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12 MAY 30 2012 10

May 29, 2012



**REDACTED**

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

claim of confidentiality  
 notice of intent  
 request for confidentiality  
 filed by OPC

RECEIVED-FPSC  
12 MAY 30 AM 11:15  
COMMISSION  
CLERK

RE: Docket No. 120007-EI

For DN 03439-12, which  
is in locked storage. You must be  
authorized to view this DN.-CLK

Dear Ms. Cole:

Enclosed is Gulf Power Company's Request for Confidential Classification  
pertaining to Gulf Power's response to Staff's Second Set of Interrogatories  
(Nos. 3-6) in the above referenced docket.

Also enclosed is a compact disc containing the Request for Confidential  
Classification and Exhibit C in Microsoft Word as prepared on a Windows XP  
operating system.

Sincerely,

wb

COM \_\_\_\_\_ Enclosures

APA \_\_\_\_\_

ECR 1+CDcc: Beggs & Lane

GCL \_\_\_\_\_

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Jeffrey A. Stone, Esq.

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost  
Recovery Clause

Docket No.: 120007-EI  
Date: May 30, 2012

**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 Set of Interrogatories (Nos. 3-6). As grounds for this request, the Company states as follows:

1. Portions of the information submitted by Gulf Power in response to interrogatory numbers 5 and 6 of Staff's Second Interrogatories constitute "proprietary confidential business information" as defined by section 366.093(3), Florida Statutes (the "Confidential Information").

2. Specifically, the Confidential Information consists of data relating to the amounts of gypsum produced, disposed of and sold by Gulf, in addition to the costs and revenues associated with the same. Gulf actively markets gypsum to third parties for beneficial uses. As discussed below, disclosure of this information could impair Gulf's future efforts to market gypsum to the detriment of the Company and its customers. Disclosure of this information would provide potential counterparties with an advantage in negotiations for the purchase and sale of gypsum for beneficial use.

3. Gulf's responses to interrogatories 5(a), (b) and (o) address the amounts of gypsum produced, stored and sold at Plant Crist in 2010 and 2011 and the revenues associated with the same. Disclosure of this information would provide potential buyers of gypsum with an

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03438 MAY 30 2012

FPSC-COMMISSION CLERK

advantage in negotiations for the purchase and sale of gypsum for beneficial use. Among other things, this information would enable potential purchasers to assess supply and demand and adjust the price accordingly, potentially resulting in cost increases. The foregoing information is confidential pursuant to section 366.093(3)(e), Florida Statutes.

4. Gulf's responses to interrogatories 5(e)-(g) identify the storage capacity of the gypsum storage facility at Plant Crist, the costs incurred to construct the facility and the expected useful life of the facility. This information is competitively sensitive because it would enable potential purchasers of gypsum to assess the availability and cost to Gulf Power of competing disposal or storage options. That information would allow a potential purchaser to assess demand and adjust the price accordingly, potentially resulting in cost increases. Consequently, this information is confidential pursuant to section 366.093(3)(e), Florida Statutes.

5. Gulf responses to interrogatories (6)(a)-(c) address estimated annual gypsum production at Plant Daniel, the estimated annual cost for disposing of the gypsum and Mississippi Power Company's plans for marketing the gypsum. Disclosure of this information would provide potential buyers of gypsum with an advantage in negotiations for the purchase and sale of gypsum for beneficial reuse. Among other things, this information would enable potential purchasers to assess supply and demand and the availability and cost to Gulf Power of competing disposal or storage options. This information, in turn, would enable potential purchasers to adjust the pricing, potentially resulting in cost increases. The foregoing information is confidential pursuant to section 366.093(3)(e), Florida Statutes.

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

7. Submitted as Exhibit "A" are copies of the subject documents. 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 29<sup>th</sup> day of May, 2012.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost  
Recovery Clause

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Docket No.: 120007-EI  
Date: May 30, 2012

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

**EXHIBIT "A"**

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

EXHIBIT "B"

**REDACTED**

COM \_\_\_\_\_  
APA \_\_\_\_\_  
~~ECR~~ 1 \_\_\_\_\_  
GCL \_\_\_\_\_  
RAD \_\_\_\_\_  
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EMPLOYMENT NUMBER DATE

03438 MAY 30 2

FPSC-COMMISSION CLERK

**REDACTED**

ANSWER:

- a. 1 There were [REDACTED] tons of gypsum produced in 2010 and [REDACTED] tons of gypsum produced in 2011 by the FGD since it was placed in service.
- b. During 2010 and 2011 gypsum produced by the scrubber was beneficially reused or placed into a permitted pond. The table below shows the breakdown for 2010 and 2011.

Disposal Type	2010	2011
	(in tons)	
2 Beneficially Reused	[REDACTED]	[REDACTED]
3 Placed in Permitted Pond	[REDACTED]	[REDACTED]

- c. The O&M costs associated with the disposal/handling of the gypsum at Plant Crist was approximately \$388,000 in 2011.
- d. Yes.
- e. 4 The size of the on-site gypsum storage facility at Plant Crist is 156 acres with a capacity of [REDACTED] tons.
- f. 5 The storage facility is to be constructed in phases. The completed phase for the current storage area was completed in 2009 and at a cost of [REDACTED]. The O&M costs for operating the facility associated with the disposal/handling of the gypsum at Plant Crist in 2011 were approximately \$388,000.
- g. 6 Under current operating parameters; estimating approximately [REDACTED] of gypsum generated each year and 100% being stored on-site, the life of the entire storage facility would be approximately [REDACTED] 7 [REDACTED]. 8 Based on the assumption of [REDACTED] /year gypsum 9 generated, the designated life of the facility would be [REDACTED].
- h. No.
- i. N/A
- j. N/A

DOCUMENT NUMBER DATE

03438 MAY 30 2012

FPSC-COMMISSION CLERK

k. No.

l. N/A

m. N/A

n. Yes.

o. In 2010, 64.5% of the gypsum produced was beneficially reused, resulting in sales of approximately [REDACTED]. In 2011, 61.8% of the gypsum produced was beneficially reused, resulting in sales of approximately [REDACTED]. All proceeds received from the sale of gypsum are treated as a reduction to O&M expense recovered through the Environmental Cost Recovery Clause.

p. N/A



6. On page 17 the Company indicated that the Plant Daniel Units 1 & 2 scrubber projects are currently scheduled for completion in fall of 2015. Please respond to the following questions in this regard.
- (a) How many tons of gypsum will be produced annually by the FGD after it is placed in-service?
  - (b) How does Gulf plan to dispose of the gypsum produced by the scrubber?
  - (c) What are the estimated annual O&M costs associated with the gypsum disposal?

ANSWER:

- a. The amount of gypsum produced will be dictated solely by the % sulfur in the fuel supply and the amount of fuel consumed. Based on the proposed fuel budget, 1 an estimated [REDACTED] of gypsum will be produced annually by the FGD after it is placed in service.
- b. 2 Mississippi Power Company, as the operator of Plant Daniel, plans to market the gypsum [REDACTED]. Gypsum not marketed will be stored or disposed of in the subtitle D storage facility on site.
- c. 3 The total estimated annual O&M costs for disposal of gypsum is [REDACTED] per year (in 2014 dollars). Gulf's share of the O&M costs would be 50% of this estimate.

**EXHIBIT "C"**

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

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

**Justification**

**Interrogatory 5**

Page 2 of 3, lines 1-9  
Page 3 of 3, lines 1-2

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 paragraphs 3 and 4.

**Interrogatory 6**

Page 1 of 1, lines 1-3

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 5.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Environmental Cost** )  
**Recovery Clause** )

Docket No.: **120007-EI**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U.S. mail this 29th day of May, 2012 on the following:

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