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December 21, 2016

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

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COMMISSION
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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 Staff's Seventh Request for Production of Documents to Gulf Power Company (Nos. 49-63). 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

md

Enclosures

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 160186-EI
Dated: December 22, 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 Staff's Seventh Request for Production of Documents to Gulf Power Company (Nos. 49-63) (collectively "Staff's Discovery"). Confidential information submitted in response to Staff'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 Microsoft Excel and PDF files produced in response to Staff's Requests for Production of Documents numbers 49, 50, 52, 59, and 60. 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 proprietary 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 21st day of December, 2016.

Respectfully submitted,



JEFFREY A. STONE

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RUSSELL A. BADDERS

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EXHIBIT "A"

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF PORTIONS
OF GULF POWER'S ANSWERS TO STAFF'S SEVENTH REQUEST
FOR PRODUCTION OF DOCUMENTS (NOS. 49-63)**

<u>POD No.</u>	<u>Bates Pages or File Names</u>	<u>Detailed Description</u>	<u>Rationale</u>
49	DR1-14a Base_CONF	All highlighted information in the following tabs: BidInfo ProfileNet8760 AvoidedEnergyCost8760 Summary WWAC (\$s,\$MWH)	(1)
	DR1-41.2014 cost effectiveness combined CONF	All highlighted information in the following tabs: BidInfo ProfileNet8760 AvoidedEnergyCost8760 Eglin Summary SWAC Eglin (\$s,\$MWH) Holley Summary SWAC Holley (\$s,\$MWH) Saufley Summary SWAC Saufley (\$s,\$MWH)	(1)
	DR1-43 Cost Effectiveness 2014 budget_CONF	All highlighted information in the following tabs: BidInfo ProfileNet8760 AvoidedEnergyCost8760 Summary WWAC (\$s,\$MWH)	(1)
	DR1-43. 2015 Cost Effectiveness Combined CONF	All highlighted information in the following tabs: BidInfo ProfileNet8760 AvoidedEnergyCost8760 Eglin Summary SWAC Eglin (\$s,\$MWH) Holley Summary SWAC Holley (\$s,\$MWH) Saufley Summary SWAC Saufley (\$s,\$MWH)	(1)

<u>POD No.</u>	<u>Bates Pages or File Names</u>	<u>Detailed Description</u>	<u>Rationale</u>
49	DR1-44 Cost Effectiveness 2015 budget_CONF	All highlighted information in the following tabs: BidInfo ProfileNet8760 AvoidedEnergyCost8760 Summary WWAC (\$s,\$MWH)	(1)
50	Plant Smith Asset Evaluation – 12 11 14 CONF (1-24) (160186-Staff-POD-50-3 through 160186-Staff-POD-50-9; 160186- Staff-POD-50-15 through 160186-Staff- POD-50-19; and 160186-Staff-POD-50- 21)	All highlighted information	(2)
52	POD 52 - Ten Year Plan CONF (1-7) (160186-Staff-POD-52-2 and 160186- Staff-POD-52-4 through 160186-Staff- POD-52-7)	All highlighted information	(3)
59	Flint PPA 08-26-2004_CONF (220-333) (160186-Staff-POD-59-228; 160186-Staff- POD-59-230; 160186-Staff-POD-59-237 through 160186-Staff-POD-59-241; 160186-Staff-POD-59-245 through 160186-Staff-POD-59-247; 160186-Staff- POD-59-253 through 160186-Staff-POD- 59-258; 160186-Staff-POD-59-263 through 160186-Staff-POD-59-267; 160186-Staff-POD-59-272 through 160186-Staff-POD-59-273; 160186-Staff- POD-59-278 through 160186-Staff-POD- 59-280; 160186-Staff-POD-59-282 through 160186-Staff-POD-59-284; 160186-Staff-POD-59-287; 160186-Staff- POD-59-290; 160186-Staff-POD-59-292 through 160186-Staff-POD-59-297; 160186-Staff-POD-59-300 through 160186-Staff-POD-59-301; 160186-Staff- POD-59-306 through 160186-Staff-POD- 59-322; 160186-Staff-POD-59-324 through 160186-Staff-POD-59-326; and 160186-Staff-POD-59-329	All highlighted information	(4)

	FPL PPA 08-11-2004 CONF (334-448) (160186-Staff-POD-59-346 through 160186-Staff-POD-59-347; 160186-Staff-POD-59-351; 160186-Staff-POD-59-354 through 160186-Staff-POD-59-367; 160186-Staff-POD-59-370 through 160186-Staff-POD-59-371; 160186-Staff-POD-59-373; 160186-Staff-POD-59-375 through 160186-Staff-POD-59-376; 160186-Staff-POD-59-387 through 160186-Staff-POD-59-388; 160186-Staff-POD-59-390 through 160186-Staff-POD-59-393; 160186-Staff-POD-59-398 through 160186-Staff-POD-59-409; 160186-Staff-POD-59-418 through 160186-Staff-POD-59-419; 160186-Staff-POD-59-426 through 160186-Staff-POD-59-434; and 160186-Staff-POD-59-444 through 160186-Staff-POD-59-448)	All highlighted information	(4)
60	Retirement Screening Model – Scherer 3_Trade Secret_CONF	Entire document	(5)
	Scherer 3 2006 Economic Results_CONF	Entire document	(5)

- (1) The information identified on the listed pages/files consists of various cost-effectiveness analyses Gulf Power performed in support of renewable purchased power agreements. These agreements were approved by the Commission in other dockets and are now active. Among other things, the cost-effectiveness analyses reveal confidential contract pricing and Gulf Power's projected avoided cost calculations. This information is not disclosed elsewhere in information submitted publicly by Gulf Power. Disclosure of the information in question would impair Gulf Power's efforts to contract for goods and services on favorable terms. It is also information relating to the competitive interests of Gulf Power, the disclosure of which would impair the competitive business of Gulf Power. Public disclosure of confidential contractual pricing would violate contractual confidentiality requirements and could result in potential counterparties charging higher prices, or refusing to do business with Gulf Power. Moreover, Gulf's projected avoid costs could be used by wholesale competitors and competitive suppliers of power to Gulf Power to model the company's system and/or affect the Company's purchases from third party suppliers. As such, the information in question is entitled to confidential treatment pursuant to Section 366.093(3)(d) and (e), Florida Statutes.
- (2) The information identified on the listed pages/files contains Gulf's internal analyses regarding generation planning, including the financial viability of both current resources and future generation resource additions. The confidential internal evaluations include information and examination of operating costs, asset valuation, details regarding land holdings, 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, operating costs, asset valuation, capital expenditures, environmental compliance costs, capacity, 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 energy or 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.

- (3) The information identified on the listed pages/files consists of a detailed analysis of Gulf Power's transmission system needs in the 2017-2026 timeframe. It includes projected outage data and recommended transmission upgrades. It also identifies the projected timing of outages and upgrades to various facilities. Transmission planning information of this nature is not only sensitive from a physical security standpoint, but also from a commercial standpoint in the power purchase and sales markets. 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)(c),(d) and (e), Florida Statutes.
- (4) The information identified on the listed pages/files contains confidential pricing and non-price information pertaining to contractual agreements between Gulf and various counterparties, and in particular, purchased power agreements. This information is regarded by both Gulf and the counterparties as confidential. The information, which resulted from negotiations with Gulf and the counterparties, is specific to individual contracts and is not publicly known. Disclosure of this information would negatively impact Gulf's ability to negotiate contract terms favorable to its customers in future contracts. Contractual negotiations invariably result in "give and take" both in terms of price and non-price terms. If publicly disclosed, such terms could be viewed by other potential counterparties as a starting point rather than an ending point for negotiations. This is equally true with respect to active and expired contracts. Public disclosure of these negotiated terms could result in potential counterparties refusing to enter into contracts with Gulf, or charging higher prices. 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 confidential information regarding Unit 3 at Plant Scherer, of which Gulf owns an interest. It includes economic analysis of the costs and benefits of equipping Unit 3 with environmental controls as opposed to retiring the unit early. The confidential information includes detailed actual and projected operation and maintenance costs for Unit 3 and matters related thereto. It includes revenues, projections, models and other financial information, as well as capacity figures. The data and analysis includes detailed comparisons of numerous such matters. 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.

EXHIBIT "B"

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 _____

Document(s) are confidential in their entirety _____

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 21st day of December, 2016 to the following:

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