

FPUC's Responses to Staff's Third Set of
Interrogatories No. 8.

INTERROGATORIES

For the purpose of this interrogatory, please refer to FPUC's Response to Staff's First Set of Interrogatories (1-3), dated February 22, 2017.

8. The response to Interrogatory No. 2 states, in part, that FPUC expected to award its "Solicitation for Proposals to Provide Power Supply and Ancillary Services" (SPPS) for the Northeast Florida Division from among 3 bidding parties during the first quarter of 2017. Please answer the following:
- a. Please identify the 3 bidding parties for the SPPS.

Company Response:

The three (3) respondents to FPUC's SPPS are as follows:

- JEA
- Florida Power & Light
- Southern Wholesale Energy / Gulf Power Company

Respondent: P. Mark Cutshaw

- b. Please describe the bid review and evaluation process the Company followed, or is following, for awarding the SPPS.

Company Response:

The details of the bid review and evaluation process the Company followed are contained with the “Solicitation For Proposals To Provide Power Supply And Ancillary Services For Florida Public Utilities Company”. The document, which is of a confidential nature, is being provided along with Staffs First Request for Production of Documents to Florida Public Utilities in Item #1 under a Notice of Intent to Seek Confidential Classification.

Respondent: P. Mark Cutshaw

- c. Please describe the justification the Company used, or is using, for selecting the winning bid.

Company Response:

As described in the SPPS, there are a number of factors that were utilized in selecting the company awarded the contract. The factors included, but are not limited to, the following:

- Proposal consistent with the criteria requested in the SPPS
- Overall price
- Electric service reliability
- Price stability and risk of escalation in future years of the contract
- Environmental risk and the impact of price stability
- Counterparty risk
- Transmission delivery infrastructure and reliability risk
- Transmission wheeling cost
- Distribution cost
- Overall agreement flexibility
- Inclusion of renewable resources
- Flexibility to allow FPU to add new/existing qualifying facility and renewable resources on Amelia Island
- Ability to provide balancing and ancillary services
- Ability to provide NERC compliance services

- Options to modify the contract capacity quantities during the term of the agreement
- Options to provide on peak and off peak energy pricing
- Options to provide non-firm energy in excess of firm load requirements as a competitive alternative to industrial self-generation
- Recognition of requirements to accept certain energy from qualifying facilities that may occur during the term of the agreement

Each of these factors were considered during the evaluation process and contributed to the Company's ultimate decision.

Respondent: P. Mark Cutshaw

- d. If applicable because the SPPS has not been awarded yet as of the date when the timely response to this Request is due, please provide a supplemental response to subpart (C) when the SPPS is awarded.

Company Response:

The agreement to award the SPPS was executed on April 10, 2017, between Florida Public Utilities Company and Florida Power & Light.

Respondent: P. Mark Cutshaw

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF NASSAU)

I hereby certify that on this 10th day of May, 2017, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared P. MARK CUTSHAW, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 8 from STAFF'S THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 8) in Docket No(s). 170001-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 10th day of MAY, 2017.

Lynn M. McNeill
Notary Public
State of Florida, at Large

My Commission Expires: 08/22/2020

