

Robert L. McGee, Jr.
Regulatory & Pricing Manager
One Energy Place
Pensacola, Florida 32520-0780
Tel 850.444.6530
Fax 850.444.6026
RLMCGEE@southernco.com



REDACTED

May 12, 2015

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

Re: Docket No. 150001-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,

Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

Enclosures

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

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APA _____
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CD + Redacted

COMMISSION
CLERK

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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.: 150001-EI
Date: May 13, 2015

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 1, 2, 4, 5, 6, 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 coal, natural gas and light oil offered to and/or purchased by Gulf Power in connection with Requests for Proposal issued by Gulf Power in 2014. 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 12th day of May, 2015.



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.: 150001-EI
Date: May 15, 2015

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

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

EXHIBIT "B"

- For each Request for Proposal (RFP) for coal issued in 2014 by Gulf Power Company (Gulf), 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:

Multiple solicitations (RFPs) were issued in 2014 on behalf of all Southern Company plants, 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. For the January 10, 2014 solicitation, purchases of PRB coal were to be made for Plant Daniel. The solicitation requested bids for the purchase of coal for Q1 2014. All bids were due on January 15, 2014. In response to the solicitation, four (4) applicable bids were received from three (3) different coal suppliers. All bids received were PRB offers. Below is a listing of the bids that were received:

BID	SUPPLIER	TONS	YEAR	BTU/LB	Transport	Delv'd (\$/MMBTU)
1	Peabody (NARM)		2014		Rail	
2	Enserco OTC (B/T)		2014		Rail	
3	Enserco OTC (B/T)		2014		Rail	
4	Arch (B/T)		2014		Rail	

For the January 21, 2014 solicitation, purchases of bituminous coal were to be made for Plant Daniel. Plants Crist, Smith and Scholz had no uncommitted needs during this timeframe. The solicitation requested bids for the purchase of coal for the balance of 2014. All bids were due on January 31, 2014. In response to the solicitation, five (5) applicable bids were received from five (5) different coal suppliers. The bids received consisted of one (1) Illinois Basin offer, one (1) Central Appalachia offer, two (2) Western bituminous offers and one (1) import offer from Colombia. Below is a listing of the bids that were received:

BID	SUPPLIER	TONS	YEAR	BTU/LB	Transport	Delv'd (\$/MMBTU)
1	Arch		2014		Rail	
2	Peabody		2014		Rail	
3	Alliance		2014		Rail	
4	Smoky Mountain		2014		Rail	
5	Coal Marketing Co.		2014		Rail	

For the February 5, 2014 solicitation, purchases of PRB coal were to be made for Plant Daniel. The solicitation requested bids for the purchase of coal for Q2 and Q3 2014. All bids were due on February 11, 2014. In response to the solicitation, three (3) applicable bids were received from three (2) different coal suppliers for the Q2 2014 period and four (4) applicable bids were received from three (3) different coal suppliers for the Q3 2014 period. All bids received were PRB offers. Below is a listing of the bids that were received:

BID (Q2)	SUPPLIER	TONS	YEAR	BTU/LB	Transport	Delv'd (\$/MMBTU)
1	Arch (B/T)		2014		Rail	
2	Arch (B/T)		2014		Rail	
3	Enserco OTC (B/T)		2014		Rail	

BID (Q3)	SUPPLIER	TONS	YEAR	BTU/LB	Transport	Delv'd (\$/MMBTU)
1	Arch (B/T)		2014		Rail	
2	Arch (B/T)		2014		Rail	
3	Cloud Peak (Antelope)		2014		Rail	
4	Enserco OTC (B/T)		2014		Rail	

For the July 30, 2014 solicitation, purchases of bituminous coal were to be made for Plants Crist, Smith and Daniel. Plant Scholz had no uncommitted needs during this timeframe. The solicitation requested bids for the purchase of coal for the balance of 2014. All bids were due on August 5, 2014. In response to the solicitation, thirty-four (34) bids were received from nineteen (19) different coal suppliers. The bids received consisted of thirteen (13) Illinois Basin offers, thirteen (13) Central Appalachia offers, two (2) Western bituminous offer, one (1) Northern Appalachia offer and five (5) import offers from Colombia. Below is a listing of the bids that were received:

BID	SUPPLIER	TONS	YEAR	BTU/LB	Transport	*Delv'd (\$/MMBTU)
1	Foresight Coal Sales		2014		Rail	
2	Kolmar Americas Inc		2014		Rail	
3	Emerald International Corp		2014		Barge	
4	Mercuria Energy Trading Inc.		2014		Rail	
5	Smoky Mountain Coal Corp		2014		Rail	
6	Emerald International Corp		2014		Barge	
7	Peabody Coal Sales, LLC		2014		Rail	
8	Peabody Coal Sales, LLC		2014		Barge	
9	Peabody Coal Sales, LLC		2014		Rail	
10	Emerald International Corp		2014		Barge	
11	Mercuria Energy Trading Inc.		2014		Rail	
12	Murray Energy Corp		2014		Rail	

Staff's First Set of Interrogatories
GULF POWER COMPANY
Docket No. 150001-EI
May 13, 2015
Item No. 1
Page 3 of 6

BID	SUPPLIER	TONS	YEAR	BTU/LB	Transport	*Delv'd (\$/MMBTU)
13	Alliance Coal LLC		2014		Rail	
14	Alliance Coal LLC		2014		Barge	
15	Consol Energy Sales Co		2014		Rail	
16	Delta Coals LLC		2014		Rail	
17	Delta Coals LLC		2014		Rail	
18	Delta Coals LLC		2014		Rail	
19	Glencore LTD		2014		Barge	
20	Glencore LTD		2014		Barge	
21	Mercuria Energy Trading Inc.		2014		Rail	
22	Coal Marketing Company		2014		Barge	
23	Blackhawk Mining, LLC		2014		Rail	
24	Coal Marketing Company		2014		Barge	
25	Arch Coal Inc.		2014		Rail	
26	Rhino Energy LLC		2014		Barge	
27	Pevler Coal Sales Company Inc		2014		Rail	
28	Pevler Coal Sales Company Inc.		2014		Rail	
29	Foundation Energy Sales, Inc.		2014		Rail	
30	Oak Energy LLC		2014		Rail	
31	J. Aron & Company		2014		Rail	
32	J. Aron & Company		2014		Rail	
33	Oak Energy LLC		2014		Barge	
34	Alliance Coal LLC		2014		Rail	

**Delivered pricing to Plant Crist*

For the September 2, 2014 solicitation, purchases of PRB coal were to be made for Plant Daniel. The solicitation requested bids for the purchase of coal for Q4 2014 and Q1 2015. All bids were due on September 8, 2014. In response to the solicitation, four (4) applicable bids were received from four (4) different coal suppliers for the Q4 2014 period and five (5) applicable bids were received from four (4) different coal suppliers for the Q1 2015 period. All bids received were PRB offers. Below is a listing of the bids that were received:

BID (Q4)	SUPPLIER	TONS	YEAR	BTU/LB	Transport	Delv'd (\$/MMBTU)
1	Enserco OTC (B/T)		2014		Rail	
2	Arch (B/T)		2014		Rail	
3	Trafigura OTC (B/T)		2014		Rail	
4	Peabody (NARM)		2014		Rail	

BID (Q1 2015)	SUPPLIER	TONS	YEAR	BTU/LB	Transport	Delv'd (\$/MMBTU)
1	Arch (B/T)		2014		Rail	
2	Cloud Peak (Antelope)		2014		Rail	
3	Enserco OTC (B/T)		2014		Rail	
4	Cloud Peak (Cordero Rojo)		2014		Rail	
5	Peabody (NARM)		2014		Rail	

For the October 6, 2014 solicitation, purchases of PRB coal were to be made for Plant Daniel. The solicitation requested bids for the purchase of coal for a term of up to five (5) years beginning January 1, 2015, however, Plant Daniel only evaluated a two (2) year term. All bids were due on October 21, 2014. In response to the solicitation, eight (8) applicable bids were received from four (4) different coal suppliers for the term. All bids received were PRB offers. Below is a listing of the bids that were received:

BID	SUPPLIER	TONS	YEAR	BTU/LB	Transport	Delv'd (\$/MMBTU)
1	Arch (B/T)		2015		Rail	
			2016		Rail	
2	Cloud Peak (Antelope)		2015		Rail	
			2016		Rail	
3	Cloud Peak (Cordero Rojo)		2015		Rail	
			2016		Rail	
4	Arch (B/T)		2015		Rail	
			2016		Rail	
5	Alpha (Belle Ayr)		2015		Rail	
			2016		Rail	
6	Peabody (NARM)		2015		Rail	
			2016		Rail	
7	Arch (Cold Creek)		2015		Rail	
			2016		Rail	
8	Peabody (NARM North)		2015		Rail	
			2016		Rail	

For the October 9, 2014 solicitation, purchases of bituminous coal were to be made for Plants Crist, Daniel and Smith. Plant Scholz had no uncommitted needs during this timeframe. The solicitation requested bids for the purchase of coal for the balance of

Staff's First Set of Interrogatories
 GULF POWER COMPANY
 Docket No. 150001-EI
 May 13, 2015
 Item No. 1
 Page 5 of 6

2014. All bids were due on October 21, 2014. In response to the solicitation, fifty-two (52) bids were received from twenty-five (25) different coal suppliers. The bids received consisted of eighteen (18) Illinois Basin offers, twenty-five (25) Central Appalachia offers, three (3) Western bituminous offers, three (3) Northern Appalachia offer and three (3) import offers from Colombia. Below is a listing of the bids that were received:

BID	SUPPLIER	TONS	YEAR	BTU/LB	Transport	*Delv'd (\$/MMBTU)
1	Alliance Coal LLC		2015		Barge	
2	Alliance Coal LLC		2015		Rail/Barge	
3	Alliance Coal LLC		2015		Barge	
4	Alliance Coal LLC		2015		Barge	
5	Kolmar Americas, Inc.		2015		Rail/Barge	
6	Trafigura AG		2015		Barge	
7	Trafigura AG		2015		Rail/Barge	
8	Foresight Energy		2015		Rail/Barge	
9	Arch Coal, Inc.		2015		Rail/Barge	
10	Arch Coal, Inc.		2015		Rail/Barge	
11	Arch Coal, Inc.		2015		Rail/Barge	
12	Foundation Energy Sales		2015		Rail/Barge	
13	Foundation Energy Sales		2015		Rail/Barge	
14	Foundation Energy Sales		2015		Rail/Barge	
15	Foundation Energy Sales		2015		Rail/Barge	
16	Foundation Energy Sales		2015		Rail/Barge	
17	Converse and Company		2015		Rail/Barge	
18	Peabody Coalsales LLC		2015		Rail/Barge	
19	Peabody Coalsales LLC		2015		Barge	
20	Peabody Coalsales LLC		2015		Rail/Barge	
21	Peabody Coalsales LLC		2015		Rail/Barge	
22	Peabody Coalsales LLC		2015		Rail/Barge	
23	Producers Coal, Inc.		2015		Rail/Barge	
24	Mercuria Energy Trading Inc.		2015		Rail/Barge	
25	Smoky Mountain Coal Corp.		2015		Rail/Barge	
26	Patriot Coal Sales LLC		2015		Barge	
27	Patriot Coal Sales LLC		2015		Rail/Barge	
28	Glencore LTD		2015		Barge	
29	B & W Resources		2015		Rail/Barge	
30	Rhino Energy LLC		2015		Rail/Barge	
31	Rhino Energy LLC		2015		Barge	
32	Rhino Energy LLC		2015		Rail/Barge	
33	Coal Marketing Company		2015		Barge	
34	Peabody CoalTrade		2015		Rail/Barge	
35	White Oak Resources, LLC		2015		Rail/Barge	
36	White Oak Resources, LLC		2015		Rail/Barge	
37	White Oak Resources, LLC		2015		Barge	

Staff's First Set of Interrogatories
 GULF POWER COMPANY
 Docket No. 150001-EI
 May 13, 2015
 Item No. 1
 Page 6 of 6

BID	SUPPLIER	TONS	YEAR	BTU/LB	Transport	*Delv'd (\$/MMBTU)
38	White Oak Resources, LLC		2015		Barge	
39	Delta Coals LLC		2015		Rail/Barge	
40	Delta Coals LLC		2015		Rail/Barge	
41	Delta Coals LLC		2015		Rail/Barge	
42	Consol Energy		2015		Rail/Barge	
43	Consol Energy		2015		Rail/Barge	
44	Armstrong Coal		2015		Rail/Barge	
45	Murray Energy		2015		Rail/Barge	
46	Murray Energy		2015		Rail/Barge	
47	Goldman Sachs		2015		Barge	
48	Pevler Coal Sales		2015		Rail/Barge	
49	Pevler Coal Sales		2015		Rail/Barge	
50	Bowie Resource Partners		2015		Rail/Barge	
51	Southern Coal Co		2015		Rail/Barge	
52	Southern Coal Co		2015		Rail/Barge	

*Delivered pricing to Plant Crist

2. Please describe the action 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:

1 For the January 10, 2014 solicitation, a review of Plant Daniel's inventory plan and burn
2 projections for the February-March period indicated a need to purchase PRB coal. The
3 goal of this RFP was to purchase volumes that conform to the contracting philosophy
4 contained in the Southern Company Coal and Transportation Procurement Strategy. The
5 four (4) applicable proposals received were evaluated on a fully delivered \$/mmBtu basis,
6 including the value of sulfur. In support of the evaluation process, transportation rates
7 and SO2 allowance values were provided and included as part of the analysis. Other
8 inputs to the evaluation included railcar lease and maintenance and dust suppression
9 costs. The least cost PRB coal delivered into Plant Daniel was Bid No. 1 submitted by
10 Peabody Coal Sales [REDACTED] which delivered to Plant Daniel for a price of
11 [REDACTED] MPC agreed to purchase 235,000 tons from Peabody's
12 NARM mine for delivery February - March 2014.

13
14 For the January 21, 2014 solicitation, a review of Plant Daniel's inventory plan and burn
15 projections for the balance of 2014 indicated a need to purchase low sulfur, bituminous
16 coal. The goal of this RFP was to purchase volumes that conform to the contracting
17 philosophy contained in the Southern Company Coal and Transportation Procurement
18 Strategy. The five (5) applicable proposals received were evaluated on a fully delivered
19 \$/mmBtu basis, including the value of sulfur. In support of the evaluation process,
20 transportation rates and SO2 allowance values were provided and included as part of the
21 analysis. Other inputs to the evaluation included railcar lease and maintenance costs,
22 where appropriate. The least cost bituminous coal delivered into Plant Daniel was Bid No.
23 1 submitted by Arch Coal Sales [REDACTED] which delivered to Plant Daniel for a price
24 of [REDACTED] The next least cost offer was submitted by Peabody
25 [REDACTED] which delivered to Plant Daniel for a price of [REDACTED]
26 Both suppliers were contacted and asked to revise their bid. Arch complied and reduced
27 their bid [REDACTED] but Peabody held their price. MPC agreed to purchase 500,000
28 tons from Arch's West Elk mine for delivery March - December 2014.

29
30 For the February 5, 2014 solicitation, a review of Plant Daniel's inventory plan and burn
31 projections for the April-September period indicated a need to purchase PRB coal. The
32 goal of this RFP was to purchase volumes that conform to the contracting philosophy
33 contained in the Southern Company Coal and Transportation Procurement Strategy. The
34 three (3) applicable proposals received for Q2 2014 and the four (4) applicable proposals
35 received for Q3 2014 were evaluated on a fully delivered \$/mmBtu basis, including the

36 value of sulfur. In support of the evaluation process, transportation rates and SO2
37 allowance values were provided and included as part of the analysis. Other inputs to the
38 evaluation included railcar lease and maintenance and dust suppression costs. The least
39 cost PRB coal delivered into Plant Daniel was Bid No. 1, for both time periods, submitted
40 by Arch Coal Sales [REDACTED], which delivered to Plant Daniel for a price of
41 [REDACTED]. MPC agreed to purchase 600,000 tons from Arch's Black
42 Thunder mine for delivery April - September 2014.

43
44 For the July 30, 2014 solicitation, a review of Plant Daniel's inventory plan and burn
45 projections for the balance of 2014 indicated a need to purchase low sulfur, bituminous
46 coal. The goal of this RFP was to purchase volumes that conform to the contracting
47 philosophy contained in the Southern Company Coal and Transportation Procurement
48 Strategy. The thirty-four (34) proposals received were evaluated on a fully delivered
49 \$/mmBtu basis, including the value of sulfur. In support of the evaluation process,
50 transportation rates and SO2 allowance values were provided and included as part of the
51 analysis. Other inputs to the evaluation included railcar lease and maintenance costs,
52 where appropriate. The cost analysis showed that Bid No. 25 submitted by Arch
53 [REDACTED] which delivered to Plant Daniel for a price of [REDACTED]
54 and Bid No. 9 submitted by Peabody [REDACTED] which delivered to Plant Daniel for a
55 price of [REDACTED] were the most economical and viable offers. The
56 Arch bid was the most economical; however, deliveries could not begin until October and
57 Daniel needed bituminous coal in the August / September timeframe for reliability. The
58 plan developed with MPC was to utilize the Arch bid for October - December delivery,
59 while also maintaining reliability in September with deliveries from Peabody. During the
60 negotiations, Peabody agreed to lower their price to [REDACTED]. MPC agreed to purchase
61 70,000 tons from Peabody for delivery in September 2014 and 200,000 tons from Arch
62 for delivery October - December 2014.

63
64 Also under the July 30, 2014 solicitation, a review of the inventory plan and burn
65 projections at plants Crist and Smith for the balance of 2014 and 2015 indicated a need
66 to purchase low sulfur, bituminous coal. The goal of this RFP was to purchase volumes
67 that conform to the contracting philosophy contained in the Southern Company Coal and
68 Transportation Procurement Strategy. The thirty-four (34) proposals received were
69 evaluated on a fully delivered \$/mmBtu basis, including the value of sulfur. In support of
70 the evaluation process, transportation rates and SO2 allowance values were provided
71 and included as part of the analysis. Other inputs to the evaluation included railcar lease
72 and maintenance costs, where appropriate. Only low sulfur bituminous coals were
73 considered due to the fact that sufficient high sulfur coal was already committed for the
74 blend at Plant Crist. The analysis showed that Bid Nos. 19 and 20 submitted by Glencore
75 [REDACTED] which delivered to Plant Crist at a price of [REDACTED]
76 [REDACTED] were the least cost offers delivered to Plant Crist. Gulf
77 entered into negotiations with Glencore and achieved a price reduction on Bid No. 20

78 [REDACTED] which delivered to Plant Crist for a price of [REDACTED]
79 Gulf agreed to purchase 80,000 tons for delivery in Q3-Q4 2014 and 160,000 tons for
80 delivery in 2015.

81
82 For the September 2, 2014 solicitation, a review of Plant Daniel's inventory plan and burn
83 projections for the April-September period indicated a need to purchase PRB coal. The
84 goal of this RFP was to purchase volumes that conform to the contracting philosophy
85 contained in the Southern Company Coal and Transportation Procurement Strategy. The
86 four (4) applicable proposals received for Q4 2014 and the five (5) applicable proposals
87 received for Q1 2015 were evaluated on a fully delivered \$/mmBtu basis, including the
88 value of sulfur. In support of the evaluation process, transportation rates and SO2
89 allowance values were provided and included as part of the analysis. Other inputs to the
90 evaluation included railcar lease and maintenance and dust suppression costs. The least
91 cost PRB coal delivered into Plant Daniel was Bid No. 1, for the Q4 2014 period,
92 submitted by Enserco [REDACTED] which delivered to Plant Daniel for a price of
93 [REDACTED]. The next least cost offer for the Q4 2014 period was Bid
94 No. 2, submitted by Arch Coal Sales [REDACTED]. Both suppliers were contacted and
95 asked to revise their bid. Enserco held their price while Arch agreed to reduce their bid to
96 [REDACTED] which now delivered to Plant Daniel for a price [REDACTED].
97 The least cost PRB coal delivered into Plant Daniel was Bid No. 2, for the Q1
98 2015 period, submitted by Cloud Peak [REDACTED] which delivered to Plant Daniel for a
99 price of [REDACTED]. The next least cost offer for the Q1 2015 period
100 was Bid No. 1, submitted by Arch Coal Sales [REDACTED]. Both suppliers were
101 contacted and asked to revise their bid. Cloud Peak held their price while Arch agreed to
102 reduce their bid to [REDACTED] which now delivered to Plant Daniel for a price [REDACTED].
103 [REDACTED] MPC agreed to purchase 40,000 tons from Enserco OTC
104 mine and 155,000 tons from Arch Black Thunder mine for delivery Q4 2014. Also, MPC
105 agreed to purchase 115,000 tons from Arch Black Thunder mine for delivery Q1 2015.
106 For the October 6, 2014 solicitation, a review of Plant Daniel's inventory plan and burn
107 projections for the 2015-2016 period indicated a need to purchase PRB coal. The goal of
108 this RFP was to purchase volumes that conform to the contracting philosophy contained
109 in the Southern Company Coal and Transportation Procurement Strategy. The eight (8)
110 applicable proposals received for 2015 and 2016 were evaluated on a fully delivered and
111 two year net present value (NPV) basis, including the value of sulfur. In support of the
112 evaluation process, transportation rates and SO2 allowance values were provided and
113 included as part of the analysis. Other inputs to the evaluation included railcar lease and
114 maintenance and dust suppression costs. After further discussions with MPC during the
115 evaluation period it was agreed to pursue new purchases for 2015 only due to the
116 uncertainty of future PRB needs at the plant beyond 2015. The least cost PRB coal
117 delivered into Plant Daniel was Bid No. 1, submitted by Arch Coal Sales [REDACTED]
118 which delivered to Plant Daniel for a price of [REDACTED]. MPC agreed
119 to purchase 250,000 tons from Arch's Black Thunder mine for delivery 2015.

120 For the October 9, 2014 solicitation, a review of Plant Daniel's inventory plan and burn
121 projections for 2015 indicated a need to purchase low sulfur, bituminous coal. The goal of
122 this RFP was to purchase volumes that conform to the contracting philosophy contained
123 in the Southern Company Coal and Transportation Procurement Strategy. The fifty-two
124 (52) proposals received were evaluated on a fully delivered \$/mmBtu basis, including the
125 value of sulfur. In support of the evaluation process, transportation rates and SO2
126 allowance values were provided and included as part of the analysis. Other inputs to the
127 evaluation included railcar lease and maintenance costs, where appropriate. The cost
128 analysis showed that Bid No. 9 submitted by Arch [REDACTED] which delivered to Plant
129 Daniel for a price of [REDACTED] and Bid No. 33 submitted by CMC
130 [REDACTED] which delivered to Plant Daniel for a price of [REDACTED]
131 were the most economical and viable offers. Both suppliers were contacted and asked to
132 revise their bid. Arch complied and reduced their bid [REDACTED] to remain the least cost
133 proposal. MPC agreed to purchase 600,000 tons from Arch's West Elk mine for delivery
134 January - December 2015.

135
136 Also under the October 9, 2014 solicitation, a review of Plant Crist's inventory plan and
137 burn projections for the remainder of 2014 and 2015 indicated a need to purchase either
138 a blend of low and high sulfur bituminous coal or a coal that could deliver economically to
139 the plant without blending. The goal of this RFP was to purchase volumes that conform to
140 the contracting philosophy contained in the Southern Company Coal and Transportation
141 Procurement Strategy. The fifty-two (52) proposals received were evaluated on a fully
142 delivered \$/mmBtu basis, including the value of sulfur. In support of the evaluation
143 process, transportation rates and SO2 allowance values were provided and included as
144 part of the analysis. Other inputs to the evaluation included railcar lease and
145 maintenance costs, where appropriate. Taking into consideration all blending
146 possibilities, the least cost bituminous coal delivered into Plant Crist was Bid No. 1
147 submitted by Alliance Coal Sales [REDACTED] which delivered to Plant Crist for a price of
148 [REDACTED]. A short list was developed and suppliers were asked to resubmit their
149 offers. Alliance remained the least cost proposal and Gulf agreed to purchase 325,000
150 tons for delivery in 2015.

4. For each RFP for natural gas issued in 2014 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:

Gulf Power Company has the new Transco 4A Capacity that came online 4/1/2015 for Plant Smith. Gulf Power Company is utilizing the Transco capacity and sourcing supply from Station 85 to fuel Plant Smith and Central Alabama.

Below are the Transco supply bids received:

(A) <u>Bidder</u>	(B) <u>Pipeline/Point</u>	(C) <u>Volume</u>	(D) <u>Price</u>	(E) <u>Term</u>
Devon	Transco/Gulf Crossing	50,000		Jun 15 – May 18
Cross Timbers	Transco/MEP	50,000		Jun 15 – May 17
Shell	Transco St 85	25,000		Jun 15 – Sept 15
DTE	Transco St 85	10,000		Jun15 – Sept 15
Exelon	Transco St 85	15,000		Jun15 – Sept 15
BP	Transco St 85	25,000		Jun15 – Sept 16
Castleton	Transco St 85	25,000		Jun15 – Sept 15
Repsol	Transco St 85	25,000		Jun15 – Sept 16
BG	Transco St 85	25,000		Jun15 – Sept 16
Iberdrola	Transco St 85	25,000		Jun15 – Sept 16
Encana	Transco St 85	20,000		Jun15 – Sept 15
Vega Energy	Transco Delivered	150,000		May 15 – Sept 17

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:

- 1 The Company evaluates bids received based on volume, term, delivery point, and cost.
2 The bids above from Devon and Cross Timbers were the only annual bids. All other bids
3 listed above are for the summer months only. The Company selected both the Devon
4 and Cross Timbers bids as they were priced at [REDACTED]. The Company selected
5 the Shell bid since this bid was the most economic one-year summer deal. The
6 Company selected the BP bid since this deal provided two summers of coverage at the
7 lowest cost. The Company also selected the Transco delivered deal from Vega. The bid
8 was for a volume up to 150,000 MMBtu per day. The Company accepted a three month
9 summer deal for 75,000 MMBtu per day at [REDACTED].

6. In 2014, did Gulf participate in any capacity discussions or bid for any firm pipeline capacity during "open season?" Please explain your response and identify the pipeline companies.

ANSWER:

- 1 During 2014, the Company purchased 10,000 MMBtu/day of capacity release from Direct
2 Energy at [REDACTED] for 5/1/2014 – 9/30/2014 for Central Alabama. Direct Energy released
3 some of their Transco capacity for the summer months.

8. For each RFP for light oil issued in 2014 by Gulf, list the bids received.

ANSWER:

A solicitation (RFP) was issued on 12-12-2014, soliciting bids from all known suppliers capable of providing fuel oil to Gulf Power's Plants Crist and Smith and Mississippi Power's Plant Daniel. The solicitation requested bids for the fuel oil requirements for one year; the period 3-1-2015 through 2-29-2016. In response to the solicitation, sent to 28 potential suppliers, bids were received by the required date of 1-16-2015 from 12 potential suppliers. The offers received are in cents per gallon to be added to the daily OPIS index for dyed ultra-low sulfur diesel.

2015/2016 Gulf Power Fuel Oil Bid Results:

(A) <u>Supplier</u>	(B) Crist	(C) Smith	(D) Daniel
Indigo			
Southern Petroleum Res.			
DES			
Atlas			
Darden Putman			
Petroleum Traders Corp.			
Truman Arnold			
Tennessee Energy			
PS Energy			
Mansfield			
Boswell			
Retif			

EXHIBIT "C"

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

Line(s)/Field(s)

Justification

Response to Interrogatory # 1

Pages 1 through 6

Tables, 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 # 2

Page 1 of 4

Lines 10, 11, 23-25, 27, as marked

Page 2 of 4

Lines 40-41, 53-55, 60, 75-76, as marked

Page 3 of 4

Lines 78, 92-94, 96-100, 102-103, 117-118, as marked

Page 4 of 4

Lines 128-130, 132, 147-148, as marked

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Response to Interrogatory #4

Page 1 of 1

Column D, as marked

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Response to Interrogatory # 5

Page 1 of 1

Lines 4, 9, as marked

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Response to Interrogatory # 6

Page 1 of 1

Line 2, as marked

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Response to Interrogatory #8

Page 1 of 1

Columns B-D, as marked

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: **150001-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by overnight mail this 12th day of May, 2015 to the following:

Florida Public Utilities Company
Cheryl M. Martin, Director
Regulatory Affairs
911 South 8th Street
Fernandina Beach, FL 32034
Cheryl.Martin@fpuc.com

PCS Phosphate – White Springs
c/o Brickfield Law Firm
James W. Brew/Owen J. Kopon
Laura A. Wynn
Eighth Floor, West Tower
1025 Thomas Jefferson St, NW
Washington, DC 20007
jbrew@bbrslaw.com
owen.kopon@bbrslaw.com
laura.wynn@bbrslaw.com

Duke Energy Florida
John T. Burnett
Dianne M. Triplett
299 First Avenue North
St. Petersburg, FL 33701
Dianne.triplett@duke-energy.com
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

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

Ausley Law Firm
James D. Beasley
J. Jeffrey Wahlen
Ashley M. Daniels
Post Office Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
adaniels@ausley.com
jwahlen@ausley.com

Gunster Law Firm
Beth Keating
215 South Monroe Street, Suite 601
Tallahassee, FL 32301-1839
bkeating@gunster.com

Office of Public Counsel
Patricia A. Christensen
Associate Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400
Christensen.patty@leg.state.fl.us

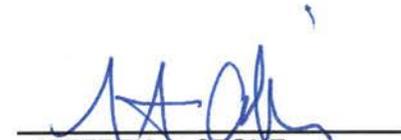
Duke Energy Florida, Inc.
Matthew R. Bernier
Cameron Cooper
106 East College Avenue,
Suite 800
Tallahassee, FL 32301-7740
Matthew.bernier@duke-energy.com
Cameron.Cooper@duke-energy.com

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

Tampa Electric Company
Ms. Paula K. Brown, Manager
Regulatory Coordination
P. O. Box 111
Tampa, FL 33601-0111
Regdept@tecoenergy.com

Office of the General Counsel
Suzanne Brownless
Martha Barrera
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850
sbrownle@psc.state.fl.us
mbarrera@psc.state.fl.us
tefarley@psc.state.fl.us
ASoete@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
jlavia@gbwlegal.com



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