

Terry A. Davis  
Assistant Secretary and  
Assistant Treasurer

One Energy Place  
Pensacola, Florida 32520-0786

Tel 850.444.6664  
Fax 850.444.6026  
TADAVIS@southernco.com

RECEIVED--FPSC

14 MAR 24 AM 10: 06

COMMISSION  
CLERK



March 21, 2014

**REDACTED**

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

Re: Docket No. 140001-EI

Dear Ms. Stauffer:

Enclosed is Gulf Power Company's Request for Confidential Classification  
pertaining to Gulf Power's response to Staff's First Set of Interrogatories  
(Nos. 1-11) in the above referenced docket.

Sincerely,

md

Enclosures

cc: Beggs & Lane  
Jeffrey A. Stone, Esq.

COM \_\_\_\_\_  
AFD ICD + Exh: B  
APA \_\_\_\_\_  
ECO \_\_\_\_\_  
ENG \_\_\_\_\_  
GCL \_\_\_\_\_  
IDM \_\_\_\_\_  
TEL \_\_\_\_\_  
CLK \_\_\_\_\_

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 140001-EI  
Date: March 24, 2014

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. 1-11). As grounds for this request, the Company states:


1. A portion of the information submitted by Gulf Power in response to interrogatories numbered 4, 5, and 8 of Commission Staff's First Set of Interrogatories constitutes 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 section 366.093(3)(d) and (e), Florida Statutes. Specifically, the confidential information consists of pricing terms for natural gas and light oil offered to and/or purchased by Gulf Power in connection with Requests for Proposal issued by Gulf Power in 2013. 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 future contracts with Gulf, or may charge higher prices, if these terms were made public.

2. 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.

3. Submitted as Exhibit "A" are copies of the subject documents, on which are 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 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 21<sup>st</sup> day of March, 2014.



---

**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**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

---

Docket No.: 140001-EI  
Date: March 24, 2014

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

**EXHIBIT "A"**

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

**EXHIBIT "B"**



**REDACTED**

4. For each RFP for natural gas issued in 2013 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 Alabama Power Company, Georgia Power Company, Mississippi Power Company, Gulf Power Company, and Southern Power Company solicits bids for firm, baseload natural gas supply to assist in serving the fuel requirements of its affiliates.

In order to qualify for consideration, all bids must contain 1) delivery point(s), 2) volume, 3) term, and 4) pricing.

The bids received from the Fall 2013 RFP are listed below:

**Supplier: BG**

Volume and Pipeline: Annual Supply 10,000 per day Holly Field into Gulf South

- 1 Price: Gas Daily CGML [REDACTED] (Term: 6/14 – 5/15)

Volume and Pipeline: Annual Supply 10,000 per day Holly Field into Gulf South

- 2 Price: Gas Daily CGML [REDACTED] (Term: 6/14 – 5/15) Call Option

**Supplier: BP**

Volume and Pipeline: Annual Supply 25,000 per day FGT Z3 Pool into FGT

- 3 Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

Volume and Pipeline: Annual Supply 25,000 per day FGT Z3 Pool into Destin

- 4 Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

Volume and Pipeline: Summer Supply 25,000 per day FGT Z3 Pool into FGT

- 5 Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 9/14)

Volume and Pipeline: Summer Supply 25,000 per day FGT Z3 Pool into Destin

- 6 Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 9/14)

**Supplier: EXXON**

1 Volume and Pipeline: Annual Supply 15,000 per day Mobile Bay into FGT  
Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

2 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into FGT  
Price: Inside FERC FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

3 Volume and Pipeline: Winter Supply 15,000 per day Mobile Bay into FGT  
Price: Gas Daily FGT Z3 [REDACTED] (Term: 11/14 – 5/15)

**Supplier: Iberdrola Energy**

4 Volume and Pipeline: Annual Supply 20,000 per day FGT Z3 Pool into FGT  
Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

**Supplier: QEP**

5 Volume and Pipeline: Annual Supply 5,000 per day GSPL/FGT Airport into Mobile Bay  
Price: Inside FERC FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

**Supplier: Tenaska**

6 Volume and Pipeline: Summer Supply 25,000 per day All Delivery Points into Destin  
Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 9/14)

5. Please describe the action taken for each bid identified in response to Interrogatory No. 4. 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 lowest cost bidders that met the necessary volume and term were selected as shown below:

**Supplier: BG**

- 1 Volume and Pipeline: Annual Supply 10,000 per day Holly Field into Gulf South  
Price: Gas Daily CGML [REDACTED] (Term: 6/14 – 5/15)

- 2 Volume and Pipeline: Annual Supply 10,000 per day Holly Field into Gulf South  
Price: Gas Daily CGML [REDACTED] (Term: 6/14 – 5/15) Call Option

**Supplier: BP**

- 3 Volume and Pipeline: Summer Supply 25,000 per day FGT Z3 Pool into Destin  
Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 9/14)

**Supplier: EXXON**

- 4 Volume and Pipeline: Annual Supply 15,000 per day Mobile Bay into FGT  
Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

- 5 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into FGT  
Price: Inside FERC FGT Z3 [REDACTED] (Term: 6/14 – 5/15)

**Supplier: Iberdrola Energy**

- 6 Volume and Pipeline: Annual Supply 20,000 per day FGT Z3 Pool into FGT  
Price: Gas Daily FGT Z3 [REDACTED] (Term: 6/14 – 5/15)



8. For each RFP for light oil issued in 2013 by Gulf, list the bids received.

ANSWER:

A solicitation (RFP) was issued on 12-16-2013, soliciting bids from all known suppliers capable of providing fuel oil to Gulf Power's Plants Crist, Scholz and Smith as well as for oil to facilities under Purchase Power Agreements (PPA); the Baconton Power facility in Baconton, GA and the Central AL facility located in Billingsly, AL. The solicitation requested bids for the fuel oil requirements for one year; the period 3-1-2014 through 2-28-2015 with one exception. The PPA agreement with the Baconton plant expires on 6-1-2014; therefore, so would the corresponding fuel oil purchase agreement. In response to the solicitation, sent to 28 potential suppliers, bids were received by the required date of 1-15-2014 from 7 potential suppliers.

The offers received are in cents per gallon to be added to the daily OPIS index for dyed ultra-low sulfur diesel.

2014/2015 Gulf Power Fuel Oil Bid Results

1	<u>Supplier</u>	<u>Baconton</u>	<u>Crist</u>	<u>Scholz</u>	<u>Smith</u>	<u>Central Al</u>
2	Boswell	NB				
3	Indigo					
4	Brad Lanier		NB	NB	NB	NB
5	Hightower					
6	TAC					
7	PS Energy					
8	Mansfield					

After the winter event of January 6<sup>th</sup>-7<sup>th</sup> and subsequent burning of a larger than normal amount of CT fuel oil throughout the Southern Company, SCS Fuel Services decided to re-bid the Central AL facility in an attempt to develop a select group of suppliers and origin terminals to fulfill any future needs that arise during periods of high demand, if warranted. An additional bid was received from Petroleum Traders in response to this bid request.

1	<u>Origin</u>	<u>Montgomery</u>	<u>Birmingham</u>
2	Petroleum Traders	[REDACTED]	[REDACTED]
3	Mansfield	[REDACTED]	[REDACTED]
4	Boswell	[REDACTED]	[REDACTED]
5	PS Energy	[REDACTED]	[REDACTED]
6	Indigo Energy	[REDACTED]	[REDACTED]

**EXHIBIT "C"**

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

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

**Justification**

**Response to Interrogatory # 4**

Page 1 of 2  
Lines 1-6, as marked  
Page 2 of 2  
Lines 1-6, as marked

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 # 5**

Page 1 of 1  
Lines 1-6, as marked

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 #8**

Page 1 of 2  
Lines 2-8, as marked  
Page 2 of 2  
Lines 2-6, as marked

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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: **140001-EI**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U.S. mail this 21st day of March, 2014 to the following:

Florida Public Utilities Company  
Cheryl M. Martin  
1641 Worthington Road  
Suite 220  
West Palm Beach, FL 33409-6703  
[Cheryl.Martin@fpuc.com](mailto:Cheryl.Martin@fpuc.com)

PCS Phosphate – White Springs  
c/o Brickfield Law Firm  
James W. Brew/F. Alvin Taylor  
Eighth Floor, West Tower  
1025 Thomas Jefferson St, NW  
Washington, DC 20007  
[jbrew@bbrslaw.com](mailto:jbrew@bbrslaw.com)

Duke Energy Florida  
John T. Burnett  
Dianne M. Triplett  
Post Office Box 14042  
St. Petersburg, FL 33733  
[Dianne.triplett@duke-energy.com](mailto:Dianne.triplett@duke-energy.com)  
[John.burnett@duke-energy.com](mailto:John.burnett@duke-energy.com)

Florida Power & Light Company  
John T. Butler  
700 Universe Boulevard (LAW/JB)  
Juno Beach, FL 33408-0420  
[John.Butler@fpl.com](mailto:John.Butler@fpl.com)

Florida Power & Light Company  
Kenneth Hoffman  
215 South Monroe Street,  
Suite 810  
Tallahassee, FL 32301-1858  
[Ken.Hoffman@fpl.com](mailto:Ken.Hoffman@fpl.com)

Ausley Law Firm  
James D. Beasley  
J. Jeffry Wahlen  
Ashley M. Daniels  
Post Office Box 391  
Tallahassee, FL 32302  
[jbeasley@ausley.com](mailto:jbeasley@ausley.com)  
[adaniels@ausley.com](mailto:adaniels@ausley.com)

Gunster Law Firm  
Beth Keating  
215 South Monroe Street, Suite 601  
Tallahassee, FL 32301-1839  
[bkeating@gunster.com](mailto:bkeating@gunster.com)

Office of Public Counsel  
J. Kelly  
P. Christensen  
C. Rehwinkel  
c/o The Florida Legislature  
111 W. Madison Street, Room 812  
Tallahassee, FL 32399-1400  
[Christensen.patty@leg.state.fl.us](mailto:Christensen.patty@leg.state.fl.us)


Duke Energy Florida, Inc.  
Matthew R. Bernier  
Paul Lewis, Jr.  
106 East College Avenue,  
Suite 800  
Tallahassee, FL 32301-7740  
[Paul.lewisjr@duke-energy.com](mailto:Paul.lewisjr@duke-energy.com)  
[Matthew.bernier@duke-energy.com](mailto:Matthew.bernier@duke-energy.com)

Florida Industrial Power Users Group  
c/o Moyle Law Firm  
Jon C. Moyle, Jr.  
118 North Gadsden Street  
Tallahassee, FL 32301  
[jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)

Tampa Electric Company  
Ms. Paula K. Brown  
Regulatory Affairs  
P. O. Box 111  
Tampa, FL 33601-0111  
[Regdept@tecoenergy.com](mailto:Regdept@tecoenergy.com)

Office of the General Counsel  
Martha Barrera  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850  
[mbarrera@psc.state.fl.us](mailto:mbarrera@psc.state.fl.us)  
[jgilcher@psc.state.fl.us](mailto:jgilcher@psc.state.fl.us)  
[tefarley@psc.state.fl.us](mailto:tefarley@psc.state.fl.us)

Florida Retail Federation  
Robert Scheffel Wright  
John T. LaVia  
c/o Gardner Law Firm  
1300 Thomaswood Drive  
Tallahassee, FL 32308  
[schef@gbwlegal.com](mailto:schef@gbwlegal.com)  
[jlavia@gbwlegal.com](mailto:jlavia@gbwlegal.com)



---

**JEFFREY A. STONE**  
Florida Bar No. 325953  
[jas@beggslane.com](mailto:jas@beggslane.com)  
**RUSSELL A. BADDERS**  
Florida Bar No. 007455  
[rab@beggslane.com](mailto:rab@beggslane.com)  
**STEVEN R. GRIFFIN**  
Florida Bar No. 0627569  
[srg@beggslane.com](mailto:srg@beggslane.com)  
**BEGGS & LANE**  
P. O. Box 12950  
Pensacola FL 32591-2950  
(850) 432-2451  
**Attorneys for Gulf Power**