

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of )	
separately negotiated contract )	Docket No: 921167-EQ
for purchase of firm capacity )	Filed: Dec. 22, 1992
and energy from Monsanto Company )	
by Gulf Power Company )	
_____ )	

GULF POWER COMPANY'S REQUEST FOR CONFIDENTIAL TREATMENT  
AND MOTION FOR PROTECTIVE ORDER AS TO PORTIONS OF  
GULF'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES

GULF POWER COMPANY ["Gulf Power", "Gulf", or "the Company"], by and through its undersigned counsel and pursuant to Rule 25-22.006, Florida Administrative Code, requests confidential treatment for certain portions of its responses to Items 6, 7, and 8 of Staff's First Set of Interrogatories to Gulf Power Company (Nos. 1-11), and further requests that the Florida Public Service Commission enter a protective order specifying how the confidentiality of this information should be maintained during the course of this proceeding. As grounds for this Motion, the Company states:

1. Staff's First Set of Interrogatories were served on Gulf Power in the above docket on or about November 23, 1992. Items 6, 7 and 8 of those interrogatories state:

6. Please provide the calculation of the in-service cost of the unit to be deferred by the proposed negotiated contract with Monsanto. Show the avoided unit's year-by-year construction spending curve with yearly and accumulated AFUDC.
7. Please provide a table showing the development of the K-Factor for the unit to be deferred by the proposed negotiated contract with Monsanto. Include all the financial assumptions used in developing this table.

8. Please provide the year-by-year value of deferral payments for the unit to be deferred by the proposed negotiated contract with Monsanto, for the life of the contract, in accordance with Rule 25-17.0832(5)(a), F.A.C. Show the breakdown for the fixed O&M portion of the value of deferral. Include the cumulative present worth of these payments.

2. Submitted concurrently with this Motion under separate cover as Exhibit "A" are Gulf Power's responses to Items 6, 7, and 8 of Staff's First Set of Interrogatories, with the information for which confidentiality is requested highlighted. Exhibit "A" should be kept confidential and exempt from public disclosure pending the Commission's ruling on this Motion. Attached hereto and incorporated herein as Exhibit "B" are two copies of the responses, with the confidential information edited out; Exhibit "B" may be made available for public inspection and review. Attached hereto and incorporated as Exhibit "C" is a line-by-line justification for the requested confidential treatment.

3. The material highlighted on Exhibit "A" is entitled to confidential treatment under Section 366.093(3)(d), Florida Statutes (1992). Specifically, the data for which confidential treatment is requested represents the capacity costs of a 1996 combustion turbine generating unit on which the proposed negotiated contract between Gulf Power and Monsanto is based. The capacity payments to be made under the proposed contract are the result of a voluntary agreement between a willing seller and a willing buyer. Gulf has successfully negotiated price, terms and conditions with Monsanto that allow the Company to purchase the capacity specified

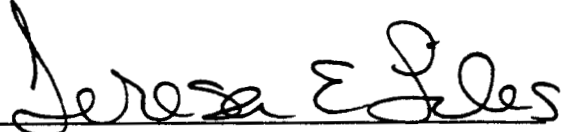
in this contract at less than Gulf's full avoided cost. The savings Gulf has achieved inure to the benefit of Gulf's customers; however, disclosure of the actual avoided cost would hinder Gulf's ability to negotiate similar savings for its customers in future negotiations. Thus, the information is entitled to confidential treatment under Section 366.093(3)(d), Fla. Stat. (1992) ("...contractual data, disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms").

4. In addition to the specific statutory entitlement to confidentiality under Section 366.093(3)(d), the information should be maintained as confidential under the more general provisions of Section 366.093(3), in that "disclosure of the information would cause harm to the ratepayers...". As indicated above, Gulf's negotiation of the Monsanto contract based on less than its full avoided cost results in savings which will be passed to Gulf's customers. Gulf's ability to bargain successfully and achieve similar savings in the future depends upon the confidentiality of this information.

5. The information identified herein for which confidential treatment is requested is intended to be, and is treated by Gulf as, private and confidential. Although in part based on figures which have been made public in other contexts, the information for which confidential treatment is requested has not been disclosed to others either in connection with the Monsanto negotiations or otherwise.

WHEREFORE, Gulf Power Company respectfully requests that the Commission deem the information identified on the attached exhibits as proprietary confidential business information and exempt from public disclosure. Gulf Power further requests that a protective order be entered that will allow the Company to maintain the confidentiality of the information during the course of this proceeding.

Respectfully submitted,



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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of )  
separately negotiated contract )  
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and energy from Monsanto Company )  
by Gulf Power Company. )  
\_\_\_\_\_ )

Docket No.: 921167-EQ

CERTIFICATE OF SERVICE

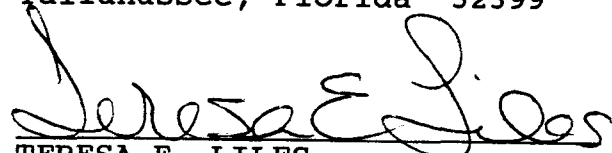
I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by First Class U.S. Mail, Postage Prepaid, to the following addressees, this 21st day of December, 1992.

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Attorneys for Gulf Power Company

EXHIBIT "A"

CONFIDENTIAL - PROVIDED UNDER SEPARATE COVER

EXHIBIT "B"

Staff's 1st Set of  
Interrogatories  
Docket No. 921167-EQ  
GULF POWER COMPANY  
December 21, 1992  
Response to Item 6  
Page 1 of 2

6. Please provide the calculation of the in-service cost of the unit to be deferred by the proposed negotiated contract with Monsanto. Show the avoided unit's year-by-year construction spending curve with yearly and accumulated AFUDC.

Gulf's Response:

See attached table.



PROJECTED EXPENDITURE STREAM (\$)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2		(1992)						
3		<u>Total \$</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>Total</u>
4	Combustion							
5	Turbine &							
6	Balance of							
7	Plant							
8	Substation							
9	Transmission							
10	Engineering							
11	Total							

12 Note: These amounts are project expenditures with  
 13 actual CT construction commencing in the latter  
 14 half of 1995. Since actual construction is projected  
 15 to be accomplished in eleven months, no AFUDC is  
 16 incurred.

Staff's 1st Set of  
 Interrogatories  
 Docket No. 921167-EQ  
 GULF POWER COMPANY  
 December 21, 1992  
 Response to Item 6  
 Page 2 of 2

Staff's 1st Set of  
Interrogatories  
Docket No. 921167-EQ  
GULF POWER COMPANY  
December 21, 1992  
Response to Item 7  
Page 1 of 3

7. Please provide a table showing the development of the K-Factor for the unit to be deferred by the proposed negotiated contract with Monsanto. Include all the financial assumptions used in developing this table.

Gulf's Response:

See attached table.



Staff's 1st Set of  
Interrogatories  
Docket No. 921167-EQ  
GULF POWER COMPANY  
December 21, 1992  
Response to Item 8  
Page 1 of 2

8. Please provide the year-by-year value of deferral payments for the unit to deferred by the proposed negotiated contract with Monsanto, for the life of the contract, in accordance with Rule 25-17.0832 (5) (a), F.A.C. Show the breakdown for the fixed income O&M portion of the value.

(Include the cumulation present worth of these items.)

Gulf's Response:

See attached table.

GULF POWER COMPANY  
 Summary of Firm Capacity Payments  
 To Supply Side Qualifying Facilities

Unit Type: Combustion Turbine in 1996

	(1)	(2)	(3)	(4)	(5)
	Contract Period	Avoided Capital Cost \$	Avoided FOM Cost \$	Total Avoided Capacity Cost \$	NPV Avoided Capacity Cost \$
10	6/1/96 to 5/31/97				
11	6/1/97 to 5/31/98				
12	6/1/98 to 5/31/99				
13	6/1/99 to 5/31/00				
14	6/1/00 to 5/31/01				
15	6/1/01 to 5/31/02				
16	6/1/02 to 5/31/03				
17	6/1/03 to 5/31/04				
18	6/1/04 to 5/31/05				
19		Cumulative Net Present Value =			

Staff's 1st Set of  
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Docket No. 921167-EQ  
GULF POWER COMPANY  
December 21, 1992  
Response to Item 6  
Page 1 of 2

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Gulf's Response:

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(1992)						
		<u>Total \$</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>Total</u>
4	Combustion							
5	Turbine &							
6	Balance of							
7	Plant							
8	Substation							
9	Transmission							
10	Engineering							
11	<b>Total</b>							

12 Note: These amounts are project expenditures with  
13 actual CT construction commencing in the latter  
14 half of 1995. Since actual construction is projected  
15 to be accomplished in eleven months, no AFUDC is  
16 incurred.

Staff's 1st Set of  
Interrogatories  
Docket No. 921167-EQ  
GULF POWER COMPANY  
December 8, 1992  
Response to Item 6  
Page 2 of 2

Staff's 1st Set of  
Interrogatories  
Docket No. 921167-EQ  
GULF POWER COMPANY  
December 21, 1992  
Response to Item 7  
Page 1 of 3

7. Please provide a table showing the development of the K-Factor for the unit to be deferred by the proposed negotiated contract with Monsanto. Include all the financial assumptions used in developing this table.

Gulf's Response:

See attached table.



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GULF POWER COMPANY  
 FIXED CHARGE CALCULATIONS FOR DEVELOPMENT OF K FACTOR  
 UNIT TYPE: COMBUSTION TURBINE  
 (THOUSANDS OF DOLLARS)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
YEAR	CALENDAR YEAR	Electric Plant In-Service	Debt	Preferred	Equity	Taxes	Tax Credit	Total Debt Preferred Equity & Taxes	Straight Line Depreciation	Total Fixed Charges	Present Worth Fixed Charges	Cumulative Present Worth Fixed Charges
	1	1996										
	2	1997										
	3	1998										
	4	1999										
	5	2000										
	6	2001										
	7	2002										
	8	2003										
	9	2004										
	10	2006										
	11	2006										
	12	2007										
	13	2008										
	14	2008										
	15	2010										
	16	2011										
	17	2012										
	18	2013										
	19	2014										
	20	2016										
	21	2016										
	22	2017										
	23	2018										
	24	2018										
	25	2020										
	26	2021										
	27	2022										
	28	2023										
	29	2024										
	30	2022										

VALUE OF "K" 1.4788 = TOTAL CUMULATIVE PRESENT WORTH FIXED CHARGE / TOTAL INSTALL COST.

Staff's 1st Set of  
 Interrogatories  
 Docket No. 921167-EQ  
 GULF POWER COMPANY  
 December 21, 1992  
 Response to Item 7  
 Page 2 of 3

8. Please provide the year-by-year value of deferral payments for the unit to be deferred by the proposed negotiated contract with Monsanto, for the life of the contract, in accordance with Rule 25-17.0832 (5) (a), F.A.C. Show the breakdown for the fixed income O&M portion of the value.

(Include the cumulation present worth of these items.)

Gulf's Response:

See attached table.

1 GULF POWER COMPANY  
 2 Summary of Firm Capacity Payments  
 3 To Supply Side Qualifying Facilities

4 Unit Type: Combustion Turbine in 1996

	(1)	(2)	(3)	(4)	(5)
		Avoided Capital Cost \$	Avoided FOM Cost \$	Total Avoided Capacity Cost \$	NPV Avoided Capacity Cost \$
5	Contract Period				
6	-----	-----	-----	-----	-----
7	6/1/96 to 5/31/97				
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12	6/1/01 to 5/31/02				
13	6/1/02 to 5/31/03				
14	6/1/03 to 5/31/04				
15	6/1/04 to 5/31/05				

19 Cumulative Net Present Value =

Staff's 1st Set of  
 Interrogatories  
 Docket No. 921167-EQ  
 GULF POWER COMPANY  
 December 21, 1992  
 Response to Item 8  
 Page 2 of 2

EXHIBIT "C"

<u>Line(s)<sup>1</sup></u>	<u>Column(s)</u>	<u>Justification</u>
Item 6:		
Page 2 of 2:		
7-11	2-8	Section 366.093(3)(d); disclosure of this information would also harm Gulf Power's customers by impairing Gulf's ability to achieve similar savings in future contract negotiations.
Item 7:		
Page 2 of 3:		
12-41	3-13	Section 366.093(3)(d); disclosure of this information would also harm Gulf Power's customers by impairing Gulf's ability to achieve similar savings in future contract negotiations.
Item 8:		
Page 2 of 2:		
10-19	2-5	Section 366.093(3)(d); disclosure of this information would also harm Gulf Power's customers by impairing Gulf's ability to achieve similar savings in future contract negotiations.

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<sup>1</sup>Lines are counted from the beginning of the response, not including the caption at the upper right corner.