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May 14, 2015

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0870

**REDACTED**

Dear Ms. Stauffer:

Enclosed is Gulf Power Company's Request for Confidential Classification for certain portions of its response to Staff's First Data Request concerning Gulf's 2015 Ten Year Site Plan, specifically numbers 2-57. Also enclosed is a DVD containing the requested electronic files.

Sincerely,

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

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Enclosures

cc w/o encl.: Florida Public Service Commission  
Moni Mtenga, Division of Engineering  
Phillip Ellis, Division of Engineering  
Leslie Ames, Office of General Counsel  
Beggs & Lane  
Jeffrey A. Stone, Esq.

- COM \_\_\_\_\_
- AFD \_\_\_\_\_
- APA \_\_\_\_\_
- ECO \_\_\_\_\_
- ENG CD+ Redacted
- GCL \_\_\_\_\_
- IDM \_\_\_\_\_
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COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of Gulf Power Company's  
2015 Ten-Year Site Plan  
\_\_\_\_\_)

Docket No.: Undocketed  
Date: May 15, 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 Data Request relating to Gulf Power's 2015 Ten-Year Site Plan. As grounds for this request, the Company states:

1. A portion of the information submitted by Gulf Power in response to questions numbered 2, 46 and 47 of Commission Staff's First Data Request constitutes proprietary confidential business information the disclosure of which would impair the competitive business of the provider of the information and Gulf's efforts to contract for goods and/or services on favorable terms. As explained below, the information is entitled to confidential classification pursuant to section 366.093(3)(e), Florida Statutes.

2. Tables in Appendix "A" to question number 2 labeled as "Nominal Delivered Coal Prices—Base Case" and "Nominal, Delivered Distillate Oil and Natural Gas Prices—Base Case" and Gulf's response to question number 47 contain Gulf Power's internal pricing forecasts for coal, natural gas and distillate oil through the year 2024. This data was developed by Gulf, Southern Company Services, and their consultant, Charles Rivers Associates, using an extensive proprietary modeling analysis. These forecasts are based on non-public data, were developed at significant cost to the Company, and are considered proprietary by Gulf Power, Southern Company Services, and their consultant. This information reveals key inputs into the Company's

decision-making process and is subject to extensive efforts to maintain its secrecy. Only select Company personnel with a "need to know" are granted access. Public disclosure of this information would enable competitors to access and utilize Gulf's forecasts without incurring costs to obtain similar information, thus bestowing an economic advantage upon such competitors at the cost of Gulf and its customers. Additionally, public disclosure of this information would enable vendors of commodities and services to tailor their pricing proposals to the Company's projections, resulting in higher costs for the Company and its customers. For example, if prospective fuel suppliers have access to such information, those suppliers will view the forecasted prices as the lower limit of what Gulf expects to pay and will offer to supply fuel at higher prices. Finally, the subject information is used in developing future generation strategies for Gulf. Generation wholesalers, power marketers or other competitors could utilize this information to tailor proposals with the intention of pricing products that could undermine the Company's market position. This information derives economic value from not being generally known to, and being readily ascertainable by proper means to, other persons who can obtain economic value from its disclosure or use. Protection of this information has taken on added importance recently given data mining trends in the industry. Trade publications are increasingly scouring regulatory filings, compiling data and selling these packaged products to industry participants such as commodity suppliers. Consequently, this information is entitled to confidential classification pursuant to section 366.093(3)(a) and (e), Florida Statutes. The Commission has previously determined that Gulf's fuel price forecasting data constitutes proprietary confidential business information pursuant to section 366.093(3), Florida Statutes. See e.g., Order No. PSC-14-0368-CFO-EI.

3. Gulf's response to question number 46 identifies percentages of Gulf's coal combustion residuals ("CCRs") which were transferred to third parties for beneficial reuse in 2014. As noted in Gulf's response to question 46, Gulf actively markets some CCRs for beneficial uses. Disclosure of this information could impair Gulf's future efforts to market its CCRs 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 CCRs for beneficial reuse. 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 therefore confidential pursuant to section 366.093(3)(e), Florida Statutes.

4. 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.

5. 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.<sup>1</sup> 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" and the related DVD from public disclosure as proprietary confidential business information.

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<sup>1</sup> In addition to hard copies, Gulf Power is producing one DVD titled "Confidential" which includes an electronic version of the subject responses highlighted in yellow. This DVD should be treated as confidential.

Respectfully submitted this 14<sup>th</sup> day of May, 2015.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of Gulf Power Company's  
2015 Ten-Year Site Plan

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Docket No.: Undocketed  
Date: May 15, 2015

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

**EXHIBIT "A"**

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

**EXHIBIT "B"**

46. Please briefly discuss your Company's efforts to facilitate the recycling of coal waste into beneficial products. What percentage of your Company's coal waste is used for beneficial purposes?

RESPONSE:

Gulf Power has existing contracts with end users of coal combustion residuals (CCRs) that beneficially use CCRs for various purposes including wallboard and cement manufacturing, and turf grass uses. Gulf also has contracts in place with CCR beneficial use marketers. During 2014, [REDACTED] % of Plant Crist fly ash, and [REDACTED] % of Plant Daniel fly ash was beneficially reused, while [REDACTED] % of the gypsum Gulf Power produced was used for beneficial purposes. New CCR beneficial use markets are continually being explored by Gulf Power and the CCR marketers with which it contracts.



47. Please provide, on a system-wide basis, the actual annual fuel usage (in GWh) and average fuel price (in nominal \$/MMBTU) for each fuel type utilized by the Company in the period 2005 through 2014. Also, provide the forecasted annual fuel usage (in GWh) and forecasted annual average fuel price (in nominal \$/MMBTU) for each fuel type forecasted to be used by the Company in the period 2015 through 2024. As part of this response, please complete the table below.

RESPONSE:

Average Fuel Price Comparison

Year	(A) Uranium		(B) Coal		(C) Natural Gas		Residual Oil		Distillate Oil	
	GWh	\$/MMBTU	GWh	\$/MMBTU	GWh	\$/MMBTU	GWh	\$/MMBTU	GWh	\$/MMBTU
Actual	2005	N/A	12,907	2.03	2,117	10.22	N/A	N/A	1	9.58
	2006	N/A	14,216	2.50	2,132	8.65	N/A	N/A	1	12.87
	2007	N/A	14,281	2.62	2,374	8.70	N/A	N/A	1	14.50
	2008	N/A	12,334	3.30	2,428	10.77	N/A	N/A	1	19.91
	2009	N/A	8,871	3.77	4,024	4.85	N/A	N/A	0	13.73
	2010	N/A	10,531	4.64	4,805	6.10	N/A	N/A	0	16.04
	2011	N/A	8,090	4.46	7,195	4.93	N/A	N/A	1	22.37
	2012	N/A	5,391	4.18	10,517	3.68	N/A	N/A	1	22.16
	2013	N/A	5,602	3.60	8,834	4.67	N/A	N/A	1	22.27
	2014	N/A	7,394	3.69	8,207	5.02	N/A	N/A	1	21.16
Projected	2015	N/A	5,896		8,476		N/A	N/A	0	0
	2016	N/A	6,467		9,167		N/A	N/A	0	0
	2017	N/A	7,628		9,417		N/A	N/A	0	0
	2018	N/A	7,984		8,896		N/A	N/A	0	0
	2019	N/A	8,610		7,469		N/A	N/A	0	0
	2020	N/A	9,124		6,911		N/A	N/A	0	0
	2021	N/A	9,206		7,283		N/A	N/A	0	0
	2022	N/A	9,778		6,962		N/A	N/A	1	
	2023	N/A	10,454		4,101		N/A	N/A	1	
	2024	N/A	10,714		3,116		N/A	N/A	1	

2015 TYSP Data Request #1 - Appendix A  
**Nominal, Delivered Distillate Oil and Natural Gas Prices**  
**Base Case**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1		Distillate Oil *			Natural Gas		
2				Escalation			Escalation
3	Year	\$/BBL	¢ /mmBtu	%	¢ /mmBtu	\$/MCF	%
4	<b>HISTORY:</b>						
5	2012	132.39	2,266	1.30%	372	3.67	-24.0%
6	2013	129.34	2,225	0.0%	440	4.33	18.0%
7	2014	120.61	2,077	-0.1%	534	5.21	20.3%
8	<b>FORECAST**:</b>						
9	2015						
10	2016						
11	2017						
12	2018						
13	2019						
14	2020						
15	2021						
16	2022						
17	2023						
18	2024						
19	<b>ASSUMPTIONS:</b>						
20							
21							

2015 TYSP Data Request #1 - Appendix A

Nominal, Delivered Coal Prices  
Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
1	Low Sulfur Coal * ( < 1.0% )				Medium Sulfur Coal ** ( 1.0 - 2.0% )				High Sulfur Coal *** ( > 2.0% )				
2			Escalation	% Spot			Escalation	% Spot			Escalation	% Spot	
3	Year	\$/Ton	¢ /mmBtu	%	Purchase	\$/Ton	¢ /mmBtu	%	Purchase	\$/Ton	¢ /mmBtu	%	Purchase
4	<b>HISTORY:</b>												
5	2012	118.24	507	6.1%	n/a	129.35	548	16.8%	n/a	74.65	320	11.1%	n/a
6	2013	111.37	476	-6.1%	31%	0	0	-100.0%	n/a	74.07	317	-0.9%	n/a
7	2014	87.51	399	-16.2%	23%	0	0	0	NA	75.16	319	0.6%	n/a
8	<b>FORECAST:</b>												
9	2015	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
10	2016	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
11	2017	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
12	2018	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
13	2019	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
14	2020	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
15	2021	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
16	2022	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
17	2023	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
18	2024	[REDACTED]			n/a	[REDACTED]			n/a	[REDACTED]			n/a
19	<b>ASSUMPTIONS:</b>												
20	[REDACTED]												
21	[REDACTED]												
22	[REDACTED]												
23	[REDACTED]												

EXHIBIT "C"

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

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

**Response to Question # 2**

File name: "2015 TYSP Data Request #1 – Appendix A\_CONF"

Worksheet: "gas\_base"

Columns 2-4 and 5-7, Lines 9-18

Lines, 20-21

Worksheet: "coal\_base"

Columns 2-4, 6-8, and 10-12, Lines 9-18

Lines 20-23

**Justification**

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 2.

**Response to Question # 46**

Lines 1-2, as marked

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 3.

**Response to Question #47**

Columns A, B, and C, as marked

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 2.