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July 23, 2015

VIA HAND DELIVERY

Ms. Carlotta S. Stauffer
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED FPSC
15 JUL 23 PM 2:15
COMMISSION
CLERK

Re: Docket No. 150075-EI

REDACTED

Dear Ms. Stauffer:

I enclose for filing in the above docket an original and seven (7) copies of Florida Power & Light Company's ("FPL's") Request for Confidential Classification of portions of certain information contained in the Office of Public Counsel's ("OPC") answers to Staff's First Set of Interrogatories (No. 3) and OPC's narrative and documentary responses to Staff's First Request for Production of Documents (Nos. 3 and 5). The original includes Exhibits A, B (two copies), Exhibit C and Exhibit D. The seven copies do not include copies of the Exhibits.

Exhibit A consists of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C is a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains the affidavit in support of FPL's Request for Confidential Classification. Also included in this filing is a compact disc containing FPL's Request for Confidential Classification and Exhibit C, in Microsoft Word format.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

Maria J. Moncada

- COM _____
- AFD 2
- APA _____
- ECO 2
- ENG 2 + redacted + CD
- GCL 1 cc: Counsel for Parties of Record (w/ copy of FPL's Request for Confidential Classification)
- IDM _____
- TEL _____ 2674627
- CLK _____

Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's
Petition for Approval of Arrangement To
Mitigate Impact of Unfavorable Cedar Bay
Power Purchase Obligation

Docket No: 150075-EI

Date: July 23, 2015

**FLORIDA POWER AND LIGHT COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of portions of certain information contained in the Office of Public Counsel's ("OPC") answers to Staff's First Set of Interrogatories (No. 3) and OPC's narrative and documentary responses to Staff's First Request for Production of Documents (Nos. 3, 5, 6 and 7). In support of its Request, FPL states as follows:

1. On July 8, 2015, FPL filed a Notice of Intent to Request Confidential Classification of portions of certain information contained in the OPC answers to Staff's First Set of Interrogatories (No. 3) and OPC's narrative and documentary responses to Staff's First Request for Production of Documents (Nos. 3, 5, 6 and 7). Pursuant to Rule 25-22.006(3)(a)1, FPL is required to file a Request for Confidential Classification for the confidential information within 21 days. Accordingly, FPL is filing this Request for Confidential Classification to maintain continued confidential handling of the information contained in OPC's answers, narrative and documentary responses to Staff.

2. The following exhibits are included with this Request:

a. Exhibit A is a copy the confidential documents, on which all information that is entitled to confidential treatment under Florida law has been highlighted.

b. Exhibit B is a copy of the confidential documents, on which all the information that is entitled to confidential treatment under Florida law has been redacted. For

documents in Microsoft Excel format, the volume and format of the files would render paper copies voluminous and difficult to comprehend. Accordingly, FPL provides the Microsoft Excel files on a disc with each sheet in the workbook labeled "Confidential."

c. Exhibit C is a table that identifies the specific statutory bases for the claim of confidentiality and to the affiant who supports the requested classification.

d. Exhibit D is the affidavit of David Herr in support of this Request for Confidential Classification.

3. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), F.S. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determined that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the hard of disclosure against the public interest in access to the information.

4. As more fully described in the affidavit of David Herr included as Exhibit D, the information provided by FPL contains proprietary information concerning the competitive interest of third parties, the disclosure of which would impair the competitive business of the provider of the information. Such information is protected by Section 366.093(3)(e), Fla. Stat.

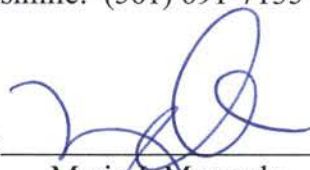
5. Upon a finding by the Commission that the Confidential Information is proprietary confidential business information within Section 366.093(3), such information should not be declassified for at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. § 366.093(4), Fla. Stat.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,

R. Wade Litchfield, Esq.
Vice President and General Counsel
John T. Butler, Esq.
Assistant General Counsel – Regulatory
Maria J. Moncada
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5639
Facsimile: (561) 691-7135

By: _____


Maria J. Moncada
Fla. Bar No. 0773301

CERTIFICATE OF SERVICE
Docket No. 150075-EI


I **HEREBY CERTIFY** that a true and correct copy of the foregoing Request for Confidential Classification* has been furnished by electronic mail on this 23rd day of July, 2015 to the following:

Martha F. Barrera, Esq.
John Villafrate, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
mbarrera@psc.state.fl.us
jvillafrate@psc.state.fl.us
Office of the General Counsel

J.R. Kelly, Public Counsel
John J. Truitt, Associate Public Counsel
Office of Public Counsel
The Florida Legislature
111 West Madison Street, Room 812 Tallahassee,
Florida 32399
kelly.jr@leg.state.fl.us
truitt.john@leg.state.fl.us
Attorney for the Citizens of the State of Florida

Jon C. Moyle, Jr., Esq.
Karen A. Putnal, Esq.
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301
jmoyle@moylelaw.com
kputnal@molelaw.com
*Attorney for Florida Industrial Power Users
Group*

By: _____


Maria J. Moncada
Fla. Bar No. 0773301

*The exhibits to this Request are not included with the service copies, but copies of Exhibits B, C and D are available upon request.

EXHIBIT A

CONFIDENTIAL

FILED UNDER SEPARATE COVER

REDACTED

EXHIBIT B

REDACTED COPIES

REDACTED

Central Appalachia ("CAPP") coal, rather than lower forecasted prices for SJRPP.
Although Witness Herr acknowledges^A [REDACTED]

[REDACTED]

1
2
3
4



John J. Truitt
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111W. Madison Street
Room 812
Tallahassee, FL 32399-1400

(850) 488-9330
Attorney for Florida's Citizens

Document 1 (CB15-009489) is the source document. Document 2 includes some additional calculations that I added to the spreadsheet, namely computing annual average fuel prices assumed for the St. Johns River Power Park. Document 3 is the source document (Witness Herr's discounted cash flow model that supports the FV of the PPA). Document 3 contains the [REDACTED]^A coal fuel prices that Witness Herr utilized in estimating the PPA energy revenues (see Inputs tab, row 40). Document 4 is the modified DCF model to reflect the combination of changes necessary to correct Valuation Deficiencies 1, 2, and 3 (as outlined in Witness Brunault's testimony). Document 4 (Inputs tab) shows the calculation of St. John's River Power Park coal prices to be [REDACTED]^B below the CAPP coal prices (see cell P41). The prices compared are the St. John's coal prices utilized in the FPL System Impacts Study (line 40) to Witness Herr's assumed [REDACTED]^C coal prices (line 119).

6. Please refer to page 17, lines 10-22. Please provide the relevant source documents used to calculate the figures presented in this section. Please also provide/show calculation steps.

RESPONSE:

Relevant Source Documents:

1. EIA923_Schedules_Fuel at Cedar Bay_1214.xlsx
(OPCRESP-PSCPOD1-6-000001)
2. 2.27.1_3.14_Coal_Inventory.xls
(OPCRESP-PSCPOD1-6-000002-CONFIDENTIAL)

Document 1, as down-loaded from the Energy Information Administration (EIA) website, contains information on the coal delivered to Cedar Bay during calendar year 2014. Column G of that spreadsheet indicates that the Nally & Hamilton supplier (column O) coal contracts' expiration date is "1215", interpreted as December 2015. Document 2 contains a historical accounting for coal inventory costs at Cedar Bay. The average inventory costs reported was for March 2014, shown [REDACTED]^D

[REDACTED]

[REDACTED]

[REDACTED]

7. Please refer to page 18, line 14 through page 19, line 10. Please provide the relevant source documents used to calculate the figures presented in this section. Please also provide/show calculation steps.

RESPONSE:

See responses to request #5 and #6 above. In addition, the 17% reduction in fuel costs compares existing 2015 levels [REDACTED]^A to the 2016 assumed pricing levels [REDACTED]^B shown in FPL Witness Herr's DCF spreadsheet model (Document 3 from the response to request #5 above) on the "Inputs" tab, cell G36. 1 2

Current spot prices for CAPP coal can be found at the EIA website:
http://www.eia.gov/coal/news_markets/index.cfm

Commodity spot prices for Central Appalachian Coal as of May 29, 2015 were reported by the EIA at \$52.75/ton. Together with an approximately [REDACTED]^C transportation to Cedar Bay, as assumed by FPL Witness Herr in his DCF spreadsheet model ("Inputs" tab, cell F34), the current spot market for CAPP coal is \$82.75/ton delivered to Cedar Bay. 3



John J. Truitt
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

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Documents produced by the Office of Public Counsel in response to Staff's First Request for Production No. 3 are confidential in their entirety.

Documents produced by the Office of Public Counsel in response to Staff's First Request for Production No. 5 are confidential in their entirety.

EXHIBIT C

JUSTIFICATION TABLE

EXHIBIT C

COMPANY: Florida Power & Light Company

DOCKET TITLE: In re: Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company.

DOCKET NO: 150075-EI

SUBJECT: FPL's Confidential Designation to OPC's Responses to Staff's First Set of Interrogatories and First Request for Production of Documents

DATE: July 23, 2015

OPC's Responses to Staff's 1 st Set of Interrogatories	Page No.	Description	Column No. / Line No.	Florida Statute 366.093(3) Subsection	Affiant
No. 3(b) (Narrative response)	Page 4 of 4	Competitive coal pricing information	Lns. 1A, 2-4	(d), (e)	D. Herr

OPC's Responses to Staff's 1 st Request for Production	Bates No. or Page No.	Description	Column No. / Line No.	Florida Statute 366.093(3) Subsection	Affiant
No. 3 Attachment (included on disc attached to Request)	OPCRESP-PSCPOD1-3-000004 -000023	OPC evaluations and of Duff & Phelps detailed valuation model and back up calculations for Cedar Bay Transaction (electronic format)	ALL	(d), (e)	D. Herr
No. 3 Attachment (included on disc attached to Request)	OPCRESP-PSCPOD1-3-000024	Values extracted from Duff & Phelps detailed valuation model and back up calculations for Cedar Bay Transaction (electronic format)	ALL	(d), (e)	D. Herr
No. 5 (Narrative response)	Page 4 of 5	Competitive coal pricing information	Lns. 1A, 2B, 3C	(d), (e)	D. Herr
No. 5 Attachment (included on disc attached to Request)	OPCRESP-PSCPOD1-5-000004 -000023	OPC evaluations of Duff & Phelps valuation model and back up calculations for Cedar Bay Transaction (electronic format)	ALL	(d), (e)	D. Herr
No. 6 (Narrative response)	Page 4 of 5	Competitive coal pricing information	Lns. 4D, 5-7	(d), (e)	D. Herr
No. 7 (Narrative response)	Page 5 of 5	Competitive coal pricing information	Lns. 1A, 2B, 3C	(d), (e)	D. Herr

EXHIBIT D

AFFIDAVIT

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In RE: Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company.

Docket No: 150075-EI

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF PHILADELPHIA)

AFFIDAVIT OF DAVID HERR

BEFORE ME, the undersigned authority, personally appeared David Herr who, being first duly sworn, deposes and says:

1. My name is David Herr. I am currently employed by Duff & Phelps LLC as Managing Director, the Philadelphia City Leader, and the Energy and Mining Industry leader. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed the documents and information included in Exhibit A to FPL's Request for Confidential Classification. The documents or materials that I have reviewed and which are asserted by FPL to be confidential constitute the proprietary business information of a third party related to the third party's competitive interests. The disclosure of this information would disadvantage FPL customers and would place FPL at a competitive disadvantage when coupled with other information that is publicly available. In addition, information designated as confidential consists of or relates to the two valuation reports of tangible and intangible assets performed by Duff & Phelps, Inc. The details of these highly detailed valuation report identify with specificity the proprietary methodology that Duff & Phelps employs in performing such valuations as well as certain commercial terms pursuant to which Duff & Phelps provides such valuations. Accordingly, public disclosure would impair the competitive businesses of Duff & Phelps and therefore should be treated confidentially. To the best of my knowledge, FPL and Duff & Phelps have maintained the confidentiality of these documents and materials.

3. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

4. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

5. Affiant says nothing further.

David Herr
David Herr

SWORN TO AND SUBSCRIBED before me this 17th day of July 2015, by David Herr, who is personally known to me or who has produced Driver's license (type of identification) as identification and who did take an oath.

Portia Drake
Notary Public, Commonwealth of Pennsylvania

My Commission Expires: 12-19-2015

