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RECEIVED-FPSC

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COMMISSION  
CLERK



October 23, 2009

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 fifteen copies of Gulf Power Company's Request for Confidential Classification regarding certain information submitted by Gulf Power in connection with a Review of Gulf Power's Hedging Information Report in the above referenced docket (ACN 09-190-1-1)

Sincerely,

*Susan D. Ritenour (dw)*

COM \_\_\_\_\_

ECR \_\_\_\_\_ mr

GCL 2 \_\_\_\_\_

OPC \_\_\_\_\_ Enclosures

RCP \_\_\_\_\_

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

SGA \_\_\_\_\_

ADM \_\_\_\_\_

CLK 1 \_\_\_\_\_

DOCUMENT NUMBER-DATE

10846 OCT 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 23<sup>rd</sup> day of October, 2009, on the following:

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**JEFFREY A. STONE**

Florida Bar No. 325953

**RUSSELL A. BADDERS**

Florida Bar No. 007455

**STEVEN R. GRIFFIN**

Florida Bar No. 0627569

**BEGGS & LANE**

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Pensacola FL 32591-2950

(850) 432-2451

**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

Docket No.: 090001-EI  
Date: October 23, 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 documents produced by Commission Staff and Gulf Power in connection with a Review of Gulf Power's Hedging Information Report in the above-referenced docket (ACN 09-190-1-1) (the "Review"). As grounds for this request, the Company states:

1. A portion of the information submitted by Gulf Power in response to Commission Data Requests and also included in Staff's work papers constitutes "proprietary confidential business information" as defined by section 366.093(3), Florida Statutes.
2. Specifically, the information relates to competitive interests, the disclosure of which would impair the competitive business of Gulf Power. This information contains details concerning Gulf Power's hedging activities between August 2008 and July 2009, including specific pricing information and target ranges for hedging transactions. Disclosure of this information would give other market participants a competitive advantage over Gulf Power and adversely affect Gulf's ability to conduct its hedging activities to the benefit of its customers. The information is entitled to confidential classification pursuant to section 366.093(3) (d) and (e), Florida Statutes.

DOCUMENT NUMBER-DATE

10846 OCT 26 09

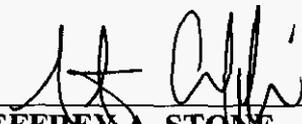
FPSC-COMMISSION CLERK

3. 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 publicly disclosed.

4. Submitted as Exhibit "A" are copies of the subject documents.<sup>1</sup> The information for which confidential classification is requested is highlighted in yellow. 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 23<sup>th</sup> day of October, 2009.

  
\_\_\_\_\_  
**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**

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<sup>1</sup> Gulf Power has been informed by Commission Staff that Staff has prepared a CD-ROM containing electronic versions of various documents produced during the course of the Review. Gulf Power has not been provided with a copy of this CD-ROM. One document contained on the CD-ROM --page 48-13.3-- contains confidential information. A hard copy of page 48-13.3 is contained in Exhibit "A" hereto. Gulf Power requests that the Commission take appropriate action to protect from public disclosure the confidential information contained in the aforementioned CD-ROM.

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.: 090001-EI  
Date: October 23, 2009

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

**EXHIBIT "A"**

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

EXHIBIT "B"



10/2/09  
 9/2/09

Gulf Power Company Fuel Price Hedging Costs  
 Dkt 090001-EI; ACN 09-190-1-1;  
 August 1, 2008 - July 31, 2009  
 Description: hedge VS Burn

48-13.1

Response to Hedging 6, Items 2-3

**Gulf Natural Gas Purchase Price Variance**  
**Actual Gas Price vs. Market Gas Price**  
 Gulf Gas Purchase data taken from Schedules A-5

A

	Gulf Actual Purchases MMBtu	Gas Purchases Delivered Cost (Total Dollars)	Monthly Gas Hedge Settlement (Total Dollars)	Gulf Actual Gas Purchases Weighted Average Commodity \$/MMBtu	Gulf Actual Gas Storage and Transportation \$/MMBtu	Gulf Actual Gas Purchases Delivered Cost \$/MMBtu	Gulf Hedged Gas Purchases Delivered Cost \$/MMBtu	Henry Hub Weighted Average Market Price Commodity \$/MMBtu	Gulf Hedge Average NYMEX Settlement Price \$/MMBtu
Aug-08	48-13.2 1,528,609	48-13.2 \$16,280,346	48-13.2 \$6,557.00	\$9.06	\$1.59	\$10.65	\$10.65	\$8.30	
Sep-08	1,279,152	\$13,588,481	\$1,044,240.00	\$9.06	\$1.54	\$10.62	\$11.44	\$7.70	
Oct-08	2,378,672	\$18,904,870	\$2,288,684.00	\$6.97	\$0.98	\$7.95	\$8.91	\$6.75	
Nov-08	495,650	\$4,212,977	\$2,536,215.00	\$6.87	\$1.83	\$8.50	\$13.62	\$6.62	
Dec-08	1,099,590	\$7,704,138	\$3,326,145.00	\$6.72	\$0.29	\$7.01	\$10.03	\$5.79	
Jan-09	1,748,490	\$10,344,634	\$3,803,955.00	\$5.57	\$0.35	\$5.92	\$8.09	\$5.25	
Feb-09	2,453,913	\$12,791,186	\$4,173,375.00	\$4.77	\$0.44	\$5.21	\$6.91	\$4.54	
Mar-09	1,926,235	\$8,994,751	\$3,233,845.00	\$4.16	\$0.51	\$4.67	\$6.35	\$3.96	
Apr-09	2,774,071	\$12,446,229	\$4,448,560.00	\$3.69	\$0.80	\$4.49	\$6.09	\$3.51	
May-09	2,419,364	\$11,772,998	\$3,920,849.00	\$3.85	\$1.01	\$4.87	\$6.49	\$3.75	
Jun-09	2,376,924	\$11,899,198	\$5,652,830.00	\$4.00	\$1.01	\$5.01	\$7.38	\$3.79	
Jul-09	2,195,908	\$10,138,535	\$6,569,231.00	\$3.53	\$1.09	\$4.62	\$7.81	\$3.40	
<b>TOTAL</b>	<b>22,676,578</b>	<b>\$139,078,343</b>	<b>\$41,004,486.00</b>	<b>\$5.25</b>	<b>\$0.89</b>	<b>\$6.13</b>	<b>\$7.94</b>	<b>\$4.92</b>	

Note: Column J represents the weighted average settlement of the Unwinds & Gas Daily Conversions implemented for each specific month.

CONFIDENTIAL

PBC

SOURCE

Gulf Power Company  
Hedging Transactions Audit  
For Period August 1, 2008 to July 31, 2009

Docket No.: 090001-EI  
Audit Control No.: 09-190-1-1  
File: 2009 Hedging Settlements  
Auditor: Debra Dobiac

Natural Gas MMBTUs	August	September	October	November	December	January	February	March	April	May	June	July	Total
Projected Purchases:	1,879,294 2-1.0	1,138,135 2-1.1	1,684,424 2-1.2	1,638,017 2-1.3	1,734,706 2-1.4	1,772,280 2-1.5	1,642,219 2-1.6	952,881 2-1.7	1,534,711 2-1.8	1,414,598 2-1.9	1,665,310 2-1.10	1,751,630 2-1.11	18,808,205
Projected Burn:	1,879,294	1,138,135	1,684,424	1,638,017	1,734,706	1,772,280	1,642,219	952,881	1,534,711	1,414,598	1,665,310	2,419,181	19,665,355
Settled Hedging Transactions:	930,000	680,000	890,000	880,000	890,000	870,000	850,000	650,000	830,000	770,000	1,110,000	1,200,000	10,550,000
% of Purchases	49.49%	59.75%	52.84%	53.72%	51.31%	49.09%	51.76%	68.21%	54.08%	54.43%	66.65%	68.51%	56.09%
% of Burned:	49.49%	59.75%	52.84%	53.72%	51.31%	49.09%	51.76%	68.21%	54.08%	54.43%	59.84%	49.60%	53.65%

NOTE: As per the Risk Management Plan, filed with the FPSC on September 2, 2008:  
 Gulf Power will financially hedge gas prices generally between <sup>A</sup> of its projected annual gas burn for the current year.  
 Gulf Power will utilize fixed price swaps as its primary financial gas price hedging instrument but may also utilize options to a lesser degree when appropriate.  
 Gulf Power will limit the amount of fixed-price hedges to 100% of the projected fuel burn for the upcoming year.  
 Gulf Power will limit option priced hedges to 110% of its projected burn.  
 Gulf Power will take forward hedge positions for up to 60 months into the future.  
 Gulf Power will secure natural gas hedges over a time period not to exceed 60 months.  
 Agree to Risk Management Plan without exception.  
 See WP 10-4.1 and 10-5.1 for additional information. DD

2008/09/09

48-13.3

CONFIDENTIAL

SOURCE As Referenced



9/2/09  
 9/2/09  
 9/2/09

Gulf Power Company Fuel Price Hedging Costs  
 Dkt 090001-EI; ACN 09-190-I-1;  
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48-13-1

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Note: Column J represents the weighted average settlement of the Unwinds & Gas Daily Conversions implemented for each specific month.

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PBC

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Settled Hedging Transactions:	48-13.2 930,000	680,000	890,000	880,000	890,000	870,000	850,000	650,000	830,000	770,000	1,110,000	1,200,000	10,550,000 48-13
% of Purchases	49.49%	59.75%	52.84%	53.72%	51.31%	49.09%	51.76%	68.21%	54.08%	54.43%	66.65%	68.51%	56.09%
% of Burned:	49.49%	59.75%	52.84%	53.72%	51.31%	49.09%	51.76%	68.21%	54.08%	54.43%	59.84%	49.60%	53.65%

NOTE: As per the Risk Management Plan, filed with the FPSC on September 2, 2008:  
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Gulf Power will limit option priced hedges to 110% of its projected burn.  
Gulf Power will take forward hedge positions for up to 60 months into the future.  
Gulf Power will secure natural gas hedges over a time period not to exceed 60 months.  
Agrees to Risk Management Plan with one exception.  
See WP 10-4.1 and 10-5.1 for additional information. DD

10/26/09

48-13.3

CONFIDENTIAL

SOURCE As Referenced

## EXHIBIT "C"

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

#### Line(s)/Field(s)

Document 48-1.1  
Columns A-D, in their entirety

#### Justification

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

Document 48-13.1  
Column A, in its entirety

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

Document 48-13.3  
Column A, Line 1

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

CD-ROM Prepared by Commission Staff  
containing Document 48-13.3

This information is entitled to confidential classification pursuant to §366.093(3)(d), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 2 and footnote 1.

STATE OF FLORIDA

COMMISSIONERS:  
MATTHEW M. CARTER II, CHAIRMAN  
LISA POLAK EDGAR  
NANCY ARGENZIANO  
NATHAN A. SKOP  
DAVID E. KLEMENT



OFFICE OF COMMISSION CLERK  
ANN COLE  
COMMISSION CLERK  
(850) 413-6770

# Public Service Commission

## ACKNOWLEDGEMENT

DATE: October 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 certain documents produced in connection with Review of GPC's Hedging Information Report, ACN 09-190-1-1, and filed on behalf of Gulf. The document 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.

DOCUMENT NUMBER - DATE  
10847 OCT 26 09  
FPSC-COMMISSION CLERK

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850  
An Affirmative Action/Equal Opportunity Employer

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Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)