110001-EI

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5. For each RFP for coal issued in 2010 by Gulf, or by an affiliate on Gulf's behalf (excluding Plant Scherer), list the bids received. Include the supplier, tonnage bid, coal quality, and delivered price information, as well as the method and route of delivery.

ANSWER:

Supplier: Patriot Coal Sales, Dodge Hill Mine Quantity: 240,000 tons per year (2011 & 2012) Quality Specifications: 12,500 BTU/LB; 2.50% sulfur

Delivered Price: Price: per MMBTU delivered to Plant Crist Transportation: Truck delivery from the mine in Kentucky to Dekoven Coal Terminal on the Ohio River where coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Patriot Coal, Highland Mine Quantity: 240,000 tons per year (2011 & 2012) Quality Specifications: 11,300 BTU/LB; 2.94% sulfur

2 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Truck delivery from the mine to the Camp Coal Terminal on the Ohio River where the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Patriot Coal, Fanco, Hobet, & Big Mountain Mines Quantity: 500,000 tons per year (2011 & 2012) Quality Specifications: 12,000 BTU/LB; 0.96% sulfur

J Delivered Price: Delivered per MMBTU delivered to Plant Crist Transportation: Rail delivery from West Virginia to McDuffie Coal Terminal in Mobile, AL where coal is transferred to barge for delivery to Plant Crist.

Supplier: Patriot Coal, Midland, Panther, Blue Creek, & Kanawha Eagle Mines

Quantity: 250,000 tons per year

Quality Specifications: 12,000 BTU/LB; 0.96% sulfur

4 Delivered Price: **Constitution** per MMBTU delivered to Plant Crist Transportation: Truck delivery from the mine in West Virginia to a Coal Terminal on the Kanawha River where coal is transferred to open hopper barge for delivery to Plant Crist.

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Supplier: White Energy North America, Various Unidentified Southern PRB Mines

Quantity: 240,000 tons per year (2012 & 2013) Quality Specifications: 11,300 BTU/LB; 0.35% sulfur

1 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine(s) to the McDuffie Coal Terminal in Mobile, AL where the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: EDF Trading, Various Unidentified Utah Mines Quantity: 300,000 tons per year (2011 & 2012) Quality Specifications: 11,700 BTU/LB; 1.00% sulfur

2 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from Savage Coal Terminal in Utah to the McDuffie Coal Terminal in Mobile, AL where coal is transferred to barge for delivery to Plant Crist.

Supplier: Foresight Coal Sales, Sugar Camp Mine Quantity: 1,000,000 tons per year (2011 & 2012) Quality Specifications: 11,600 BTU/LB; 2.32% sulfur

J Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Illinois to the McDuffie Coal Terminal in Mobile, AL where the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Coal Marketing Corp., Cerrejon Mine Quantity: 550,000 tons per year (2011 & 2012) Quality Specifications: 11,300 BTU/LB; 0. 06% sulfur

⁴ Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Colombia to the Ship Coal Terminal at Puerto Bolivar, Colombia where the coal is transferred to Panamax bulk cargo ship for delivery to the McDuffie Coal Terminal in Mobile, AL. The ship is unloaded at McDuffie and the coal is transferred to open hopper barge for delivery to Plant Crist.

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Supplier: Consolidated Coal Company, Emery Mine Quantity: 1,000,000 tons per year (2011 & 2012) Quality Specifications: 12,000 BTU/LB; 1.17% sulfur

Quality Specifications: 12,000 BTU/LB; 1.17% sulfur Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from Savage Coal Terminal in Utah to the McDuffie Coal Terminal in Mobile, AL where coal is transferred to barge for delivery to Plant Crist.

Supplier: Oxbow, Elk Creek Mine Quantity: 700,000 tons per year Quality Specifications: 11,900 BTU/LB; 0.60% sulfur

2 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Colorado to the McDuffie Coal Terminal in Mobile, AL where coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Lafayette Coal Company, A-1 Mine Quantity: 350,000 tons per year (2011 & 2012) Quality Specifications: 12,000 BTU/LB; 2.50% sulfur

3 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Truck delivery from the mine in Illinois to the Ohio River MP 881 where the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: ARCH, West Elk Mine Quantity: 300,000 tons per year (2011 & 2012) Quality Specifications: 11,400 BTU/LB; 0.50% sulfu

Quality Specifications: 11,400 BTU/LB; 0.50% sulfur
4 Delivered Price: Pric

Supplier: Traxys North America, Various unknown mines (OTC coal) Quantity: 600,000 tons per year (2011 & 2012) Quality Specifications: 12,000 BTU/LB: 1,20% sulfur

5 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Truck delivery from the mine(s) to United Coal Terminal on the Big Sandy River where the coal is transferred to open hopper barge for delivery to Plant Crist.

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Supplier: Traxys North America, Various unknown mines (OTC coal) Quantity: 600,000 tons per year (2011 & 2012) Quality Specifications: 11,800 BTU/LB; 2.36% sulfur

I Delivered Price: per MMBTU delivered to Plant Crist Transportation: Coal is located at the United Coal Terminal in Davant, LA where it will be loaded to open hopper barge for delivery to Plant Crist.

Supplier: Glencore LTD, LaJagua & Calenturitas Mines Quantity: 300,000 tons per year

Quality Specifications: 11,600 BTU/LB; 0.64% sulfur

Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Colombia to the Ship Coal Terminal at Puerto Prodeco, Colombia where the coal is transferred to Panamax bulk cargo ship for delivery to the McDuffie Coal Terminal in Mobile, AL. The ship is unloaded at McDuffie and the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Alliance Coal LLC, Gipson County Mine Quantity: 150,000 tons in 2011 and 480,000 tons in 2012 Quality Specifications: 11,500 BTU/LB; 1.58% sulfur

3 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Indiana to the McDuffie Coal Terminal in Mobile, AL where the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Alliance Coal Company, Dotiki Mine Quantity: 500,000 tons per year (2011 & 2012) Quality Specifications: 12,350 BTU/LB; 3.20% sulfur

4 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Kentucky to the McDuffie Coal Terminal in Mobile, AL where coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Alliance Coal Company, River View Mine Quantity: 500,000 tons per year (2011 & 2012) Quality Specifications: 11, 050 BTU/LB; 3.00% sulfur

5 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Truck delivery from the mine in Illinois to Ohio River MP 842.9 where the coal is transferred to barge for delivery to Plant Crist.

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Supplier: Alliance Coal Company, Cardinal Mine Quantity: 500,000 tons per year (2011 & 2012) Quality Specifications: 12,400 BTU/LB; 3.35% sulfur

Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Kentucky to the McDuffie Coal Terminal in Mobile, AL where coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: The American Coal Company, Galatia #6 Seam Mine Quantity: 500,000 tons in 2011 & 1,000,000 tons in 2012. Quality Specifications: 11,800 BTU/LB; 2.66% sulfur

2 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Illinois to the McDuffie Coal Terminal in Mobile, AL where the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: The American Coal Company, West Ridge Resources Mine Quantity: 200,000 tons per year

Quality Specifications: 11,800 BTU/LB; 1.30% sulfur

3 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Utah to the McDuffie Coal Terminal in Mobile, AL where the coal is transferred to open hopper barge for delivery to Plant Crist.

Supplier: Interocean Coal Sales, Pribbenow Mine Quantity: 400,000 tons in 2011 and 1,000,000 tons in 2012 Quality Specifications: 11,200 BTU/LB; 0.70% sulfur

4 Delivered Price: per MMBTU delivered to Plant Crist Transportation: Rail delivery from the mine in Colombia to the Ship Coal Terminal at Puerto Drummond, Colombia where the coal is transferred to Panamax bulk cargo ship for delivery to the McDuffie Coal Terminal in Mobile, AL. The ship is unloaded at McDuffie and the coal is transferred to open hopper barge for delivery to Plant Crist.

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6. For each RFP for coal issued in 2010 by Gulf or by an affiliate on Gulf's behalf (excluding Plant Scherer), what action was taken? Include in your response an explanation of the evaluation process and how successful proposals were selected.

ANSWER:

An RFP was issued on February 16, 2010, soliciting bids from all approved suppliers listed on the Gulf Power Company Bid List. The solicitation requested bids for the purchase of coal for a term of up to two years beginning January 1, 2011 and ending on December 31, 2012. The bid close date was March 4, 2010. In response to the solicitation, 22 offers were received from fifteen different coal suppliers. Offers were received from the Central Appalachian (3), Illinois Basin (10), Colorado/Utah (6) and Colombian (3) coal supply regions.

A review of Plant Crist and Smith coal inventory plans and burn projections indicated a need of approximately 1.4 million tons for 2011 and 4 million tons for 2012. The twenty-two proposals that were received were evaluated over the two year period on a fully delivered present value basis to Plant Crist, including the value of SO₂ and NOx allowances. In support of the evaluation process, transportation rates and railcar lease and maintenance costs were provided by Alan Miller, SCS Fuel Transportation Agent, and Marcus Yancy, SCS Railcar Specialist. NOx and SO₂ allowance values were provided by Richard Taylor, SCS Emissions Trader.

Gulf began operation of a flue gas desulfurization (scrubber) unit at Plant Crist in January 2010. This allowed for the purchase of a higher sulfur coal than previously allowed for use at Plant Crist due to environmental air emission permit restrictions. For the purpose of this RFP evaluation it was assumed that Plant Crist would be able to utilize a blend of 50% higher sulfur Illinois Basin coal with 50% lower sulfur coal supply from either Colorado/Utah, Central Appalachia, or Colombia, South America.

Based on the delivered economics of all offers, Foresight Coal Sales, LLC's offer from their Pond Creek #1 mine was the most competitive I Illinois Basin offer with a starting delivered price of per MMBTU, including emission allowance costs. Their offer consisted of supplying one

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million tons per year for 2011-2012 with a fixed price for each year. Due to their competitive fixed price offer, Gulf entered into negotiations with

- Foresight to purchase 400,000 tons in 2011 at a fixed price of ton and
- 2 700,000 tons in 2012 at a fixed price of _____/ton. The next lowest bid was a two year offer submitted by The American Coal Company (TACC)
- for Illinois Basin coal with a starting delivered price of memory per MMBTU. Due to their competitive fixed price offer and the desire to diversify the source of Gulf's Illinois coal supply, Gulf entered into negotiations with
- 4 TACC to purchase 300,000 tons in 2012 at a fixed price of **1000**/ton. These two purchases completed the higher sulfur coal needs for 2011-2012 for the 50% blend supply at Crist.

A short list of the most competitive low sulfur coal bidders was developed and both import and domestic suppliers who made the cut were asked to revisit their offer and submit a modified bid by March 15, 2010. The lowest priced offer of coal with acceptable quality characteristics was submitted by Patriot Coal Sales, LLC with a starting price of **MABTU**. Due to their competitive fixed price offer, Gulf entered into negotiations with Patriot to purchase 400,000 tons in 2011 at a fixed price of **MABTU**. The fixed price of **MABTU**. The starting price of **MABTU**.

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8. For each RFP for natural gas issued in 2010 by Gulf, or by an affiliate on Gulf's behalf, list the bids received. Include the supplier, volume bid, and delivered price information, as well as the primary pipeline delivered by.

ANSWER:

Supplier: Noble Energy Marketing, Inc.

Volume and Pipeline: Annual Supply 4000 per day Mobile Bay into Florida Gas Transmission, MGS, or Transco 4A

I • Price: FGT Z3 Inside FERC (1 year term)

Supplier: Shell Energy North America

Volume and Pipeline: Annual Supply 20,000 per day Destin into All Delivery Points

- Price: FGT Zone 3 Gas Daily Average (up to 4 years) Volume and Pipeline: Summer 20,000 per day Destin into Florida Gas Transmission
- **3** Price: FGT Zone 3 Gas Daily Average (up to 4 years)

Supplier: Macquarie Cook Energy, LLC

Volume and Pipeline: Annual Supply 15,000 per day Destin into Florida Gas Transmission

- Price: FGT Zone 3 Gas Daily Average (up to 4 years)
 Volume and Pipeline: Summer Supply 20,000 per day Destin into Florida Gas Transmission
- 5 Price: FGT Zone 3 Gas Daily Average (up to 4 years) Volume and Pipeline: Annual Supply 40,000 per day Mobile Bay into Florida Gas Transmission
- Price: FGT Zone 3 Gas Daily Average (up to 4 years)
 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into Florida Gas Transmission
- Price: FGT Zone 3 Inside FERC (up to 4 years)
 Volume and Pipeline: Summer Supply 20,000 per day Mobile Bay into Florida Gas Transmission
- **g** Price: FGT Zone 3 Gas Daily Average (up to 4 years)

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Supplier: Chevron Natural Gas

Volume and Pipeline: Annual Supply 20,000 per day Mobile Bay into Florida Gas Transmission, MGS, or Transco 4A

- Price: FGT Zone 3 Gas Daily Average 1
- Price: FGT Zone 3 Gas Daily Average 2
- Price: FGT Zone 3 Gas Daily Average (three year term) 3 Volume and Pipeline: Annual Supply 25,000 per day Transco into Transco 4A
- Price: FGT Zone 3 Gas Daily Average
- 5 Price: FGT Zone 3 Gas Daily Average
- Price: FGT Zone 3 Gas Daily Average (three year term) 6 Volume and Pipeline: Annual Supply 8,000 per day Mobile Bay into Florida Gas Transmission, MGS, or Transco 4A
- **7** Price: FGT Zone 3 Inside FERC
- Price: FGT Zone 3 Inside FERC 8
- Price: FGT Zone 3 Inside FERC 9
- Volume and Pipeline: Annual Supply 10,000 per day FGT into Hatterspond
- 10 Price: FGT Zone 3 Inside FERC (one year term 11/1/2010 to 10/31/2011)

Volume and Pipeline: Annual Supply 7,000 per day MGS into Chunchula

11 • Price: FGT Zone 3 Gas Daily Average (one year term 11/1/2010 to 10/31/2011)

Volume and Pipeline: Summer Supply 20,000 per day Mobile Bay into Florida Gas Transmission, MGS, or Transco 4A

- 12 Price: FGT Zone 3 Gas Daily Average
- 13 Price: FGT Zone 3 Gas Daily Average (up to three year term)

Volume and Pipeline: Annual Supply 20,000 per day Destin into all delivery points

- 14 Price: FGT Zone 3 Gas Daily Average
- 15 Price: FGT Zone 3 Gas Daily Average
- 16 Price: FGT Zone 3 Gas Daily Average (three year term) Volume and Pipeline: Summer Supply 20,000 per day Destin into all delivery points
- 17 Price: FGT Zone 3 Gas Daily Average
- IS Price: FGT Zone 3 Gas Daily Average
- (up to two year term) (up to three year term

(up to two year term)

(one year term)

(two year term)

(two year term)

(one year term)

(one year term)

(two year term)

(one year term) (two year term)

(three year term)

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Supplier: British Gas

Volume and Pipeline: Annual Supply 20,000 per day Destin into All **Delivery Points**

 Price: FGT Zone 3 Gas Daily Average (two year term)

Supplier: Louis Dreyfus Energy Services L.P.

Volume and Pipeline: Annual Supply 40,000 per day Mobile Bay into Florida Gas Transmission, MGS, or Transco 4A

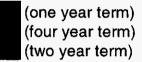
- 2 Price: FGT Zone 3 Gas Daily Average
- 3 Price: FGT Zone 3 Gas Daily Average
- 4 Price: FGT Zone 3 Gas Daily Average (two year term) Volume and Pipeline: Summer Supply 20,000 per day Mobile Bay into Florida Gas Transmission, MGS, or Transco 4A
- **5** Price: FGT Zone 3 Gas Daily Average
- Price: FGT Zone 3 Gas Daily Average 6
- 7 Price: FGT Zone 3 Gas Daily Average (two year term) Volume and Pipeline: Annual Supply 15,000 per day Destin into all delivery points
- **8** Price: FGT Zone 3 Gas Daily Average
- 9 Price: FGT Zone 3 Gas Daily Average
- ID Price: FGT Zone 3 Gas Daily Average (two year term) Volume and Pipeline: Summer Supply 20,000 per day Destin into all delivery points
- Price: FGT Zone 3 Gas Daily Average
- 2 Price: FGT Zone 3 Gas Daily Average
- 13 Price: FGT Zone 3 Gas Daily Average

Supplier: ExxonMobil Gas & Power Marketing

Volume and Pipeline: Annual Supply 8000 per day Mobile Bay into Florida Gas Transmission at tailgate of the OTF

- 19 Price: FGT Zone 3 Inside FERC (one year term) Volume and Pipeline: Summer Supply 15,000 per day Mobile Bay into Florida Gas Transmission at tailgate of the OTF
- 15 Price: FGT Zone 3 Inside FERC (one year term)

(one year term) (four year term)



(two year term) (four year term) (one year term)

(one year term)

(one year term)

(four year term)

(four year term)

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Supplier: J. P. Morgan Ventures

Volume and Pipeline: Annual Supply 10,000 per day Destin into all delivery points

• Price: FGT Zone 3 Gas Daily Average (two year term)

Supplier: BNPP ET (Fortis)

3

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Volume and Pipeline: Annual Supply 20,000 per day Destin into all delivery points

Price: FGT Zone 3 Gas Daily Average (up to three year term)

Volume and Pipeline: Summer Supply 20,000 per day Destin into all delivery points

Price: FGT Zone 3 Gas Daily Average (up to three year term)

Supplier: Tenaska

Volume and Pipeline: Summer Supply 15,000 per day Destin into all delivery points

4 • Price: FGT Zone 3 Gas Daily Average (one year term)

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11. For each RFP for light oil issued in 2010 by Gulf, or an affiliate on Gulf's behalf, list the bids received.

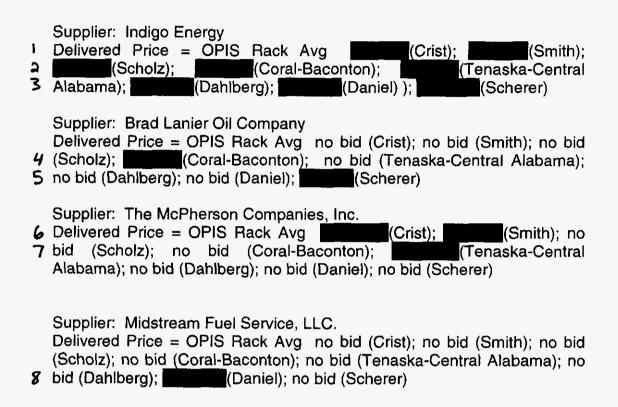
ANSWER:

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ו ג 3	Supplier: RKA Petroleum Delivered Price = OPIS Rack Avg (Crist); (Crist); (Smith); (Scholz); (Coral-Baconton); (Crist); (Tenaska-Central Alabama); (Coral-Baconton); (Coral-Baconton); (Crist); (Crist); (Crist); (Coral-Baconton); (Crist);
4 5	Supplier: Petroleum Traders Company Delivered Price = OPIS Rack Avg no bid (Crist); no bid (Smith); no bid (Scholz); (Coral-Baconton); (Co
7	Supplier: PS Energy Group Delivered Price = OPIS Rack Avg (Crist); (Crist); (Smith); (Scholz); (Coral-Baconton); (Crist); (Coral-Baconton); Alabama); (Dahlberg); (Coral-Baconton); (Crist); (Cr
9 10	Supplier: Boswell Oil Company Delivered Price = OPIS Rack Avg no bid (Crist); no bid (Smith); no bid (Scholz); (Coral-Baconton); no bid (Tenaska-Central Alabama); (Dahlberg); no bid (Daniel); (Scherer)
ミン 13	Supplier: Mansfield Oil Company Delivered Price = OPIS Rack Avg (Crist); (Crist); (Smith); (Scholz); (Coral-Baconton); (Crist); (Tenaska-Central Alabama); (Dahlberg); (Coral-Baconton); (Crist); (Crist)
14 15 16	Supplier: Truman Arnold Companies Delivered Price = OPIS Rack Avg (Crist); (Crist); (Smith); (Scholz); (Coral-Baconton); (Crist); (Tenaska-Central Alabama); (Dahlberg); (Coral-Baconton); (Crist); (Scherer)

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