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May 2, 2018

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

REDACTED

Re: Docket No. 20180081-EQ – Petition for approval of new standard offer for purchase of firm capacity and energy from renewable energy facilities or small qualifying facilities and approval of tariff schedule REF-1, by Gulf Power Company

Dear Ms. Stauffer:

Enclosed is Gulf Power Company's Request for Confidential Classification for certain portions of Gulf's response to Staff's Second Data Request 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.
Florida Public Service Commission
Orlando Wooten, Division of Engineering

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IDM ___
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for approval of new standard offer for purchase of firm capacity and energy from renewable energy facilities or small qualifying facilities and approval of tariff schedule REF-1

Docket No.: 20180081-EQ
Date: May 3, 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 Second Set of Data Requests to Gulf Power Company (Nos. 1-2). As grounds for this request, the Company states:

1. Information submitted in response to Request Number 2(a) consists of Gulf Power's fuel price forecast data. This data was developed by Gulf, Southern Company Services, and their consultant, Charles Rivers Associates, using an extensive proprietary modeling analysis. These forecasts are based on non-public data, were developed at significant cost to the Company, and are considered proprietary by Gulf Power, Southern Company Services, and their consultant. This information reveals key inputs into the Company's decision-making process and is subject to extensive efforts to maintain its secrecy. Only select Company personnel with a "need to know" are granted access. Public disclosure of this information would enable competitors to access and utilize Gulf's forecasts without incurring costs to obtain similar information, thus bestowing an economic advantage upon such competitors at the cost of Gulf and its customers. Additionally, public disclosure of this information would enable vendors of commodities and services to tailor their pricing proposals to the Company's projections, resulting in higher costs for the Company and its customers. For example, if prospective fuel suppliers have access to such information,

those suppliers will view the forecasted prices as the lower limit of what Gulf expects to pay and will offer to supply fuel at higher prices. Finally, the subject information is used in developing future generation strategies for Gulf. Generation wholesalers, power marketers or other competitors could utilize this information to tailor proposals with the intention of pricing products that could undermine the Company's market position. This information derives economic value from not being generally known to, and being readily ascertainable by proper means to, other persons who can obtain economic value from its disclosure or use. Consequently, this information is entitled to confidential classification pursuant to section 366.093(3)(a) and (e), Florida Statutes. The Commission has previously determined that Gulf's fuel price forecasting data constitutes proprietary confidential business information pursuant to section 366.093(3), Florida Statutes. See e.g., Order No. PSC-14-0368-CFO-EI.

2. Information submitted in response to Request Number 2(e) includes fuel forecasts which were developed by parties other than Southern Company and Charles River Associates and which were purchased by Southern Company Services through a paid subscription service. This information is subject to non-disclosure agreements and is regarded by the vendors as proprietary information. Public disclosure of this information would enable others in the marketplace to capitalize on this data without compensating the vendors for the same and could result in vendors charging higher prices, or refusing to do business with Gulf, out of concern that their data would be publicly disclosed. Public disclosure of this data would impair the competitive business interests of Gulf Power and its vendors and is therefore entitled to confidential classification pursuant to section 366.093(3)(e), Florida Statutes.

3. 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.

4. 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 2nd day of May, 2018.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for approval of new standard
offer for purchase of firm capacity and energy
from renewable energy facilities or small
qualifying facilities and approval of tariff
schedule REF-1

Docket No.: 20180081-EQ
Date: May 3, 2018

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

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

EXHIBIT "B"

2. If the response to Question 1 is affirmative:
- Please provide a copy of the fuel price forecast used in developing the energy payment assumptions associated with its Standard Offer Contract filed in this docket.
 - Please identify the source and date of the fuel price forecast used in developing the energy payment assumptions associated with its Standard Offer Contract filed in this docket.
 - Please discuss Gulf's fuel forecasting methodology. Please also remark on the approximate length of time Gulf has employed this same or very similar fuel forecasting methodology for business planning purposes.
 - Please discuss if and how Gulf tests the reasonableness of its forecasted fuel prices (fuel forecasts).
 - Please provide any alternative fuel price forecasts Gulf used to gauge the robustness of its Standard Offer Contract filed in this docket.

RESPONSE:

a.

Table 1

(A) YEAR	(B) COAL			(E) NATURAL GAS
	(C) <i>Low Sulfur</i>	(D) <i>Medium Sulfur</i>	(E) <i>High Sulfur</i>	(E) NATURAL GAS
GULF POWER FORECASTED FUEL PRICES (\$/MMBTU) ⁽¹⁾				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				

(1) Nominal commodity prices shown

- b. As described in Gulf's response to part c. of this Item, the fuel price forecast used as a basis for energy payment assumptions associated with its Standard Offer Contract is the result of a collaborative effort between SES personnel and its consultant CRA to produce forecasts used in system production cost forecasts. This fuel price forecast was finalized in October 2017.

e. The fuel price forecasts from the independent firms listed in Gulf's response to part d. are listed below.

Table 2
(A) (B) (C) (D) (E) (F) (G)
FORECASTED COAL PRICES (\$/MMBTU) ⁽¹⁾

YEAR	EVA Low Case			WOOD Low Case		
	<i>Low Sulfur</i>	<i>Medium Sulfur</i>	<i>High Sulfur</i>	<i>Low Sulfur</i>	<i>Medium Sulfur</i>	<i>High Sulfur</i>
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						

(1) Nominal commodity prices shown

Table 3
(A) (B) (C) (D) (E) (F) (G)
FORECASTED COAL PRICES (\$/MMBTU) ⁽¹⁾

YEAR	EVA Base Case			WOOD Base Case		
	<i>Low Sulfur</i>	<i>Medium Sulfur</i>	<i>High Sulfur</i>	<i>Low Sulfur</i>	<i>Medium Sulfur</i>	<i>High Sulfur</i>
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						

(1) Nominal commodity prices shown

Table 4
(A) (B) (C) (D) (E) (F) (G)
FORECASTED COAL PRICES (\$/MMBTU) ⁽¹⁾

YEAR	EVA High Case			WOOD High Case		
	<i>Low Sulfur</i>	<i>Medium Sulfur</i>	<i>High Sulfur</i>	<i>Low Sulfur</i>	<i>Medium Sulfur</i>	<i>High Sulfur</i>
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						

(1) Nominal commodity prices shown

Table 5
(A) (B) (C) (D) (E) (F) (G)
FORECASTED NATURAL GAS PRICES (\$/MMBTU) ⁽¹⁾

YEAR	EVA			BTUA		
	<i>Low Case</i>	<i>Base Case</i>	<i>High Case</i>	<i>Low Case</i>	<i>Base Case</i>	<i>High Case</i>
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						

(1) Nominal commodity prices shown

EXHIBIT "C"

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

Line(s)/Field(s)

Response to Data Request # 2

Page 1, Table 1, Columns B-E, as marked
Page 3, Tables 2-3, Columns B-G, as marked
Page 4, Tables 4-5, Columns B-G, as marked

Justification

This information is entitled to confidential classification pursuant to §366.093(3), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraphs 1-2.