

One Energy Place
Pensacola, Florida 32520

850.444.6111



May 7, 1999

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 990325-EI

Enclosed for official filing are an original and fifteen copies of Gulf Power Company's Request for Confidential Classification in regards to Staff's First Set of Interrogatories, Nos. 1 and 17, in the above docket.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esquire
Hopping Green Sams & Smith
Richard D. Melson

DOCUMENT NUMBER-DATE

05935 MAY 10 8

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Gulf Power Company to
Determine Need for Proposed Electrical
Power Plant in Bay County, Florida

Docket No.: 990325-EI
Filed: May 10, 1999

REQUEST FOR CONFIDENTIAL CLASSIFICATION

GULF POWER COMPANY ["Gulf Power", "Gulf", or "the Company"], by and through its undersigned attorney 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 the Company's responses to interrogatories numbered 1 and 17 of Commission Staff's 1st Set of Interrogatories to Gulf Power Company (Nos. 1-31). As grounds for this request, the Company states:

1. On April 19, 1999, Gulf submitted its responses to interrogatories numbered 1 and 17 of Commission Staff's 1st Set of Interrogatories to Gulf Power Company (Nos. 1-31) under a Notice of Intent to Request Confidential Classification. These responses contain proprietary confidential business information regarding bid/proposal information and information relating to competitive interests the disclosure of which would cause irreparable harm to Gulf Power Company and the Southern Company. This information is entitled to confidential classification pursuant to §366.093(3)(d) and (e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power and the ability of Gulf to enter into contracts on terms favorable to it and its ratepayers. The information for which confidential classification is sought is intended to be and is treated by Gulf Power Company and

the Southern Company as private and is not otherwise publically available.

2. The response to Interrogatory No. 1 provided by Gulf details specific proposal information submitted to Gulf by third parties who have submitted proposals in response to Gulf's Request for Proposals in this docket. This information is treated as confidential by those third parties and in turn by Gulf at their request. Disclosure of this information would cause irreparable harm to those third parties by impairing their ability to compete in their native markets. These third parties may decline to submit proposals on future electric plant additions in Florida if the specifics of their proposals are made public. This would result in fewer proposals and potentially a less robust market. A less robust market may result in higher costs to electricity customers of Gulf and in Florida as a whole. Gulf's ability to obtain future plant additions on terms favorable to it and its ratepayers would be harmed. Thus, Gulf Power Company requests that this information be granted confidential classification pursuant to Section 366.093(3)(d), Florida Statutes.

3. The response to Interrogatory 17 provided by Gulf details specific cost information. This information is entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. Cost information can be utilized by Gulf's competitors to negatively impact Gulf's ability to compete in electricity markets. Specific cost information of Gulf's competitors' is not publically available. Making Gulf's information public would result in an uneven playing field for Gulf. Thus, Gulf Power Company requests that this information be granted confidential classification pursuant to Section 366.093(3)(e), Florida Statutes.

4. Submitted as Exhibit "A" is a copy of the responses to interrogatories numbered 1 and 17 of Commission Staff's 1st Set of Interrogatories to Gulf Power Company (Nos. 1-31) which has 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 responses which may be made available for public review and inspection. Attached as Exhibit "C" to this request is a line-by-line justification for the request for confidential classification.

5. The material for which confidential classification is requested is intended to be, and is treated as, confidential by Gulf Power Company, the Southern Company and those third parties who submitted proposals in response to Gulf's Request for proposals and has not been otherwise publicly disclosed.

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 7 th day of May 1999,



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

Beggs & Lane

P. O. Box 12950

(700 Blount Building)

Pensacola, FL 32576-2950

(850) 432-2451

Attorneys for Gulf Power Company

EXHIBIT "B"

FPSC Staff's First Set
Of Interrogatories
Docket No. 990325-EI
GULF POWER COMPANY
April 19, 1999
Item No. 1

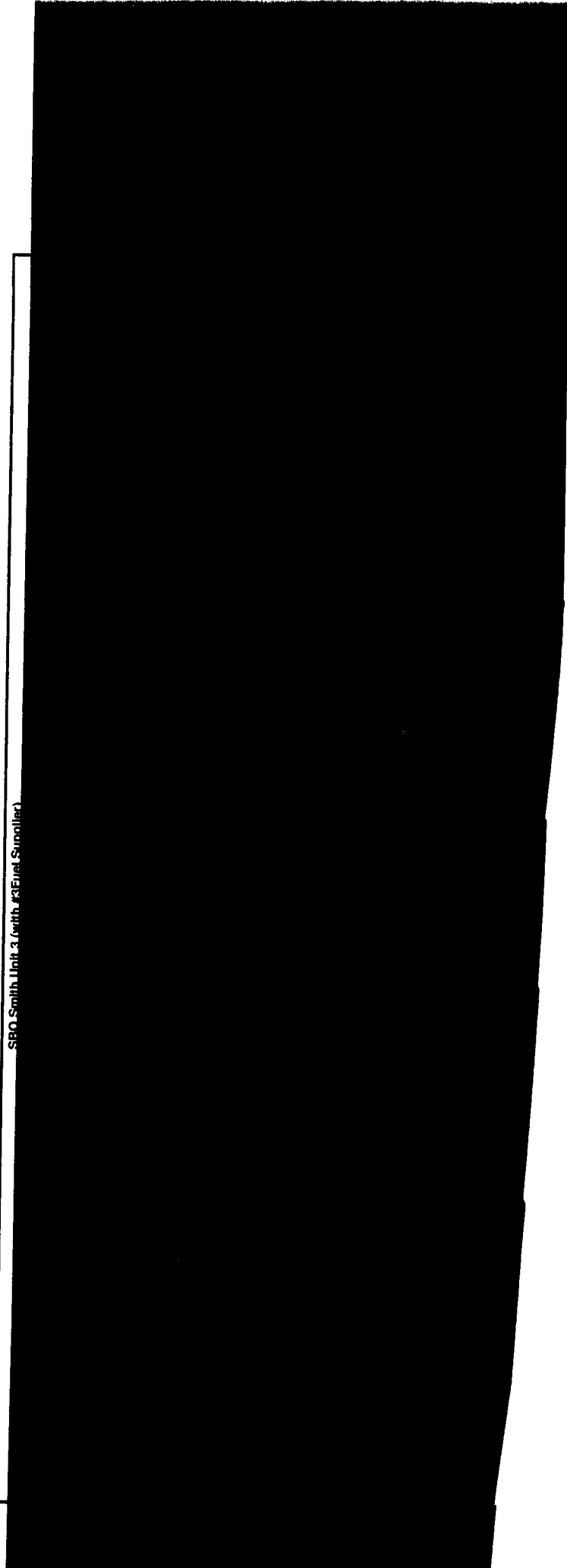
1. Provide a 20-year, present worth revenue requirements (PWRR) analysis of Gulf's proposed Smith Unit 3, the other self-build options, and all respondents to Gulf's Request for Proposals (RFP). Provide both on an annual and a cumulative PWRR basis, and separate capital, fixed operations and maintenance (O&M), and variable costs for each year. Include all financial assumptions for the self-build options and the respondents.

RESPONSE:

The values requested for the four self-build analysis options are attached. The financial assumptions used for the Self-build analysis are those shown for 1997 in the answer to Interrogatory No. 13. The response for the figures pertaining to the RFP analyses have been filed with a Letter of Intent to request Confidential treatment.

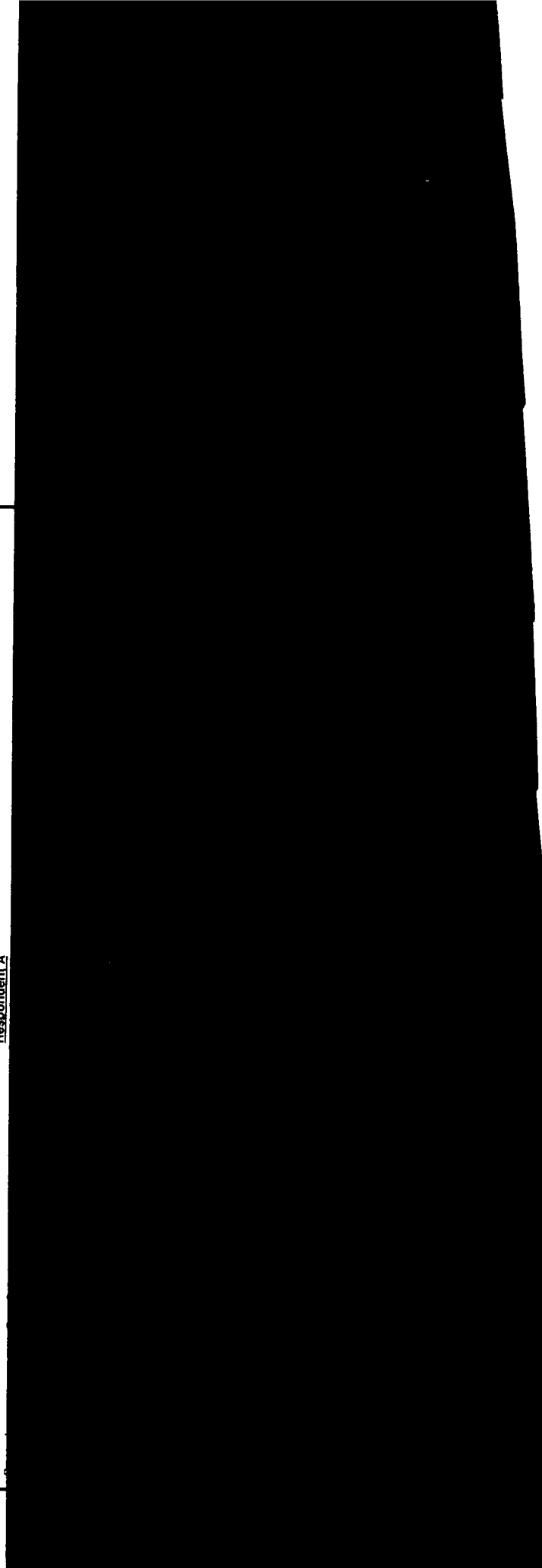
CONFIDENTIAL

SBO Smith Unit 3 (with #3Fuel Supplier)



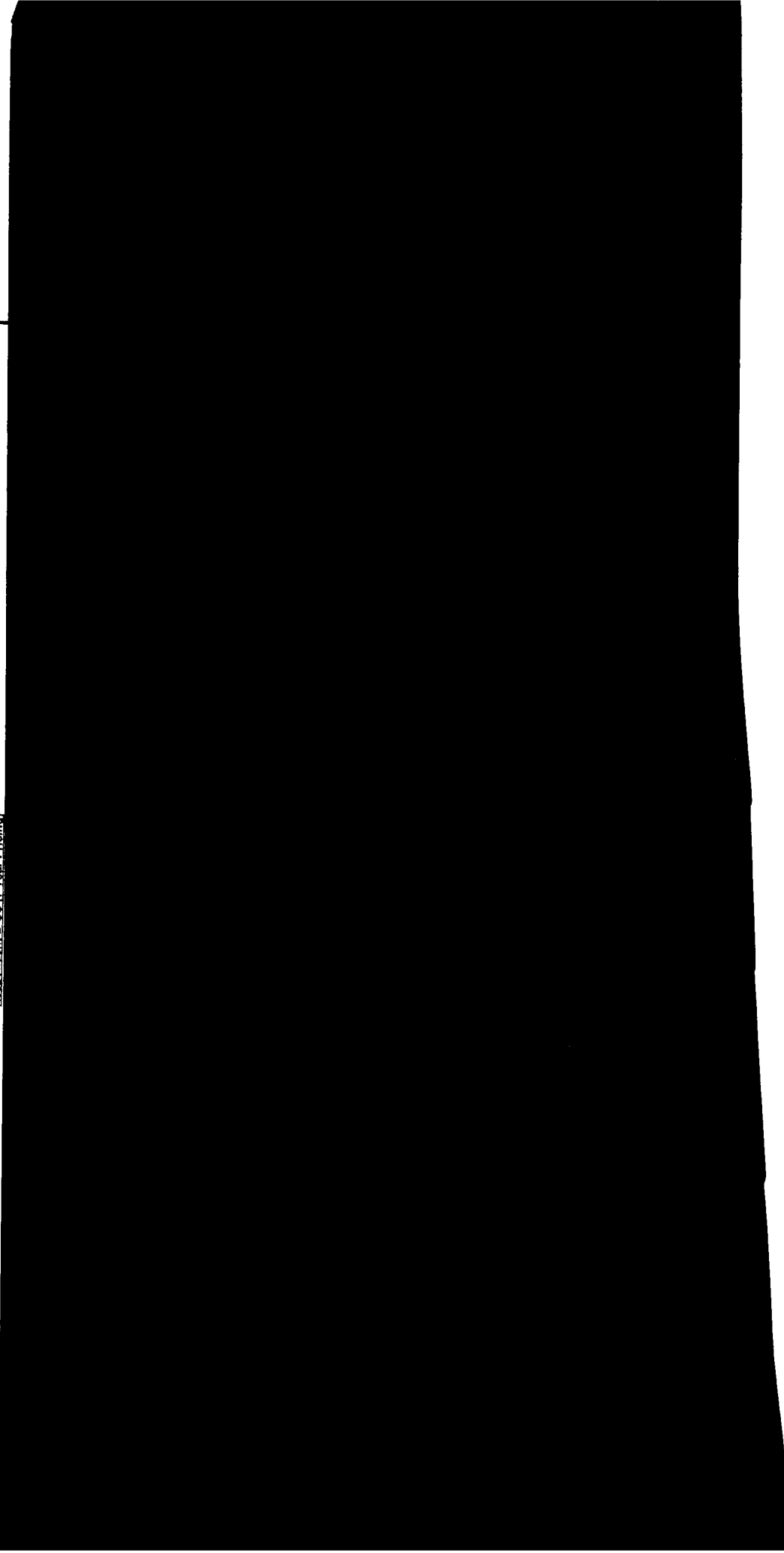
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Respondent A



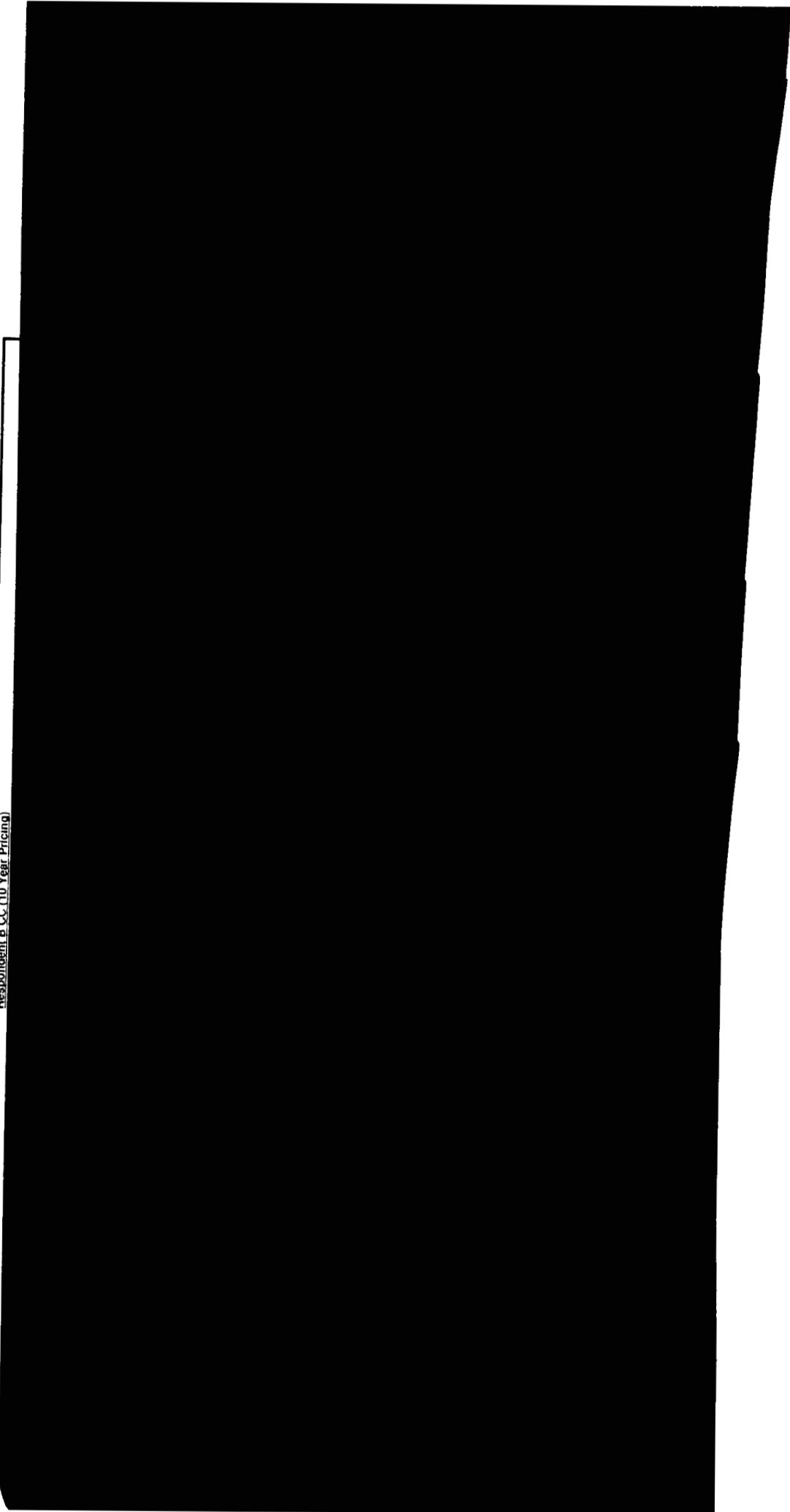
CONFIDENTIAL

Respondent B CC (7 Year Pricing)



CONFIDENTIAL

Respondent B CC (10 Year Pricing)



Proposal	Respondent B, CC (20 Year Pricing)
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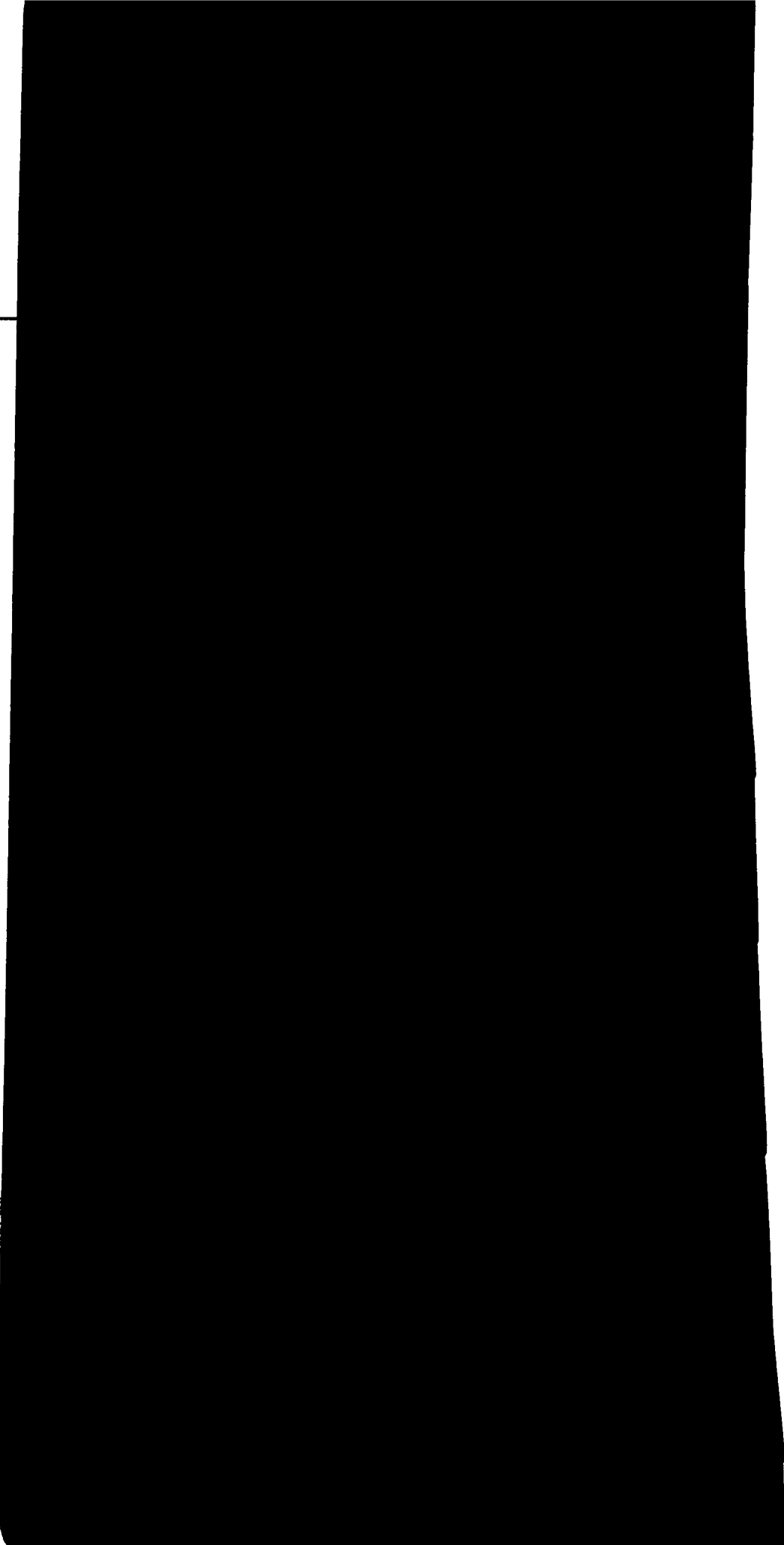


CONFIDENTIAL

Respondent B CT Proposal (7 Year Pricing)

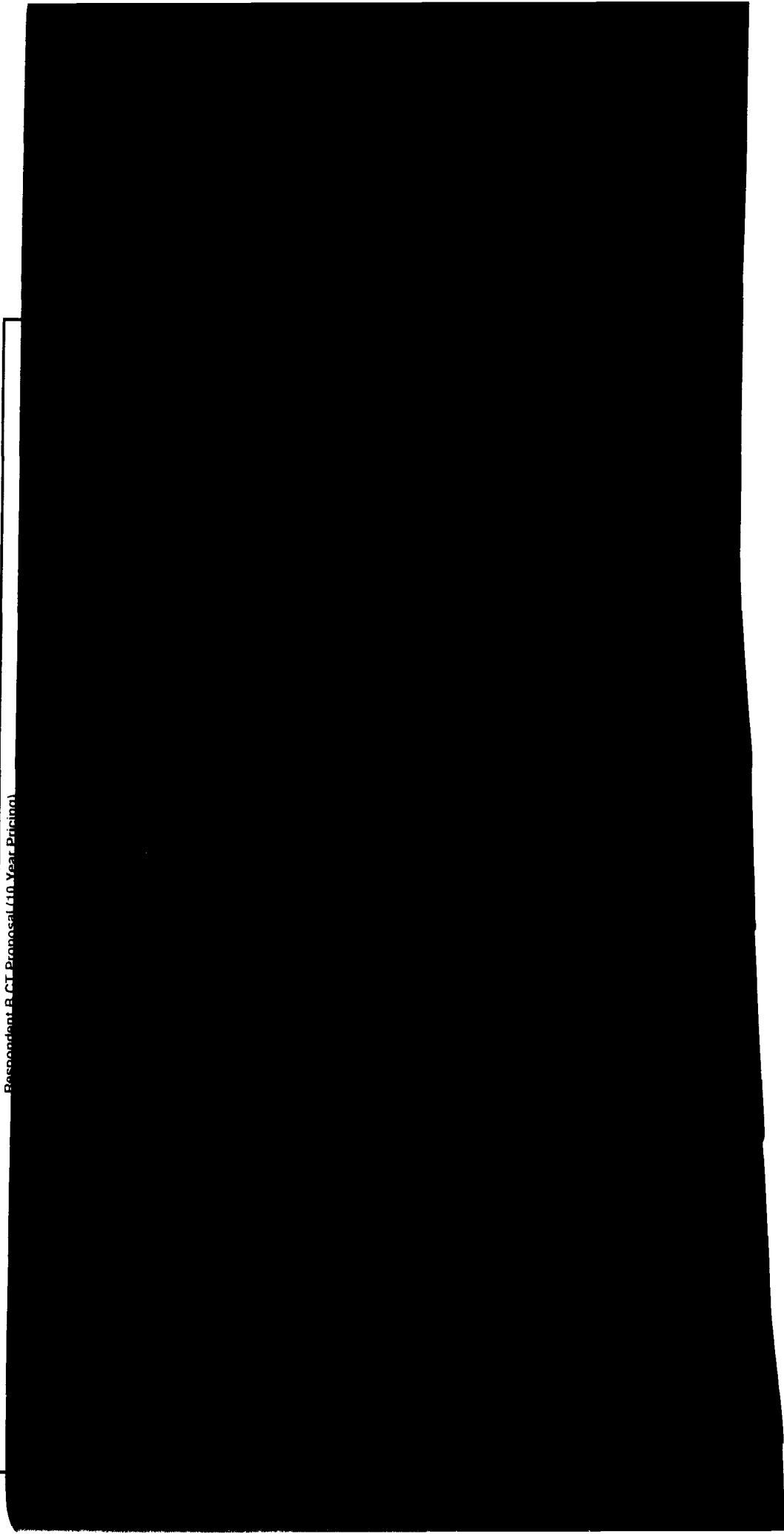
Price Case

Proposed

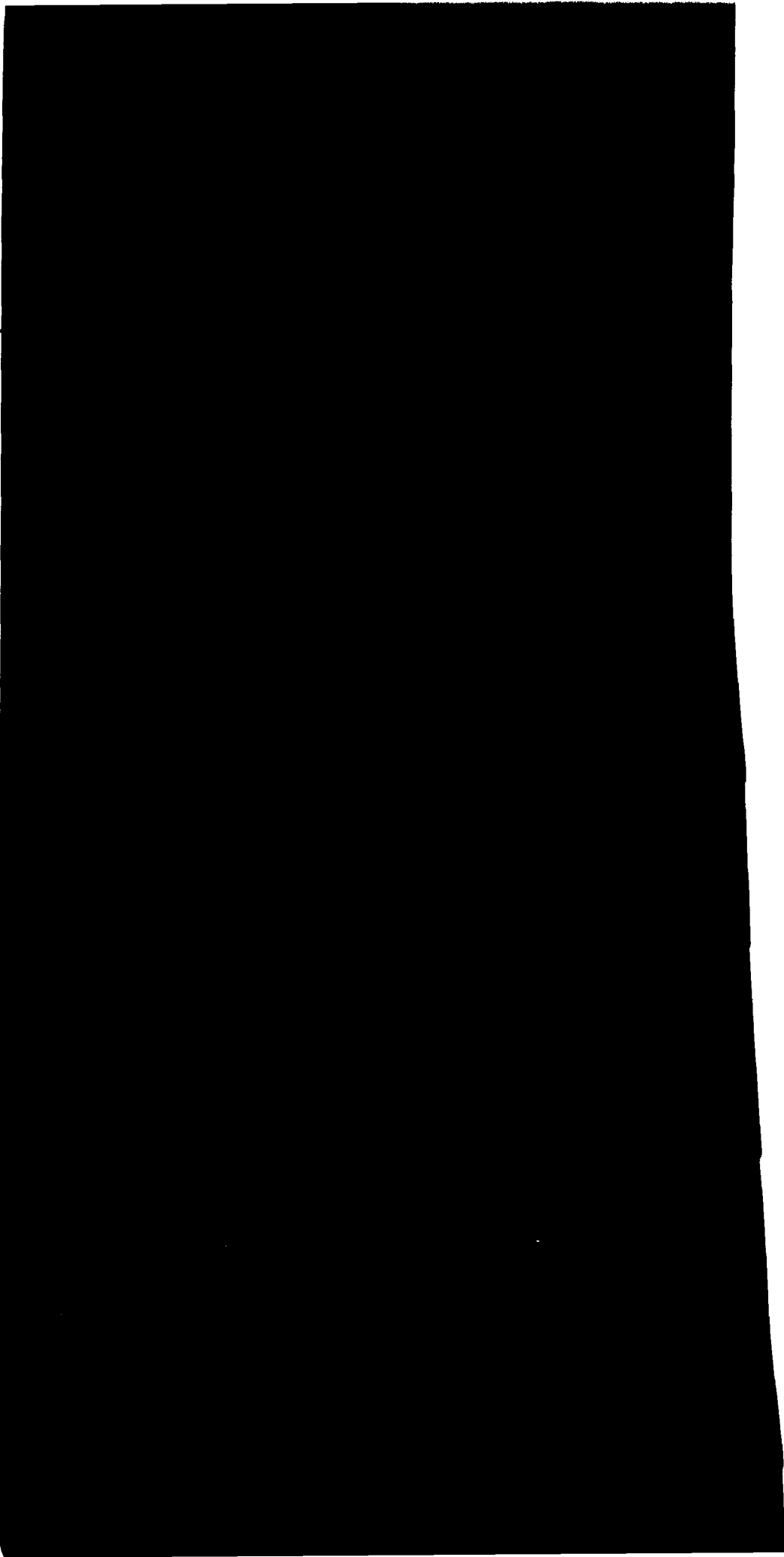


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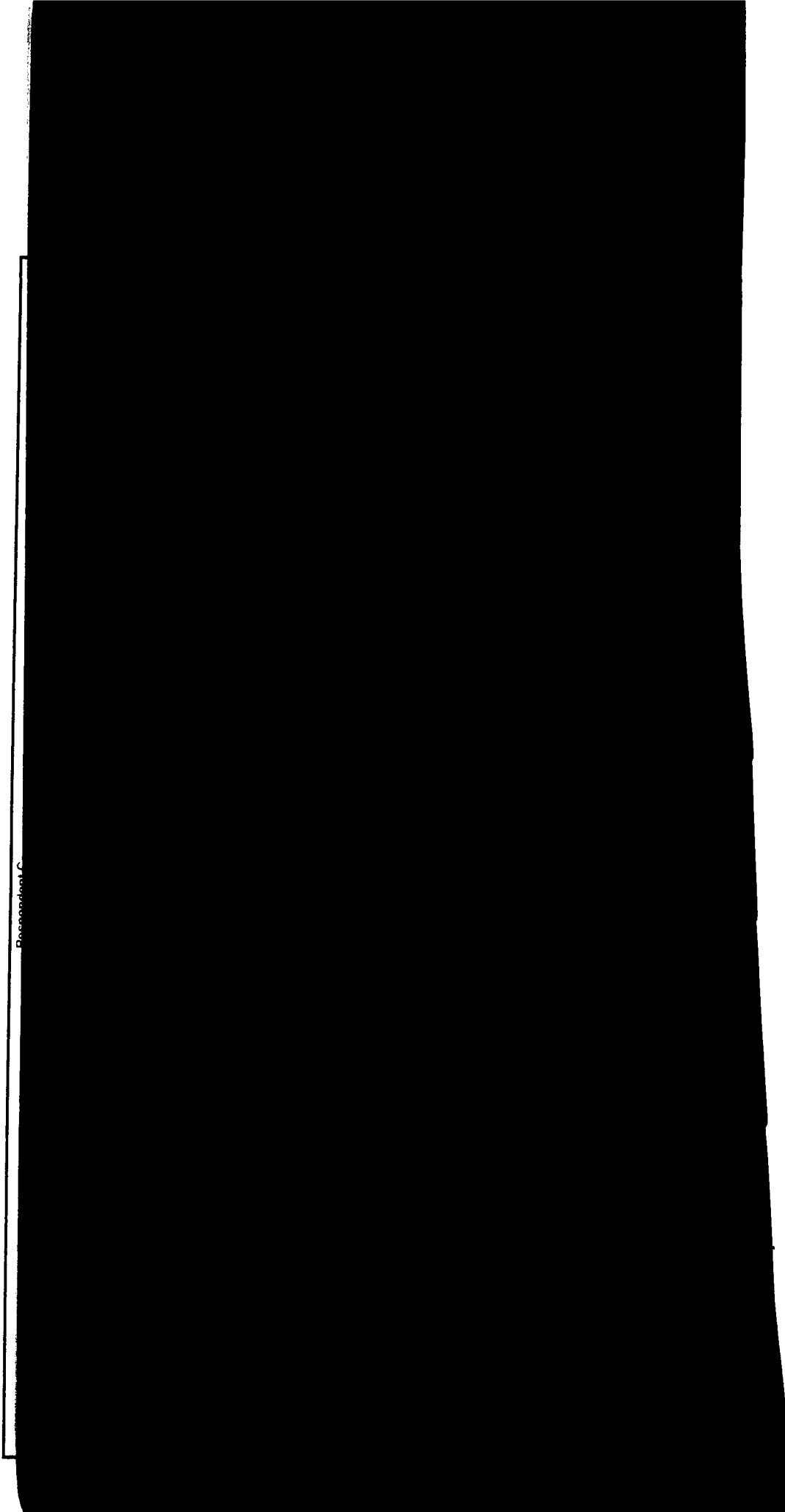
Respondent B CT Proposal (10 Year Pricing)



Respondent B CT Proposal (20 Year Pricing)



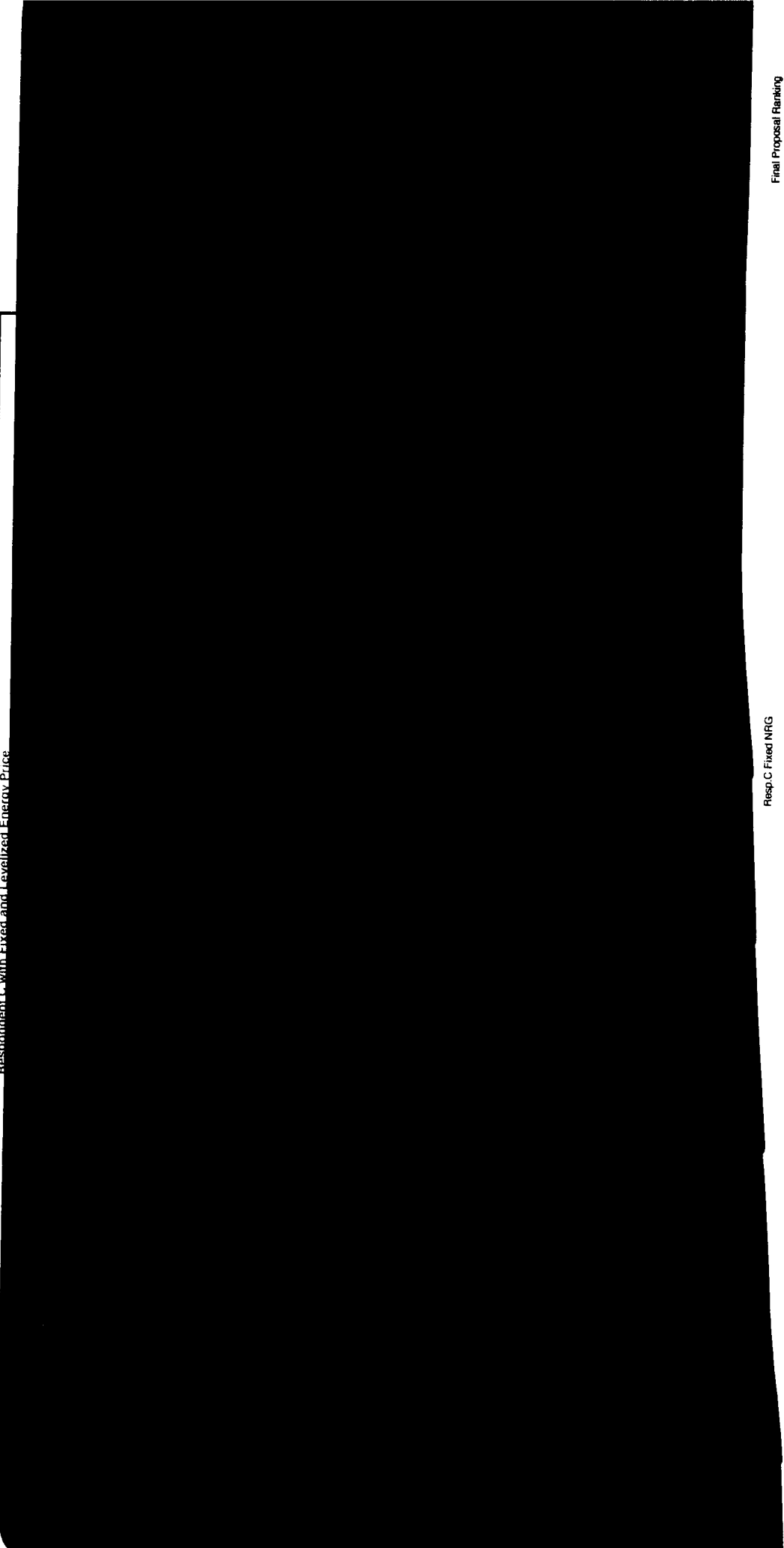
CONFIDENTIAL



Respondent C

CONFIDENTIAL

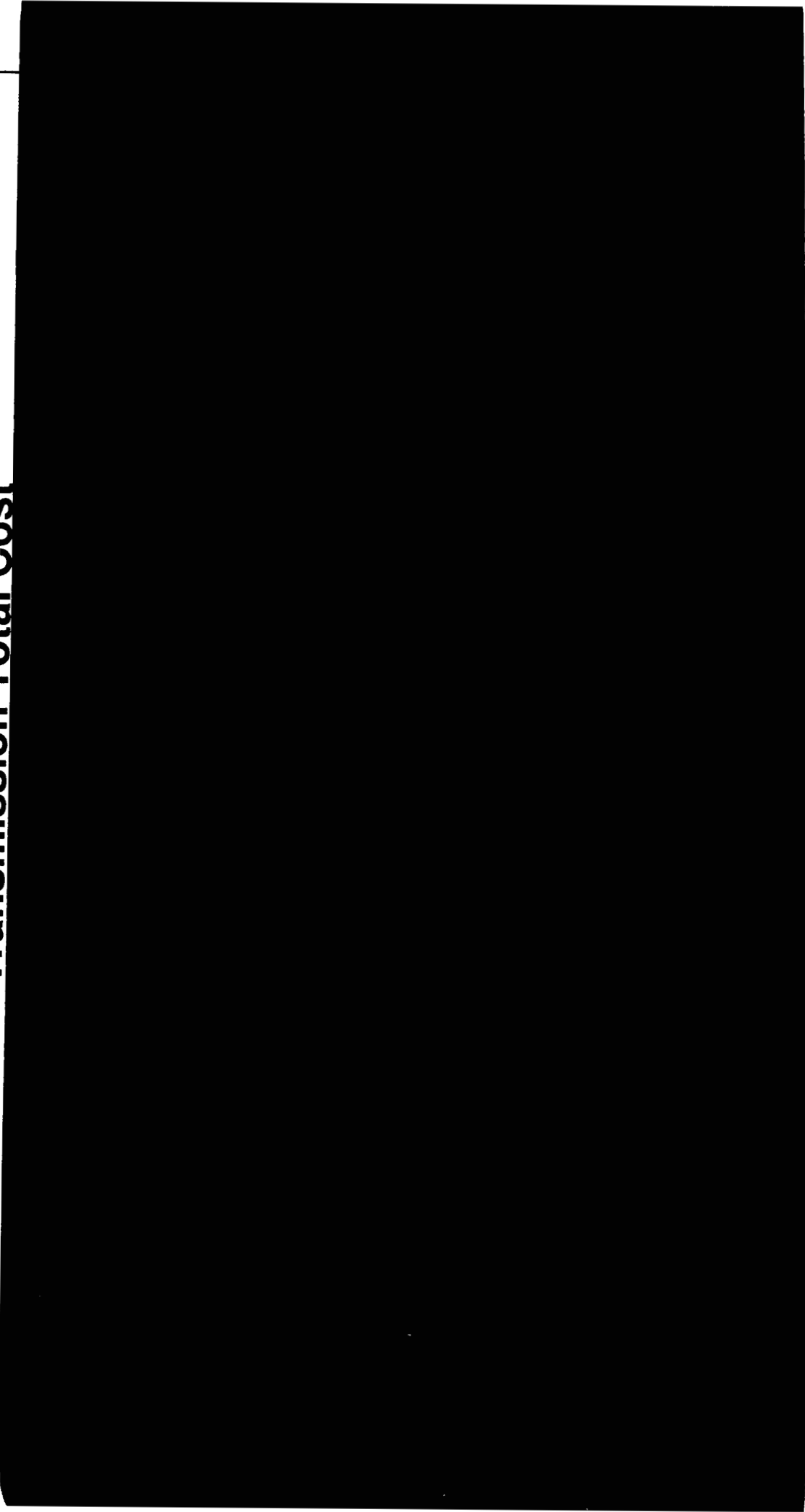
Respondent C with Fixed and Levelized Energy Price



Resp. C Fixed NRG

Final Proposal Ranking

**Accumulated PV (2002\$) of Generation and
Transmission Total Cost**



17. Identify and provide the forecast of all fixed and variable costs (\$/MMBtu) for transporting natural gas for all self build alternatives and all RFP respondents from 2002 to 2021. Include any charge, fee, tax, levy or any other monetary or non-monetary consideration to transport natural gas. State all assumptions. (State whether costs are in nominal or real dollars.)

RESPONSE:

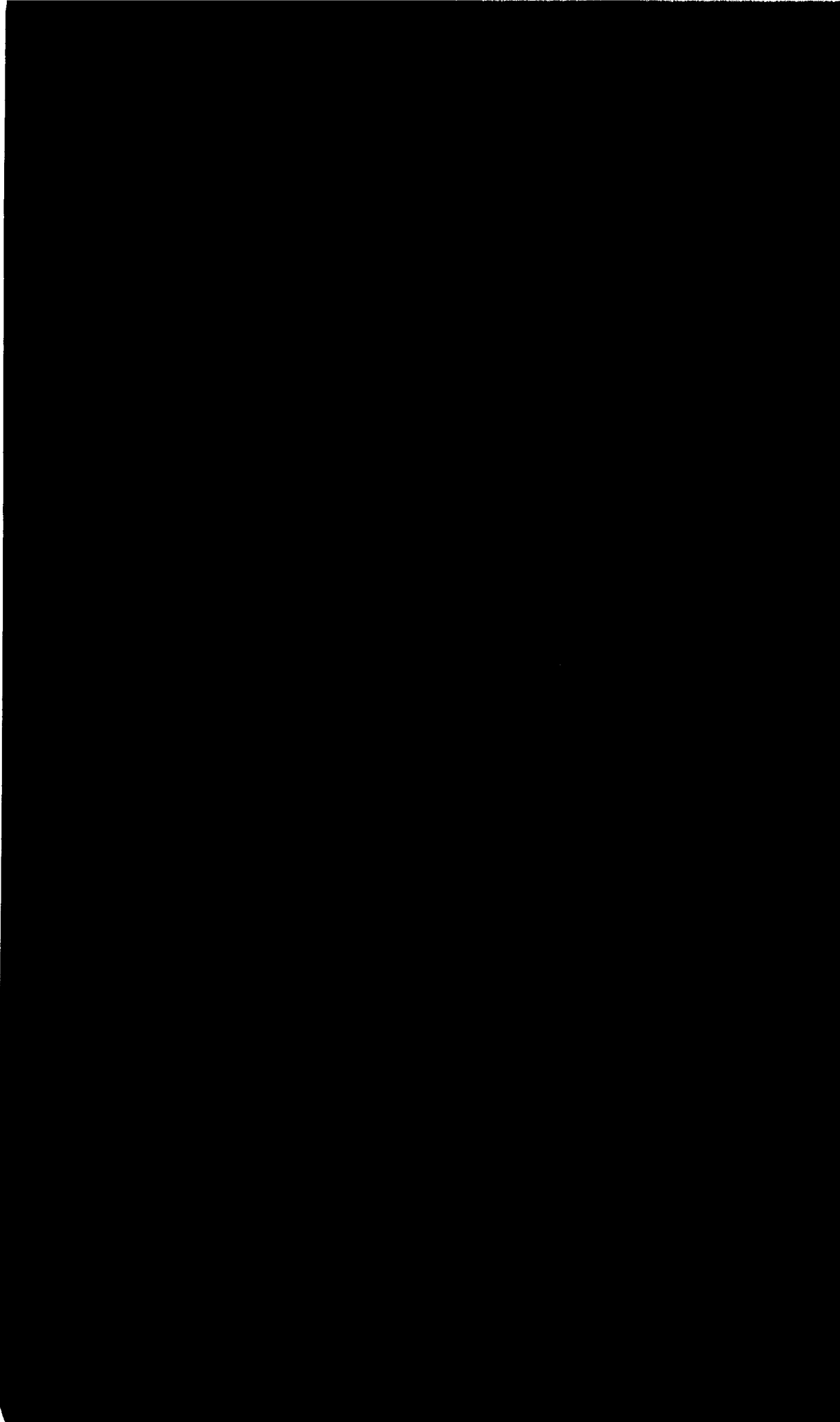
There were no fuel estimates performed for self-build option "Mulat Tower" since this concerned a cogeneration facility that had a delivered gas price and annual escalation provided as part of the input assumptions. Likewise, the fuel for Respondent C of the RFP analysis was assumed to be that which was quoted. The fuel projections used for Respondents A and B of the RFP analysis also had backup oil components added to their natural gas prices to account for those hours the gas would not be available under the terms of their non-firm gas proposal.

The remainder of this response was filed with Letter of Intent to request Confidential treatment.

SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

Gulf Power Company

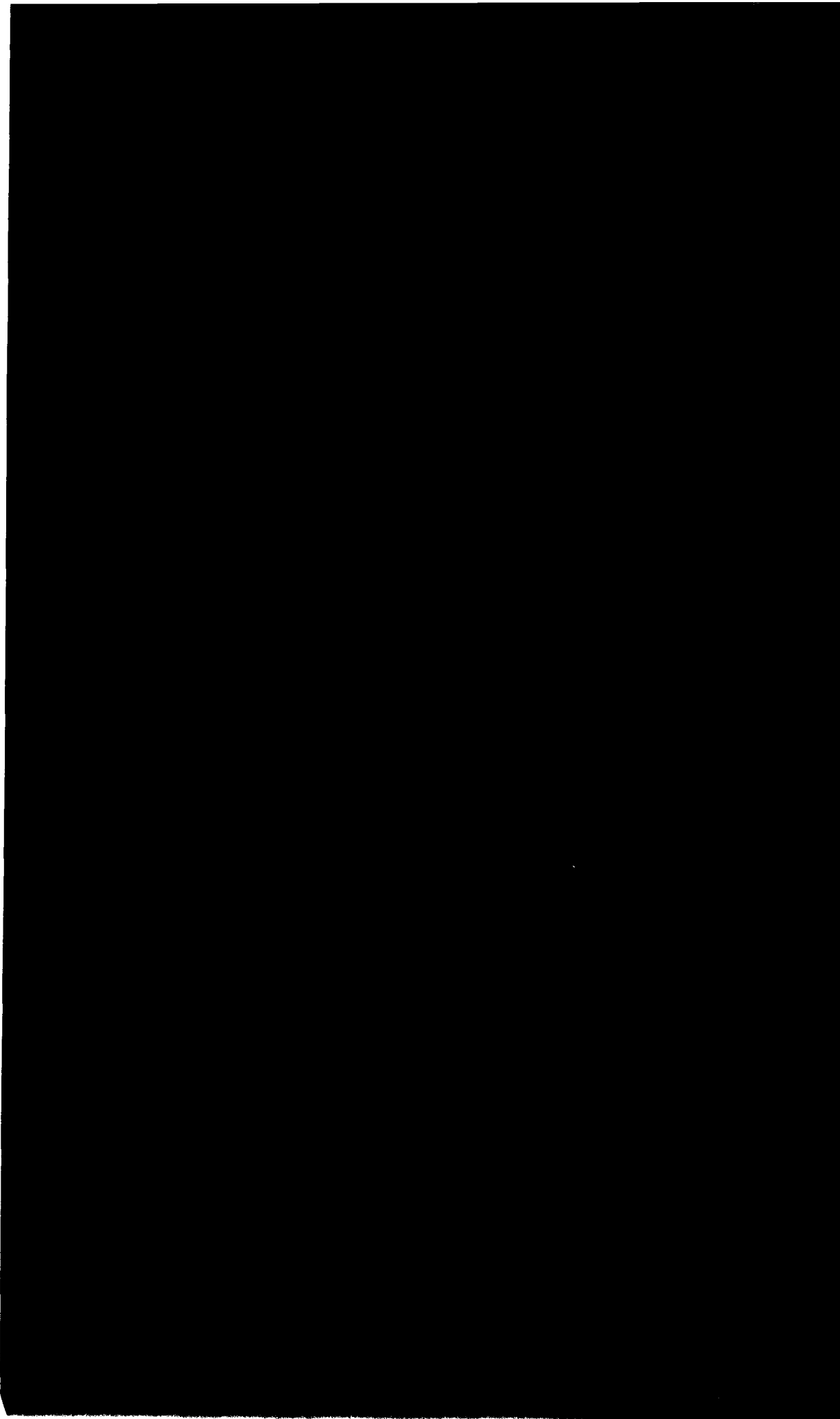
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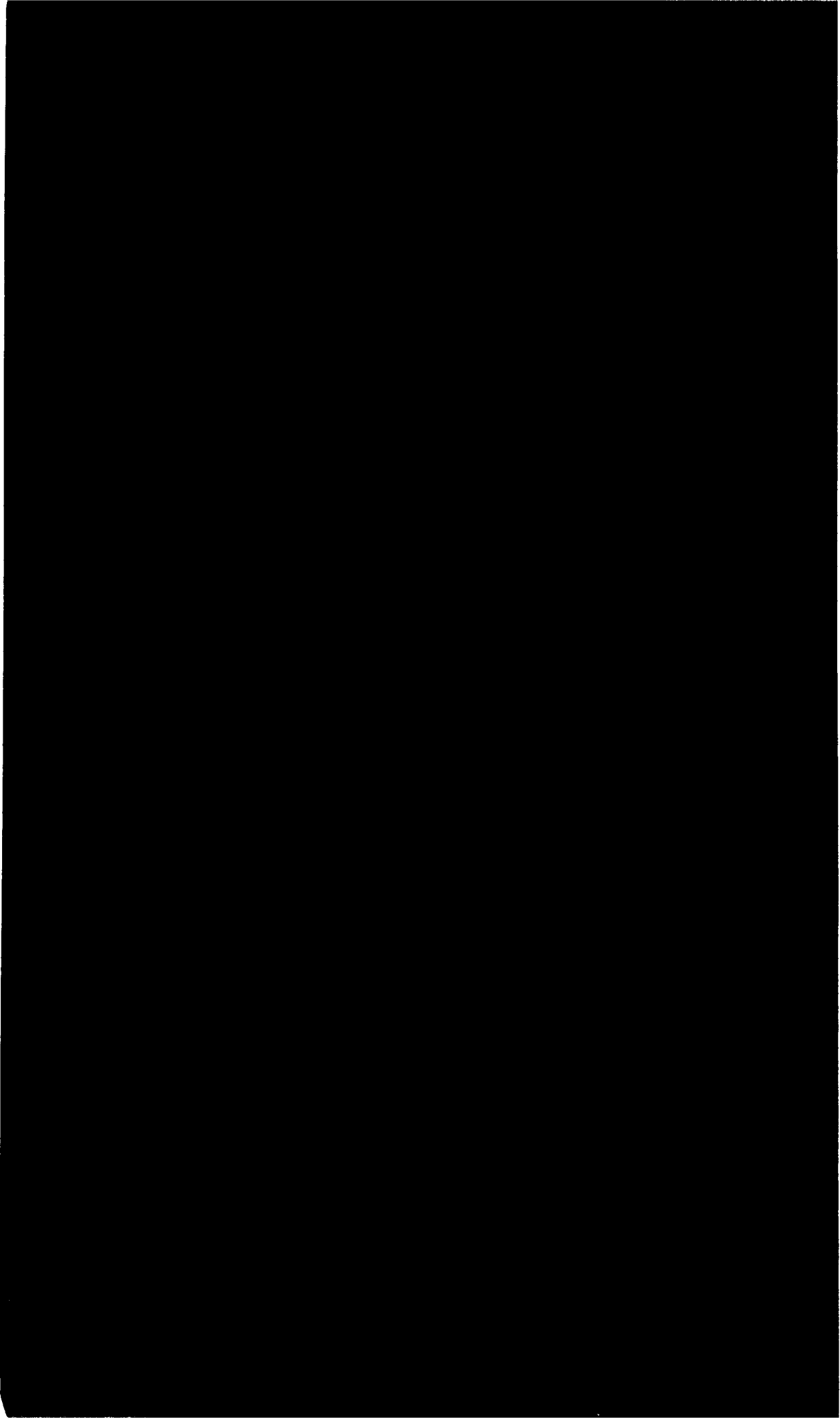
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SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
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Gulf Power Company

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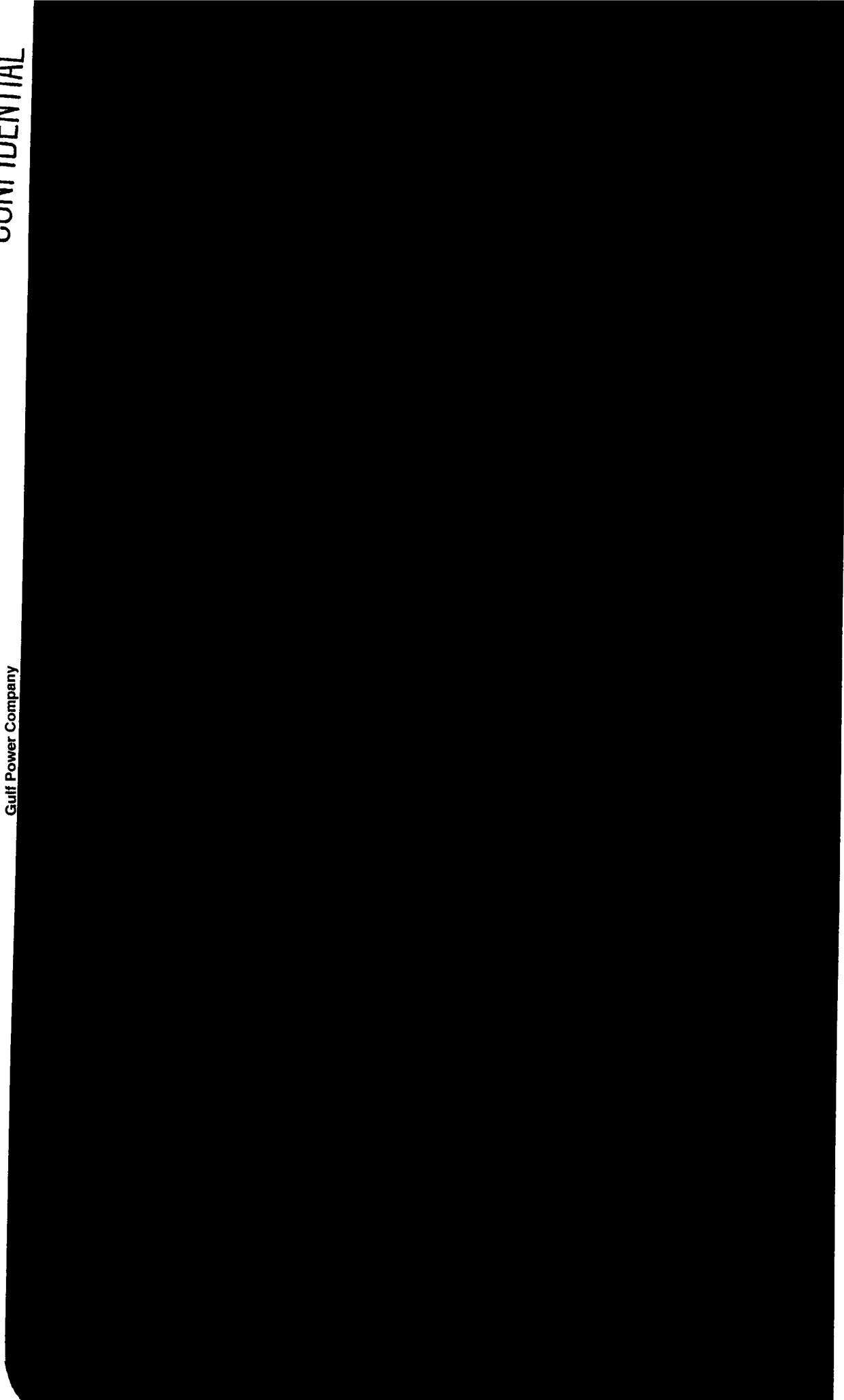
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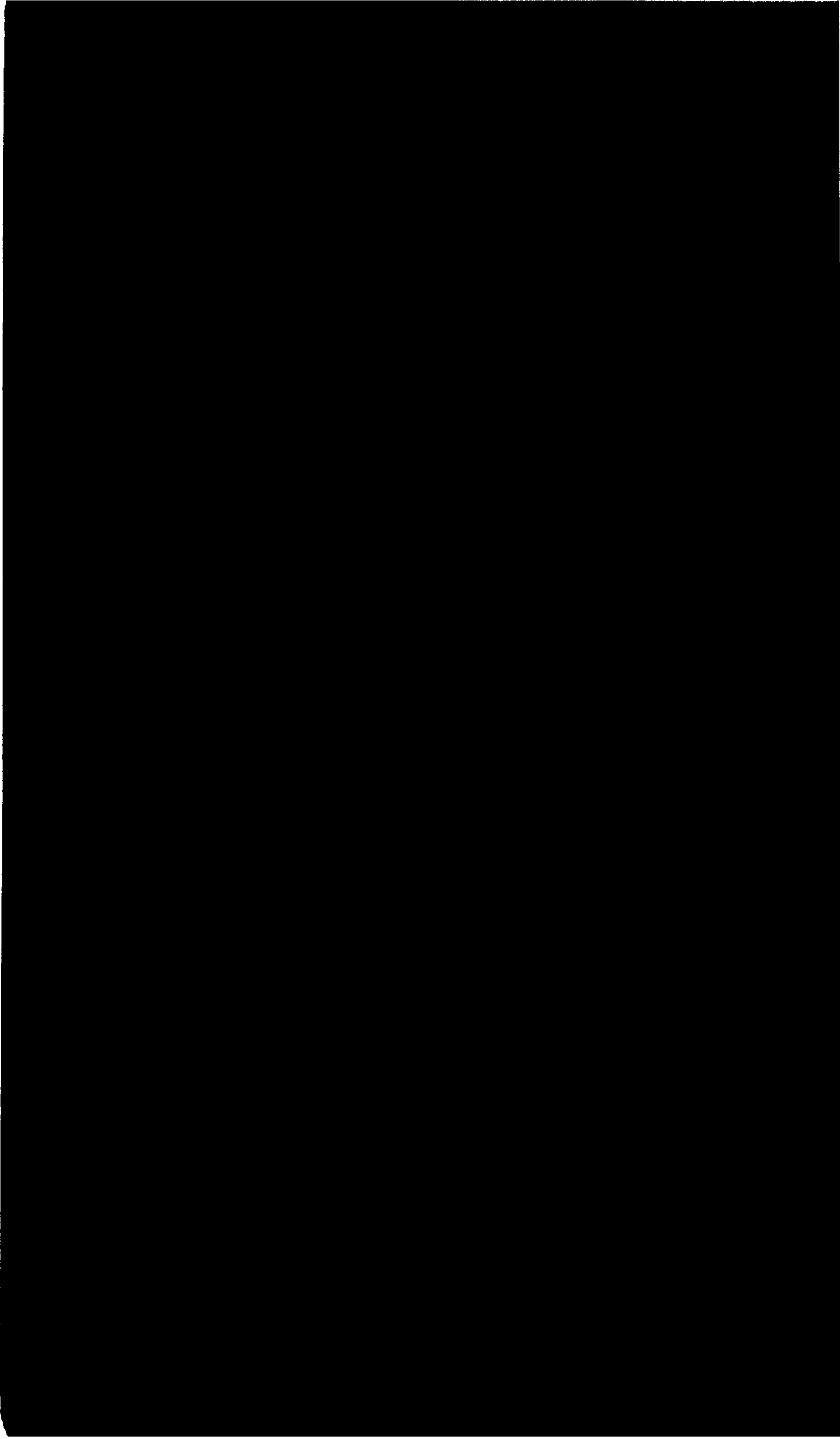
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SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

Gulf Power Company

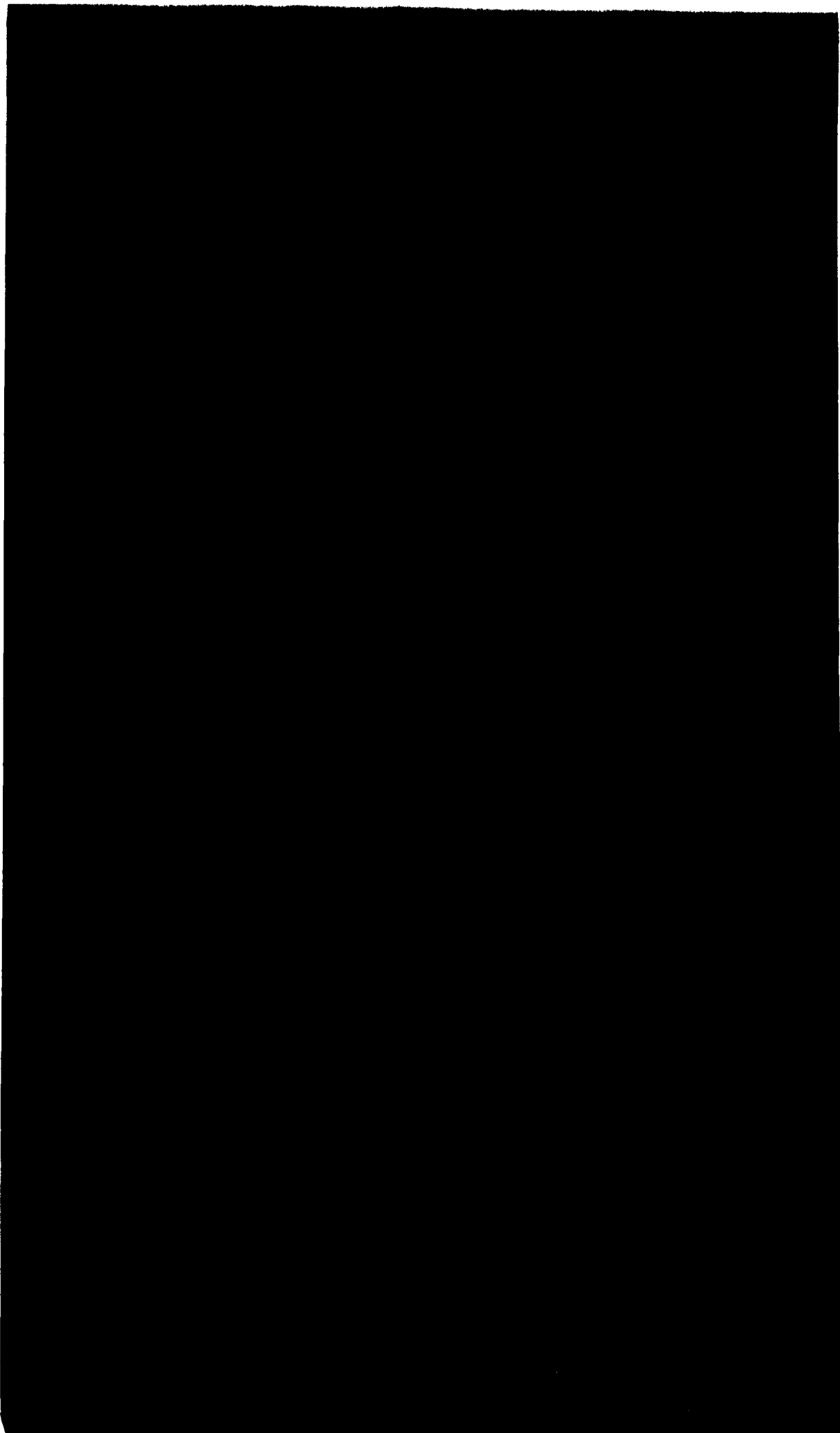
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Gulf Power Company

CONFIDENTIAL



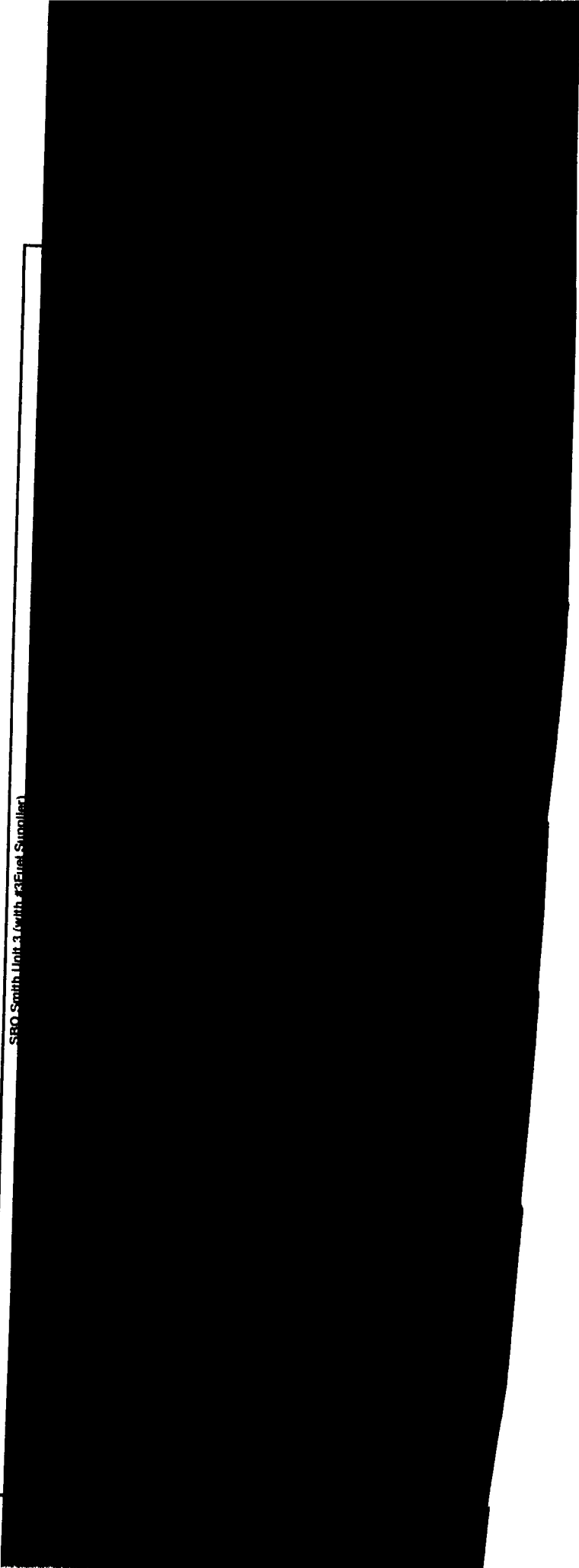
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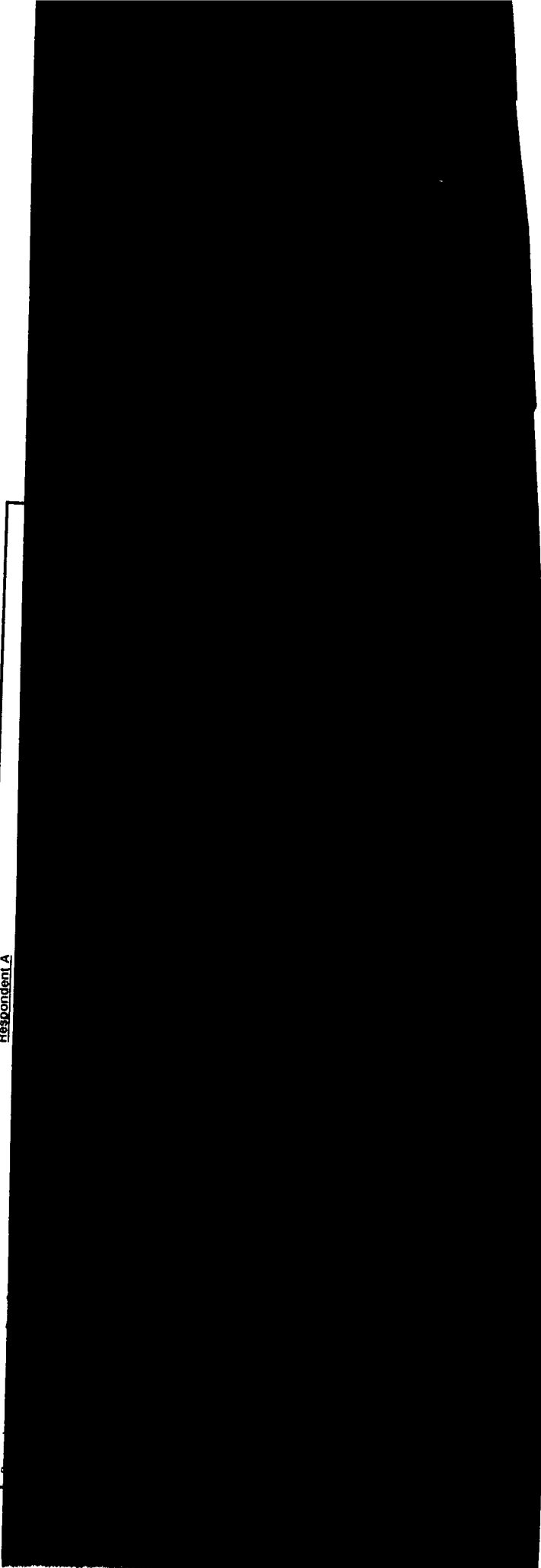
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SBO Smith Unit 3 (with #3Erel Supplied)



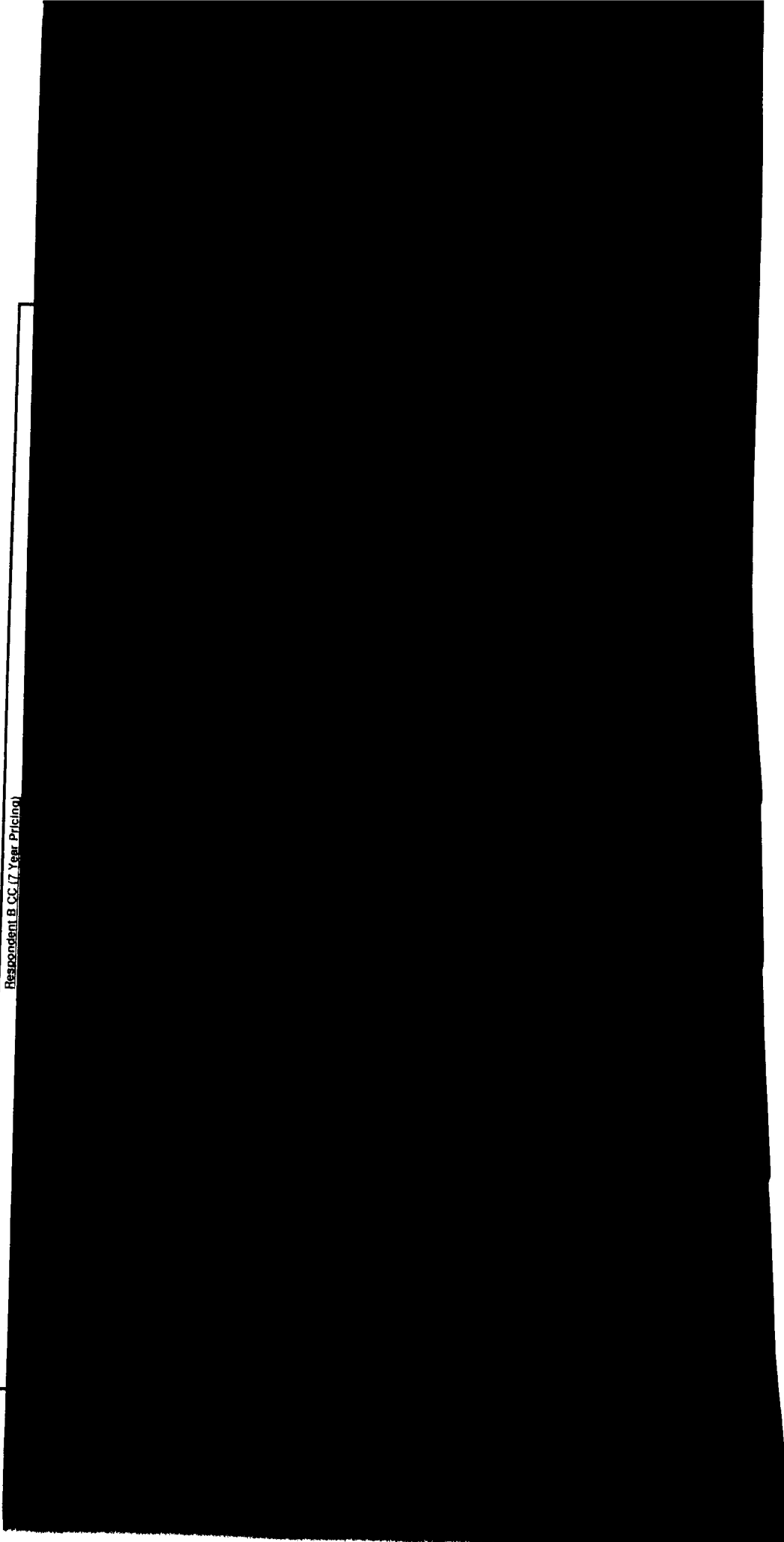
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Respondent A



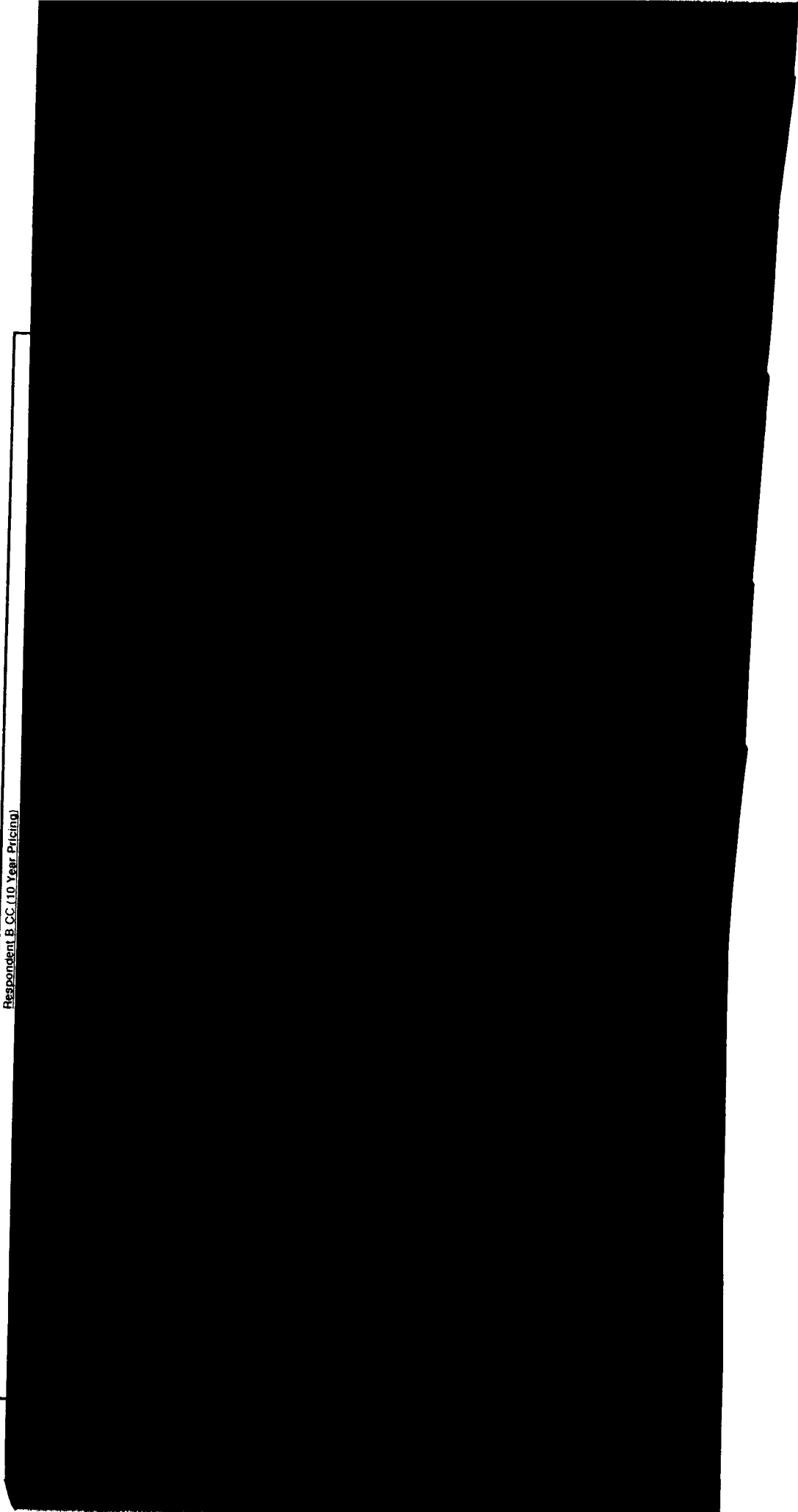
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Respondent B CC (7 Year Prison)



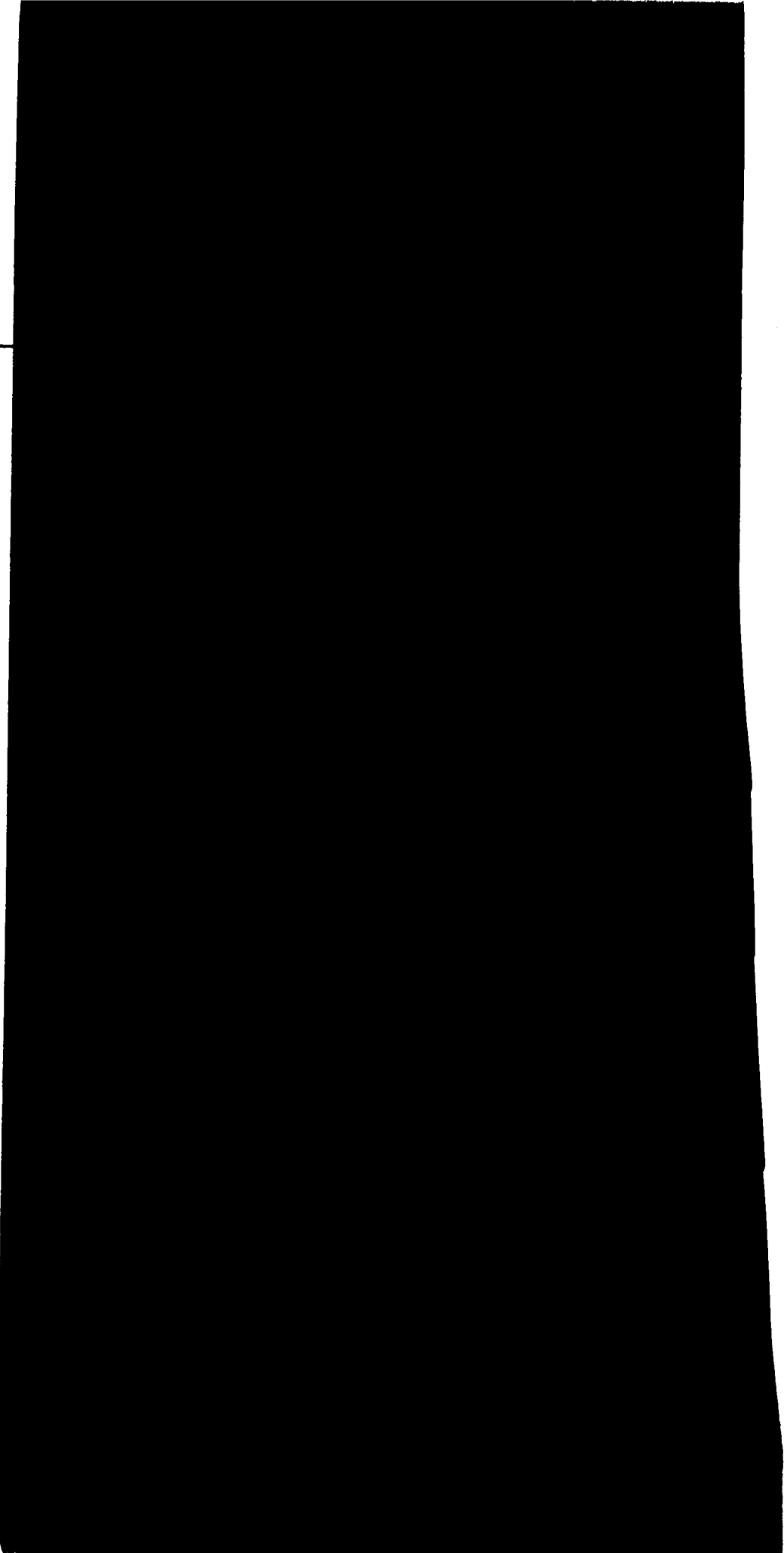
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Respondent B CC (10 Year Pricing)



CONFIDENTIAL

Proposal	Base Case	Respondent B, CC (20 Year Pricing)
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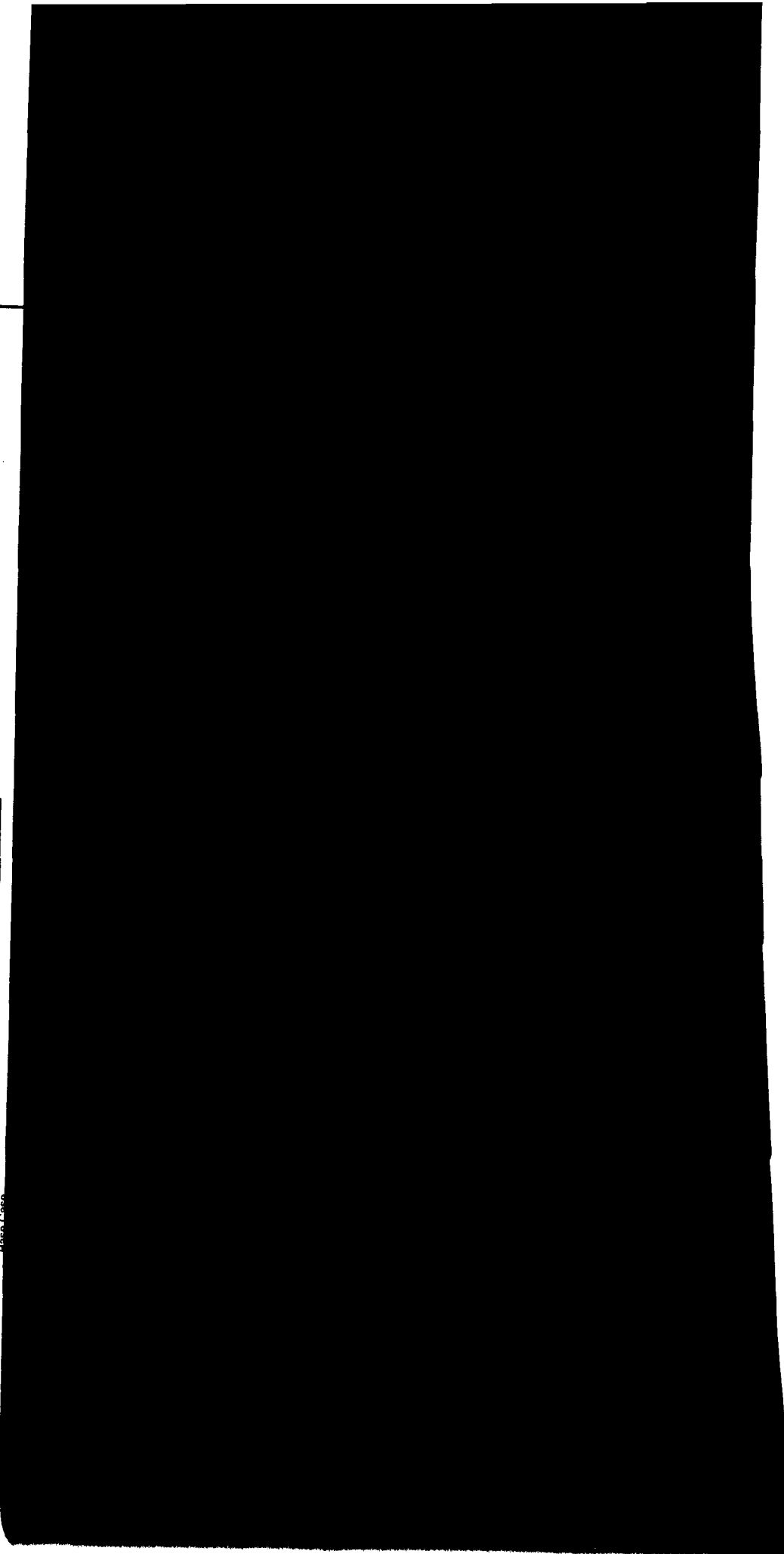


CONFIDENTIAL

Proposed

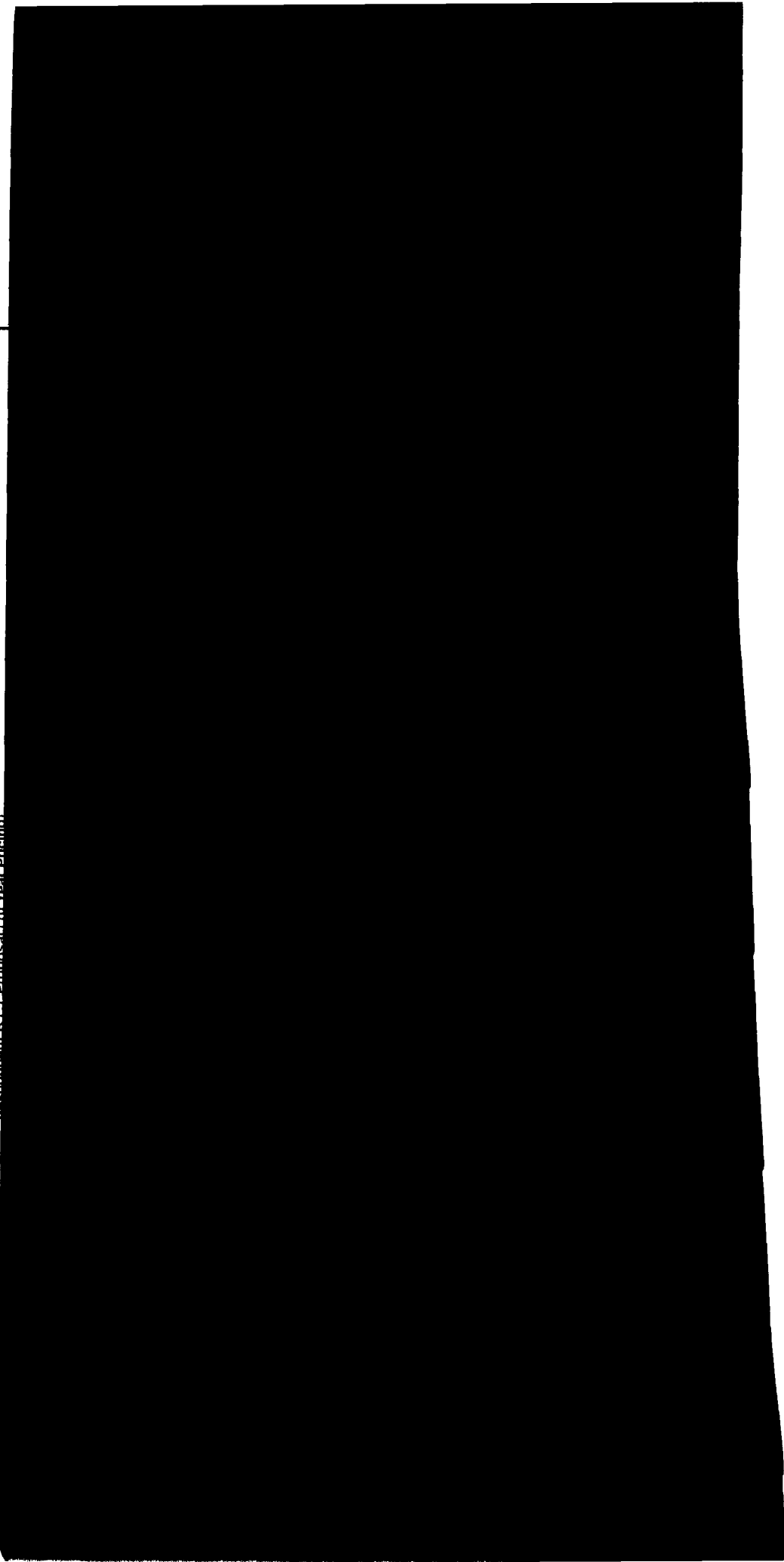
Price Case

Respondent B CT Proposal (7 Year Pricing)

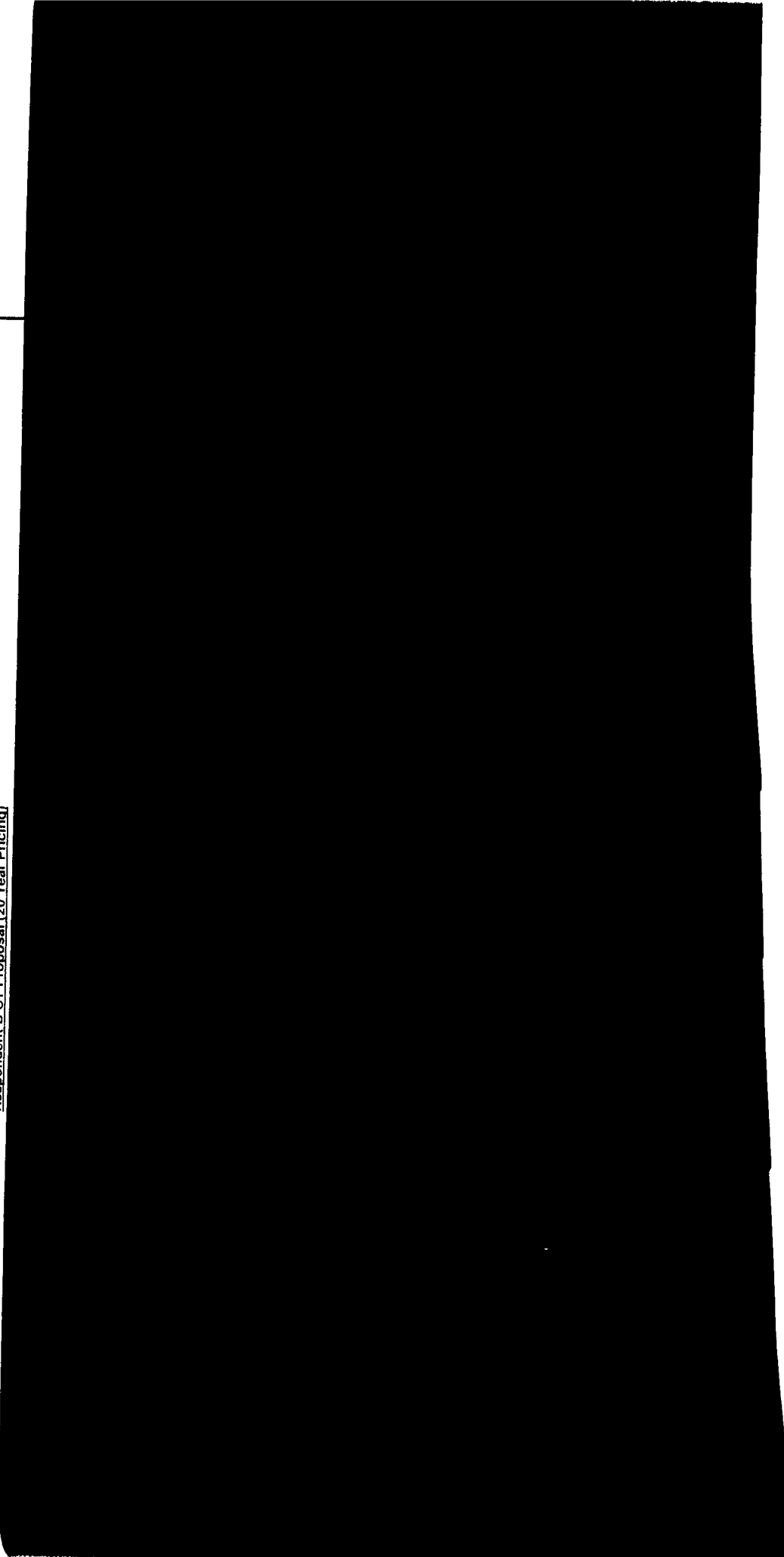


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Respondent B CT Proposal (10 Year Pricing)

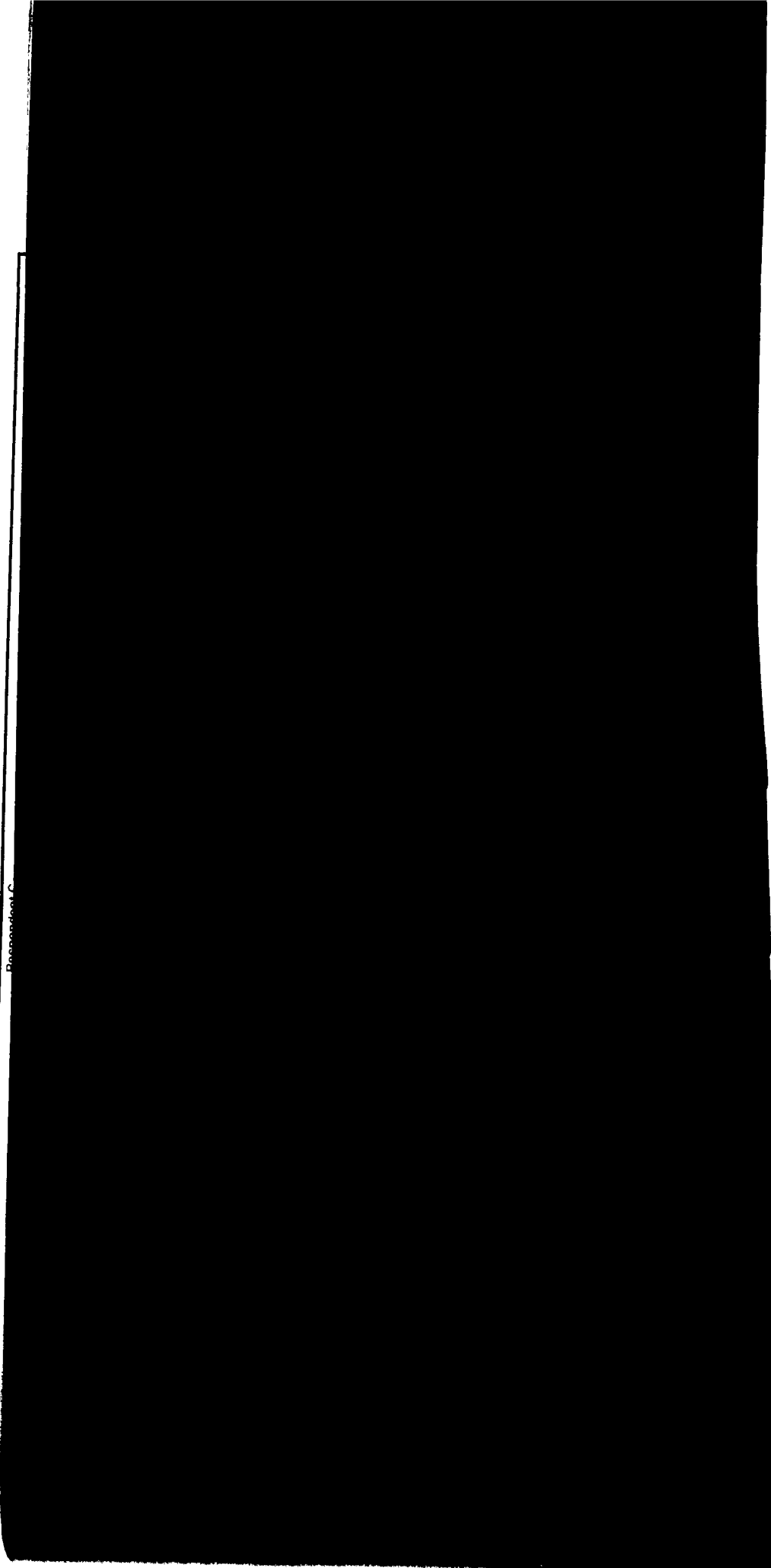


Respondent B CT Proposal (20 Year Pricing)



CONFIDENTIAL

Proposed C

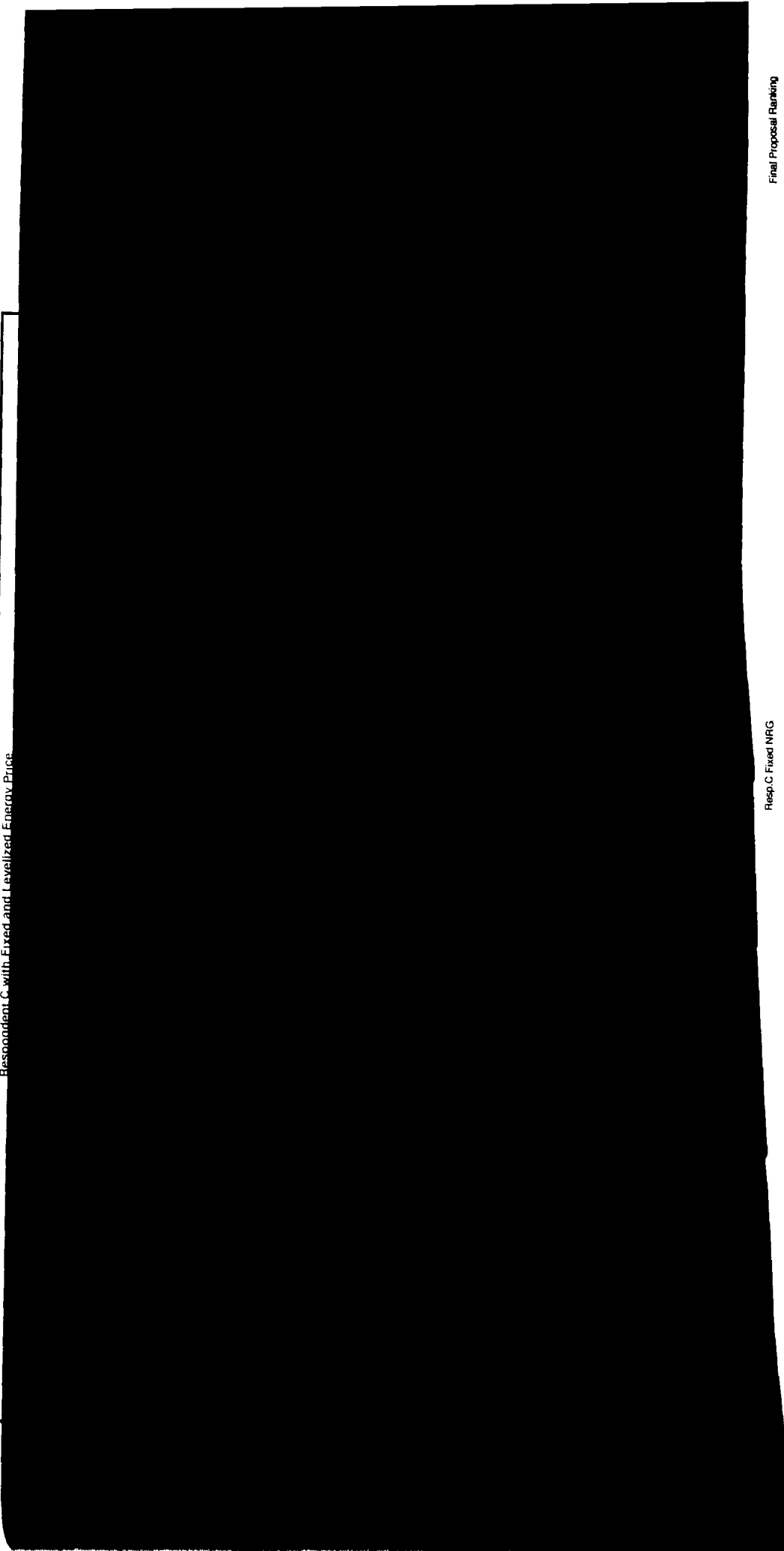


Southern Company Confidential

Resp. C

CONFIDENTIAL

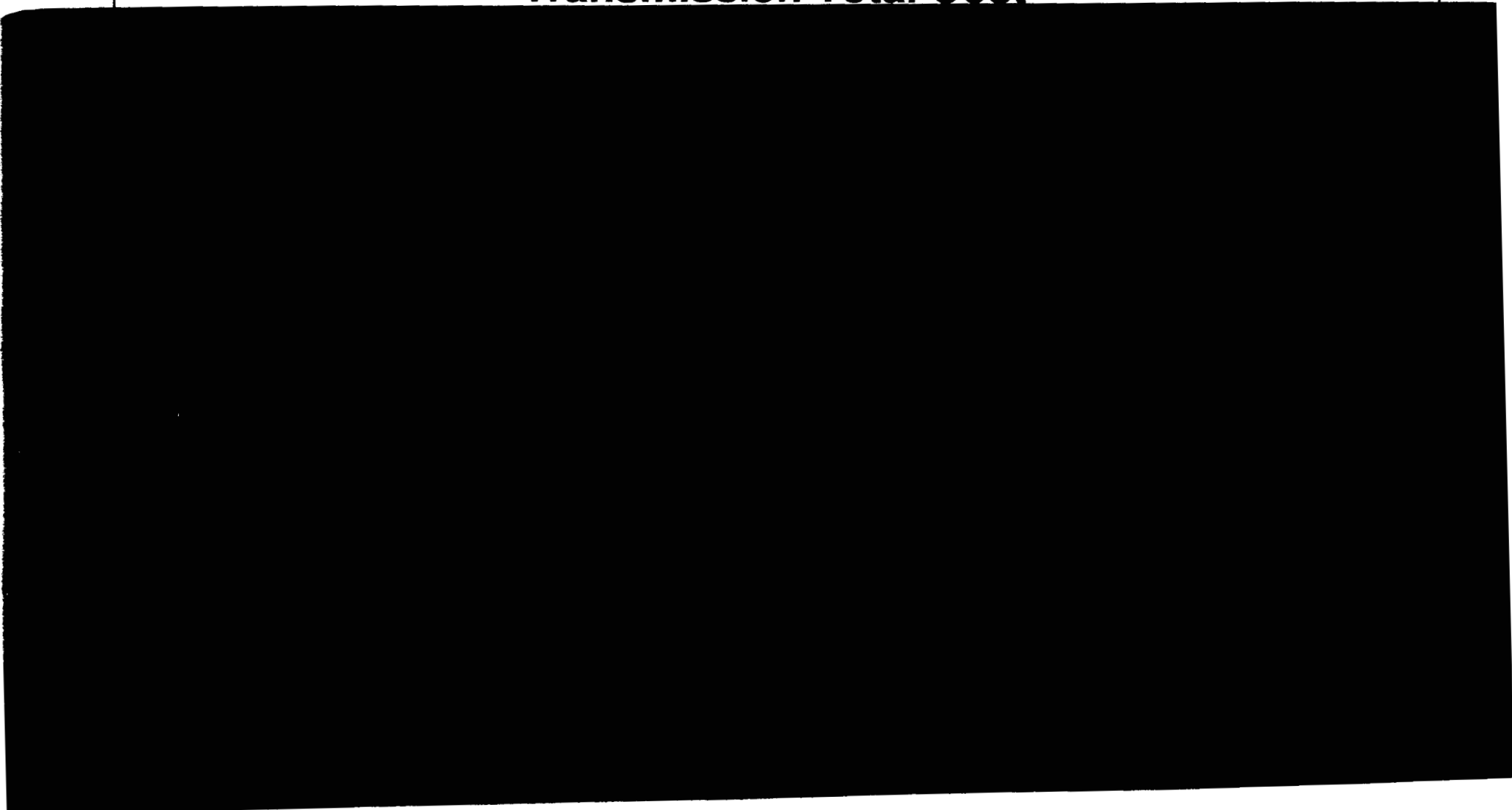
Respondent C with Fixed and Levelized Energy Price



Resp. C Fixed NRG

Final Proposal Ranking

**Accumulated PV (2002\$) of Generation and
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17. Identify and provide the forecast of all fixed and variable costs (\$/MMBtu) for transporting natural gas for all self build alternatives and all RFP respondents from 2002 to 2021. Include any charge, fee, tax, levy or any other monetary or non-monetary consideration to transport natural gas. State all assumptions. (State whether costs are in nominal or real dollars.)

RESPONSE:

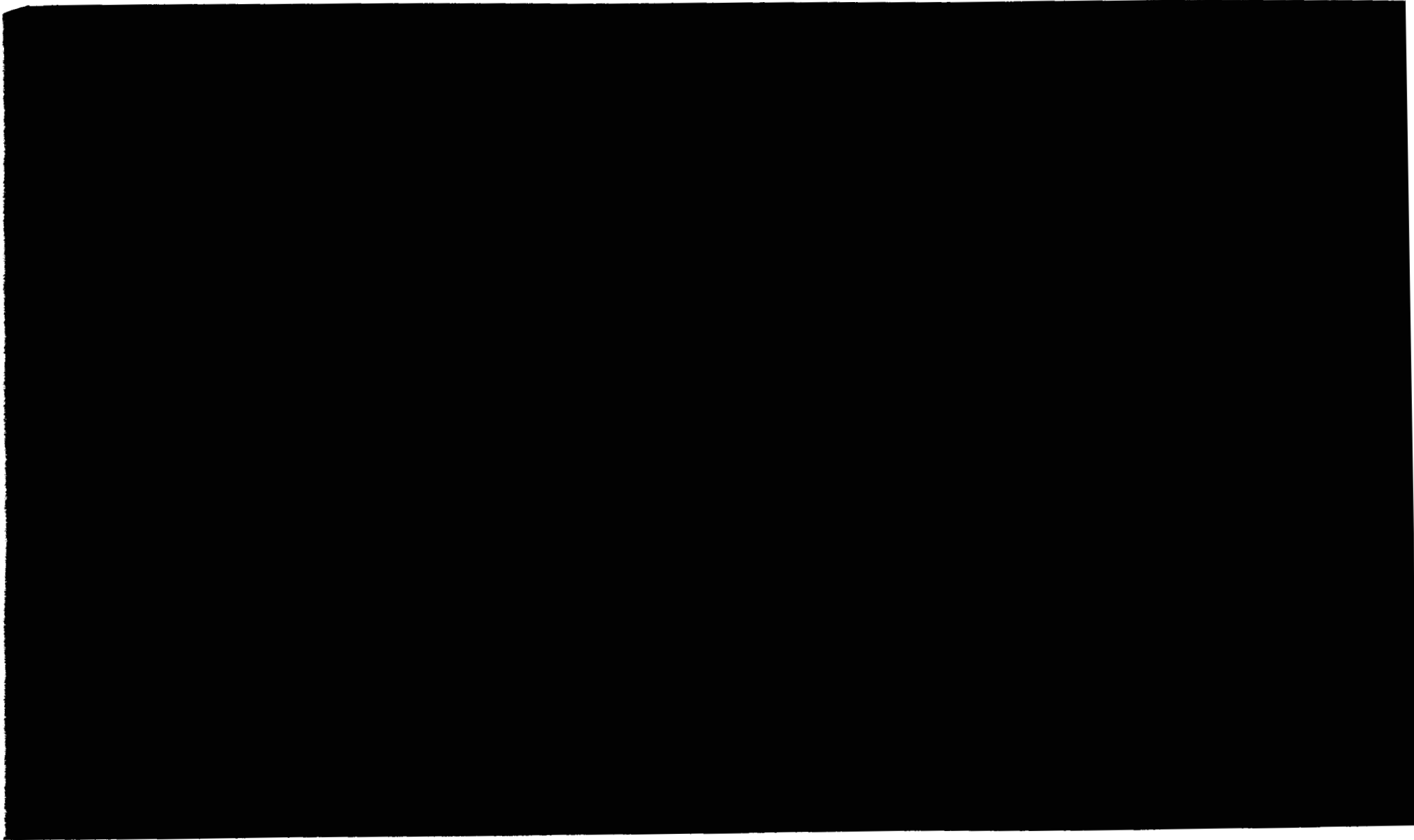
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The remainder of this response was filed with Letter of Intent to request Confidential treatment.

SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

CONFIDENTIAL

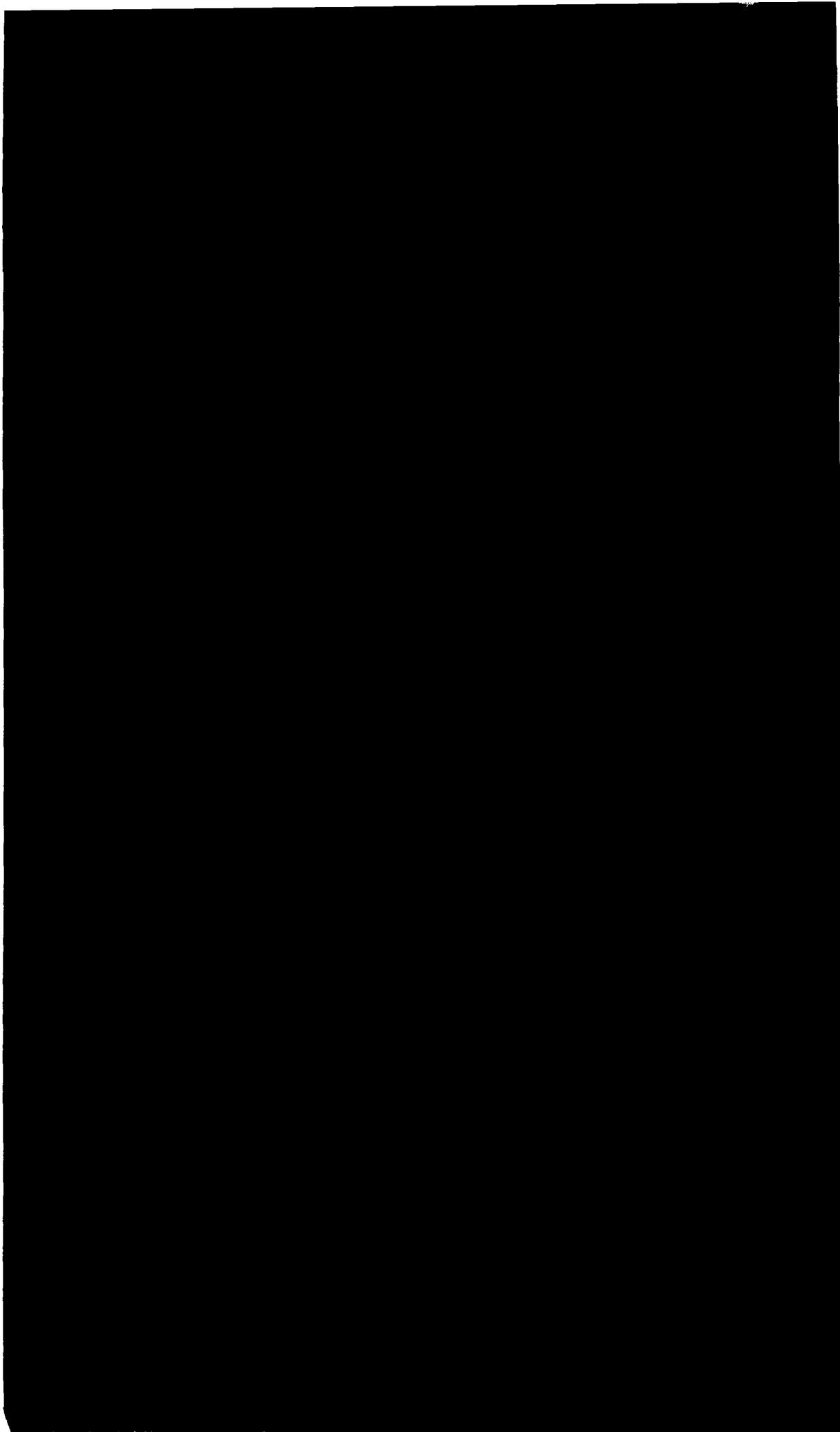
Gulf Power Company



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FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

Gulf Power Company

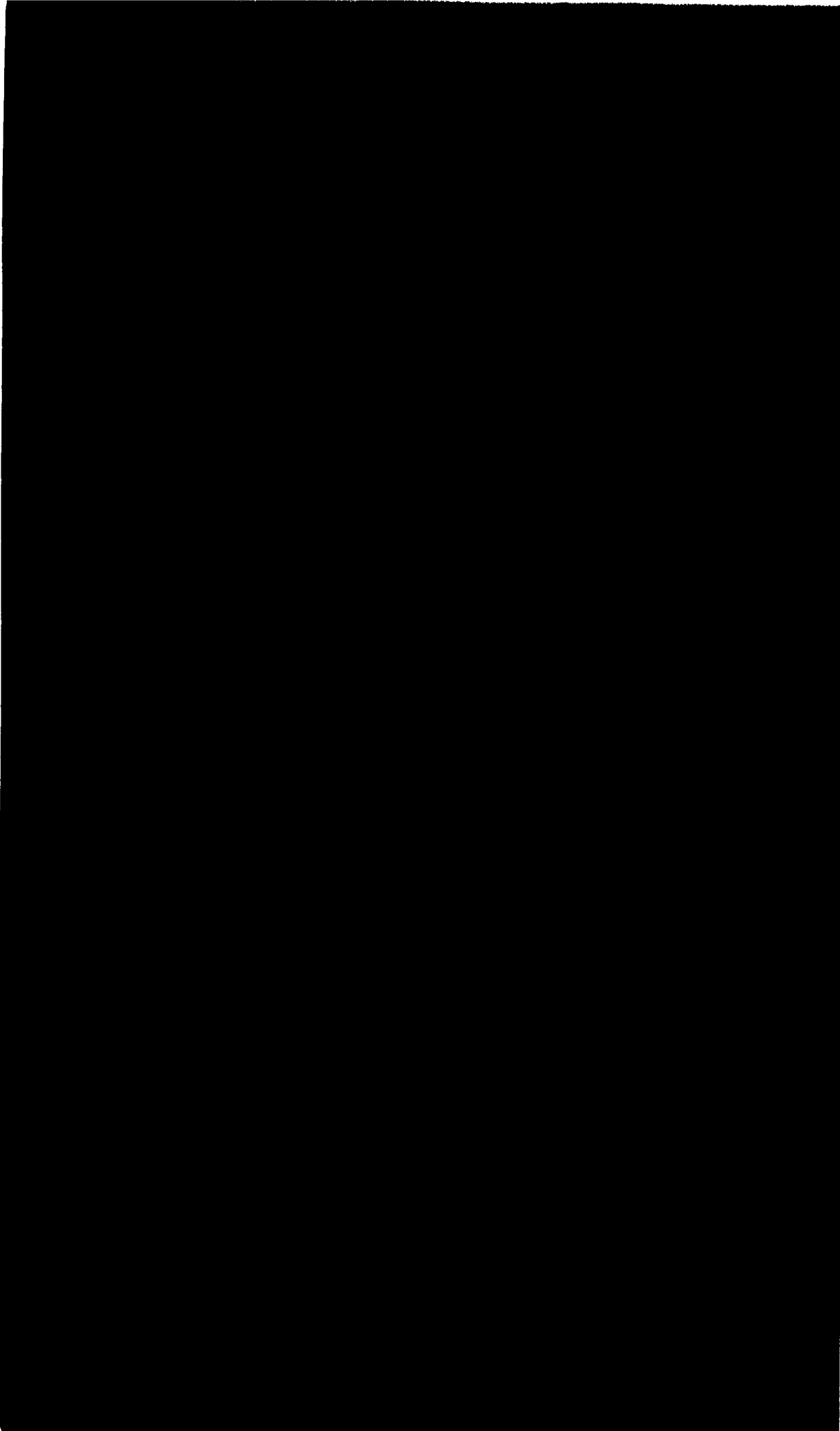
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SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

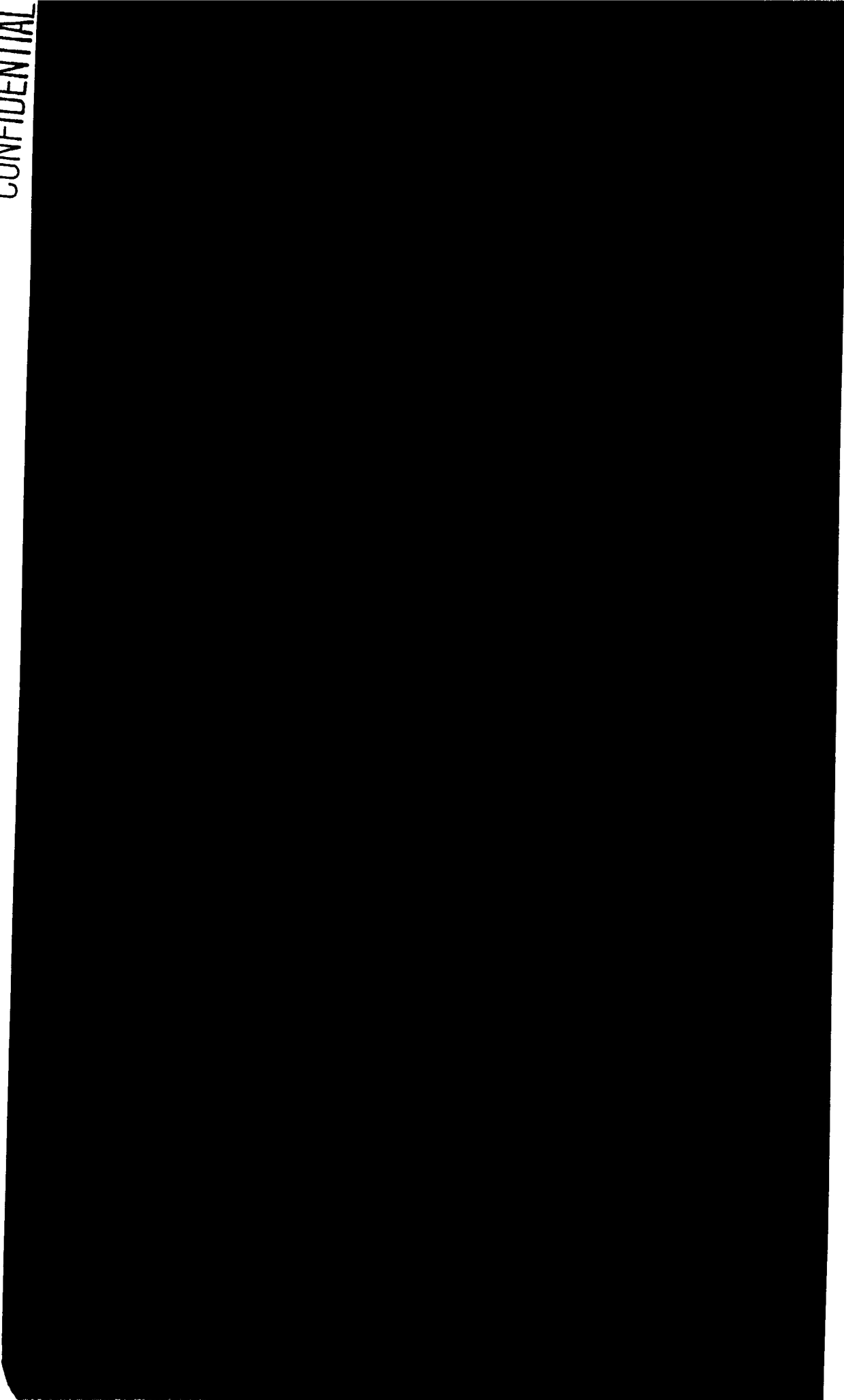
Gulf Power Company

CONFIDENTIAL



SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

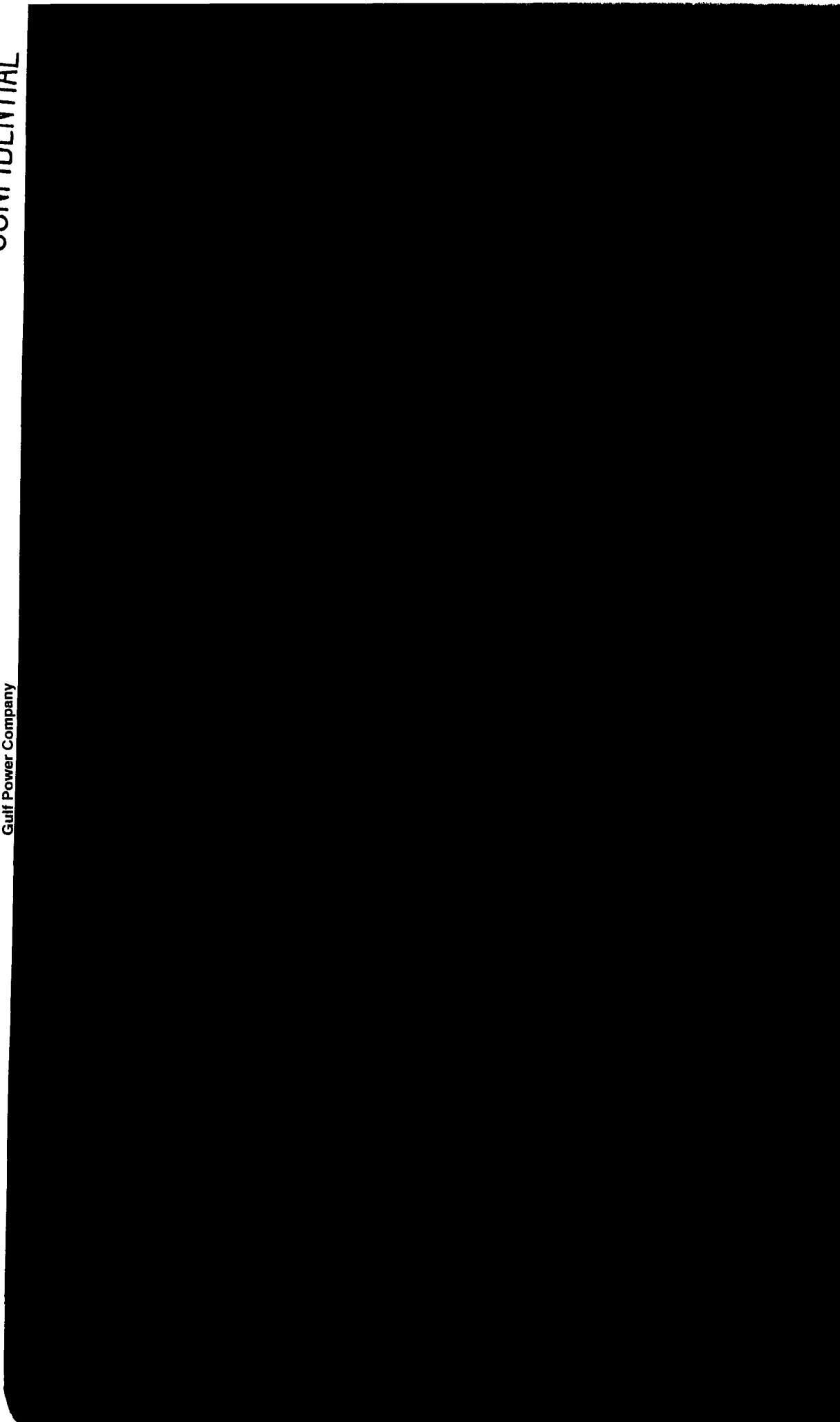
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FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

Gulf Power Company

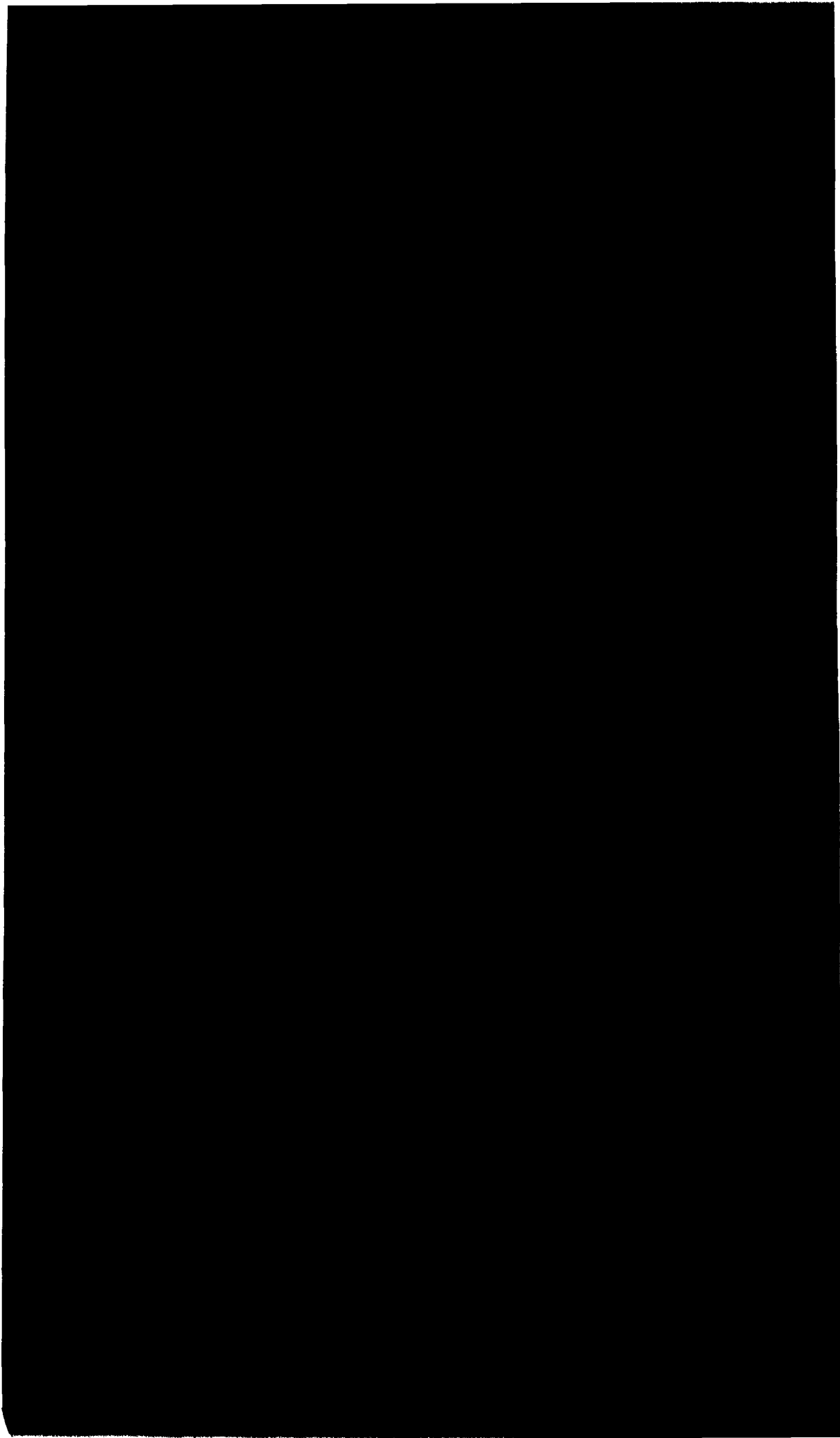
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SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

Gulf Power Company

CONFIDENTIAL



SOUTHERN ELECTRIC SYSTEM 1998 PROJECTIONS OF GENERIC NOMINAL NATURAL GAS PRICES
FOR USE IN THE 1999 FUEL BUDGET AND OTHER LONG-TERM STUDIES

Gulf Power Company

CONFIDENTIAL

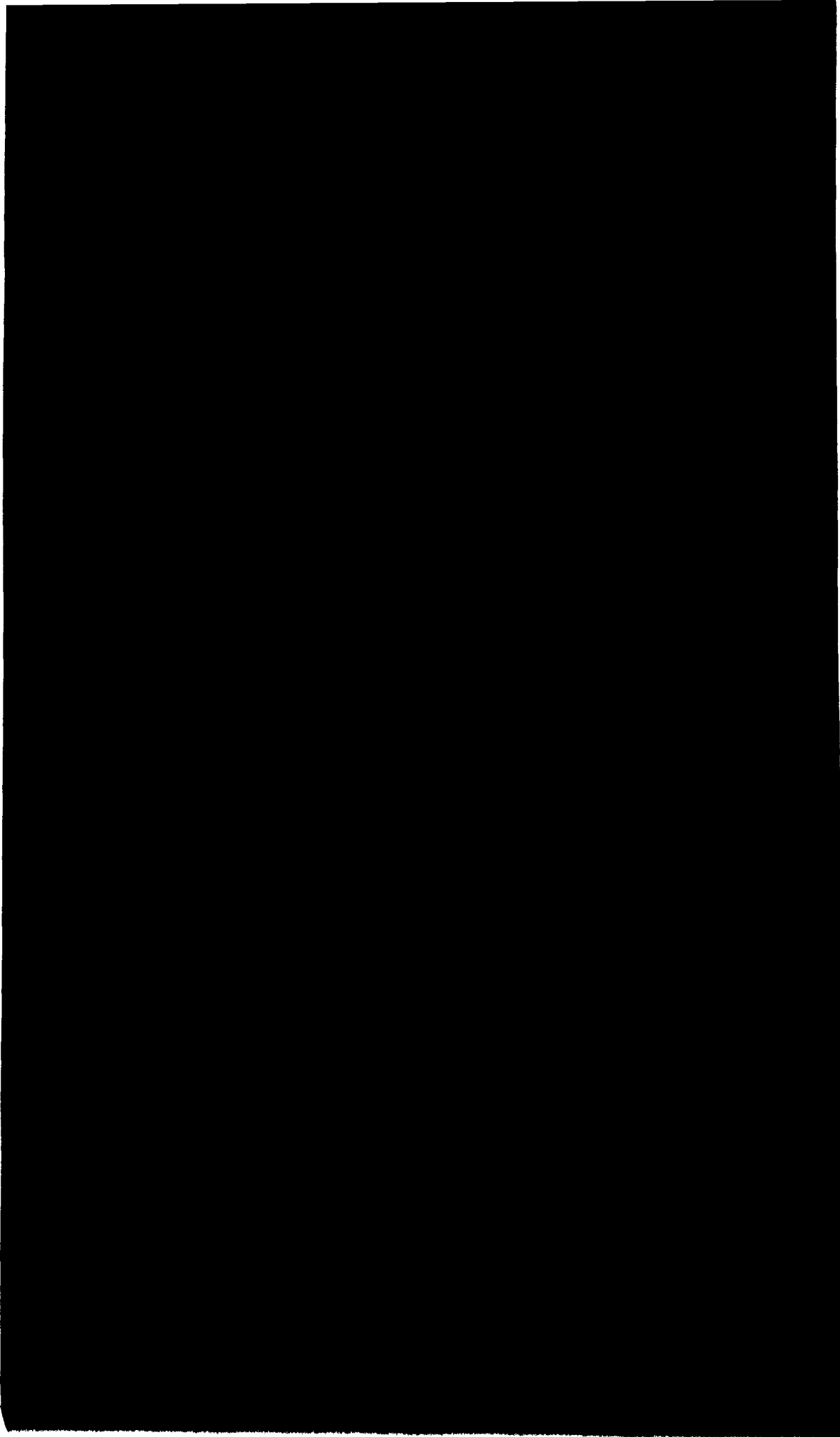


EXHIBIT "C"

Line-by-Line Justification

Page/Line(s)

Justification

Interrogatory
Response 1

This information details specific proposal information submitted to Gulf by third parties who have submitted proposals in response to Gulf's Request for Proposals in this docket. This information is treated as confidential by those third parties and in turn by Gulf at their request.

Pages 2 - 11
Entire table and
footnotes

Disclosure of this information would cause irreparable harm to those third parties by impairing their ability to compete in their native markets. These third parties may decline to submit proposals on future electric plant additions in Florida if the specifics of their proposals are made public. This would result in fewer proposals and potentially a less robust market. A less robust market may result in higher costs to electricity customers of Gulf and in Florida as a whole. Thus, Gulf Power Company requests that this information be granted confidential classification pursuant to Section 366.093(3)(d), Florida Statutes.

Page 12
Entire chart
and footnotes

Interrogatory
Response 17

This information details specific cost information. This information is entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. Cost information can be utilized by Gulf's competitors to negatively affect Gulf's ability to compete in electricity markets. Gulf's competitors' specific cost information is not publically available which, if Gulf's cost information is made public, would result in an uneven playing field for Gulf. Thus, Gulf Power Company requests that this information be granted confidential classification pursuant to Section 366.093(3)(e), Florida Statutes

Pages 2 - 8
Entire chart and
footnotes

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

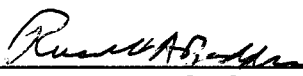
In re: Petition of Gulf Power Company)
to determine need for proposed) Docket No. 990325-EI
electrical power plant in Bay County)
_____)

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 7th day of May 1999 by U.S. Mail or hand delivery to the following:

Grace A. Jaye, Esquire
Staff Counsel
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

Gail Kamaras
LEAF
1114 Thomasville Road, Suite E
Tallahassee FL 32303



JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 0007455
Beggs & Lane
P. O. Box 12950
Pensacola FL 32576
850 432-2451
Attorneys for Gulf Power Company