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Regulatory & Pricing Manager

FILED DEC 05, 2016  
DOCUMENT NO. 09117-16  
FPSC - COMMISSION CLERK

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December 2, 2016

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

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RE: Docket No. 160186-EI

Dear Ms. Stauffer:

Enclosed for filing in the above-referenced docket is Gulf Power Company's Request for Confidential Classification pertaining to certain portions of Gulf's response to Citizens' Third Set of Interrogatories (Nos. 75-130) and Citizens' Third Request to Produce Documents to Gulf Power Company (Nos. 88-100). Also enclosed is a copy of Gulf Power's Request for Confidential Classification and Exhibit "A" which is a justification for confidential treatment of the Confidential Information in Microsoft Word format. Exhibit "B" which contains a public version of the documents with the Confidential Information redacted is included on a separate DVD. A copy of the confidential documents are provided on a separate DVD labeled "Confidential."

Sincerely,

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

**REDACTED**

md

Enclosures

cc: Beggs & Lane  
Jeffrey A. Stone, Esq.  
Gunster Law Firm  
Charles A. Guyton, Esq.  
Richard A. Melson, Esq.

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AFD \_\_\_\_\_  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for rate increase by Gulf  
Power Company.

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Docket No. 160186-EI  
Dated: December 5, 2016

**GULF POWER COMPANY'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION  
AND MOTION FOR TEMPORARY PROTECTIVE ORDER**

Gulf Power Company ("Gulf Power," "Gulf," or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby requests confidential classification of certain documents and information produced in Response to Citizens' Third Request to Produce Documents to Gulf Power Company (Nos. 88-100) and Citizens' Third Set of Interrogatories to Gulf Power Company (Nos. 75-130) (collectively "OPC's Discovery"). Confidential information submitted in response to OPC's Discovery has been segregated and placed upon the enclosed DVD bearing the label "CONFIDENTIAL" ("Confidential Information"). This DVD should be treated as confidential in its entirety.

**Description of the Document(s)**

The Confidential Information consists of multiple Microsoft Excel, PDF, and Microsoft Word files produced in response to Document Request numbers 88, 90, 91 and 96, as well as Interrogatories numbers 80 and 81. These documents are identified with specificity on Exhibit "A" to this Request. In support of this request, the Company states:

1. Subsection 366.093(1), Florida Statutes, provides that any records "found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1), Florida Statutes [requiring disclosure under the Public Records Act]." Proprietary confidential business information includes, but is not limited to "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts

of the public utility or its affiliates to contract for goods or services on favorable terms.” Subsection 366.093(3)(d), Florida Statutes. Proprietary confidential business information also includes “[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.” Section 366.093(3)(e), Florida Statutes. The Confidential Information that is the subject of this request and motion falls within the statutory categories and, thus, constitutes propriety confidential business information entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

2. Attached hereto as Exhibit "A" is a justification for confidential treatment of the Confidential Information.

3. Attached hereto is a DVD labeled Exhibit "B" containing public versions of the Document(s) with the Confidential Information redacted, unless previously filed as indicated.

4. The Confidential Information is intended to be and is treated by Gulf Power as private and, to this attorney’s knowledge, has not been publicly disclosed.

5. For the same reasons set forth herein in support of its request for confidential classification, Gulf Power also moves the Commission for entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

**Requested Duration of Confidential Classification**

6. Gulf Power requests that the Confidential Information be treated by the Commission as confidential proprietary business information for at least the 18 month period prescribed in Rule 25-22.006(9)(a), Florida Administrative Code. If, and to the extent that the Company is in need of confidential classification of the Confidential Information beyond the 18

month period set forth in the Commission rule, the justification and grounds for such extended confidential treatment are set forth in Exhibit "C" to this request and motion.

WHEREFORE, Gulf Power Company respectfully requests that the Confidential Information that is the subject of this request and motion be accorded confidential classification for the reasons set forth herein and for a minimum period of 18 months, subject to any request for a longer period of confidential classification as may be set forth in Exhibit "C" to this request and motion. The company further moves for the entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

DATED this 2nd day of December, 2016.

Respectfully submitted,



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**RUSSELL A. BADDERS**

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**Attorneys for Gulf Power Company**

**EXHIBIT "A"**

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF  
PORTIONS OF GULF POWER'S RESPONSES  
TO OPC'S THIRD REQUEST TO PRODUCE DOCUMENTS (NOS. 88-100) AND  
ANSWERS TO OPC'S THIRD SET OF INTERROGATORIES (NOS. 75-130)**

<u>POD Request No.</u>	<u>Bates Pages or File Names</u>	<u>Detailed Description</u>	<u>Rationale</u>
88	LTE – POD 88 CONF (1-2)	Entire document	(1)
90	OPC 90 Confidential Combined 112116	Entire document	(2)
91	Escambia Potential Generation Develop with solar 101615_CONF	Entire document	(3)
	Escambia Site – Potential Solar and CC-CTAreas 111715_CONF	Entire document	(3)
	Escambia Site – Potential Solar Areas 110915_CONF	Entire document	(3)
	Gulf Potential Solar Draft 050714_CONF (6-10)	Entire document	(3)
	Gulf SB Screening 3 CT v5 1x1 ESC_CONF	Entire document	(3)
	Gulf SB Screening v4_CONF	Entire document	(3)
	Gulf Self Build Screening – Tx and Gas Lat Costs 20160317_CONF (11-23)	Entire document	(3)
	Gulf Self Build Screening Analysis 12-1-15_CONF (24-37)	Entire document	(3)
	Gulf Site Inventory – Retention 031716_CONF (38-40)	Entire document	(3)
	Noah 1x1 20160811_CONF	Entire document	(3)
	Noah 20160404 v3_CONF	Entire document	(3)
	Noah X3 20160707 v2_CONF	Entire document	(3)
	Noah X3 20160727_CONF	Entire document	(3)
Self Build Screening Phase 20150421_CONF	Entire document	(3)	
96	\$10 Scherer Scenario – CONF	Entire document	(4)
	\$10 Scherer Scenario – DOC.PDF – CONF	Entire document	(4)
	2015.12.14 Scherer 3 – CONF	Entire document	(4)

96	2016.04.08.Proforma – CONF	Entire document	(4)
	2017 Scherer 3 Follow Up - CONF	Entire document	(4)
	CEI Proposal Overview with Gulf Power 2013 – CONF	Entire document	(4)
	Proposal Pricing Scenarios Feb 2013 – CONF	Entire document	(4)
	Cobb RFP Revenue Strategy 2012 - CONF	Entire document	(4)
	Cobb RFP Scherer 3 Valuation 2012 - CONF	Entire document	(4)
	Copy of Robertsdale- Scherer Analysis bn alternate #1 - CONF	Entire document	(4)
	Copy of Robertsdale- Scherer Analysis bn alternate #2 - CONF	Entire document	(4)
	Copy of Scherer 3 Deltas - CONF	Entire document	(4)
	Copy of Scherer 3 Total Value Analysis 2015-2020 MJH 1a – CONF	Entire document	(4)
	DEF 2018 RFP Decision to Offer Analysis - CONF	Entire document	(4)
	Final Scherer 3 White Paper – CONF	Entire document	(4)
	Fixed Price Product Analysis Update - CONF	Entire document	(4)
	FixedPriceProductAnalysis (Robertsdale) – CONF	Entire document	(4)
	FR Market Risk Anslsysis 030716 from JE - CONF	Entire document	(4)
	Full Requirements Market – with R'dale 022416 - CONF	Entire document	(4)
	Greystone and Jackson EMC Scherer 3 Pricing Strategy - CONF	Entire document	(4)
	Gulf Power Scherer 3 Analysis – CONF	Entire document	(4)
	Gulf Power 3 Strategy 2011 – CONF	Entire document	(4)
	Gulf Scherer Strategy Discussion – CONF	Entire document	(4)
	Levelized figures - CONF	Entire document	(4)
	Market Valuations from Actions Items – CONF	Entire document	(4)
	Market Value Trend Explanations 2016 to 2017 – CONF	Entire document	(4)
	MasterTable – Scherer3 (2) – CONF	Entire document	(4)
	Pool Value Matrix of Scherer 3 020613 - CONF	Entire document	(4)
	PS3_Discussion_12.18.15 – CONF	Entire document	(4)
	Roberts- Market- Hillabee- Scherer w Adder-45 – CONF	Entire document	(4)

96	Robertsdale- Scherer Analysis 022416 – CONF	Entire document	(4)
	SCE&G Product Positioning 121715 – CONF	Entire document	(4)
	Scherer 3 GULF 2016 pptx – CONF	Entire document	(4)
	Scherer 3 Market Value 2011 – CONF	Entire document	(4)
	Scherer 3 Portfolio Analysis 2013 – CONF	Entire document	(4)
	Scherer 3 Re-marketing - CONF	Entire document	(4)
	Scherer 3 Re-marketing History - CONF	Entire document	(4)
	Scherer 3 Remarketing Strategy - CONF	Entire document	(4)
	Scherer 3 Strategic Discussion – Notes - CONF	Entire document	(4)
	Scherer 3 Update August 2016 – CONF	Entire document	(4)
	Scherer 3 Update January 2016 – CONF	Entire document	(4)
	Scherer 3 Update July 2016 – CONF	Entire document	(4)
	Scherer 3 Update June 2016 – CONF	Entire document	(4)
	Scherer 3 Update October 2016 – Off Peak – CONF	Entire document	(4)
	Scherer 3 Update September 2016 – CONF	Entire document	(4)
	Scherer 3 Value - CONF	Entire document	(4)
	Scherer 3 Value 053014 – CONF	Entire document	(4)
	Scherer 3 Value Analysis 2013 for 2016 to 2035 – CONF	Entire document	(4)
	Scherer 3 Value Extrapolation Trials 062314 – CONF	Entire document	(4)
	Scherer 3 Value Thru 2052 06 2014 – CONF	Entire document	(4)
	Scherer 3 Views – CONFIDENTIAL	Entire document	(4)
	Scherer 3 Volatiltiy and Mkt-Pool Values - CONF	Entire document	(4)
	Scherer 3 Winter Hedging Update – CONF	Entire document	(4)
	Scherer Potential Counterparties 061215 – CONF	Entire document	(4)
	Scherer Remarketing – Financials – CONF	Entire document	(4)
	Scherer wholesale revenues 030816 – CONF	Entire document	(4)
	Scherer-as-a-peaker – Pricing Analysis Summary 2013	Entire document	(4)
	SchererMarket Value - CONF	Entire document	(4)
	Troy – Market- Hillabee- Scherer - CONF	Entire document	(4)
	Updated Valuations 120915 – CONF	Entire document	(4)
Winter 2017 Scherer 3 Hedging Update (2) - CONF	Entire document	(4)	
Winter 2017 Scherer On Peak Sale – CONF	Entire document	(4)	
Winter 2017 Scherer 3 On Peak Sale Update - CONF	Entire document	(4)	

<u>ROG Request No.</u>	<u>Bates Pages or File Names</u>	<u>Detailed Description</u>	<u>Rationale</u>
80	OPC_ROG_080- Page 2 of 2	All highlighted information	(5)
81	OPC ROG 81 Page 2 of 2	Entire document	(6)

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- (1) The information identified on the listed pages/files describes a business case for modifications to the Southern LINC telecommunications system, which is owned by SouthernLINC Wireless and provides vital telecommunications services for Gulf Power and other operating companies within the Southern Electric system. The document describes Southern LINC's existing system and strategies and tactics for improving the system. The document further describes the advantages and operational needs of the system and technology and incorporates specific examples of operational situations. It provides an analysis of future options for the Southern Company with regard to its telecommunications needs. The disclosure of this information would be harmful to Gulf's competitive interests as well as that of its business partners, and as such, the information is entitled to confidential classification pursuant to Section 366.093(3)(e), Florida Statutes.
  
  - (2) The information identified on the listed pages/files consists of a report prepared by an outside consultant relating to a Gulf site that could potentially be used for a new power generation facility. Such information includes site assessment and layout studies, identification and description of sensitive technologies, water requirements, intake structure and transmission requirements, parcels of land for potential purchase by Gulf, locations of fossil fuels within the site, site-specific geotechnical information (including boring location plans, installation details, and surveys, as well as boring testing results and logs), groundwater investigation, plant water supply requirements, groundwater availability, proposed intake structure, ongoing groundwater studies, potential railroad and access road locations, subsurface profile, locations of geotechnical boring locations and installation details, results of soil boring testing, site location map illustrating proposed site boundaries, and subsurface investigation boring location plan. This information is highly sensitive to Gulf and its disclosure could harm the competitive interests of the Company. Moreover, the disclosure of this information could allow duplication of the consultant's work without compensation for the consultant's efforts to gather and update information and develop methods of analysis. This information is the proprietary work product of the consultant. It constitutes information relating to competitive interests the disclosure of which could impair the consultant's competitive position in the market by diminishing demand for its proprietary work product. Public disclosure could also harm Gulf's competitive interest in that disclosure could result in the consultant either charging higher prices for its services, or even refusing to conduct business with Gulf in the future. The foregoing information is confidential pursuant to section 366.093(3)(d) and (e), Florida Statutes.
  
  - (3) The information identified on the listed pages/files contains Gulf's internal analyses regarding generation planning, including the financial viability of future generation



resource additions. The confidential internal evaluations include information and examination of operating costs, asset valuation, details regarding land holding, environmental compliance, capacity, potential future generation developments and efforts, and other strategic factors. This information includes both current and projected data such as projected fuel cost, capital expenditures, environmental compliance costs, financing needs, and other commercially sensitive financial and operational information, the disclosure of which could harm the competitive interests of the Company. Among other things, public disclosure of this information would place Gulf and its customers at a disadvantage when negotiating with vendors for the provision of future capacity resources, whether in the form of owned generation resources or purchased power. This information is confidential pursuant to Section 366.093(3)(e), Florida Statutes.

- (4) The information identified on the listed pages/files contains confidential information regarding Unit 3 at Plant Scherer, of which Gulf owns an interest. The confidential information includes detailed actual and projected operation and maintenance costs for Unit 3 and matters related thereto, including fuel, variable O&M, SO<sub>2</sub>, NO<sub>x</sub>, and fuel handling. It includes revenues, projections, models and other financial information, as well as capacity figures. It further includes detailed analysis (both internal and by outside consultants) of both financial and non-financial aspects, valuations of Unit 3 and its ownership interests, explanation of and strategies for marketing efforts, as well as various strategies for the operation and ownership of the unit, both actual and potential. Also, included within the documentation are various proposals to third parties for the sale of energy and capacity (long term and short term) from Gulf's portion of Unit 3. Among other things, public disclosure of any or all of the foregoing information would negatively impact Gulf's ability to negotiate contract terms favorable to its customers in future contracts. This information would provide third party market participants with detailed insight into Gulf's generation costs and strategies, which, in turn, would put Gulf and its customers at a competitive disadvantage when negotiating for the purchase or sale of energy and/or capacity. In addition, potential counterparties may refuse to enter into contracts with Gulf, or may charge higher prices, if the information is publicly disclosed. The disclosure of this information would therefore be harmful to Gulf's competitive interests, and as such, the information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e), Florida Statutes.
- (5) The information identified on the listed pages/files contains allocation factors for affiliate transactions. These factors could be used by competitors of Gulf to gain confidential details regarding the Company's internal cost allocation methodologies. These methodologies have been developed over time and through the expenditure of significant resources. Access to such methodologies would bestow on competitors of the Company an unfair advantage to the extent that such competitors would not similarly be required to expend such resources to develop similar methodologies. This would, in turn, confer an unfair advantage on such companies. In addition, access to the information would provide insight into the costs of the Company, which could also undermine the Company's position. The Company's competitors are not similarly required to disclose such information and access to such cost information would harm the Company and could result in competitors manipulating the market by artificially setting prices based on such information. This information is confidential pursuant to section 366.093(3)(d) and (e), Florida Statutes.

- (6) The information identified on the listed pages/files includes projected costs for Gulf's capital projects, including for generation, transmission, distribution, and general plant projects. This information also includes revenue projections and requirements as well as projected in-service dates for these capital projects. Disclosure of this cost information could negatively impact Gulf's ability to negotiate pricing favorable to its customers when contracting with vendors of materials needed by Gulf in order to implement these compliance options. This information is confidential pursuant to section 366.093(3)(e), Florida Statutes.

**PUBLIC VERSION(S) OF THE DOCUMENT(S)**

Attached hereto (unless previously filed as may be noted below) are two public versions of the Document(s) with the Confidential Information redacted.

Public Version(s) of the Document(s) attached   X  

Public Version(s) of the Document(s) previously filed on \_\_\_\_\_

**EXHIBIT "C"**

**REQUESTED DURATION OF CONFIDENTIAL CLASSIFICATION**

Gulf Power requests that the Confidential Information that is the subject of this request be treated as proprietary confidential business information exempt from the Public Records Law for a minimum of 18 months from the date of the order granting such classification. To the extent the company needs confidential protection of the Confidential Information for a period longer than 18 months, the company's justification therefor is set forth below:

n/a

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for Increase in Rates )  
By Gulf Power Company )  
)

Docket No.: 160186-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by overnight mail this 2nd day of December, 2016 to the following:

Office of Public Counsel  
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Public Counsel  
c/o The Florida Legislature  
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