

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITEN0@southernco.com



September 22, 2010

CLAIM OF CONFIDENTIALITY
 NOTICE OF INTENT
 REQUEST FOR CONFIDENTIALITY
 FILED BY OPC

FOR DN 07982-10, WHICH
IS IN LOCKED STORAGE. YOU MUST BE
AUTHORIZED TO VIEW THIS DN. - CLK

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

Dear Ms. Cole:

RE: Docket No. 100007-EI

Enclosed is Gulf Power Company's Request for Confidential Classification
pertaining to Staff's Second Request for Production of Documents (No. 6) and
Staff's Seventh Set of Interrogatories (No. 46).

Sincerely,

Susan D. Ritenour (lw)

COM _____
APA _____
ECR _____
GCL _____
RAD _____
SSC _____
ADM _____
OPC _____
CLK *Pena*

vm

Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

SEARCHED INDEXED DATE

7981 SEP 23 0

FILED IN SEARCH CLERK'S

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost
Recovery Clause

Docket No.: 100007-EI
Date: September 22, 2010

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 its request that the Florida Public Service Commission enter an order protecting from public disclosure certain information produced by the Company in response to Commission Staff's Second Request for Production of Documents (Nos. 5-8) and Staff's Seventh Set of Interrogatories (Nos. 45-48). As grounds for this request, the Company states as follows:

1. Portions of the information submitted by Gulf Power in response to request number six of Commission Staff's Second Request for Production of Documents and interrogatory number 46(d) of Staff's Seventh Interrogatories is "proprietary confidential business information" as defined by section 366.093(3), Florida Statutes (the "Confidential Information").

2. The Confidential Information supports cost projections associated with Gulf Power's Plant Smith Reclaimed Water Project as discussed at pages 4-5 of the Direct Testimony of James O. Vick filed in Docket 100007 on August 27, 2010. The Confidential Information consists of detailed technical data and cost estimates for deep well injection of beneficially used reclaimed water. Disclosure of the detailed cost estimates could negatively impact Gulf Power's ability to negotiate pricing favorable to its customers when contracting for the services and equipment related to the project. Moreover, disclosure of the technical data which has been developed by Gulf and its contractors would provide a competitive advantage to other industries

DOCUMENT NUMBER 047

07981 SEP 23 0

FPSC-COMMISSIONER'S OFFICE

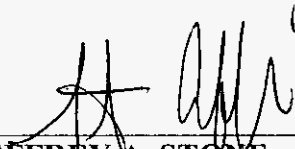
which are also considering deep well injection projects in the Bay County area. This information relates to competitive interests, the disclosure of which would impair the competitive business of the Company and therefore constitutes "proprietary confidential business information" pursuant to section 366.093(3)(e), Florida Statutes.

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

4. Submitted as Exhibit "A" are copies of the subject documents, on which are 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 contained in Exhibit "A" from public disclosure as proprietary confidential business information.

Respectfully submitted this 22nd day of September, 2010.



JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 007455
STEVEN R. GRIFFIN
Florida Bar No. 0627569
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591
(850) 432-2451
Attorneys for Gulf Power Company

REDACTED

46. Referring to page 5, lines 5 – 17:
- (a) How many potential injection wells are there (lines 8 and 14)?
 - (b) How many monitoring injection wells are there (line 14)?
 - (c) Does FDEP Underground Injection Control Group require each injection well to have an associated monitoring well?
 - (d) Please provide a detailed breakdown of the component items that comprise the \$7.80 million (line 16) in capital expenditures.

ANSWER:

Sections of Gulf Power's response to this request are being provided pursuant to a Request for Confidential Classification pursuant to Rule 25-22.006(3)(a).

- a. It is anticipated that there were be a total of two injection wells.
- b. It is anticipated that there will be a total of two monitoring wells, however, the ultimate number of monitoring wells will be dependent on the depth of the injection wells, water bearing units above the injection zone(s), as well as how many monitoring wells the technical advisory committee (Florida Department of Environmental Protection and Northwest Florida Water Management District) requires. There is a possibility that they will require additional monitoring wells to monitor feasible injection zones.
- c. Yes, the Underground Injection Control (UIC) Group will require a minimum of one monitoring well per injection well. As stated above, this number could increase depending on site conditions encountered as well as what the UIC Technical Advisory Committee requires for the permit.
- d. The \$7.8 million 2011 capital expenditures were estimated based on the assumption that [REDACTED]. Also, it should be noted that these are estimates and the total cost of the injection and monitoring wells can be more accurately estimated once Gulf has completed the injection wells to their total depth and receive a final permit from the Florida Department of Environmental Protection. The breakdown of costs for the injection and monitoring wells are provided below:
 - 3 Injection wells required = [REDACTED].
 - 4 Dual zone monitoring wells = [REDACTED].
 - 5 Permitting, reporting and well site project management = [REDACTED].
 - 6 Total estimated capital for two injection and monitoring wells = [REDACTED].

DOCUMENT NUMBER-DATE

07981 SEP 23 2010

FPSC-COMMISSION CLERK

Gambill, Barbara H.

From: Markey, Richard M.
Sent: Monday, September 20, 2010 2:34 PM
To: Gambill, Barbara H.
Cc: Keough, Ashley J.
Subject: FW: Deep Well Estimate with Injection Well Pump Station - Confidential

Barbara:

After discussions with our contractor, I now feel that the estimated cost to install the two injection wells and two monitor wells is approximately [REDACTED]. As soon as we conduct the test boring(s) and get a final permit from FDEP we will have a more accurate estimate of what the project costs will be.

If you have any questions regarding this information please feel free to give me a call.

Mike Markey
Supervisor of Water Programs
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0328
Office: (850) 444-6573
Cell: (850) 336-6573
Fax: (850) 444-6751

From: Markey, Richard M.
Sent: Thursday, April 29, 2010 4:22 PM
To: Clark, Tim J.
Cc: Vick, James O.; Heinfeld, Brian E.
Subject: FW: Deep Well Estimate with Injection Well Pump Station

Tim:

I have been helping SCS Engineering get you a cost estimate together on their portion of the project. When you have a draft of that estimate it would probably be a good idea to have a call on what they came up with.

In reference to the deep well project, we have several options below. As mentioned previously, we don't know the exact completion depth for the injection wells or the amount that can be injected at this time. [REDACTED]

Drilling and Completion of a Deep Well(s) and Monitoring Well(s) at Smith:

Gulf Power Plant Smith Exploratory Well Design Scenarios

	A	B	C	D	E
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Drilling of One Injection Well at Smith (with Required Surface Casings):

5 The 1.62 million dollar estimate (option B) would allow us to complete an injection well with the remaining portions of the completion (tubing with cemented annulus). [REDACTED] If we go with option A, it would only be an exploratory boring with no usable well afterwards.

Total Completion of Two Injection Wells and Two Dual Zone Monitor Wells:

6 The total cost to complete two injection wells and two monitoring wells is estimated at [REDACTED]. This includes the cost of permitting and installation of the required wells.

Injection Well Pump Station:

CH2M Hill has prepared a cost estimate for the proposed injection well pump station at Plant Smith using CH2M HILL's estimating software "CPES." CPES (or CH2M HILL Parametric Cost Estimating System) is a proprietary, firm wide conceptual cost estimating tool. This estimate was prepared using the Conveyance Module of CPES. Based on our discussions you understand that the estimate was prepared without the benefit of any engineering data or a site plan. Actual costs will depend on the actual project that moves forward, final scope of services, schedule, and extent of services relative to the overall project. To form a basis for the estimate we have made several assumptions which were developed in part based on our knowledge of the Plant Crist project.

This estimate is based upon the following assumptions:

1. Steel transmission main with 0.5" wall thickness, 2,000 linear feet in length, welded joints (injection water is **not** brine similar to Crist so steel assumed appropriate)
2. Storage tanks with a capacity of 200,000 gallons.
3. [REDACTED]
4. Estimate does not include the injection well construction costs.
5. Estimate is for a complete pumping system and includes electrical, I&C and a building.
6. The cost estimate includes the following markups:
 - a. Contractor Markups
 - 1) Overhead: 10%
 - 2) Profit: 5%

3
9
10

- 3) Mobilization, Demobilization, Insurance: 5%
- 4) Contingency: 15% Typically for a conceptual level estimate the contingency is 30%. This has been lowered to 15% to help account for the current competitive bidding market and the general simplicity of this pump station. For estimating the cost of the pump station CPES uses cost curves based upon the horsepower of the station.

b. Non-Construction Markups

- 1) Engineering (Design): 10%
- 2) Services During Construction (No Resident Inspector): 3%
- 3) Commission and Startup: 1%

Based upon these assumptions the total capital cost for construction of this injection well pump station and its associated storage tank and transmission main is \$5.06M. Estimate details have been included as an attachment to this email. Please don't hesitate to call me so we can discuss any of the information provided here.

Total Estimated Cost of the Deep Well Injection System:



If you have any questions please let us know.

Thanks

Mike Markey
Supervisor of Water Programs
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0328
Office: (850) 444-6573
Cell: (850) 336-6573
Fax: (850) 444-6080



Plant Smith



Plant Smith

estimate Summary.p. onceptual Pump Se.

	A	B	C	D	E
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					

	A	B	C	D	E
52	[REDACTED]				[REDACTED]
53	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
54	[REDACTED]				[REDACTED]
55	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
56	[REDACTED]	[REDACTED]			[REDACTED]
57	[REDACTED]				[REDACTED]
58	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
59	[REDACTED]	[REDACTED]			[REDACTED]
60	[REDACTED]				[REDACTED]
61	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
62	[REDACTED]				[REDACTED]
63	[REDACTED]				[REDACTED]
64	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
65	[REDACTED]	[REDACTED]			[REDACTED]
66	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
67	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]
68	[REDACTED]	[REDACTED]			[REDACTED]
69	[REDACTED]				[REDACTED]
70	[REDACTED]	[REDACTED]			[REDACTED]
71	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
72	[REDACTED]				[REDACTED]
73	[REDACTED]				[REDACTED]
74	[REDACTED]	[REDACTED]			[REDACTED]
75	[REDACTED]				[REDACTED]
76	[REDACTED]				[REDACTED]
77	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
78	[REDACTED]	[REDACTED]			[REDACTED]
79	[REDACTED]				[REDACTED]
80	[REDACTED]	[REDACTED]			[REDACTED]
81	[REDACTED]				[REDACTED]
82	[REDACTED]	[REDACTED]			[REDACTED]
83	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
84	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
85	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
86	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

EXHIBIT "C"

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

Line(s)/Field(s)

Justification

Response to Document Request Number Six.

Page 19, lines 1-4

Page 20, lines 1-4, Columns A-E and
lines 5-10

Page 21, lines 1-5

Pages 22-23, confidential in their entirety.

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

Response to Interrogatory Number 46(d)

Page 1, lines 1-6

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

DOCUMENT NUMBER DATE

07981 SEP 23 2

FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Environmental Cost
Recovery Clause**

Docket No.: **100007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 22nd day of September, 2010, by US mail to the following:

Martha Carter Brown, Esq.
Senior Counsel
FL Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee FL 32399-0850

John W. McWhirter, Jr., Esq.
McWhirter Reeves &
Davidson
P.O. Box 3350
Tampa, FL 33601-3350

Paula K. Brown, Administrator
Regulatory Coordination
Tampa Electric Company
P. O. Box 111
Tampa FL 33601

John T. Butler, Esq.
Attorney for Florida Power &
Light Company
700 Universe Boulevard
Juno Beach FL 33408-0420

James D. Beasley, Esq.
J. Jeffry Wahlen
Attorneys for Tampa Electric
Co. Ausley & McMullen
P. O. Box 391
Tallahassee FL 32302

Cheryl Martin
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach FL 33402-
3395

Shayla L. McNeill, Capt. USAF
Karen S. White
AFLSA/JACL-ULT
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403

John T. Burnett, Esq.
R. Alexander Glenn, Esq.
Progress Energy Service Co.
P. O. Box 14042
St. Petersburg FL 33733-
4042

Gary V. Perko, Esq.
Hopping Green & Sams
P. O. Box 6526
Tallahassee FL 32314

Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 E. College Ave., Ste. 800
Tallahassee FL 32301-7740

Patricia Ann Christensen
Associate Public Counsel
Office of Public Counsel
111 W. Madison St., Rm. 812
Tallahassee, FL 32399

R. Wade Litchfield, Esq.
Associate General Counsel for
Florida Power & Light Company
700 Universe Boulevard
Juno Beach FL 33408-0420

Vicki Gordan Kaufman
John C. Moyle
118 N. Gadsden Street
Tallahassee, FL 32301



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN GRIFFIN

Florida Bar No. 0627569

BEGGS & LANE

P. O. Box 12950

Pensacola FL 32591-2950

(850) 432-2451

Attorneys for Gulf Power Company

State of Florida



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

**Susan Ritenour
One Energy Place
Pensacola FL 32520**

Re: Acknowledgement of Confidential Filing in Docket No. 100007-EI.

This will acknowledge receipt by the Florida Public Service Commission, Office of Commission Clerk, of a CONFIDENTIAL DOCUMENT filed on September 23, 2010, in the above-referenced docket.

Document Number 07982-10 has been assigned to this filing, which will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.