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March 1, 2018

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

RECEIVED-FPSC
2018 MAR -2 AM 9:48
COMMISSION
CLERK

Re: Docket No. 20180001-EI

Dear Ms. Stauffer:

REDACTED

Enclosed is Gulf Power Company's Request for Confidential Classification pertaining to Gulf Power's response to Staff's First Set of Interrogatories (Nos. 1-7) in the above-referenced docket.

Sincerely,

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

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Enclosures

cc: Gulf Power Company
Jeffrey A. Stone, Esq., General Counsel
Beggs & Lane
Russell Badders, Esq.

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APA ___
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ENG ___
GCL ___
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power cost
recovery clause and generating performance
incentive factor

Docket No.: 20180001-EI
Date: March 2, 2018

_____)

REQUEST FOR CONFIDENTIAL CLASSIFICATION

GULF POWER COMPANY ["Gulf Power", "Gulf", or the "Company"], by and through its undersigned attorneys and pursuant to Rule 25-22.006, Florida Administrative Code, hereby files a request that the Florida Public Service Commission enter an order protecting from public disclosure certain information submitted by Gulf Power in response to Commission Staff's First Set of Interrogatories to Gulf Power Company (Nos. 1-7). As grounds for this request, the Company states:

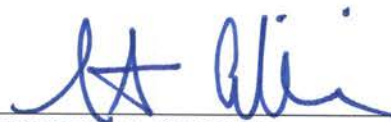
1. A portion of the information submitted by Gulf Power in response to interrogatories numbered 1, 2, 4, 5, and 7 of Commission Staff's First Set of Interrogatories constitutes proprietary confidential business information concerning bids or other contractual data the disclosure of which would impair the efforts of Gulf Power to contract for goods and/or services on favorable terms. The information is entitled to confidential classification pursuant to section 366.093(3)(d) and (e), Florida Statutes. Specifically, the confidential information consists of pricing terms for coal and natural gas offered to and/or purchased by Gulf Power in connection with Requests for Proposal issued by Gulf Power in 2017. Disclosure of this information would negatively impact Gulf's ability to negotiate pricing favorable to its customers in the future. In addition, potential counterparties may refuse to enter into future contracts with Gulf, or may charge higher prices, if these terms were made public.

2. The information filed pursuant to this Request is intended to be, and is treated as, confidential by Gulf Power and, to this attorney's knowledge, has not been otherwise publicly disclosed.

3. Submitted as Exhibit "A" are copies of the subject documents, on which are highlighted the information for which confidential classification is requested. Exhibit "A" should be treated as confidential pending a ruling on this request. Attached as Exhibit "B" are two (2) edited copies of the subject documents, which may be made available for public review and inspection. Attached as Exhibit "C" to this request is a line-by-line justification for the request for confidential classification.

WHEREFORE, Gulf Power Company respectfully requests that the Commission enter an order protecting the information highlighted on Exhibit "A" from public disclosure as proprietary confidential business information.

Respectfully submitted this 1st day of March, 2018.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power cost
recovery clause and generating performance
incentive factor

Docket No.: 20180001-EI
Date: March 2, 2018

_____)

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

Provided to the Commission Clerk
under separate cover as confidential information.

EXHIBIT "B"

REDACTED

TABLE 1

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
4	EAGLE RIVER COAL, LLC			Barge	
15	ALLIANCE COAL LLC			Rail	
17	MURRAY ENERGY			Rail	
14	ALLIANCE COAL LLC			Rail	
5	RHINO ENERGY LLC			Barge	
10	EMBER ENERGY LLC			Barge	
13	PEABODY COAL SALES LLC			Rail	
3	WHITE STALLION ENERGY LLC			Rail	
9	BLACKHAWK MINING LLC			Barge	
11	EMBER ENERGY LLC			Rail	
18	ARCH COAL COMPANY			Rail	
12	PEABODY COAL SALES LLC			Rail	
8	BLACKHAWK MINING LLC			Rail	
2	CONSOL ENERGY INC			Rail	
19	DRUMMOND			Barge	
1	PEERLESS MINERALS LLC			Rail	
7	VITOL			Rail	
6	COAL MARKETING COMPANY			Barge	
16	GLENCORE LTD			Barge	

A solicitation (RFP) was issued during March 2017 on behalf of Southern Company, soliciting bids from all suppliers contained in Southern Company's Internet Bid System (CIBS), which includes approved suppliers listed on the Gulf Power Company Bid List.

Regarding the March 21, 2017 solicitation, purchases of bituminous coal were to be made on behalf of Plant Daniel. The solicitation requested bids for a term of May through September 2017. Bids were due on March 31, 2017.

In response to this proposal, twenty-one (21) bids were received from twelve (12) different coal suppliers. The bids received were from the Central Appalachian, Northern Appalachian, Illinois Basin and Colombian coal supply regions. Below is a listing of the bids that were received:

TABLE 2

(A) Bid	(B) Supplier	(C) Tons	(D) Btu/lb.	(E) Transport	(F) Delivered (\$/MMBtu)
3	MURRAY ENERGY CORPORATION	[REDACTED]	[REDACTED]	Rail	[REDACTED]
18	PEABODY COAL SALES, LLC			Rail	
19	PEABODY COAL SALES, LLC			Barge	
15	ALLIANCE COAL LLC			Barge	
1	ARMSTRONG COAL CO			Rail	
16	ALLIANCE COAL LLC			Rail	
21	PEABODY COAL SALES, LLC			Rail	
17	PEABODY COAL SALES, LLC			Rail	
6	ARCH COAL INC			Rail	
11	CONTURA ENERGY			Rail	
12	CAMBRIAN COAL LLC			Rail	
20	PEABODY COAL SALES, LLC			Rail	
4	ALPHA COAL SALES CO, LLC			Rail	
13	CAMBRIAN COAL LLC			Rail	
5	BLACKHAWK MINING, LLC			Rail	
14	COAL MARKETING COMPANY USA INC			Vessel	
10	GLENCORE LTD			Vessel	
9	GLENCORE LTD			Vessel	
7	ARCH COAL INC.			Rail	
2	PEERLESS MINERALS, LLC			Barge	
8	CAMBRIAN COAL LLC			Rail	

A solicitation (RFP) was issued during April 2017 on behalf of Southern Company, soliciting bids from all suppliers contained in Southern Company's Internet Bid System (CIBS), which includes approved suppliers listed on the Gulf Power Company Bid List. Regarding the April 21, 2017 solicitation, purchases of sub-bituminous coal were to be made on behalf of Plant Daniel. The solicitation requested bids for a term of June through December 2017. Bids were due on April 28, 2017.

In response to this proposal, eleven (11) bids were received from five (5) different coal suppliers. The bids received were from the Powder River Basin coal supply regions. Below is a listing of the bids that were received:

TABLE 3

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
5	KIEWIT MINING GROUP INC.	[REDACTED]	[REDACTED]	Rail	[REDACTED]
6	CLOUD PEAK ENERGY			Rail	
7	ARCH COAL INC.			Rail	
8	ARCH COAL INC.			Rail	
9	ARCH COAL INC.			Rail	
3	PEABODY COAL SALES, LLC			Rail	
10	ARCH COAL INC.			Rail	
11	ARCH COAL INC.			Rail	
4	CONTURA ENERGY			Rail	
2	PEABODY COAL SALES, LLC			Rail	
1	PEABODY COAL SALES, LLC			Rail	

On June 21, 2017, a phone solicitation for bids to supply up to six trains of sub-bituminous coal for Southern Company Plant Daniel for August through September 2017 was requested. Due to the small volume requested, short turnaround, and limited number of suppliers, it was agreed that issuing a formal solicitation was not needed. Bids were due on June 28, 2017.

In response to this proposal, three (3) bids were received from three (3) different coal suppliers. The bids received were from the Powder River Basin coal supply regions. Below is a listing of the bids that were received:

TABLE 4

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
3	ARCH COAL INC.	[REDACTED]	[REDACTED]	Rail	[REDACTED]
2	PEABODY COAL SALES, LLC			Rail	
1	CLOUD PEAK ENERGY			Rail	

A solicitation (RFP) was issued during October 2017 on behalf of Southern Company, soliciting bids from all suppliers contained in Southern Company's Internet Bid System (CIBS), which includes approved suppliers listed on the Gulf Power Company Bid List.

Regarding the October 9, 2017 solicitation, purchases of sub-bituminous coal were to be made on behalf of Plant Daniel. The solicitation requested bids for annual deliveries in 2018 through 2022. Bids were due on October 19, 2017.

In response to this proposal, seventeen (17) bids were received from five (5) different coal suppliers. The bids received were from the Powder River Basin coal supply regions. Below is a listing of the bids that were received:

TABLE 5 - (2018 Bids)

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
13	Buckskin	[REDACTED]	[REDACTED]	Rail	[REDACTED]
5	Contura			Rail	
12	Arch Coal			Rail	
10	Arch Coal			Rail	
8	Arch Coal			Rail	
4	Cloud Peak			Rail	
17	Peabody			Rail	
11	Arch Coal			Rail	
9	Arch Coal			Rail	
7	Arch Coal			Rail	
6	Contura			Rail	
2	Cloud Peak			Rail	
3	Cloud Peak			Rail	
15	Peabody			Rail	
1	Cloud Peak			Rail	
16	Peabody			Rail	
14	Peabody	Rail			

TABLE 6 – (2019 Bids)

(A) Bid	(B) Supplier	(C) Tons	(D) Btu/lb.	(E) Transport	(F) Delivered (\$/MMBtu)
10	Arch Coal			Rail	
12	Arch Coal			Rail	
13	Buckskin			Rail	
8	Arch Coal			Rail	
5	Contura			Rail	
17	Peabody			Rail	
11	Arch Coal			Rail	
6	Contura			Rail	
9	Arch Coal			Rail	
7	Arch Coal			Rail	
15	Peabody			Rail	
3	Cloud Peak			Rail	
1	Cloud Peak			Rail	
16	Peabody			Rail	
14	Peabody			Rail	
4	Cloud Peak			Rail	
2	Cloud Peak			Rail	

A solicitation (RFP) was issued during January 2017 on behalf of Southern Company, soliciting bids from all suppliers contained in Southern Company's Internet Bid System (CIBS), which includes approved suppliers listed on the Gulf Power Company Bid List.

Regarding the January 23, 2017 solicitation, purchases of sub-bituminous coal were to be made on behalf of Plant Scherer. The solicitation requested bids for a term of March through September 2017. Bids were due on February 10, 2017.

In response to this proposal, nine (9) bids were received from five (5) different coal suppliers. The bids received were from the Powder River Basin coal supply regions. Below is a listing of the bids that were received:

TABLE 7

(A) Bid	(B) Supplier	(C) Tons	(D) Btu/lb.	(E) Transport	(F) Delivered (\$/MMBtu)
7	Kiewit Buckskin			Rail	
5	Cloud Peak Cordero Rojo			Rail	
9	Arch Coal Creek			Rail	
6	Contura - Belle Ayr			Rail	
2	Peabody - Caballo			Rail	
8	Arch Black Thunder			Rail	
4	Cloud Peak - Antelope			Rail	
3	Peabody - NARM North			Rail	
1	Peabody - NARM			Rail	

A solicitation (RFP) was issued during April 2017 on behalf of Southern Company, soliciting bids from all suppliers contained in Southern Company's Internet Bid System (CIBS), which includes approved suppliers listed on the Gulf Power Company Bid List.

Regarding the April 21, 2017 solicitation, purchases of sub-bituminous coal were to be made on behalf of Plant Scherer. The solicitation requested bids for a term of June through December 2017. Bids were due on April 28, 2017.

In response to this proposal, twelve (12) bids were received from five (5) different coal suppliers for Plant Scherer. The bids received were from the Powder River Basin coal supply regions. Below is a listing of the bids that were received:

TABLE 8

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
5	KIEWIT MINING GROUP INC.	[REDACTED]	[REDACTED]	Rail	[REDACTED]
3	PEABODY COAL SALES, LLC			Rail	
7	CLOUD PEAK ENERGY			Rail	
8	ARCH COAL INC.			Rail	
12	ARCH COAL INC.			Rail	
2	PEABODY COAL SALES, LLC			Rail	
9	ARCH COAL INC.			Rail	
4	CONTURA ENERGY			Rail	
10	ARCH COAL INC.			Rail	
11	ARCH COAL INC.			Rail	
1	PEABODY COAL SALES, LLC			Rail	
6	CLOUD PEAK ENERGY			Rail	

A solicitation (RFP) was issued during October 2017 on behalf of Southern Company, soliciting bids from all suppliers contained in Southern Company's Internet Bid System (CIBS), which includes approved suppliers listed on the Gulf Power Company Bid List.

Regarding the October 9, 2017 solicitation, purchases of sub-bituminous coal were to be made on behalf of Plant Scherer. The solicitation requested bids for annual deliveries in 2018 through 2022. Bids were due on October 19, 2017.

In response to this proposal, thirteen (13) bids were received from five (5) different coal suppliers for Plant Scherer. The bids received from the Powder River Basin coal supply regions. Below is a listing of the bids that were received:

TABLE 9 – (2018 Plant Scherer Bids)

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
3	Contura	[REDACTED]	[REDACTED]	Rail	[REDACTED]
9	Buckskin			Rail	
13	Peabody			Rail	
7	Arch Coal			Rail	
4	Contura			Rail	
8	Arch Coal			Rail	
2	Cloud Peak			Rail	
5	Arch Coal			Rail	
11	Peabody			Rail	
6	Arch Coal			Rail	
1	Cloud Peak			Rail	
12	Peabody			Rail	
10	Peabody			Rail	

TABLE 10- (2019 Plant Scherer Bids)

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
3	Contura	[REDACTED]	[REDACTED]	Rail	[REDACTED]
13	Peabody			Rail	
9	Buckskin			Rail	
7	Arch Coal			Rail	
4	Contura			Rail	
8	Arch Coal			Rail	
11	Peabody			Rail	
2	Cloud Peak			Rail	
5	Arch Coal			Rail	
6	Arch Coal			Rail	
1	Cloud Peak			Rail	
12	Peabody			Rail	
10	Peabody			Rail	

TABLE 11 – (2020 Plant Scherer Bids)

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
3	Contura	[REDACTED]	[REDACTED]	Rail	[REDACTED]
13	Peabody			Rail	
9	Buckskin			Rail	
4	Contura			Rail	
7	Arch Coal			Rail	
8	Arch Coal			Rail	
11	Peabody			Rail	
2	Cloud Peak			Rail	
5	Arch Coal			Rail	
6	Arch Coal			Rail	
12	Peabody			Rail	
10	Peabody			Rail	
1	Cloud Peak			Rail	

TABLE 12 – (2021 Plant Scherer Bids)

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
3	Contura	[REDACTED]	[REDACTED]	Rail	[REDACTED]
13	Peabody			Rail	
9	Buckskin			Rail	
4	Contura			Rail	
7	Arch Coal			Rail	
11	Peabody			Rail	
5	Arch Coal			Rail	
8	Arch Coal			Rail	
6	Arch Coal			Rail	
2	Cloud Peak			Rail	
12	Peabody			Rail	
1	Cloud Peak			Rail	
10	Peabody			Rail	

A solicitation (RFP) was issued during November 2017 on behalf of Southern Company, soliciting bids from all suppliers contained in Southern Company's Internet Bid System (CIBS), which includes approved suppliers listed on the Gulf Power Company Bid List.

Regarding the November 21, 2017 solicitation, purchases of sub-bituminous coal were to be made on behalf of Plant Scherer. The solicitation requested bids for a term of January through March 2018. Bids were due on November 28, 2017.

In response to this proposal, eight (8) bids were received from five (5) different coal suppliers for Plant Scherer. The bids received were from the Powder River Basin coal supply regions. Below is a listing of the bids that were received:

TABLE 13

(A)	(B)	(C)	(D)	(E)	(F)
Bid	Supplier	Tons	Btu/lb.	Transport	Delivered (\$/MMBtu)
2	Contura			Rail	
1	Kiewit Mining Group			Rail	
5	Peabody Caballo			Rail	
3	Cloud Peak Cordero Rojo			Rail	
7	Peabody NARM North			Rail	
8	Arch Black Thunder			Rail	
4	Cloud Peak Antelope			Rail	
6	Peabody NARM			Rail	

2. 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.

ANSWER:

1 Regarding the August 29, 2017 bituminous solicitation, a review of Plant Crist's inventory
2 plan and burn projections for January through December 2017 (Proposal B) indicated a
3 need to purchase a low sulfur bituminous coal. The objective was to purchase either low
4 sulfur single source coal or a blend of two coals that conformed to the current cap of
5 3.00/lbsSO₂ at Plant Crist. The applicable bids received were evaluated on a fully
6 delivered \$/MMBtu basis, including the value of sulfur. In support of the evaluation
7 process, transportation rates and SO₂ allowance values were provided and included as
8 part of the analysis. Other inputs to the evaluation included railcar lease and
9 maintenance and dust suppression costs.

10
11 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
12 applicable transportation rates and emission allowance values. After reviewing the offers,
13 a competitive buy line was established utilizing the most economical offers including their
14 respective optionality value. The least cost offer received from these bids came from
15 Eagle River Coal Company's Mine #1 at [REDACTED]. However, the sulfur level of this
16 coal exceeded the plant limitation. The next two least cost offers were from Alliance Coal
17 LLC's White Oak Mine and Murray Energy's Sugar Camp Mine both delivering at
18 [REDACTED]. Both of these offers were also rejected because their sulfur limits
19 exceeded the sulfur limit at the plant. The next least cost offer was from Alliance Coal
20 LLC's Gibson County Mine at [REDACTED], which is the current supplier of coal to Plant
21 Crist. Since Alliance's Gibson County Mine was the existing source at Plant Crist, the
22 decision was made to extend the requirements contract into 2018 with the addition of a
23 market review for 2019. Subsequent negotiations with Alliance yielded a [REDACTED] price
24 reduction from the "as bid" price which yielded a delivered price of [REDACTED].

25
26 Regarding the March 21, 2017 bituminous solicitation, a review of Plant Daniel's
27 inventory plan and burn projections for May through September 2017 indicated a need to
28 purchase a low sulfur bituminous coal for delivery in June through August 2017. The
29 applicable bids received were evaluated on a fully delivered \$/MMBtu basis, including the
30 value of sulfur. In support of the evaluation process, transportation rates and SO₂
31 allowance values were provided and included as part of the analysis. Other inputs to the
32 evaluation included railcar lease and maintenance and dust suppression costs.
33
34

1 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
2 applicable transportation rates and emission allowance values. After reviewing the offers,
3 a competitive buy line was established utilizing the most economical offers. The least
4 cost offer received from these bids came from Murray Energy's Sugar Camp Mine at
5 [REDACTED]. However, the sulfur level of this coal exceeded the plant limitation. The
6 next seven offers were also rejected because their sulfur limits exceeded the sulfur limit
7 at the plant. The first offer meeting the quality requirements of Plant Daniel was Arch
8 Coal's West Elk Mine delivering at [REDACTED]. It was determined to procure
9 approximately 216,000 tons for delivery June through August 2017. Additionally, it was
10 decided to pursue a test of Illinois Basin high sulfur coal at Plant Daniel in May 2017
11 using the most competitive offer from Murray's Sugar Camp Mine delivering at
12 [REDACTED]. Approximately 12,000 tons were procured for this test with the option to
13 deliver an additional 63,000 tons if requested by Plant Daniel.
14

15 Regarding the April 21, 2017 sub-bituminous solicitation, a review of Plant Daniel's
16 inventory plan and burn projections for June through December 2017 indicated a need to
17 purchase a sub-bituminous coal for delivery in June through August 2017. The applicable
18 bids received were evaluated on a fully delivered \$/MMBtu basis, including the value of
19 sulfur. In support of the evaluation process, transportation rates and SO₂ allowance
20 values were provided and included as part of the analysis. Other inputs to the evaluation
21 included railcar lease and maintenance and dust suppression costs.
22

23 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
24 applicable transportation rates and emission allowance values. After reviewing the offers,
25 a competitive buy line was established utilizing the most economical offers. The least
26 cost offer received from these bids came from Kiewit Mining Group's Buckskin Mine
27 delivering at [REDACTED]. However, the Btu of this coal does not meet the minimum
28 required of 8,800 at Plant Daniel. The second least-cost offer was Cloud Peak Energy's
29 Spring Creek Mine at [REDACTED]. However, this coal was only a small volume offered
30 as a test burn and did not meet the volume or quality specifications requested by Plant
31 Daniel. The first offer meeting the quality requirements of Plant Daniel was Arch Coal's
32 Black Thunder Mine delivering at [REDACTED]. It was determined to procure
33 approximately 100,000 tons for delivery June through August 2017.
34

35 Regarding the June 21, 2017 sub-bituminous solicitation, a review of Plant Daniel's
36 inventory plan and burn projections for 2017 indicated a need to purchase a sub-
37 bituminous coal for delivery in August through September 2017. The applicable bids
38 received were evaluated on a fully delivered \$/MMBtu basis, including the value of sulfur.
39 In support of the evaluation process, transportation rates and SO₂ allowance values were
40 provided and included as part of the analysis. Other inputs to the evaluation included
41 railcar lease and maintenance and dust suppression costs.

1 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
2 applicable transportation rates and emission allowance values. After reviewing the offers,
3 a competitive buy line was established utilizing the most economical offers. The least
4 cost offer received from these bids came from Arch Coal's Black Thunder Mine delivering
5 at [REDACTED]. It was determined to procure approximately 90,000 tons for delivery
6 August through September 2017.
7

8 Regarding the October 9, 2017 sub-bituminous solicitation, a review of Plant Daniel's
9 inventory plan and burn projections indicated a need to purchase a sub-bituminous coal
10 for delivery in 2018 and 2019. The applicable bids received were evaluated on a fully
11 delivered \$/MMBtu basis, including the value of sulfur. In support of the evaluation
12 process, transportation rates and SO₂ allowance values were provided and included as
13 part of the analysis. Other inputs to the evaluation included railcar lease and
14 maintenance and dust suppression costs.
15

16 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
17 applicable transportation rates and emission allowance values. After reviewing the offers,
18 a competitive buy line was established utilizing the most economical offers. The least
19 cost offer received from these bids came from Kiewit Mining Group's Buckskin Mine
20 delivering at [REDACTED]. However, the Btu of this coal does not meet the minimum
21 required of 8,800 at Plant Daniel. The second least-cost offer was Contura Energy's
22 Eagle Butte Mine at [REDACTED]. However, this coal also did not meet the quality
23 specifications requested by Plant Daniel. The first offer meeting the quality requirements
24 of Plant Daniel was Arch Coal's Black Thunder Mine delivering at [REDACTED]. This coal
25 was offered as a plant requirement deal for 2018, meaning Arch's Black Thunder Mine
26 would supply the amount of sub-bituminous coal required by Plant Daniel with a minimum
27 commitment of 600,000 tons. The delivery period for the requirements deal would begin
28 December 2017 through December 2018. For 2019, the most competitive offer meeting
29 the quality requirements of Plant Daniel was Arch's Black Thunder Mine, delivering at
30 [REDACTED]. It was determined to purchase 600,000 tons for delivery in 2019.
31

32 Regarding the January 23, 2017 sub-bituminous solicitation, a review of Plant Scherer's
33 inventory plan and burn projections for March through September 2017 indicated a need
34 to purchase a sub-bituminous coal for delivery in April through August 2017. The
35 applicable bids received were evaluated on a fully delivered \$/MMBtu basis, including the
36 value of sulfur. In support of the evaluation process, transportation rates and SO₂
37 allowance values were provided and included as part of the analysis. Other inputs to the
38 evaluation included railcar lease and maintenance and dust suppression costs.
39

40 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
41 applicable transportation rates and emission allowance values. After reviewing the offers,

1 a competitive buy line was established utilizing the most economical offers. The least
2 cost offer received from these bids came from Kiewit Mining Group's Buckskin Mine
3 delivering at [REDACTED]. It was determined to procure approximately 600,000 tons for
4 delivery April through June 2017 and approximately 190,000 tons for delivery July
5 through August 2017.

6
7 Regarding the April 21, 2017 sub-bituminous solicitation, a review of Plant Scherer's
8 inventory plan and burn projections for June through December 2017 indicated a need to
9 purchase a sub-bituminous coal for delivery in June through December 2017. The
10 applicable bids received were evaluated on a fully delivered \$/MMBtu basis, including the
11 value of sulfur. In support of the evaluation process, transportation rates and SO₂
12 allowance values were provided and included as part of the analysis. Other inputs to the
13 evaluation included railcar lease and maintenance and dust suppression costs.

14
15 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
16 applicable transportation rates and emission allowance values. After reviewing the offers,
17 a competitive buy line was established utilizing the most economical offers. The least
18 cost offer received from these bids came from Kiewit Mining Group's Buckskin Mine
19 delivering at [REDACTED]. It was determined to procure approximately 458,000 tons for
20 delivery June through September 2017 and approximately 47,000 tons for delivery
21 October through December 2017.

22
23 Regarding the October 9, 2017 sub-bituminous solicitation, a review of Plant Scherer's
24 inventory plan and burn projections for 2019 through 2021 indicated a need to purchase
25 a sub-bituminous coal. The applicable bids received were evaluated on a fully delivered
26 \$/MMBtu basis, including the value of sulfur. In support of the evaluation process,
27 transportation rates and SO₂ allowance values were provided and included as part of the
28 analysis. Other inputs to the evaluation included railcar lease and maintenance and dust
29 suppression costs.

30
31 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
32 applicable transportation rates and emission allowance values. After reviewing the offers,
33 a competitive buy line was established utilizing the most economical offers. The least
34 cost offers received from these bids came from Contura, Kiewit Mining Group, and
35 Peabody. From Contura, it was determined to procure approximately 522,000 tons for
36 delivery in 2018 at [REDACTED], 538,000 tons for delivery in 2019 at [REDACTED] 1.78
37 million tons for delivery in 2020 at [REDACTED] and 600,000 tons for delivery in 2021 at
38 [REDACTED]. From Kiewit Mining Group it was determined to procure approximately
39 569,000 tons for delivery in 2018 at [REDACTED] and 300,000 tons for delivery in 2019
40 at [REDACTED]. From Peabody it was determined to procure approximately 522k for
41 delivery in 2018 at [REDACTED] and 537,000 tons for delivery in 2019 at [REDACTED].

1 Regarding the November 21, 2017 sub-bituminous solicitation, a review of Plant
2 Scherer's inventory plan and burn projections for January through March 2018 indicated
3 a need to purchase a sub-bituminous coal for delivery in January through March 2018.
4 The applicable bids received were evaluated on a fully delivered \$/MMBtu basis,
5 including the value of sulfur. In support of the evaluation process, transportation rates
6 and SO₂ allowance values were provided and included as part of the analysis. Other
7 inputs to the evaluation included railcar lease and maintenance and dust suppression
8 costs.

9

10 An evaluation to derive a delivered \$/MMBtu least cost line-up was performed using
11 applicable transportation rates and emission allowance values. After reviewing the offers,
12 a competitive buy line was established utilizing the most economical offers. The least
13 cost offer received from these bids came from Contura's Eagle Butte Mine delivering at
14 [REDACTED]. It was determined to procure approximately 537,000 tons for delivery
15 January through March 2018.

4. For each RFP for natural gas issued in 2017 by Gulf, 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.

ANSWER:

Southern Company Services (SCS), as agent for Alabama Power Company, Georgia Power Company, Mississippi Power Company, Gulf Power Company and Southern Power Company, solicited bids in the Fall of 2017 for firm, base load natural gas supply to assist in serving the fuel requirements of its affiliates.

The bids received from the Fall 2017 RFP are documented below.

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Bidder	Pipeline	Point	Volume (MMBtu/day)	Price	Begin Date	End Date
Cross Timbers	FGT	Mobile Bay			Jun-18	May-20
Cross Timbers	FGT	Mobile Bay			Jun-18	May-20
Cross Timbers	Transco	Pine View			Jun-18	Jul-19
Direct Energy	Transco	Pine View			Jun-18	May-19
Direct Energy	Transco	Pine View			Jun-18	Sep-18
BP	Transco	Pine View			Jun-18	May-19
Mercuria	Transco	Scott Mountain			Jun-18	May-19
Mercuria	Transco	Scott Mountain			Jun-18	May-19
Macquarie	Transco	Scott Mountain			Jun-18	Sep-18

5. 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.

ANSWER:

After reviewing the gas supply needs, each bid was evaluated based on price, location, volume, term, transportation rights (firm or interruptible) and the flexibility of supply.

The bids accepted from the Fall 2017 RFP are documented below.

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Bidder	Pipeline	Point	Volume (MMBtu/day)	Price	Begin Date	End Date
Cross Timbers	FGT	Mobile Bay	[REDACTED]	[REDACTED]	Jun-18	May-20
Cross Timbers	FGT	Mobile Bay			Jun-18	May-20
Cross Timbers	Transco	Pine View			Jun-18	Jul-19
Direct Energy	Transco	Pine View			Jun-18	May-19

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Bidder	Storage Facility	Begin Date	End Date	MSQ (Dth)	MDIQ	MDWQ	Ratchets	Demand (Dth/Mo)	Inj Commodity	WD Commodity	Inj Fuel	Primary Points
PAA Natural Gas Storage	So Pines	4/1/2018	3/31/2022									SESH, Transco 4A, FGT
PAA Natural Gas Storage	So Pines	4/1/2018	3/31/2022									SESH, Transco 4A, FGT
Sempra	Bay Gas	4/1/2018	3/31/2023									FGT, GSPL, Transco 4A
Sempra	Bay Gas	4/1/2018	3/31/2023									FGT, GSPL, Transco 4A

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Bidder	Storage Facility	Begin Date	End Date	MSQ (Dth)	MDIQ	MDWQ	Ratchets	Demand (Dth/Mo)	Inj Commodity (Dth)	WD Commodity (Dth)	Inj Fuel	Primary Points
Sempra	Bay Gas	4/1/2018	9/30/2022									FGT, GSPL, Transco 4A

EXHIBIT "C"

Line-by-Line/Field-by-Field Justification

Line(s)/Field(s)

Justification

Response to Interrogatory # 1

Pages 2 through 13

Tables 1 through 13, Columns C, D & F, as marked

This information is entitled to confidential classification pursuant to §366.093(3) (d) and (e), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 1.

Response to Interrogatory # 2

Page 1 of 5

Lines 15, 18, 20, 23 and 24, as marked

Page 2 of 5

Lines 5, 8, 12, 27, 29 and 32, as marked

Page 3 of 5

Lines 5, 20, 22, 24, and 30, as marked

Page 4 of 5

Lines 3, 19, and 36-41, as marked

Page 5 of 5

Line 14, as marked

This information is entitled to confidential classification pursuant to §366.093(3) (d) and (e), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 1.

Response to Interrogatory #4

Page 1 of 1, Columns D and E, as marked

This information is entitled to confidential classification pursuant to §366.093(3) (d) and (e), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 1.

Response to Interrogatory # 5

Page 1 of 1, Columns D and E, as marked

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Response to Interrogatory #7

Page 2 of 3, Columns E through L, as marked

Page 3 of 3, Columns E through L, as marked

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Fuel and Purchased Power Cost**)
Recovery Clause with Generating)
Performance Incentive Factor)

Docket No.: **20180001-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by overnight mail this 1st day of March, 2018 to the following:

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