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REDACTED



March 25, 2009

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COMMISSION  
CLERK

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

Dear Ms. Cole:

RE: Docket No. 090001-EI

Enclosed are an original and ten copies of Gulf Power Company's Request for Confidential Classification regarding certain information submitted by Gulf Power in response to Commission Staff's First Set of Interrogatories to Gulf Power Company (Nos. 1-7).

Sincerely,

*Susan D. Ritenour*

COM \_\_\_\_\_ mv  
ECR \_\_\_\_\_ Enclosures  
GCL 2 \_\_\_\_\_  
OPC \_\_\_\_\_ cc: Beggs & Lane  
REP \_\_\_\_\_ Jeffrey A. Stone, Esq.  
SSC \_\_\_\_\_  
SGA \_\_\_\_\_  
ADM \_\_\_\_\_  
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DOCUMENT NUMBER-DATE

02681 MAR 26 09

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Fuel and Purchased Power Cost** )  
**Recovery Clause with Generating** )  
**Performance Incentive Factor** )

Docket No.: **090001-EI**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U. S. mail this 25th day of March, 2009, on the following:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 090001-EI  
Date: March 25, 2009

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 Set of Interrogatories to Gulf Power Company (Nos. 1-7). As grounds for this request, the Company states:

1. A portion of the information submitted by Gulf Power in response to interrogatories numbered 1, 2, 3 and 4 of Commission Staff's First Set of Interrogatories is proprietary confidential business information concerning bids or other contractual data the disclosure of which would impair the efforts of Gulf Power to contract for goods and/or services on favorable terms. 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 Mississippi Power and Gulf Power in connection with Requests for Proposal issued by Mississippi Power<sup>1</sup> and Gulf Power in 2008. Disclosure of this information would negatively impact Gulf's ability to negotiate pricing favorable to its customers in the future. In addition, potential counterparties may refuse to enter into contracts with Gulf, or may charge higher prices if the pricing terms were made public.

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

<sup>1</sup> Gulf Power is a co-owner of coal units at Mississippi Power's Plant Daniel.

DOCUMENT NUMBER-DATE

02681 MAR 26 8

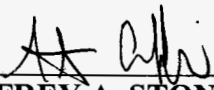
FPSC-COMMISSION CLERK

publicly disclosed.

3. 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 25<sup>th</sup> day of March, 2009.

  
\_\_\_\_\_  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 090001-EI  
Date: March 25, 2009

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

Provided to the Commission Clerk  
under separate cover as confidential information.

EXHIBIT "B"

1. For each Request for Proposal (RFP) for coal issued in 2008 by Gulf Power Company (GULF), list the bids received. Include the supplier, tonnage bid, coal quality, and delivered price information, as well as the method and route of delivery.

ANSWER:

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A Request for Proposal (RFP) was issued by Gulf Power on May 8, 2008 soliciting bids for coal to be supplied to Plants Crist and Smith. The following is a summary of responses to this RFP:

Supplier: Glencore (Colombia, South America)  
Tonnage Bid: 2009 – 900,000 tons; 2010 – 450,000 tons  
Coal Quality Guarantee: 11,800 BTU/Lb; 0.62 % Sulfur  
Delivered Price (including emission allowance costs):

1 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: Ocean Vessel to McDuffie Coal Terminal Mobile, AL transload to Barge, Barge via IntraCoastal Waterway to Plant Crist

Supplier: Magnum (CAPP, West Virginia)  
Tonnage Bid: 2009 – 240,000 tons; 2010 – 240,000 tons  
Coal Quality Guarantee: 11,750 BTU/Lb; 0.83 % Sulfur  
Delivered Price (including emission allowance costs):

2 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: CSX Railroad West Virginia to McDuffie Coal Terminal Mobile, AL; transload to Barge; Barge via IntraCoastal Waterway to Plant Crist

Supplier: Oxbow (Colorado, Western Bituminous)  
Tonnage Bid: 2009 – 1,500,000 tons; 2010 – 450,000 tons  
Coal Quality Guarantee: 12,000 BTU/Lb; 0.60 % Sulfur  
Delivered Price (including emission allowance costs):

3 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: UP Railroad to Memphis; CN Railroad to McDuffie Coal Terminal Mobile, AL; transload to Barge; Barge via IntraCoastal Waterway to Plant Crist

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Supplier: Consolidation Coal (Utah, Western Bituminous)  
Tonnage Bid: 2009 – 360,000 tons; 2010 – 360,000 tons  
Coal Quality Guarantee: 12,000 BTU/Lb; 1.15% Sulfur  
Delivered Price (including emission allowance costs):

1 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: UP Railroad to Memphis; CN Railroad to McDuffie Coal Terminal Mobile, AL; transload to Barge; Barge via IntraCoastal Waterway to Plant Crist

Supplier: Carpenter Creek Coal (Montana, Western Bituminous)  
Tonnage Bid: 2009 – 500,000 tons; 2010 – 1,000,000 tons  
Coal Quality Guarantee: 10,800 BTU/Lb; 0.50% Sulfur  
Delivered Price (including emission allowance costs):

2 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: UP Railroad to Memphis; CN Railroad to McDuffie Coal Terminal Mobile, AL; transload to Barge; Barge via IntraCoastal Waterway to Plant Crist

Supplier: Coal Marketing Company (Colombia, South America)  
Tonnage Bid: 2009 – 225,000 tons; 2010 – 225,000 tons  
Coal Quality Guarantee: 11,300 BTU/Lb; 0.68% Sulfur  
Delivered Price (including emission allowance costs):

3 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: Ocean Vessel to McDuffie Coal Terminal Mobile, AL; transload to Barge; Barge via IntraCoastal Waterway to Plant Crist

Supplier: Interocean Coal Sales (Colombia, South America)  
Tonnage Bid: 2009 – 1,000,000 tons; 2010 – 1,500,000 tons  
Coal Quality Guarantee: 11,500 BTU/Lb; 0.6% Sulfur  
Delivered Price (including emission allowance costs):

4 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: Ocean Vessel to McDuffie Coal Terminal Mobile, AL; transload to Barge; Barge via IntraCoastal Waterway to Plant Crist



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Supplier: ICG (CAPP, Kentucky)

Tonnage Bid: 2009 – 120,000 tons; 2010 – 120,000 tons

Coal Quality Guarantee: 11,600 BTU/Lb; 1.10% Sulfur

Delivered Price (including emission allowance costs):

1 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: CSX Railroad Kentucky to McDuffie Coal Terminal Mobile, AL; transload to Barge; Barge via IntraCoastal Waterway to Plant Crist

A Request for Proposal (RFP) was issued by Mississippi Power on May 5, 2008 soliciting bids for coal to be supplied to Plant Daniel. The following is a summary of responses to this RFP:

Supplier: Buckskin Mining Company (Powder River Basin Sub-Bituminous, Wyoming)

Tonnage Bid: 2009 – 1,000,000 tons; 2010 through 2012 – 2,000,000 tons per year

Coal Quality Guarantee: 8,400 BTU/Lb; 0.34% Sulfur

Delivered Price (including emission allowance costs):

2 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: BN Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

Supplier: CoalSales (Powder River Basin Sub-Bituminous, Wyoming)

Tonnage Bid: 2009 through 2012 – 1,000,000 tons per year

Coal Quality Guarantee: 8,600 BTU/Lb; 0.22% Sulfur

Delivered Price (including emission allowance costs):

3 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: BN Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

Supplier: Rio Tinto Energy (Powder River Basin Sub-Bituminous, Wyoming)

Tonnage Bid: 2009 – 200,000 tons; 2010 through 2012 – 1,000,000 tons per year

Coal Quality Guarantee: 8,900 BTU/Lb; 0.35% Sulfur

Delivered Price (including emission allowance costs):

4 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: BN Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

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Supplier: ARCH Coal Sales (Powder River Basin Sub-Bituminous, Wyoming)  
Tonnage Bid: 2009 – 500,000 tons; 2010 through 2012 – 2,000,000 tons per year

Coal Quality Guarantee: 8,800 BTU/Lb; 0.40% Sulfur

Delivered Price (including emission allowance costs):

1 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: BN Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

Supplier: Rio Tinto Energy (Powder River Basin Sub-Bituminous, Montana)

Tonnage Bid: 2009 through 2011 – 1,000,000 tons per year

Coal Quality Guarantee: 9,350 BTU/Lb; 0.37% Sulfur

Delivered Price (including emission allowance costs):

2 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: BN Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

Supplier: Coalsales, Twentymile Mine (Western Bituminous, Colorado)

Tonnage Bid: 2009 through 2012 – 1,000,000 tons per year

Coal Quality Guarantee: 11,200 BTU/Lb; 0.50% Sulfur

Delivered Price (including emission allowance costs):

3 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: UP Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

Supplier: Carpenter Creek LLC (Western Bituminous, Montana)

Tonnage Bid: 2009 – 500,000; 2010 through 2012 – 1,000,000 tons per year

Coal Quality Guarantee: 10,800 BTU/Lb; 0.50% Sulfur

Delivered Price (including emission allowance costs):

4 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: BN Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

Supplier: Oxbow Carbon and Minerals, Elk Creek Mine (Western Bituminous, Colorado)

Tonnage Bid: 2009 through 2012 – 1,500,000 tons per year

Coal Quality Guarantee: 12,000 BTU/Lb; 0.60% Sulfur

Delivered Price (including emission allowance costs):

5 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: UP Railroad to Memphis TN, CN Railroad to Evanston MS, Mississippi Export Railroad to Plant Daniel.

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Supplier: Interocean Coal Sales (Colombia, South America)  
Tonnage Bid: 2009 – 1,000,000 tons; 2010 – 1,500,000 tons  
Coal Quality Guarantee: 10,800 BTU/Lb; 0.62% Sulfur  
Delivered Price (including emission allowance costs):

1 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: Ocean Vessel to McDuffie Coal Terminal  
Mobile, AL; transload to Railcar; CN Railroad to Evanston MS; Mississippi Export  
RR to Plant Daniel

Supplier: Coal Marketing Company, Cerrejon Mine (Colombia, South America)  
Tonnage Bid: 2009 – 300,000 tons; 2010 – 300,000 tons  
Coal Quality Guarantee: 11,000 BTU/Lb; 0.63% Sulfur  
Delivered Price (including emission allowance costs):

2 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: Ocean Vessel to McDuffie Coal Terminal  
Mobile, AL; transload to Railcar; CN Railroad to Evanston MS; Mississippi Export  
RR to Plant Daniel

Supplier: Coal Marketing Company, Cerrejon Mine (Colombia, South America)  
Tonnage Bid: 2009 – 300,000 tons; 2010 – 300,000 tons  
Coal Quality Guarantee: 11,000 BTU/Lb; 0.63% Sulfur;  
Delivered Price (including emission allowance costs):

3 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: Ocean Vessel to ASD Bulk Coal Terminal  
Mobile, AL; transload to Railcar; CN Railroad to Evanston MS; Mississippi Export  
RR to Plant Daniel

Supplier: Glencore LTD, Calenturitas Mine (Colombia, South America)  
Tonnage Bid: 2009 – 750,000 tons; 2010 – 375,000 tons  
Coal Quality Guarantee: 11,300 BTU/Lb; 0.59% Sulfur  
Delivered Price (including emission allowance costs):

4 2009 - [REDACTED] 2010 - [REDACTED]

Transportation Method and Route: Ocean Vessel to McDuffie Coal Terminal  
Mobile, AL; transload to Railcar; CN Railroad to Evanston MS; Mississippi Export  
RR to Plant Daniel

2. For each RFP for coal issued in 2008 by GULF, what action was taken? Include with your response, a summary of the evaluation process, and how the successful proposals were selected.

ANSWER:

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In response to the May 5, 2008 RFP for Mississippi Power Company's Plant Daniel, fourteen (14) offers were received including seven (7) offers from four (4) different coal suppliers from the Powder River Basin. The offers consisted of one, two, three and four year terms. Offers were received from the Illinois Basin, Colorado/Utah, PRB, and Colombian coal supply regions. The purchase decision was based on a review of Mississippi Power Company's inventory plan and burn projections for the 2009 through 2012 timeframe which indicated the need for approximately 1.4 million tons of coal in 2009, 3.8 million tons in 2010, 4.3 million tons in 2011 and approximately 5.0 million tons in 2012. Transportation rates were obtained from the SCS Transportation Agents and entered into the evaluation as well as the appropriate SO<sub>2</sub> and NO<sub>x</sub> adders. The fourteen proposals that were received were evaluated to Plant Daniel on a fully delivered present value basis.

Based on the delivered economics of all offers, PRB coal was the most economical coal into Plant Daniel. The two most competitive PRB bids were from Buckskin Mining Company and Coalsales. However, because of the lower BTU guarantees in the offers (8,400 btu/lb and 8,600 btu/lb respectively), MPC elected not to purchase this coal. Rio Tinto's offer from their Antelope Mine was the next most competitive PRB offer with a starting price of [REDACTED], including SO<sub>2</sub> and NO<sub>x</sub>. Rio Tinto offered 500,000 tons for 2009 and 1 million tons/year 2009 through 2012. MPC decided to purchase 1 million tons/year in 2010 and 2011.

2 The Coalsales offer from their Twentymile mine in Routt, CO was the most competitive bituminous offer at a starting price of [REDACTED], including SO<sub>2</sub> and NO<sub>x</sub>. Coalsales' offer consisted of supplying 1 million tons/year 2009-2012. These tonnages were accepted and a confirmation was executed. Because of a substantial decrease in Plant Daniel's projected burn, the need to reduce the 2009 volume arose during the contract negotiations. MPC proposed a decrease of 500,000 tons in 2009 and pushing those tons into 2010 at the 2009 price. Coalsales rejected this proposal but rather provided an option that MPC can make up the tonnage in 2010 at the then current contract price. MPC declined this proposal and after further negotiations/discussions with Coalsales, both

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parties elected to forego the makeup of these tons and therefore a four year deal was entered into for 500,000 tons in 2009, 1 million tons/year in 2010-2012.

For the May 8, 2008 RFP, a total of eight bids were received with terms ranging from two to four years in duration. Due to the coal market price run-up of early 2008, the volatility of market prices, and the uncertainty of available coal supply at the time these bids were evaluated, Gulf made the decision to make a two year purchase commitment. This purchase allowed Gulf to commit for 2009 and 2010 coal supply needs to ensure that coal burn needs were covered and further price run-ups could be avoided. Transportation rates, including railcar costs if appropriate, were obtained from the SCS.

Transportation Agents and entered into the evaluation spreadsheet as well as the appropriate SO<sub>2</sub> and NO<sub>x</sub> emission allowance costs. All bids were evaluated and lined up by total delivered cost to Plant Crist in \$/MMBTU calculated from the guaranteed heating value (BTU/LB) bid.

1 The least cost offer was submitted by Carpenter Creek Coal Company. This coal originated in Montana and delivered for [REDACTED] in 2009 to Plant Crist. The heating value content of this coal was quoted as 10,800 Btu/lb which was below the minimum heating value required in the RFP and this bid was rejected.

The next least cost bid was from Oxbow Mining Company. This coal originated in Colorado and delivered for \$6.489/mmbtu. Since this bid conformed with the RFP terms and Gulf's long-term coal procurement strategy to geographically diversify coal supply, Gulf elected to purchase 700,000 tons per year of this Colorado coal for 2009-2010.

2 The next least cost bid was submitted by Consolidation Coal Company which delivered for [REDACTED]. Since this bid conformed with the RFP terms and Gulf's long-term coal procurement strategy to geographically diversify coal supply, Gulf elected to purchase 420,000 tons of this Utah coal for delivery in 2009 and 480,000 tons in 2010.

3 The next least cost offer was from Patriot Coal Company (formerly Magnum Coal Company) and delivered for [REDACTED]. This coal is from the Central Appalachian (CAPP) region and the decision was made to purchase 200,000 tons for 2009 and 466,000 tons for 2010 serving to further diversify Gulf's coal supply.

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1 The next least cost offer was submitted by International Coal Group (ICG) and delivered for [REDACTED]. The ash content of this coal was quoted as 14% and the sulfur content was quoted at 1.10% which was above the maximum guarantee required in the RFP and this bid was rejected.

2 The next least cost offer was submitted by InterOcean Coal Sales for coal from Colombia South America and delivered for [REDACTED]. Since this bid conformed with the terms of the RFP and Gulf's long-term coal procurement strategy to geographically diversify coal supply, the decision was made to purchase 1.0 million tons in 2009 and 1.2 million tons for 2010.

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3. List the tonnage, delivered price, coal quality, and vendor information for all spot coal procured by GULF in 2008.

ANSWER:

Supplier: ARCH Coal Sales (Western Bituminous, Colorado)

Tonnage Shipped: 99,787 tons

Quality Guarantee: 11,800 BTU/Lb; 9% Moisture; 9% Ash; 0.99% lbs SO<sub>2</sub>/MMBTU

1 Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith

Supplier: Magnum Coal Sales (CAPP, West Virginia)

Tonnage Shipped: 205,923 tons

Quality Guarantee: 12,000 BTU/Lb; 10% Moisture; 13.75% Ash; 1.4% lbs SO<sub>2</sub>/MMBTU

2 Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith

Supplier: Magnum Coal Sales (CAPP, West Virginia)

Tonnage Shipped: 107,877 tons

Quality Guarantee: 12,000 BTU/Lb; 10% Moisture; 13.75% Ash; 1.4% lbs SO<sub>2</sub>/MMBTU

3 Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith

Supplier: Consol Energy, Inc. (Western Bituminous, Utah)

Tonnage Shipped: 106,163 tons

Quality Guarantee: 12,000 BTU/Lb; 10% Moisture; 12% Ash; 1.92% lbs SO<sub>2</sub>/MMBTU

4 Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith

Supplier: West Ridge Coal Co (Western Bituminous, Utah)

Tonnage Shipped: 443,490 tons

Quality Guarantee: 12,200 BTU/Lb; 9% Moisture; 12% Ash; 1.97% lbs SO<sub>2</sub>/MMBTU

5 Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith

Supplier: Interocean Coal Sales, LDC (Colombia, South America)

Tonnage Shipped: 73,708 tons

Coal Quality Guarantee: 11,500 BTU/Lb; 14% Moisture; 9.5% Ash; 1.2 lbs SO<sub>2</sub>/MMBTU

6 Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith

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- 1 Supplier: Converse Company (CAPP, Kentucky)  
Tonnage Shipped: 21,468 tons  
Coal Quality Guarantee: 12,200 BTU/Lb; 8% Moisture; 13% Ash; 1.0% Sulfur  
Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith
  
- 2 Supplier: Glencore LTD (Colombia, South America)  
Tonnage Shipped: 30,420 tons  
Coal Quality Guarantee: 12,800 BTU/Lb; 7% Moisture; 7% Ash; 0.7% Sulfur  
Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith
  
- 3 Supplier: Coal Marketing Company (Colombia, South America)  
Tonnage Shipped: 73,971 tons  
Coal Quality Guarantee: 11,300 BTU/Lb; 12.8% Moisture; 8.7% Ash; 0.7% Sulfur  
Delivered Price: [REDACTED] – Delivered to Plants Crist and Smith
  
- 4 Supplier: Koch Carbon (CAPP, Kentucky)  
Tonnage Shipped: 40,495 tons  
Coal Quality Guarantee: 12,350 BTU/Lb; 10% Moisture; 13.5% Ash; 1.50% Sulfur  
Delivered Price: [REDACTED] – Delivered to Plant Scholz
  
- 5 Supplier: Alpha Coal Sales (CAPP, Kentucky)  
Tonnage Shipped: 10,068 tons  
Coal Quality Guarantee: 12,500 BTU/Lb; 8% Moisture; 12% Ash; 1.0% Sulfur  
Delivered Price: [REDACTED] – Delivered to Plant Scholz
  
- 6 Supplier: Alpha Coal Sales (CAPP, Kentucky)  
Tonnage Shipped: 132,175 tons  
Coal Quality Guarantee: 12,500 BTU/Lb; 8% Moisture; 12% Ash; 1.0% Sulfur  
Delivered Price: [REDACTED] – Delivered to Plant Scholz
  
- 7 Supplier: Constellation Energy Commodities (CAPP, West Virginia)  
Tonnage Shipped: 9,248 tons  
Coal Quality Guarantee: 12,500 BTU/Lb; 7% Moisture; 12% Ash; 1.0% Sulfur  
Delivered Price: [REDACTED] – Delivered to Plant Scholz
  
- 8 Supplier: ARCH Coal Sales (Western Bituminous, Colorado)  
Tonnage Shipped: 24,032 tons  
Coal Quality Guarantee: 11,800 BTU/Lb; 7% Moisture; 12% Ash; 1.0% Sulfur  
Delivered Price: [REDACTED] - Delivered to Plant Daniel



A

Supplier: Rio Tinto Energy (Power River Basin Sub-Bituminous, Wyoming)  
Tonnage Shipped: 20,421 tons  
Coal Quality Guarantee: 8,800 BTU/Lb; 7% Moisture; 12% Ash; 1.0% Sulfur  
1 Delivered Price: [REDACTED] - Delivered to Plant Daniel

Supplier: Twentymile Coal Company (Western Bituminous, Colorado)  
Tonnage Shipped: 239,437 tons  
Quality Guarantee: 11,350 BTU/Lb; 9% Moisture; 9% Ash; 0.99% lbs SO<sub>2</sub>/MMBTU  
2 Delivered Price: [REDACTED] - Delivered to Plant Daniel

4. For each RFP for natural gas issued in 2008 by GULF, list the bids received. Include the supplier, volume bid, and delivered price information, as well as the primary pipeline delivered by.

ANSWER:

**A**

Southern Company Services (SCS), as Agent for Gulf Power Company, issued one (1) RFP on October 3, 2008. The bids received from the RFP are as follows:

*Note: (IF or IFERC) is a natural gas pricing index and refers to Platt's Inside FERC publication of market prices for natural gas. The other index that is quoted is Gas Daily (GD) which also publishes daily market prices for natural gas.*

- |    |   |   |
|----|---|---|
| 1  | <b>Supplier:</b> Louis Dreyfus (LDH4)<br><b>Price:</b> [REDACTED] | <b>Volume:</b> 8000 DTH per day; June 2009–May 2010<br><b>Pipeline:</b> FGT to Plant Smith    |
| 2  | <b>Supplier:</b> Chevron (2)<br><b>Price:</b> [REDACTED]          | <b>Volume:</b> 8000 DTH per day; June 2009 – May 2010<br><b>Pipeline:</b> FGT to Plant Smith  |
| 3  | <b>Supplier:</b> British Gas (BG1)<br><b>Price:</b> [REDACTED]    | <b>Volume:</b> 8000 DTH per day; June 2009 – May 2010<br><b>Pipeline:</b> FGT to Plant Smith  |
| 4  | <b>Supplier:</b> Shell (4)<br><b>Price:</b> [REDACTED]            | <b>Volume:</b> 8000 DTH per day; June 2009 – May 2010<br><b>Pipeline:</b> FGT to Plant Smith  |
| 5  | <b>Supplier:</b> Chevron (3)<br><b>Price:</b> [REDACTED]          | <b>Volume:</b> 8000 DTH per day; June 2009 – May 2011<br><b>Pipeline:</b> FGT to Plant Smith  |
| 6  | <b>Supplier:</b> Louis Dreyfus (LDH5)<br><b>Price:</b> [REDACTED] | <b>Volume:</b> 20,000 DTH per day; June 2009–May 2010<br><b>Pipeline:</b> FGT to Plant Smith  |
| 7  | <b>Supplier:</b> British Gas (BG2)<br><b>Price:</b> [REDACTED]    | <b>Volume:</b> 40,000 DTH per day; June 2009–May 2010<br><b>Pipeline:</b> FGT to Plant Smith  |
| 8  | <b>Supplier:</b> Chevron (4)<br><b>Price:</b> [REDACTED]          | <b>Volume:</b> 40,000 DTH per day; June 2009–May 2010<br><b>Pipeline:</b> FGT to Plant Smith  |
| 9  | <b>Supplier:</b> Chevron (5)<br><b>Price:</b> [REDACTED]          | <b>Volume:</b> 40,000 DTH per day; June 2009–May 2011<br><b>Pipeline:</b> FGT to Plant Smith  |
| 10 | <b>Supplier:</b> Macquarie (1)<br><b>Price:</b> [REDACTED]        | <b>Volume:</b> 8,000 DTH per day; June 2009 – May 2010<br><b>Pipeline:</b> FGT to Plant Smith |

A

- 1 **Supplier:** British Gas (BG6) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 2 **Supplier:** Noble (1) **Volume:** 5,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 3 **Supplier:** British Gas (BG5) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 4 **Supplier:** Louis Dreyfus (LDH7) **Volume:** 10,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 5 **Supplier:** Chevron (15) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 6 **Supplier:** Chevron (16) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith  
and 20,000 DTH per day; June – Sept. 2010
- 7 **Supplier:** JPMorgan (1) **Volume:** 20,000 DTH per day; June – May 2010  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 8 **Supplier:** British Petroleum (BP6) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 9 **Supplier:** Louis Dreyfus (LDH11) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 10 **Supplier:** Chevron (13) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 11 **Supplier:** Chevron (14) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith  
and 20,000 DTH per day; June – Sept. 2010
- 12 **Supplier:** Shell (5) **Volume:** 20,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith
- 13 **Supplier:** JPMorgan (5) **Volume:** 10,000 DTH per day; June – Sept. 2009  
**Price:** [REDACTED] **Pipeline:** FGT to Plant Smith

EXHIBIT "C"

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

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

**Justification**

**Response to Interrogatory # 1**

Page 1 of 5, Lines 1-3, Columns A-B  
Page 2 of 5, Lines 1-4, Columns A-B  
Page 3 of 5, Lines 1-4, Columns A-B  
Page 4 of 5, Lines 1-5, Columns A-B  
Page 5 of 5, Lines 1-4, Columns A-B

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 1.

**Response to Interrogatory # 2**

Page 1 of 3, Lines 1-2, Column A  
Page 2 of 3, Line 1, Column C; Line 2, Column A; Line 3, Column B.  
Page 3 of 3, Line 1, Column A; Line 2, Column B

**Response to Interrogatory #3**

Page 1 of 3, Lines 1-6, Column A  
Page 2 of 3, Lines 1-8, Column A  
Page 3 of 3, Lines 1-2, Column A

**Response to Interrogatory # 4**

Page 1 of 2, Lines 1-10, Column A  
Page 2 of 2, Lines 1-13, Column A

STATE OF FLORIDA

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# Public Service Commission

## ACKNOWLEDGEMENT

DATE: March 26, 2009

TO: Susan Ritenour, Gulf Power Company

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in Docket Number 090001 or, if filed in an undocketed matter, concerning response to staff's 1<sup>st</sup> set of interrogatories, Nos. 1-7, and filed on behalf of Gulf Power. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

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