

FPL's Responses to Staff's First Set of Interrogatories Nos. 1 (Redacted), 2-7.

Q.

For each Request for Proposal (RFP) for coal issued in 2016 by or on behalf of FPL, 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.

A.

In 2016 FPL's coal fired generation portfolio consisted of the Cedar Bay plant in Jacksonville, Florida, the St. Johns River Power Park (SJRPP) in Jacksonville, Florida and Scherer Unit #4 near Macon, Georgia.

No RFPs were issued for coal to supply either Cedar Bay or SJRPP in 2016.

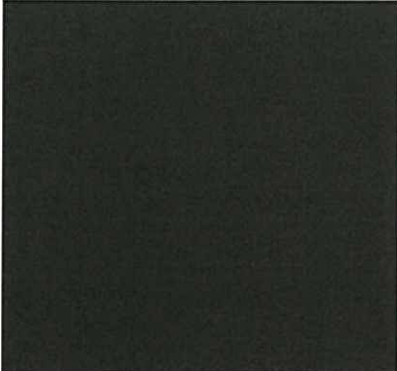
A total of seven RFPs were issued for coal to supply Scherer in 2016. For a list of the bids received in response to each RFP, please refer to confidential attachment 1 to this interrogatory answer.

Rail is the only means of delivering coal to Scherer. Unit trains of approximately 135 railcars are loaded at coal mines in the Powder River Basin (PRB) served by the Burlington Northern (BN). BN transports the coal to Memphis, Tennessee where they interchange with the Norfolk Southern (NS) for final delivery to the plant.

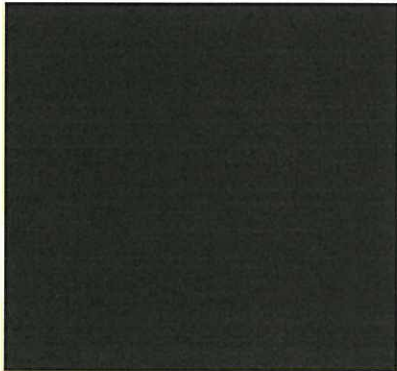
February 17, 2016 Due Date

Plant Scherer February 2016 Spot Solicitation

Q2 2016 Proposals


<u>Offers</u>	<u>btu/lb</u>	<u>Total tons March-Q2</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,800	400,000	2.306
	8,600	400,000	2.311
	8,850	400,000	2.313
	8,400	400,000	2.320
	8,800	300,000	2.332
	8,400	400,000	2.338
	8,850	400,000	2.234
	8,350	200,000	2.345
	8,400	400,000	2.402
	9,400	400,000	2.620

Q3 2016 Proposals


<u>Offers</u>	<u>btu/lb</u>	<u>Total tons Q3</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,800	300,000	2.306
	8,600	300,000	2.311
	8,850	300,000	2.313
	8,400	300,000	2.327
	8,800	300,000	2.332
	8,400	300,000	2.338
	8,850	300,000	2.340
	8,350	150,000	2.345
	8,400	300,000	2.402
	9,400	300,000	2.620

April 8, 2016 Due Date

Plant Scherer May-Dec 2016 Spot


<u>Offers</u>	<u>btu/lb</u>	<u>Total tons</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,900	1,000,000	2.257
	8,400	1,000,000	2.292
	8,400	800,000	2.293

Plant Scherer 2017

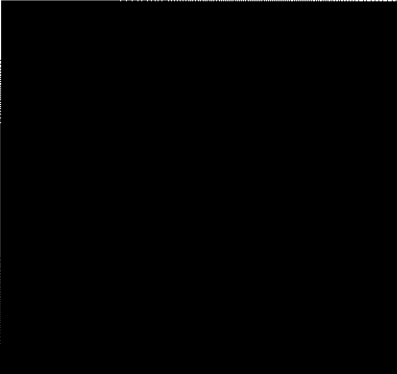
<u>Offers</u>	<u>btu/lb</u>	<u>Total tons</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,400	5,000,000	2.336
	8,500	5,000,000	2.340
	8,900	6,000,000	2.341
	8,850	3,000,000	2.360
	8,800	8,000,000	2.366
	8,400	2,000,000	2.276
	8,400	3,000,000	2.397

May 17, 2016 Due Date

Plant Scherer Jul-Sept 2016 Spot

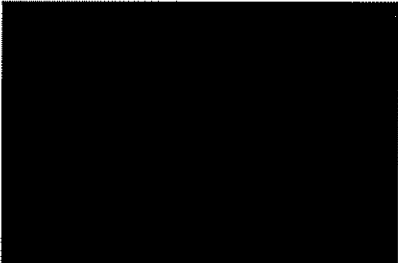
<u>Offers</u>	<u>btu/lb</u>	<u>Total tons per Q</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,400	250,000	2.230
	8,800	600,000	2.237
	8,800	50,000	2.246
	8,900	600,000	2.251
	8,400	600,000	2.267
	8,800	100,000	2.267
	8,850	150,000	2.270
	8,600	600,000	2.279
	8,800	600,000	2.282
	8,350	125,000	2.309
	8,400	150,000	2.343

Plant Scherer Oct-Dec 2016 Spot

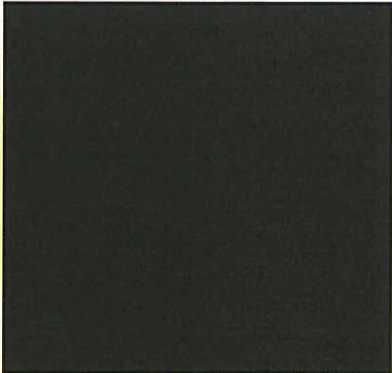
<u>Offers</u>	<u>btu/lb</u>	<u>Total tons per Q</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,400	250,000	2.230
	8,800	50,000	2.246
	8,900	300,000	2.251
	8,400	300,000	2.267
	8,800	100,000	2.267
	8,850	150,000	2.270
	8,600	300,000	2.279
	8,800	300,000	2.282
	8,350	125,000	2.309
	8,400	150,000	2.343

August 18, 2016 Due Date

Plant Scherer Sept-Dec 2016 Spot


<u>Offers</u>	<u>btu/lb</u>	<u>Total tons per M</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,400	200,000	2.253
	8,600	200,000	2.272
	8,400	200,000	2.291
	8,900	200,000	2.319
	8,800	200,000	2.342
	8,400	125,000	2.390
	8,850	125,000	2.450

Plant Scherer 2017


<u>Offers</u>	<u>btu/lb</u>	<u>Total tons per M</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,400	350,000	2.336
	8,350	125,000	2.340
	8,400	350,000	2.351
	8,400	125,000	2.352
	8,600	350,000	2.359
	8,900	350,000	2.370
	8,600	41,666	2.384
	8,800	350,000	2.403
	8,850	83,000	2.429
	8,400	83,000	2.464

November 17, 2016 Due Date

Plant Scherer Q1 2017 Spot


<u>Offers</u>	<u>btu/lb</u>	<u>Total tons per M</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,350	150,000	2.356
	8,400	199,998	2.377
	8,400	1,050,000	2.384
	8,800	225,000	2.403
	8,900	900,000	2.406
	8,400	1,050,000	2.408
	8,850	450,000	2.414
	8,800	1,050,000	2.458

Plant Scherer Q2 2017 Spot

<u>Offers</u>	<u>btu/lb</u>	<u>Total tons per M</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,350	150,000	2.356
	8,400	199,998	2.377
	8,400	750,000	2.384
	8,800	225,000	2.403
	8,850	450,000	2.405
	8,900	900,000	2.406
	8,400	1,050,000	2.408
	8,800	90,000	2.434
	8,800	750,000	2.358

November 2016 (telephone solicitation)

Plant Scherer Dec 2016 Spot

<u>Offers</u>	<u>btu/lb</u>	<u>Total tons per M</u>	<u>Delivered \$/mmbtu w/o SO2</u>
	8,400	150,000	2.335
	8,400	75,000	2.362
	8,600	150,000	2.369
	8,850	150,000	2.374
	8,850	75,000	2.454

November 17, 2016 Due Date

GPC PRB Scherer LT Proposals and NPV from November 2016 Solicitation (Original Bids)

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,900	3,000,000	2.400
	2018	8,900	6,000,000	2.503
	2019	8,900	6,000,000	2.595
	2020	8,900	6,000,000	2.689

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,900	3,000,000	2.400
	2018	8,900	6,000,000	2.503
	2019	8,900	6,000,000	2.595
Market Review Option	2020	8,900	6,000,000	2.689

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,400	1,000,000	2.383
	2018	8,400	2,000,000	2.483
	2019	8,400	3,000,000	2.594
	2020	8,400	3,000,000	2.684

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,400	1,000,000	2.383
	2018	8,400	2,000,000	2.483
	2019	8,400	3,000,000	2.594
Market Review	2020	8,400	3,000,000	2.684

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,400	3,000,000	2.398
	2018	8,400	6,000,000	2.495
	2019	8,400	6,000,000	2.583
	2020	8,400	6,000,000	2.683

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,850	500,000	2.443
	2018	8,850	1,000,000	2.502
	2019	8,850	1,000,000	2.589
	2020	8,850	1,000,000	2.686

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	9,350	250,000	2.256
	2018	9,350		
	2019	9,350		
	2020	9,350		

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,400	500,000	2.415
	2018	8,400	1,000,000	2.483
	2019	8,400	1,000,000	2.584
	2020	8,400	1,000,000	2.681

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,800	3,000,000	2.457
	2018	8,800	6,000,000	2.537
	2019	8,800	6,000,000	2.619
	reopener	2020	8,800	6,000,000

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,600	3,000,000	2.406
	2018	8,600	6,000,000	2.472
	2019	8,600	6,000,000	2.571
	reopener	2020	8,600	6,000,000

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,400	3,000,000	2.383
	2018	8,400	6,000,000	2.483
	2019	8,400	6,000,000	2.568
	2020	8,400	6,000,000	
reopener				

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,350	0	
	2018	8,350	3,000,000	2.440
	2019	8,350	3,000,000	2.526
	2020	8,350	3,000,000	2.613

<u>Suppliers</u>	<u>Year</u>	<u>btu/lb</u>	<u>Total Tons Offered</u>	<u>delivered \$/mmbtu without SO2</u>
[REDACTED]	2017	8,600	500,000	2.406
	2018	8,600	500,000	2.503
	2019	8,600	500,000	2.602
	2020	8,600	500,000	2.702

Q.

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.

A.

SHORT TERM

RFP due February 17, 2016: FPL elected to purchase 2 trains per month (approximately 95,000 tons) for 2Q2016 delivery and 3 trains per month (approximately 142,000 tons) for 3Q2016 delivery from the low evaluated bidder on a delivered cost basis at \$2.306/MMBtu.

RFP due April 8, 2016: FPL elected not to purchase.

RFP due May 17, 2016: FPL elected to purchase 3 trains per month (approximately 300,000 tons) for 3Q2016 and 4Q2016 delivery from the low evaluated bidder on a delivered cost basis at \$2.23/MMBtu.

RFP due August 18, 2016: FPL elected to purchase 17 trains (approximately 270,000 tons) for September through December 2016 delivery from the low evaluated bidder at \$2.253/MMBtu.

For 2017 delivery, FPL also elected to purchase approximately 800,000 tons from the low evaluated bidder on a delivered cost basis at \$2.336/MMBtu and approximately 800,000 tons from a second bidder at \$2.351/MMBtu.

RFP due November 17, 2016: FPL elected not to purchase.

November Telephone Solicitation: FPL elected not to purchase.

LONG TERM

RFP due November 16, 2016: From the low evaluated bidder on a delivered cost basis each year, FPL elected to purchase approximately 568,000 tons for delivery in 2017 at \$2.382/MMBtu; 380,000 tons for delivery in 2018 at \$2.440/MMBtu and 380,000 tons for delivery in 2019 at \$2.526/MMBtu.

Q. During 2016, did FPL experience any detention and demurrage charges, or any transportation constraints for coal deliveries? If so, please explain your response and state the charges by event.

A. Yes, during 2016 FPL experienced the following detention and demurrage charges:

Cedar Bay

None.

SJRPP

Monthly demurrage incurred during vessel unloading operations:

January	\$ 0
February	\$ 2,517
March	\$ 65,503
April	\$ 9,323
May	\$ 9,531
June	\$ 5,955
July	\$ 28,802
August	\$ 14,010
September	\$ 4,288
October	\$ 40,660
November	\$ 17,656
December	\$ 21,215
SJRPP Total	\$219,462
FPL 20%	\$ 43,892

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Scherer

Quarterly detention, locomotive lease charges, incurred during train unloading operations:

1st Quarter	\$674,384
2nd Quarter	\$1,009,024
3rd Quarter	\$49,200
4th Quarter	\$537,728
Scherer Total	\$2,270,336
FPL 19.09%	\$433,407

During 2016 there were no transportation constraints for coal deliveries at Cedar Bay, SJRPP or Scherer.

Q.

For each RFP for natural gas issued in 2016 by FPL, list the bids received. For each bid, include the supplier, volume bid, and delivered price information, as well as the primary pipeline used for delivery.

A.

FPL did not issue any RFPs for natural gas purchases during 2016. FPL contacts multiple suppliers and/or brokers to discuss pricing, terms, and volumes when making procurement decisions. This information is used by FPL personnel to determine the appropriate supply portfolio.

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Q.

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.

A.

N/A. Please see FPL's response to Staff's First Set of Interrogatories, No. 4.

Q.

In 2016, did FPL participate in any capacity discussions or bid for any firm pipeline capacity during “open season?” Please explain your response and identify the pipeline companies.

A.

During the normal course of business, FPL participated in general capacity discussions with various pipeline companies throughout 2016. Those pipeline companies included firms such as Boardwalk Partners (GulfSouth, Texas Gas, Gulf Crossing), Kinder Morgan (Sonat, Tennessee, MidContinent Express), ETC (FGT), Spectra (SESH, TETCO), Williams (Transco), and Enable (Enable, ENABLE INTRASTATE). These discussions did not lead to the purchase of any additional pipeline capacity in 2016.

Q.

In 2016, did FPL participate in any discussions or bid for any firm gas storage capacity? Please explain your response and identify the gas storage providers.

A.

Yes, in the normal course of business, FPL participated in natural gas storage capacity discussions with Bay Gas Storage, Southern Pines Storage, and Petal Gas Storage, LLC, but has not committed to any additional storage at this time.