7796       |

Seller agrees to sell and Buyer agrees to buy and accept coal of the quantity and quality, at the price, and on the terms and conditions stated in this Confirmation.

**Total Quantity:** 250,000 tons ± 10% tolerance (approximately)

**Term:** March 1, 2006 to December 31, 2006

**Schedule:** Approximately 4 vessels

**Product:** Bituminous coal containing no synthetic fuels, substantially free from any extraneous materials with no intermediate sizes to be added or removed and otherwise meeting the specifications of this Confirmation.

**Delivery Point:** CIF Mobile River Terminal, Mobile, AL

**Loading Point:** Zarechnaya, Russia

**Price:** [REDACTED] CIF at the Delivery Point

**Specifications:** As-received basis in accordance with ASTM Standards for each Shipment, as follows:

|                | <u>Guarantee</u> | <u>Rejection Limits</u> |
|----------------|------------------|-------------------------|
| Btu/lb min.    | 11,700           | 11,700                  |
| Moisture max.  | 9.5%             | 12.0                    |
| Ash max.       | 10%              | 12.0                    |
| Sulfur max.    | 0.35%            | 0.45%                   |
| AFT (h&w) min. | 2390°F           | 2320°F                  |
| HGI min.       | 50               |                         |
| Vol. min.      | 29.5%            |                         |

**Quality Adjustments:** Per Gulf Power Company standard terms and conditions, calorific value adjustments will apply and sulfur adjustments will be based from the sulfur rejection limits.

**Sampling:** Via mechanical sampler for each shipment performed at the Loading Point

**Analysis:** Alabama Power Company laboratory

**Weighing:** Vessel Draft Survey at the Loading Point

**Special Provisions:** None

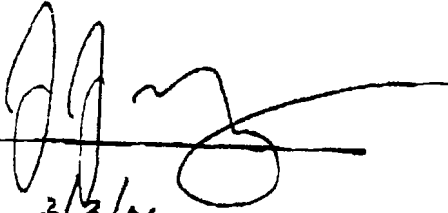
**Financial Review:** On record

**Other:** Other terms and conditions per Gulf Power Company standard terms and conditions dated January 5, 2006.



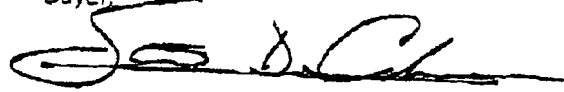
**AGREED TO AND ACCEPTED BY:**

Seller:



Date: 3/3/06

Buyer:

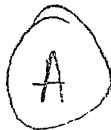


Date: 3/2/06



CONFIRMATION (COAL PURCHASE/SALE AGREEMENT)

Transaction Date: March 6, 2006



|          | <u>Seller</u>              | <u>Buyer</u>       |
|----------|----------------------------|--------------------|
| Company: | Interocean Coal Sales, LDC | Gulf Power Company |
| Attn:    | Dennis Steul               | Tris Swindle       |
| Phone:   | 205-945-8411               | 205-257-6722       |
| Fax:     | 205-945-8440               | 205-257-7795       |

Seller agrees to sell and Buyer agrees to buy and accept coal of the quantity and quality, at the price, and on the terms and conditions stated in this Confirmation.

**Total Quantity:** 1,145,00 tons (approximately)

**Term:** March 1, 2006 to December 31, 2008

**Schedule:** Approximately 16 vessels

**Product:** Bituminous coal containing no synthetic fuels, substantially free from any extraneous materials with no intermediate sizes to be added or removed and otherwise meeting the specifications of this Confirmation.

**Delivery Point:** FOB Barge McDuffie Terminal, Mobile, AL

**Loading Point:** Puerto Drummond, Colombia SA

**Price:** [REDACTED] at the Delivery Point

**Specifications:** As-received basis in accordance with ASTM Standards for each Shipment, as follows:

|                | <u>Guarantee</u>                |
|----------------|---------------------------------|
| Btu/lb min.    | 11,500                          |
| Moisture max.  | 14%                             |
| Ash max.       | 8%                              |
| Sulfur max.    | 0.83 lbs SO <sub>2</sub> /mmBtu |
| AFT (h=w) min. | 2300                            |
| HGI min.       | 45                              |
| Vol. min.      | 32%                             |

**Quality Adjustments:** Per Gulf Power Company standard terms and conditions, except SO<sub>2</sub> penalty/premium will apply. See below.

**SO<sub>2</sub> Adjustment:** (a) Where the actual weighted average pounds of SO<sub>2</sub> per million Btu ("lbs SO<sub>2</sub>/mmBtu") on an as received basis of any calendar year is equal to 0.83 lbs SO<sub>2</sub>/mmBtu, no adjustment will be necessary.

(b) Where the actual weighted average pounds of SO<sub>2</sub> per million Btu ("lbs SO<sub>2</sub>/mmBtu") on an as received basis of any calendar year is less than 0.83 lbs SO<sub>2</sub>/mmBtu, the Purchaser, not later than twenty (20) business days following the end of each calendar year, shall calculate a price adjustment based on the relevant price of SO<sub>2</sub> Allowances (defined below) for each year as follows:

**EXAMPLE A:**

*(Examples of this calculation are for hypothetical purposes only)*

Total Tons of Coal Delivered: 200,000 Tons  
Guaranteed annual weighted average lbs SO<sub>2</sub>/mmbtu: 0.83 lbs SO<sub>2</sub>/Btu  
Actual Annual weighted average lbs SO<sub>2</sub>/mmbtu: 0.70 lbs SO<sub>2</sub>/Btu  
Actual Btu/lb: 11,500  
SO<sub>2</sub> Allowance Price Indicator (E): \$1000/ton SO<sub>2</sub>  
Price Adjustment (\$/ton of Coal): \$1.50 per ton  
Financial Compensation due Seller: \$299,000

**EXAMPLE B:**

*(Examples of this calculation are for hypothetical purposes only)*

Total Tons of Coal Delivered: 200,000 Tons  
Guaranteed annual weighted average lbs SO<sub>2</sub>/mmbtu: 0.83 lbs SO<sub>2</sub>/Btu  
Actual Annual weighted average lbs SO<sub>2</sub>/mmbtu: 1.00 lbs SO<sub>2</sub>/Btu  
Actual Btu/lb: 11,500  
SO<sub>2</sub> Allowance Price Indicator (E): \$1000/ton SO<sub>2</sub>  
Price Adjustment (\$/ton of Coal): \$1.96 per ton  
Financial Compensation due Buyer: \$391,000

**Sampling:** Via mechanical sampler for each shipment performed at the Loading Point

**Analysis:** Alabama Power Company laboratory

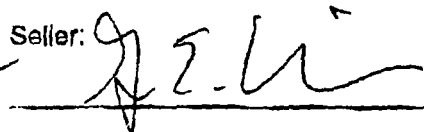
**Welghing:** Vessel Draft survey at the Loading Point

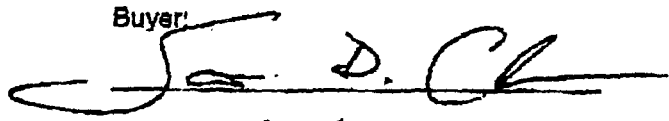
**Special Provisions:** None

**Financial Review:** On record

**Other:** Other terms and conditions per Gulf Power Company standard terms and conditions dated Januray, 5 2006

**AGREED TO AND ACCEPTED BY:**

Seller: 

Buyer: 

Date: 3/8/06

Date: 3/6/06

Gulf Power Company 2006 Spot Coal Evaluation  
Peabody Replacement Coal

Re Bids

|       |                  |                          | A         | B               | C     | D     | E      | F      | G               | H                      | I              | J                                   | K          |                                |
|-------|------------------|--------------------------|-----------|-----------------|-------|-------|--------|--------|-----------------|------------------------|----------------|-------------------------------------|------------|--------------------------------|
| Offer | Supplier         | Tonnage                  | \$/Ton    | Trans<br>\$/Ton | TL/LM | Steve | %S     | Btu/lb | Total<br>\$/Ton | Del'd Cost<br>\$/mmBtu | Allow<br>Value | Del'd Cost<br>w/ Sulfur<br>\$/mmBtu | Load Point |                                |
| 1     | 9A               | Constellation Russian    | 195,000   |                 |       |       | \$0.00 | 0.30   | 11,800          |                        |                |                                     |            | CIF Bulk Plant or MRT          |
| 2     | 1C               | Glencore Russian         | 260,000   |                 |       |       | \$0.00 | 0.35   | 11,700          |                        |                |                                     |            | CIF MRT                        |
| 3     | 5A               | Interocean Colombian     | 1,145,000 |                 |       |       | \$0.00 | 0.48   | 11,500          |                        |                |                                     |            | FOB Barge McDuffie             |
| 4     | 10B              | MacEachern Russian       | 240,000   |                 |       |       | \$0.00 | 0.40   | 11,300          |                        |                |                                     |            | CIF Bulk Plant or MRT          |
| 5     | 4A               | Interocean Russian       | 440,000   |                 |       |       | \$0.00 | 0.40   | 11,800          |                        |                |                                     |            | FOB Barge McDuffie             |
| 6     | 3C               | Glencore Calenturias     | 1,600,000 |                 |       |       | \$0.00 | 0.62   | 11,800          |                        |                |                                     |            | CIF MRT                        |
| 7     | 9B               | Constellation S. African | 330,000   |                 |       |       | \$0.00 | 0.50   | 11,300          |                        |                |                                     |            | CIF Bulk Plant or MRT          |
| 8     | 2C               | Glencore La Jagua        | 1,600,000 |                 |       |       | \$0.00 | 0.78   | 12,400          |                        |                |                                     |            | CIF MRT                        |
| 9     | 8B               | CMC Colombian            | 1,000,000 |                 |       |       | \$0.00 | 0.70   | 11,300          |                        |                |                                     |            | CIF MRT                        |
| 10    | 6B               | Kennecott Australian     | 65,000    |                 |       |       | \$0.00 | 0.47   | 11,630          |                        |                |                                     |            | CIF MRT                        |
| 11    | 9C               | Constellation Colombian  | 330,000   |                 |       |       | \$0.00 | 0.76   | 12,400          |                        |                |                                     |            | CIF Bulk Plant or MRT          |
| 12    | 7B               | Blue Creek Alabama       | 200,000   |                 |       |       | \$0.00 | 0.85   | 12,200          |                        |                |                                     |            | FOB Barge MP 353 Warrior River |
| 13    | Peabody Contract | 1,600,000                |           |                 |       |       | \$0.00 | 1.02   | 12,000          |                        |                |                                     |            | FOB Barge McDuffie Terminal    |

Red font denotes change from original offer

Blue font denotes adjusted volume

mmBtus Total \$\$

4,602,000  
6,084,000  
26,335,000  
37,021,000  
38,400,000

[Redacted]

27

Gulf Power Company 2006 Spot Coal Evaluation  
 Peabody Replacement Coal

|       |                          |           | A      | B            | C    | D     | E    | F      | G            | H                   | I           | J                             | K                              |  |
|-------|--------------------------|-----------|--------|--------------|------|-------|------|--------|--------------|---------------------|-------------|-------------------------------|--------------------------------|--|
| Offer | Supplier                 | Tonnage   | \$/Ton | Trans \$/Ton | TLUM | Steve | %S   | Btu/lb | Total \$/Ton | Del'd Cost \$/mmBtu | Allow Value | Del'd Cost w/ Sulfur \$/mmBtu | Load Point                     |  |
| 1A    | Glencore Russian         | 300,000   |        |              |      |       | 0.35 | 11,700 |              |                     |             |                               | CIF McDuffie                   |  |
| 1B    | Glencore Russian         | 300,000   |        |              |      |       | 0.35 | 11,700 |              |                     |             |                               | CIF Bulk Plant                 |  |
| 1C    | Glencore Russian         | 300,000   |        |              |      |       | 0.35 | 11,700 |              |                     |             |                               | CIF MRT                        |  |
| 1D    | Glencore Russian         | 300,000   |        |              |      |       | 0.35 | 11,700 |              |                     |             |                               | CIF Electrocoal                |  |
| 1E    | Glencore Russian         | 300,000   |        |              |      |       | 0.35 | 11,700 |              |                     |             |                               | CIF IMT                        |  |
| 1F    | Glencore Russian         | 300,000   |        |              |      |       | 0.35 | 11,700 |              |                     |             |                               | CIF ICRMT                      |  |
| 2A    | Glencore La Jagua        | 1,600,000 |        |              |      |       | 0.75 | 12,400 |              |                     |             |                               | CIF McDuffie                   |  |
| 2B    | Glencore La Jagua        | 1,600,000 |        |              |      |       | 0.75 | 12,400 |              |                     |             |                               | CIF Bulk Plant                 |  |
| 2C    | Glencore La Jagua        | 1,600,000 |        |              |      |       | 0.75 | 12,400 |              |                     |             |                               | CIF MRT                        |  |
| 2D    | Glencore La Jagua        | 1,600,000 |        |              |      |       | 0.75 | 12,400 |              |                     |             |                               | CIF Electrocoal                |  |
| 2E    | Glencore La Jagua        | 1,600,000 |        |              |      |       | 0.75 | 12,400 |              |                     |             |                               | CIF IMT                        |  |
| 2F    | Glencore La Jagua        | 1,600,000 |        |              |      |       | 0.75 | 12,400 |              |                     |             |                               | CIF ICRMT                      |  |
| 3A    | Glencore Calenturlias    | 1,600,000 |        |              |      |       | 0.70 | 11,800 |              |                     |             |                               | CIF McDuffie                   |  |
| 3B    | Glencore Calenturlias    | 1,600,000 |        |              |      |       | 0.70 | 11,800 |              |                     |             |                               | CIF Bulk Plant                 |  |
| 3C    | Glencore Calenturlias    | 1,600,000 |        |              |      |       | 0.70 | 11,800 |              |                     |             |                               | CIF MRT                        |  |
| 3D    | Glencore Calenturlias    | 1,600,000 |        |              |      |       | 0.70 | 11,800 |              |                     |             |                               | CIF Electrocoal                |  |
| 3E    | Glencore Calenturlias    | 1,600,000 |        |              |      |       | 0.70 | 11,800 |              |                     |             |                               | CIF IMT                        |  |
| 3F    | Glencore Calenturlias    | 1,600,000 |        |              |      |       | 0.70 | 11,800 |              |                     |             |                               | CIF ICRMT                      |  |
| 4A    | Interocean Russian       | 440,000   |        |              |      |       | 0.40 | 11,800 |              |                     |             |                               | FOB Barge McDuffie             |  |
| 4B    | Interocean Russian       | 440,000   |        |              |      |       | 0.40 | 11,800 |              |                     |             |                               | FOB Barge ICRMT                |  |
| 5A    | Interocean Colombian     | 1,160,000 |        |              |      |       | 0.70 | 11,500 |              |                     |             |                               | FOB Barge McDuffie             |  |
| 5B    | Interocean Colombian     | 1,160,000 |        |              |      |       | 0.70 | 11,500 |              |                     |             |                               | FOB Barge ICRMT                |  |
| 6A    | Kennecott Australian     | 65,000    |        |              |      |       | 0.47 | 11,630 |              |                     |             |                               | CIF Bulk Plant                 |  |
| 6B    | Kennecott Australian     | 65,000    |        |              |      |       | 0.47 | 11,630 |              |                     |             |                               | CIF MRT                        |  |
| 7A    | Blue Creek Alabama       | 200,000   |        |              |      |       | 0.85 | 12,200 |              |                     |             |                               | FOB Raltcar Gurnee Junction    |  |
| 7B    | Blue Creek Alabama       | 200,000   |        |              |      |       | 0.85 | 12,200 |              |                     |             |                               | FOB Barge MP 353 Warrior River |  |
| 8A    | CMC Colombian            | 1,000,000 |        |              |      |       | 0.70 | 11,300 |              |                     |             |                               | CIF Bulk Plant                 |  |
| 8B    | CMC Colombian            | 1,000,000 |        |              |      |       | 0.70 | 11,300 |              |                     |             |                               | CIF MRT                        |  |
| 8C    | CMC Colombian            | 1,000,000 |        |              |      |       | 0.70 | 11,300 |              |                     |             |                               | CIF IMT or ICRMT               |  |
| 8D    | CMC Colombian            | 1,000,000 |        |              |      |       | 0.70 | 11,300 |              |                     |             |                               | CIF Electrocoal                |  |
| 9A    | Constellation Russian    | 330,000   |        |              |      |       | 0.30 | 11,800 |              |                     |             |                               | CIF Bulk Plant or MRT          |  |
| 9B    | Constellation S. African | 330,000   |        |              |      |       | 0.50 | 11,300 |              |                     |             |                               | CIF Bulk Plant or MRT          |  |
| 9C    | Constellation Colombian  | 330,000   |        |              |      |       | 0.76 | 12,400 |              |                     |             |                               | CIF Bulk Plant or MRT          |  |
| 10A   | MacEachern Russian       | 240,000   |        |              |      |       | 0.40 | 11,300 |              |                     |             |                               | CIF McDuffie                   |  |
| 10B   | MacEachern Russian       | 240,000   |        |              |      |       | 0.40 | 11,300 |              |                     |             |                               | CIF Bulk Plant or MRT          |  |
| 10C   | MacEachern Russian       | 240,000   |        |              |      |       | 0.40 | 11,300 |              |                     |             |                               | CIF IMT                        |  |
| 10D   | MacEachern Russian       | 240,000   |        |              |      |       | 0.40 | 11,300 |              |                     |             |                               | CIF Electrocoal                |  |

28

EXHIBIT "B"

Staff's First Request for Production of  
Documents  
Docket No. 070001-EI  
GULF POWER COMPANY  
June 29, 2007  
Item No. 2  
Page 1 of 1

2. If GULF has prepared any summarized evaluations of 2006 coal RFP results, please provide a copy.

ANSWER:

See documents bearing Bates Stamp Nos. 21 through 28.

Staff's First Request for Production of  
Documents  
Docket No. 070001-EI  
GULF POWER COMPANY  
June 29, 2007  
Item No. 2  
Page 1 of 1

2. If GULF has prepared any summarized evaluations of 2006 coal RFP results, please provide a copy.

ANSWER:

See documents bearing Bates Stamp Nos. 21 through 28.



DATE: August 31, 2006

RE: GULF POWER COMPANY SPOT COAL SOLICITATION  
MARCH – DECEMBER 2006

FROM: Tris Swindle

To: Rusty Ball

This letter is written to document the recent spot coal purchase that was made on behalf of Gulf Power Company for the period March through December 2006. This solicitation was made to replace coal that had been supplied under the long-term coal supply agreement between Gulf and Peabody COALSALES to Plants Crist and Smith.

On January 23, 2006, Peabody sent a letter notifying Gulf of a permanent force majeure event at the Millennium portal of the Galatia Mine, citing adverse geological conditions as the cause. This mine had been the sole source for the supply of coal under this agreement. As a result of this force majeure claim, a review of Plant Crist and Smith's remaining 2006 inventory plan indicated the need to purchase approximately 1,500,000 tons of spot coal to replace the tons lost due to COALSALES' non-performance. Since COALSALES had not made any shipments under their base agreement with Gulf since August 2005, the decision was made to proceed with a spot coal solicitation in anticipation of future non-deliveries under this agreement. On January 17, 2006, a solicitation was emailed to the approved Gulf Power Company bidder's list. The proposal asked for offers for the period March through December 2006. The bid close date was January 31, 2006. In response to the solicitation, ten (10) bids from seven (7) different suppliers were received. The sources for these bids included offers from the Southern Appalachian, Australian, Russian, Colombian and South African coal supply regions.

In evaluating the offers submitted, the decision was made to re-bid this solicitation as the offers received were viewed to be non-competitive as compared to market intelligence gleaned from other sources, specifically Argus Coal Daily. With your permission, on February 8, 2006, a second email was issued requesting that each supplier either (1) modify their original offer or (2) leave their original offer unchanged. These offers were due on February 13, 2006. In evaluating the re-bids, economics to derive a delivered least cost line-up was employed using the ten (10) offers, their applicable transportation rates provided by Terry Howell, Transportation Agent, and their SO<sub>2</sub> allowance values

provided by Gary Hart, Manager of Emissions Trading. The least cost offer submitted was from Constellation Energy. This bid was a brokered coal offer from Russia's Kuzbass region. Constellation would not agree to any of Gulf's spot coal terms and conditions and since this was a brokered coal offer, the decision was made to not purchase this coal.

A

B

1 The next least cost offer was submitted by Glencore LTD. On the re-bid, Glencore  
2 elected not to modify their original offer. Their bid was still the most economical offer  
3 received. The source for this offer was Russian coal which, at the time, had not been  
4 extensively burned at Crist or Smith. Even though this bid was ultimately more  
5 economical than the next least cost offer from Interocean Coal Sales LDC (see below),  
6 the decision was made to not purchase a large quantity of this coal and instead go with  
7 the proven Interocean coal, which has been burned at both Crist and Smith for the past  
8 five years. The Glencore coal delivered to Crist for [REDACTED], including sulfur. The  
9 decision was made to purchase 260,000 tons of this coal for the reason stated above. The  
10 next least cost offer was submitted by Interocean for their Colombian coal, an approved  
11 source at both Crist and Smith. On their re-bid, Interocean reduced their FOB barge price  
12 and lowered their guaranteed sulfur content such that their modified offer delivered to  
13 Crist for [REDACTED], including sulfur. The decision was made to purchase 1,145,000  
14 tons of this coal.

The total purchased volume for this buy was 1,405,000 tons, or 95,000 tons short of the 1,500,000 tons indicated on Gulf's inventory spreadsheet. The decision was made to purchase this remaining uncommitted need at a future date. After review and concurrence of the above information with you, Purchase Order FP06004 was issued to Glencore for the Russian coal and Purchase Order FP06005 was issued to Interocean covering the Colombian purchase. These purchase orders were entered and verified in FAACS.

Cc  
SBC  
DJR  
CHH  
SCD



**CONFIRMATION  
(COAL PURCHASE/SALE AGREEMENT)**

A

Transaction Date: March 2, 2006

|          | <u>Seller</u>  | <u>Buyer</u>       |
|----------|----------------|--------------------|
| Company: | Glencore LTD.  | Gulf Power Company |
| Attn:    | John McConaghy | Tris Swindle       |
| Phone:   | 203-325-4958   | 205-257-6722       |
| Fax:     | 203-978-2630   | 205-257-7795       |

Seller agrees to sell and Buyer agrees to buy and accept coal of the quantity and quality, at the price, and on the terms and conditions stated in this Confirmation.

**Total Quantity:** 260,000 tons ± 10% tolerance (approximately)

**Term:** March 1, 2006 to December 31, 2006

**Schedule:** Approximately 4 vessels

**Product:** Bituminous coal containing no synthetic fuels, substantially free from any extraneous materials with no intermediate sizes to be added or removed and otherwise meeting the specifications of this Confirmation.

**Delivery Point:** CIF Mobile River Terminal, Mobile, AL

**Loading Point:** Zarechnaya, Russia

**Price:** [REDACTED] CIF at the Delivery Point

**Specifications:** As-received basis in accordance with ASTM Standards for each Shipment, as follows:

|                | <u>Guarantee</u> | <u>Rejection Limits</u> |
|----------------|------------------|-------------------------|
| Btu/lb min.    | 11,700           | 11,700                  |
| Moisture max.  | 9.5%             | 12.0                    |
| Ash max.       | 10%              | 12.0                    |
| Sulfur max.    | 0.35%            | 0.45%                   |
| AFT (h-w) min. | 2390°F           | 2320°F                  |
| HGI min.       | 50               |                         |
| Vol. min.      | 29.5%            |                         |

**Quality Adjustments:** Per Gulf Power Company standard terms and conditions, calorific value adjustments will apply and sulfur adjustments will be based from the sulfur rejection limits.

**Sampling:** Via mechanical sampler for each shipment performed at the Loading Point

**Analysis:** Alabama Power Company laboratory

**Weighing:** Vessel Draft Survey at the Loading Point

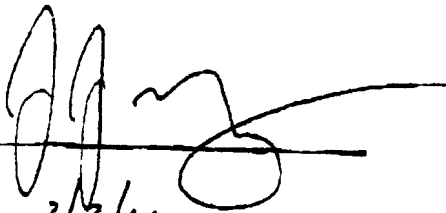
**Special Provisions:** None

**Financial Review:** On record

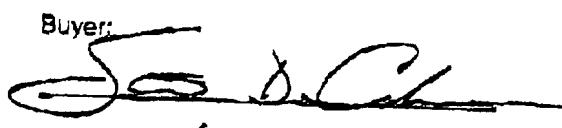
**Other:** Other terms and conditions per Gulf Power Company standard terms and conditions dated January 5, 2006.

**AGREED TO AND ACCEPTED BY:**

Seller:

  
\_\_\_\_\_  
Date: 3/3/06

Buyer:

  
\_\_\_\_\_  
Date: 3/2/06



CONFIRMATION (COAL PURCHASE/SALE AGREEMENT)

A

Transaction Date: March 6, 2006

|          | <u>Seller</u>              | <u>Buyer</u>       |
|----------|----------------------------|--------------------|
| Company: | Interocean Coal Sales, LDC | Gulf Power Company |
| Attn:    | Dennis Steul               | Tris Swindle       |
| Phone:   | 205-945-8411               | 205-257-6722       |
| Fax:     | 205-945-8440               | 205-257-7795       |

Seller agrees to sell and Buyer agrees to buy and accept coal of the quantity and quality, at the price, and on the terms and conditions stated in this Confirmation.

Total Quantity: 1,145,00 tons (approximately)

Term: March 1, 2006 to December 31, 2006

Schedule: Approximately 16 vessels

Product: Bituminous coal containing no synthetic fuels, substantially free from any extraneous materials with no intermediate sizes to be added or removed and otherwise meeting the specifications of this Confirmation.

Delivery Point: FOB Barge McDuffie Terminal, Mobile, AL

Loading Point: Puerto Drummond, Colombia SA

Price: [REDACTED] at the Delivery Point

Specifications: As-received basis in accordance with ASTM Standards for each Shipment, as follows:

|               | <u>Guarantee</u>   |
|---------------|--------------------|
| Btu/lb min.   | 11,500             |
| Moisture max. | 14%                |
| Ash max.      | 8%                 |
| Sulfur max.   | 0.83 lbs SO2/mmBtu |
| AFT (h=w)min. | 2300               |
| HGI min.      | 45                 |
| Vol. min.     | 32%                |

Quality Adjustments: Per Gulf Power Company standard terms and conditions, except SO2 penalty/premium will apply. See below.

SO2 Adjustment: (a) Where the actual weighted average pounds of SO2 per million Btu ("lbs SO2/mmBtu") on an as received basis of any calendar year is equal to 0.83 lbs SO2/mmBtu, no adjustment will be necessary.

(b) Where the actual weighted average pounds of SO2 per million Btu ("lbs SO2/mmBtu") on an as received basis of any calendar year is less than 0.83 lbs SO2/mmBtu, the Purchaser, not later than twenty (20) business days following the end of each calendar year, shall calculate a price adjustment based on the relevant price of SO2 Allowances (defined below) for each year as follows:

**EXAMPLE A:**

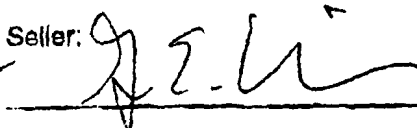
*(Examples of this calculation are for hypothetical purposes only)*  
 Total Tons of Coal Delivered: 200,000 Tons  
 Guaranteed annual weighted average lbs SO<sub>2</sub>/mmbtu: 0.83 lbs SO<sub>2</sub>/Btu  
 Actual Annual weighted average lbs SO<sub>2</sub>/mmbtu: 0.70 lbs SO<sub>2</sub>/Btu  
 Actual Btu/lb: 11,500  
 SO<sub>2</sub> Allowance Price Indicator (E): \$1000/ton SO<sub>2</sub>  
 Price Adjustment (\$/ton of Coal): \$1.50 per ton  
 Financial Compensation due Seller: \$289,000

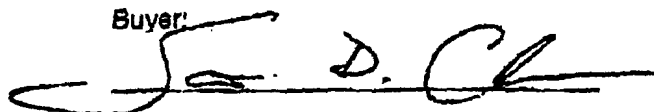
**EXAMPLE B:**

*(Examples of this calculation are for hypothetical purposes only)*  
 Total Tons of Coal Delivered: 200,000 Tons  
 Guaranteed annual weighted average lbs SO<sub>2</sub>/mmbtu: 0.83 lbs SO<sub>2</sub>/Btu  
 Actual Annual weighted average lbs SO<sub>2</sub>/mmbtu: 1.00 lbs SO<sub>2</sub>/Btu  
 Actual Btu/lb: 11,500  
 SO<sub>2</sub> Allowance Price Indicator (E): \$1000/ton SO<sub>2</sub>  
 Price Adjustment (\$/ton of Coal): \$1.96 per ton  
 Financial Compensation due Buyer: \$391,000

- Sampling:** Via mechanical sampler for each shipment performed at the Loading Point
- Analysis:** Alabama Power Company laboratory
- Welghing:** Vessel Draft survey at the Loading Point
- Special Provisions:** None
- Financial Review:** On record
- Other:** Other terms and conditions per Gulf Power Company standard terms and conditions dated Januray, 5 2006

**AGREED TO AND ACCEPTED BY:**

Seller:   
 Date: 3/8/06

Buyer:   
 Date: 3/6/06

Gulf Power Company 2006 Spot Coal Evaluation  
 Peabody Replacement Coal

Re Bids

|       |                  |                          | A         | B      | C      | D     | E      | F    | G      | H      | I          | J     | K          |                                |
|-------|------------------|--------------------------|-----------|--------|--------|-------|--------|------|--------|--------|------------|-------|------------|--------------------------------|
|       |                  |                          |           |        | Trans  |       |        |      |        | Total  | Del'd Cost | Allow | Del'd Cost | Load Point                     |
| Offer | Supplier         | Tonnage                  | \$/Ton    | \$/Ton | \$/Ton | TL/LM | Steve  | %S   | Btu/lb | \$/Ton | \$/mmBtu   | Value | w/ Sulfur  |                                |
|       |                  |                          |           |        |        |       |        |      |        |        |            |       | \$/mmBtu   |                                |
| 1     | 9A               | Constellation Russian    | 195,000   |        |        |       | \$0.00 | 0.30 | 11,800 |        |            |       |            | CIF Bulk Plant or MRT          |
| 2     | 1C               | Glencore Russian         | 260,000   |        |        |       | \$0.00 | 0.35 | 11,700 |        |            |       |            | CIF MRT                        |
| 3     | 5A               | Interocean Colombian     | 1,145,000 |        |        |       | \$0.00 | 0.48 | 11,500 |        |            |       |            | FOB Barge McDuffie             |
| 4     | 10B              | MacEachern Russian       | 240,000   |        |        |       | \$0.00 | 0.40 | 11,300 |        |            |       |            | CIF Bulk Plant or MRT          |
| 5     | 4A               | Interocean Russian       | 440,000   |        |        |       | \$0.00 | 0.40 | 11,800 |        |            |       |            | FOB Barge McDuffie             |
| 6     | 3C               | Glencore Calenturtias    | 1,600,000 |        |        |       | \$0.00 | 0.62 | 11,800 |        |            |       |            | CIF MRT                        |
| 7     | 9B               | Constellation S. African | 330,000   |        |        |       | \$0.00 | 0.50 | 11,300 |        |            |       |            | CIF Bulk Plant or MRT          |
| 8     | 2C               | Glencore La Jagua        | 1,600,000 |        |        |       | \$0.00 | 0.72 | 12,400 |        |            |       |            | CIF MRT                        |
| 9     | 8B               | CMC Colombian            | 1,000,000 |        |        |       | \$0.00 | 0.70 | 11,300 |        |            |       |            | CIF MRT                        |
| 10    | 6B               | Kennecott Australian     | 65,000    |        |        |       | \$0.00 | 0.47 | 11,630 |        |            |       |            | CIF MRT                        |
| 11    | 9C               | Constellation Colombian  | 330,000   |        |        |       | \$0.00 | 0.76 | 12,400 |        |            |       |            | CIF Bulk Plant or MRT          |
| 12    | 7B               | Blue Creek Alabama       | 200,000   |        |        |       | \$0.00 | 0.85 | 12,200 |        |            |       |            | FOB Barge MP 353 Warrior River |
| 13    | Peabody Contract | 1,600,000                |           |        |        |       | \$0.00 | 1.02 | 12,000 |        |            |       |            | FOB Barge McDuffie Terminal    |

Red font denotes change from original offer

Blue font denotes adjusted volume

mmBtus      Total \$s

4,602,000

6,084,000

26,335,000

37,021,000

38,400,000

[Redacted Total \$s]

27  
 15  
 4  
 1500

Gulf Power Company 2006 Spot Coal Evaluation  
Peabody Replacement Coal

| Offer | Supplier                 | Tonnage   | \$/Ton | Trans<br>\$/Ton | TL/M | Steve | %S   | Btu/lb | Total<br>\$/Ton | Del'd Cost<br>\$/mmBtu | Allow<br>Value | Del'd Cost<br>w/ Sulfur<br>\$/mmBtu | Load Point                     |
|-------|--------------------------|-----------|--------|-----------------|------|-------|------|--------|-----------------|------------------------|----------------|-------------------------------------|--------------------------------|
| 1A    | Glencore Russian         | 300,000   |        |                 |      |       | 0.35 | 11,700 |                 |                        |                |                                     | CIF McDuffie                   |
| 1B    | Glencore Russian         | 300,000   |        |                 |      |       | 0.35 | 11,700 |                 |                        |                |                                     | CIF Bulk Plant                 |
| 1C    | Glencore Russian         | 300,000   |        |                 |      |       | 0.35 | 11,700 |                 |                        |                |                                     | CIF MRT                        |
| 1D    | Glencore Russian         | 300,000   |        |                 |      |       | 0.35 | 11,700 |                 |                        |                |                                     | CIF Electrocoal                |
| 1E    | Glencore Russian         | 300,000   |        |                 |      |       | 0.35 | 11,700 |                 |                        |                |                                     | CIF IMT                        |
| 1F    | Glencore Russian         | 300,000   |        |                 |      |       | 0.35 | 11,700 |                 |                        |                |                                     | CIF ICRMT                      |
| 2A    | Glencore La Jagua        | 1,600,000 |        |                 |      |       | 0.75 | 12,400 |                 |                        |                |                                     | CIF McDuffie                   |
| 2B    | Glencore La Jagua        | 1,600,000 |        |                 |      |       | 0.75 | 12,400 |                 |                        |                |                                     | CIF Bulk Plant                 |
| 2C    | Glencore La Jagua        | 1,600,000 |        |                 |      |       | 0.75 | 12,400 |                 |                        |                |                                     | CIF MRT                        |
| 2D    | Glencore La Jagua        | 1,600,000 |        |                 |      |       | 0.75 | 12,400 |                 |                        |                |                                     | CIF Electrocoal                |
| 2E    | Glencore La Jagua        | 1,600,000 |        |                 |      |       | 0.75 | 12,400 |                 |                        |                |                                     | CIF IMT                        |
| 2F    | Glencore La Jagua        | 1,600,000 |        |                 |      |       | 0.75 | 12,400 |                 |                        |                |                                     | CIF ICRMT                      |
| 3A    | Glencore Calenturias     | 1,600,000 |        |                 |      |       | 0.70 | 11,800 |                 |                        |                |                                     | CIF McDuffie                   |
| 3B    | Glencore Calenturias     | 1,600,000 |        |                 |      |       | 0.70 | 11,800 |                 |                        |                |                                     | CIF Bulk Plant                 |
| 3C    | Glencore Calenturias     | 1,600,000 |        |                 |      |       | 0.70 | 11,800 |                 |                        |                |                                     | CIF MRT                        |
| 3D    | Glencore Calenturias     | 1,600,000 |        |                 |      |       | 0.70 | 11,800 |                 |                        |                |                                     | CIF Electrocoal                |
| 3E    | Glencore Calenturias     | 1,600,000 |        |                 |      |       | 0.70 | 11,800 |                 |                        |                |                                     | CIF IMT                        |
| 3F    | Glencore Calenturias     | 1,600,000 |        |                 |      |       | 0.70 | 11,800 |                 |                        |                |                                     | CIF ICRMT                      |
| 4A    | Interocean Russian       | 440,000   |        |                 |      |       | 0.40 | 11,800 |                 |                        |                |                                     | FOB Barge McDuffie             |
| 4B    | Interocean Russian       | 440,000   |        |                 |      |       | 0.40 | 11,800 |                 |                        |                |                                     | FOB Barge ICRMT                |
| 5A    | Interocean Colombian     | 1,160,000 |        |                 |      |       | 0.70 | 11,500 |                 |                        |                |                                     | FOB Barge McDuffie             |
| 5B    | Interocean Colombian     | 1,160,000 |        |                 |      |       | 0.70 | 11,500 |                 |                        |                |                                     | FOB Barge ICRMT                |
| 6A    | Kennecott Australian     | 65,000    |        |                 |      |       | 0.47 | 11,630 |                 |                        |                |                                     | CIF Bulk Plant                 |
| 6B    | Kennecott Australian     | 65,000    |        |                 |      |       | 0.47 | 11,630 |                 |                        |                |                                     | CIF MRT                        |
| 7A    | Blue Creek Alabama       | 200,000   |        |                 |      |       | 0.85 | 12,200 |                 |                        |                |                                     | FOB Railcar Gurnee Junction    |
| 7B    | Blue Creek Alabama       | 200,000   |        |                 |      |       | 0.85 | 12,200 |                 |                        |                |                                     | FOB Barge MP 353 Warrior River |
| 8A    | CMC Colombian            | 1,000,000 |        |                 |      |       | 0.70 | 11,300 |                 |                        |                |                                     | CIF Bulk Plant                 |
| 8B    | CMC Colombian            | 1,000,000 |        |                 |      |       | 0.70 | 11,300 |                 |                        |                |                                     | CIF MRT                        |
| 8C    | CMC Colombian            | 1,000,000 |        |                 |      |       | 0.70 | 11,300 |                 |                        |                |                                     | CIF IMT or ICRMT               |
| 8D    | CMC Colombian            | 1,000,000 |        |                 |      |       | 0.70 | 11,300 |                 |                        |                |                                     | CIF Electrocoal                |
| 9A    | Constellation Russian    | 330,000   |        |                 |      |       | 0.30 | 11,800 |                 |                        |                |                                     | CIF Bulk Plant or MRT          |
| 9B    | Constellation S. African | 330,000   |        |                 |      |       | 0.50 | 11,300 |                 |                        |                |                                     | CIF Bulk Plant or MRT          |
| 9C    | Constellation Colombian  | 330,000   |        |                 |      |       | 0.76 | 12,400 |                 |                        |                |                                     | CIF Bulk Plant or MRT          |
| 10A   | MacEachern Russian       | 240,000   |        |                 |      |       | 0.40 | 11,300 |                 |                        |                |                                     | CIF McDuffie                   |
| 10B   | MacEachern Russian       | 240,000   |        |                 |      |       | 0.40 | 11,300 |                 |                        |                |                                     | CIF Bulk Plant or MRT          |
| 10C   | MacEachern Russian       | 240,000   |        |                 |      |       | 0.40 | 11,300 |                 |                        |                |                                     | CIF IMT                        |
| 10D   | MacEachern Russian       | 240,000   |        |                 |      |       | 0.40 | 11,300 |                 |                        |                |                                     | CIF Electrocoal                |



Staff's First Request for Production of  
Documents  
Docket No. 070001-EI  
GULF POWER COMPANY  
June 29, 2007  
Item No. 4  
Page 1 of 1

4. If GULF has prepared any summarized evaluations of 2006 natural gas RFP results, please provide a copy.

ANSWER:

See documents bearing Bates Stamp Nos. 35 and 36.

# Attachment A

## Gas Supply Bids 2-22-2006

|                      |         |
|----------------------|---------|
| FGT Zone 3 Basis     | \$0.080 |
| Transco Zone 4 Basis | \$0.120 |

A B C D

| Bidder                    | Term      | Delivery Period | Quantity DTH/day | Receipt Location          |        | Bid Price                        | Demand Adder | Bid Adder | Adder to Henry Hub | to Henry Hub |
|---------------------------|-----------|-----------------|------------------|---------------------------|--------|----------------------------------|--------------|-----------|--------------------|--------------|
| 6 Constellation           | 2 Years   | Jun 06 - May 08 | 45,000           | Destin                    | Annual | GD FGT Zone 3                    |              |           |                    |              |
| 7 Constellation           | 4 Years   | Jun 06 - May 10 | 45,000           | Destin                    | Annual | GD FGT Zone 3                    |              |           |                    |              |
| 4 Constellation           | 2 Years   | Jun 06 - May 08 | 45,000           | Destin                    | Annual | > of GD FGT Z3 or GD Transco Z4  |              |           |                    |              |
| 86 Coral Energy           | 4 Years   | Jun 06 - May 10 | 20,000           | Destin                    | Annual | > of GD FGT Z3 or GD Transco Z4  |              |           |                    |              |
| 5 Constellation           | 4 Years   | Jun 06 - May 10 | 45,000           | Destin                    | Annual | > of GD FGT Z3 or GD Transco Z4  |              |           |                    |              |
| 40 BP                     | 1 Year    | Jun 06 - May 07 | 45,000           | Destin                    | Annual | > GD All Destin Delv. Pts        |              |           |                    |              |
| 41 BP                     | 4 Years   | Jun 06 - May 10 | 45,000           | Destin                    | Annual | > GD All Destin Delv. Pts        |              |           |                    |              |
| 38 Occidental             | 1 Year    | Jun 06 - May 07 | 10,000           | Destin                    | Annual | GD Transco Zone 4                |              |           |                    |              |
| 24 Constellation          | 2 Summers | Jun - Aug       | 45,000           | Destin                    | Summer | GD FGT Zone 3                    |              |           |                    |              |
| 90 Coral Energy           | 4 Summers | Jun - Aug       | 20,000           | Destin                    | Summer | GD FGT Zone 3                    |              |           |                    |              |
| 25 Constellation          | 4 Summers | Jun - Aug       | 45,000           | Destin                    | Summer | GD FGT Zone 3                    |              |           |                    |              |
| 48 BP                     | 1 Summer  | Jun - Aug       | 20,000           | Destin                    | Summer | > GD All Destin Delv. Pts        |              |           |                    |              |
| 22 Constellation          | 2 Summers | Jun - Aug       | 45,000           | Destin                    | Summer | > of GD FGT Z3 or GD Transco Z4  |              |           |                    |              |
| 23 Constellation          | 4 Summers | Jun - Aug       | 45,000           | Destin                    | Summer | > of GD FGT Z3 or GD Transco Z4  |              |           |                    |              |
| 49 BP                     | 4 Summers | Jun - Aug       | 20,000           | Destin                    | Summer | > GD All Destin Delv. Pts        |              |           |                    |              |
| 85 CenterPoint Energy     | 1 Year    | Jun 06 - May 07 | 10,000           | Destin - FGT              | Annual | IF FGT Zone 3                    |              |           |                    |              |
| 84 CenterPoint Energy     | 1 Summer  | Apr - Oct       | 10,000           | Destin - FGT              | Summer | IF FGT Zone 3                    |              |           |                    |              |
| 12 Constellation          | 2 Years   | Jun 06 - May 08 | 40,000           | Mobile Bay                | Annual | GD FGT Zone 3                    |              |           |                    |              |
| 13 Constellation          | 4 Years   | Jun 06 - May 10 | 35,000           | Mobile Bay                | Annual | GD FGT Zone 3                    |              |           |                    |              |
| 42 BP                     | 1 Year    | Jun 06 - May 07 | 40,000           | Mobile Bay                | Annual | > GD All MB Delv. Pts.           |              |           |                    |              |
| 14 Constellation          | 2 Years   | Apr 06 - Mar 08 | 10,000           | Mobile Bay                | Annual | IF FGT Zone 3                    |              |           |                    |              |
| 71 Chevron Natural Gas    | 1 Year    | Jun 08 - May 07 | 40,000           | Mobile Bay                | Annual | GD FGT Zone 3                    |              |           |                    |              |
| 44 BP                     | 1 Year    | Jun 06 - May 07 | 10,000           | Mobile Bay                | Annual | IF FGT Zone 3                    |              |           |                    |              |
| 45 BP                     | 4 Years   | Jun 06 - May 10 | 10,000           | Mobile Bay                | Annual | IF FGT Zone 3                    |              |           |                    |              |
| 43 BP                     | 4 Years   | Jun 06 - May 10 | 40,000           | Mobile Bay                | Annual | > GD All MB Delv. Pts.           |              |           |                    |              |
| 72 Chevron Natural Gas    | 2 Years   | Jun 06 - May 08 | 40,000           | Mobile Bay                | Annual | GD FGT Zone 3                    |              |           |                    |              |
| 15 Constellation          | 4 Years   | Apr 06 - Mar 10 | 10,000           | Mobile Bay                | Annual | IF FGT Zone 3                    |              |           |                    |              |
| 83 CenterPoint Energy     | 1 Year    | Jun 06 - May 07 | 10,000           | Mobile Bay                | Annual | GD FGT Zone 3                    |              |           |                    |              |
| 82 CenterPoint Energy     | 1 Summer  | Apr - Oct       | 10,000           | Mobile Bay                | Summer | GD FGT Zone 3                    |              |           |                    |              |
| 93 ExxonMobil Gas & Power | 1 Summer  | Apr - Oct       | 10,000           | Mobile Bay - Williams     | Summer | IF FGT Zone 3                    |              |           |                    |              |
| 94 ExxonMobil Gas & Power | 1 Summer  | Apr - Oct       | 10,000           | Mobile Bay - MGS          | Summer | IF FGT Zone 3                    |              |           |                    |              |
| 89 Coral Energy           | 4 Years   | Jun 06 - May 10 | 10,000           | Mobile Bay - Yellowhammer | Annual | > IF FGT Zone 3 or Transco MS/AL |              |           |                    |              |

# Attachment B

## Gas Supply Bids 12-6-2006

FGT Zone 3 Basis \$0.291

A B C D E  
Gas Price \$7.5000

| Bidder               | Term          | Delivery Period | Quantity DTH/day | Receipt Pipe   | Receipt Location         | Season | Bid Price      | Demand Adder | Bid Adder | Comm. Or Fuel | Adder to Henry Hub | to Henry Hub |
|----------------------|---------------|-----------------|------------------|----------------|--------------------------|--------|----------------|--------------|-----------|---------------|--------------------|--------------|
| 79 Chevron - 34      | 1 Year        | June - Aug      | 20,000           | Destin         | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 80 Chevron - 35      | 2 Years       | June - Aug      | 20,000           | Destin         | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 81 Chevron - 36      | 3 Years       | June - Aug      | 20,000           | Destin         | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 17 Constellation - 7 | Up to 3 Years | June - Aug      | 20,000           | Destin         | FGT Only                 | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 88 Coral - 4         | 3 Years       | June - Aug      | 20,000           | Destin         | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 73 Chevron - 28      | 1 Year        | June - Aug      | 20,000           | FGT/Mobile Bay | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 74 Chevron - 29      | 2 Years       | June - Aug      | 20,000           | FGT/Mobile Bay | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 19 Constellation - 9 | 1 Year        | June - Aug      | 20,000           | FGT/Mobile Bay | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 75 Chevron - 30      | 3 Years       | June - Aug      | 20,000           | FGT/Mobile Bay | All points               | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 98 BG - 3            | 2 or 3 Years  | May - Sept      | 20,000           | FGT/Mobile Bay | Plant Smith              | Summer | GD FGT Zone 3  |              |           |               |                    |              |
| 45 TEA               | 3 Years       | May 07 - May 10 | 35,000           | FGT/Mobile Bay | Cypress/FGT Interconnect | Annual | Inside FERC HH |              |           |               |                    |              |

33

EXHIBIT "C"

**Line-by-Line/Field-by-Field Justification**

**Line(s)/Field(s)**

**Justification**

**Response to Request # 2**

Page 22 of 36

Line 8, Column B

Line 13, Column A

Page 23 of 36

Line 1, Column A

Page 25 of 36

Line 1, Column A

Page 27 of 36

Lines 1-13, Columns B-D, H-K

Lines 14-19, Column J

Page 28 of 36

Lines 1-37, Columns B-E, H-K

This information is entitled to confidential classification pursuant to §366.093(3) (d) and (e), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 2.

**Response to Request # 4**

Page 35 of 38

Lines 1-33, Columns A-D

Page 36 of 38

Lines 1-11, Columns A-E

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished by U. S mail this 18<sup>TH</sup> day of July, 2007, on the following:

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State of Florida



**CONFIDENTIAL**

**Public Service Commission**

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

DATE: 7/19/07  
 TO: S. Ritenour / GPC  
 FROM: R Nettles, Division of the Commission Clerk &  
 Administrative Services  
 RE: **Acknowledgment of Receipt of Confidential Filing**

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket No. 070001-ET or (if filed in an undocketed matter) concerning Response to Staff's 1st Request for POPs, and filed on behalf of Gulf Power Co.. The document will be maintained in locked storage.

Any questions regarding this matter should be directed to Marguerite Lockard at (850) 413-6770.

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PSC/CCA019-C(Rev 12/06)

DOCUMENT NUMBER - DATE

06049 JUL 19 07

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