

EXHIBIT "B"

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01172 MAR-6 2  
FPSC-COMMISSION CLERK

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13. For each Request for Proposal (RFP) for coal issued in 2012 by Gulf Power Company (Gulf) for Plants Crist, Smith, and Daniel, list the bids received. For each bid, include the supplier, tonnage bid, coal quality, and delivered price information, as well as the method and route of delivery.

ANSWER:

A solicitation (RFP) was issued on February 6, 2012, soliciting bids from all suppliers contained in Southern Company's internet bid system which includes approved suppliers listed on the Gulf Power Company Bid List. The purchases were to be made for Plants Crist and Smith. Plants Scholz and Daniel had no uncommitted needs during this timeframe. The solicitation requested bids for the purchase of coal for a term of up to four (4) years beginning January 1, 2013 and ending on December 31, 2016. All bids were due on February 22, 2012. In response to the solicitation, twenty-five (25) bids were received from sixteen (16) different coal suppliers. The bids received consisted of twelve (12) Illinois Basin offers, seven (7) Central Appalachia offers, four (4) Western bituminous offers, one (1) Northern Appalachia offer and one (1) import offer from Colombia. The bids received included one, two, three and four year terms. Below is a listing of the bids that were received:

	<u>Bid</u>	<u>Supplier</u>	<u>TONS</u>	<u>YEAR</u>	<u>BTU/LB</u>	<u>%S</u>	<u>%ASH</u>	<u>%MOISTURE</u>	<u>TRANSPORT</u>	<u>DELV'D (\$/MMBTU)</u>
1	1	Foresight							Rail/Barge	
2										
3										
4										
5										
6	2	Foresight							Rail/Barge	
7										
8										
9										
10	3	Interocean							Barge	
11	4	Foresight							Barge	
12										
13										
14										
15	5	Foresight							Barge	
16										
17										
18										
19	6	Mercuria							Rail/Barge	
20										
21										
22										



<u>1</u>	<u>Bid</u>	<u>Supplier</u>	<u>TONS</u>	<u>YEAR</u>	<u>BTU/LB</u>	<u>%S</u>	<u>%ASH</u>	<u>%MOISTURE</u>	<u>TRANSPORT</u>	<u>DELV'D (\$/MMBTU)</u>
2	18	Alliance	████████	████	████	██	██	██	Rail/barge	██
3										
4										
5										
6	19	TECO	████████	████	████	██	██	██	Rail/barge	██
7										
8										
9										
10	20	TECO	████████	████	████	██	██	██	Barge	██
11										
12										
13										
14	21	American	████████	████	████	██	██	██	Rail/barge	██
15										
16										
17										
18	22	Alpha	████████	████	████	██	██	██	Rail/barge	██
19										
20	23	Alpha	████████	████	████	██	██	██	Rail/barge	██
21										
22	24	Consol	████████	████	████	██	██	██	Rail/barge	██
23										
24	25	Argus	████████	████	████	██	██	██	Barge	██

14. What action was taken for each bid identified in response to Interrogatory No. 1? Include in your response an explanation of the evaluation process and how successful proposals were selected.

ANSWER:

A review of Plants Crist and Smith's inventory plans and burn projections for 2013 through 2016 indicated a need to purchase coal at various volume levels. In evaluating the bids, Gulf typically groups purchases for Plants Crist and Smith together because of their common supply source and transportation mode. The goal of this RFP was to purchase volumes that conform to the contracting philosophy contained in the Gulf Power Company Long-Term Coal Procurement Strategy and Tactical Plan. The twenty-five (25) proposals received were evaluated on a fully delivered, net present value (NPV) basis, including the value of sulfur. In support of the evaluation process, transportation rates and SO<sub>2</sub> allowance values were provided and included as part of the analysis. Other inputs to the evaluation included railcar lease and maintenance costs where appropriate. In an effort to maintain the blend of 60% Illinois Basin high sulfur coal and 40% low sulfur coal that Plant Crist desires to burn, Gulf sought to purchase volumes along those guidelines.

**High Sulfur Coal**

The bids separated themselves based on delivered price, grouping the Illinois Basin offers together as the most economical coal delivered into Plant Crist and leaving the remaining, low sulfur offers to fall into place behind them. The least cost Illinois Basin offer was Bid No. 1 submitted by Foresight Coal Sales, [REDACTED]. This was a

[REDACTED] year offer that delivered to Plant Crist for a starting price of [REDACTED]

[REDACTED] Gulf agreed to purchase [REDACTED]

[REDACTED] The next least cost offer was made by

The American Coal Company, Bid No. 21. During negotiations and in response to

Gulf's recent inventory management efforts, American agreed to defer [REDACTED] tons of coal from 2012 into 2013 in exchange for Gulf agreeing to purchase an additional [REDACTED]

Additionally, American agreed to sell Gulf [REDACTED] tons of coal in 2014 [REDACTED]

[REDACTED] Gulf made the American coal purchase at a starting price delivered to Plant Crist of [REDACTED] Based on the

then current burn projections, these purchased volumes conformed to the Gulf Power Company Long-Term Coal Procurement Strategy and Tactical Plan for the high sulfur supply.

1  
6  
7  
10  
1000000

**Low Sulfur Coal**

A short list of the most competitive low sulfur coal bids was also developed and suppliers who made the competitive tier were asked to revisit their bids and submit a modified bid by March 15, 2012. This was done in an effort to lower the total delivered cost of the blended product. For the re-bid prices, the lowest cost supplier, Argus

1 Energy, bid on a one-year term and refused to modify their bid [REDACTED]  
2  
3 As a result, Gulf purchased a one-year spot supply from them for [REDACTED] This  
4 coal was purchased for Plant Smith exclusively and delivered for [REDACTED]  
5 [REDACTED] Alpha Natural Resource Partners submitted a modified bid by lowering their  
6 2013 starting price from [REDACTED] which was acceptable to Gulf. Gulf  
7 purchased [REDACTED] a year for 2013 and 2014 from Alpha. The Alpha coal had a  
starting price delivered to Plant Crist of [REDACTED] These purchases  
completed Gulf's need for a blended product to be delivered to Plant Crist in  
conformance with Gulf Power Company's Long-Term Coal Procurement Strategy and  
Tactical Plan.

16. For each RFP for natural gas issued in 2012 by Gulf, list the bids received. For each bid, include the supplier, volume bid, and delivered price information, as well as the primary pipeline delivered by.

ANSWER:

Southern Company Services (SCS), as agent for Gulf Power Company, solicits bids for firm, baseload natural gas supply to assist in serving the fuel requirements of its generating plants. In order to qualify for consideration, all bids must contain 1) delivery point(s), 2) quantities, 3) term, and 4) pricing. The bids received from the Fall 2012 RFP are documented below.

**Supplier: Apache**

1 Volume and Pipeline: Annual Supply 5,000 per day Mobile Bay into All Delivery Points  
Price: FGT Z3 Inside FERC [REDACTED] (Term: 6/13 – 5/14)

**Supplier: BP**

2 Volume and Pipeline: Summer Supply 50,000 per day into Florida Gas Transmission  
Price: FGT Z3 Gas Daily [REDACTED] (Term: 6/13 – 9/13)

**Supplier: BG**

3 Volume and Pipeline: Annual Supply 8,000 per day Destin Pipeline into Florida Gas Transmission

Price: FGT Z3 Inside FERC [REDACTED] (Term: 6/13 – 5/18)

4 Volume and Pipeline: Annual Supply 20,000 per day Destin Pipeline into Florida Gas Transmission

Price: FGT Z3 Gas Daily [REDACTED] (Term: 6/13 – 5/18)

5 Volume and Pipeline: Summer Supply 15,000 per day Destin Pipeline into All Delivery Points

Price: FGT Z3 Gas Daily [REDACTED] (Term: June-Sept, 2013-2017)

**Supplier: Chevron**

6 Volume and Pipeline: Annual Supply 20,000 per day Mobile Bay into All Delivery Points

7 Price: FGT Zone 3 Gas Daily [REDACTED] (Term: 6/13 – 5/14)

Price: FGT Zone 3 Gas Daily [REDACTED] (Term: 6/13 – 5/15)

8 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into All Delivery Points

9 Price: FGT Zone 3 Inside FERC [REDACTED] (Term: 6/13 – 5/14)

Price: FGT Zone 3 Inside FERC [REDACTED] (Term: 6/13 – 5/15)

10 Volume and Pipeline: Summer Supply 15,000 per day Destin into All Delivery Points

11 Price: FGT Zone 3 Gas Daily [REDACTED] (Term: 6/13 – 9/13)

Price: FGT Zone 3 Gas Daily [REDACTED] (Term: June-Sept, 2014-2015)

**Supplier: Exxon**

1 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into All Delivery Points

Price: FGT Z3 Inside FERC [REDACTED] (Term: 6/13 – 5/14)

2 Volume and Pipeline: Annual Supply 15,000 per day Mobile Bay into All Delivery Points

Price: FGT Z3 Gas Daily [REDACTED] (Term: 6/13 – 5/14)

**Supplier: Louie Dreyfus**

3 Volume and Pipeline: Summer Supply 15,000 per day Destin into All Delivery Points

Price: FGT Z3 Gas Daily [REDACTED] (Term: 6/13 – 9/13)

**Supplier: QEP**

4 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into GSPL/FGT Airport

Price: FGT Z3 Inside FERC [REDACTED] (Term: 6/13 – 5/14)

**Supplier: Shell**

5 Volume and Pipeline: Summer Supply 10,000 per day Destin into All Delivery Points

Price: FGT Z3 Inside FERC [REDACTED] (Term: 6/13 – 9/13)

**Supplier: Tenaska**

6 Volume and Pipeline: Summer Supply 15,000 per day Destin into All Delivery Points

Price: FGT Z3 Gas Daily [REDACTED] (Term: 6/13 – 9/13)

**Supplier: WPX Energy**

7 Volume and Pipeline: Annual Supply 10,000 per day Mobile Bay into FGT, MGS  
8 Gulfstream

Price: FGT Z3 Gas Daily [REDACTED] (Term: 6/13 – 5/14)

Price: FGT Z3 Inside FERC [REDACTED] (Term: 6/13 – 5/14)

17. What action was taken for each bid identified in response to Interrogatory No. 16? Include in your response an explanation of the evaluation process and how successful proposals were selected.

**ANSWER:**

After reviewing the gas supply needs, each bid was evaluated based on price, location, volume, term, transportation rights (firm or interruptible) and the flexibility of supply. The selected bids that met the needed volume and term are as follows:

**Supplier: Exxon**

1 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into All Delivery Points

Price: FGT Z3 Inside FERC [REDACTED] (Term: 6/13 – 5/14)

2 Volume and Pipeline: Annual Supply 15,000 per day Mobile Bay into All Delivery Points

Price: FGT Z3 Gas Daily [REDACTED] (Term: 6/13 – 5/14)

20. For each RFP for light oil issued in 2012 by Gulf, list the bids received.

ANSWER:

A solicitation (RFP) was issued on December 12, 2012, soliciting bids from 28 known suppliers capable of providing fuel oil requirements for Gulf Power's Plants Crist, Scholz and Smith as well as for the Purchase Power Agreement (PPA) plants at the Coral Baconton facility located in Baconton, GA and the Tenaska Central Alabama facility located in Billingsly, AL. The solicitation requested bids for the fuel oil requirements for one year; the period March 1, 2013 through February 28, 2014. In response to the solicitation, bids were received by the required date of January 15, 2013 from 11 of the 28 potential suppliers as noted in the chart below. These offers are in the form of a dollar per gallon adder to the daily OPIS index for dyed ultra low sulfur diesel to derive a delivered price per gallon Gulf Power will pay for fuel oil on a specific shipment date.

- 1 **2013/2014 Gulf Power Fuel Oil Bid Results**
- 2 **Dollar per gallon adder to daily OPID index price**

3	<u>Supplier</u>	<u>Baconton</u>	<u>Crist</u>	<u>Scholz</u>	<u>Smith</u>	<u>Tenaska,</u> <u>AL</u>
4	<b>Retif</b>	NB				NB
5	<b>Pilot</b>					
6	<b>TAC</b>					
7	<b>RKA</b>	NB	NB	NB	NB	
8	<b>Boswell</b>	NB				NB
9	<b>Mansfield</b>					
10	<b>Mcherson</b>					
11	<b>PS Energy</b>					
12	<b>Pet Traders</b>					
13	<b>Indigo</b>					
14	<b>Lanier</b>		NB	NB	NB	NB