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March 24, 2014

HAND DELIVERED

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

REDACTED

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor; FPSC Docket No. 140001-EI

Dear Ms. Stauffer:

Enclosed for filing in the above docket are the original and seven (7) copies of Tampa Electric Company's Request for Confidential Classification and Motion for Temporary Protective Order regarding portions of its answers to the Florida Public Service Commission Staff's First Set of Interrogatories Nos. 1, 2 and 4.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

Ren OBach

James D. Beasley

JDB/pp Enclosure

cc: All parties of record (w/enc.)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor.

DOCKET NO. 140001-EI

FILED: March 24, 2014

TAMPA ELECTRIC COMPANY'S REQUEST FOR CONFIDENTIAL CLASSIFICATION AND MOTION FOR TEMPORARY PROTECTIVE ORDER

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby request confidential classification of the yellow highlighted information contained in the following described document(s) ("the Document(s)") stamped "CONFIDENTIAL" and all information that is or may be printed on yellow paper stock stamped "CONFIDENTIAL" within the Document(s), all of said confidential information being hereinafter referred to as "Confidential Information."

Description of the Document(s)

Tampa Electric's Answers to Staff's First Set of Interrogatories (Nos. 1, 2 and 4), a single copy of which is being simultaneously filed with the Commission on a confidential basis under a separate transmittal letter. In support of this request, the company states:

1. Subsection 366.093(1), Florida Statutes, provides that any records "found by the Commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1), Florida Statutes [requiring disclosure under the Public Records Act]." Proprietary confidential business information includes, but is not limited to "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts

of the public utility or its affiliates to contract for goods or services on favorable terms." Subsection 366.093(3)(d), Florida Statutes. Proprietary confidential business information also includes "[i]information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." Section 366.093(3)(e), Florida Statutes. The Confidential Information that is the subject of this request and motion falls within the statutory categories and, thus, constitutes propriety confidential business information entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

 Attached hereto as Exhibit "A" is a justification for confidential treatment of the Confidential Information contained in the Document(s).

 Attached hereto as Exhibit "B" are two public versions of the Document(s) with the Confidential Information redacted, unless previously filed as indicated.

4. The Confidential Information contained in the Document(s) is intended to be and is treated by Tampa Electric as private and has not been publicly disclosed.

5. For the same reasons set forth herein in support of its request for confidential classification, Tampa Electric also moves the Commission for entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

Requested Duration of Confidential Classification

6. Tampa Electric requests that the Confidential Information be treated by the Commission as confidential proprietary business information for at least the 18 month period prescribed in Rule 25-22.006(9)(a), Florida Administrative Code. If, and to the extent that the company is in need of confidential classification of the Confidential Information beyond the 18

2

month period set forth in the Commission rule, the justification and grounds for such extended confidential treatment are set forth in Exhibit "C" to this request and motion.

WHEREFORE, Tampa Electric Company respectfully requests that the Confidential Information that is the subject of this request and motion be accorded confidential classification for the reasons set forth herein and for a minimum period of 18 months, subject to any request for a longer period of confidential classification as may be set forth in Exhibit "C" to this request and motion. The company further moves for the entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

DATED this 24 day of March 2014.

Respectfully submitted,

moren

JAMES D. BEASLEY J. JEFFRY WAHLEN ASHLEY M. DANIELS Ausley & McMullen Post Office Box 391 Tallahassee, Florida 32302 (850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential Classification and Motion for Temporary Protective Order, filed on behalf of Tampa Electric Company, has been served by hand delivery (*) or electronic mail on this 2 - 4day of March 2014, to the following:

Ms. Martha F. Barrera Ms. Theresa Farley Ms. Julia Gilcher* Senior Attorney Office of the General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <u>mbarrera@psc.state.fl.us</u> <u>tefarley@psc.state.fl.us</u> jgilcher@psc.state.fl.us

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Mr. Robert L. McGee, Jr. Regulatory and Pricing Manager Gulf Power Company One Energy Place Pensacola, FL 32520-0780 rlmcgee@southernco.com

Ms. Beth Keating Gunster, Yoakley & Stewart, P.A. 215 S. Monroe St., Suite 601 Tallahassee, FL 32301 <u>bkeating@gunster.com</u>

Ms. Cheryl Martin Director/Regulatory Affairs Florida Public Utilities Company 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409 <u>Cheryl_Martin@fpuc.com</u>

Mr. John T. Butler Assistant General Counsel - Regulatory Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 john.butler@fpl.com Mr. Robert Scheffel Wright Mr. John T. LaVia, III Gardner, Bist, Wiener, Wadsworth, Bowden, Bush, Dee, LaVia & Wright, P.A. 1300 Thomaswood Drive Tallahassee, FL 32308 <u>Schef@gbwlegal.com</u> Jlavia@gbwlegal.com

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Obre L

ATTORNEY

JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF HIGHLIGHTED PORTIONS OF TAMPA ELECTRIC'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES (FILED MARCH 24, 2014)

Bates Stamp <u>Page No.</u>	Interrogatories <u>No.</u>	Detailed Description	<u>Rationale</u>
1 - 4	1	All Yellow Highlighted Information	(1),(2)
5	2	All Yellow Highlighted Information	(1)
7 - 11	4	All Yellow Highlighted Information	(2),(3)

- (1) The information listed in the interrogatory responses contains bid information provided in response to Tampa Electric's Request for Proposals as well as contract rates paid for coal. The disclosure of this information would be harmful to competitive interests, and as such, the information is entitled to confidential treatment pursuant to Section 366.093(d) and (e), Florida Statutes and Rule 25-22.006, Florida Administrative Code.
- (2) The highlighted information includes Tampa Electric's bid evaluations and contains agreed upon commodity rates. Commodity rates have been recognized by the Commission on numerous occasions to constitute proprietary confidential business information and the disclosure of which would be harmful to Tampa Electric's ability to contract for goods and services on favorable terms. This is the specific type of information described in Section 366.093(3)(d) and (e) as being entitled to confidential protection and exemption from the Public Records Law.
- (3) The information listed in the interrogatory responses contains bid information provided in response to Tampa Electric's Request for Proposals for natural gas. The disclosure of this information would be harmful to competitive interests, and as such, the information is entitled to confidential treatment pursuant to Section 366.093(d) and (e), Florida Statutes and Rule 25-22.006, Florida Administrative Code.

PUBLIC VERSION(S) OF THE DOCUMENT(S)

Attached hereto (unless previously filed as may be noted below) are two public versions of the Document(s) with the Confidential Information redacted.

Public Version(s) of the Document(s) attached <u>x</u>

Public Version(s) of the Document(s) previously filed on _____

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 1 PAGE 1 OF 4 FILED: MARCH 24, 2014

- 1. For each Request for Proposal (RFP) for coal issued in 2013 by Tampa Electric Company (TECO), 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. Tampa Electric issued three RFPs for solid fuel during 2013. The bids are described in the following tables.

				Coal Qu	ality		Deliver	ed Price 1		
Supplier	Tons Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton	\$/MMBtu	Delivery Method	Delivery Route
									River Barge, Ocean Vessel	Mississipp River / Gulf Delivery
									River Barge, Ocean Vessel	Mississipp River / Gulf Delivery
									River Barge, Ocean Vessel	Mississipp River / Gulf Delivery
									River Barge, Ocean Vessel	Mississipp River / Gulf Delivery
									River Barge, Ocean Vessel	Mississipp River / Gulf Delivery
									River Barge, Ocean Vessel	Mississip River / Gulf Delivery
									River Barge, Ocean	Mississip River / Gulf
									Vessel Railcar	Delivery PAL / CS) Rail
									River Barge, Ocean Vessel	Mississipp River / Gulf Delivery

Big Bend Gen 2014-01

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 1 PAGE 2 OF 4 FILED: MARCH 24, 2014

				Coal Quality				Delivered Price 1		
Supplier	Tons Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton	\$/MMBtu	Delivery Method	Delivery Route
									River Barge, Ocean Vessel	Mississippi River / Gulf Delivery
									Railcar	CSX Rail
									Railcar	CSX Rail
									Railcar	INRD/CSX Rail
									Railcar	CSX Rail
									Railcar	CSX Rail
									Railcar	CSX Rail
									Railcar	CSX Rail

1 The delivered costs per MMBtu in the above table are based on the average pricing for 2014-2015.

Tampa Electric evaluated the bids listed above on a total delivered cost per MMBtu basis and identified a short list of qualifying bidders. Tampa Electric then asked those qualifying bidders to submit a best and final offer with the opportunity to include additional years. The offers that the company received in response to its request for best and final pricing are shown in the following table.

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 1 PAGE 3 OF 4 FILED: MARCH 24, 2014

Big Bend Gen 2014-01 Best and Final Offers

				Coal Qu	uality		Deliver	red Price 1			
Supplier	Tons Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton	\$/MMBtu	Delivery Method	Delivery Route	Awarded
									River Barge, Ocean Vessel	Mississippi River / Gulf Delivery	Yes
									River Barge, Ocean Vessel	Mississippi River / Gulf Delivery	
									River Barge, Ocean Vessel	Mississippi River / Gulf Delivery	
									River Barge, Ocean Vessel	Mississippi River / Gulf Delivery	
									FAS Tampa	Delivered Tampa	
									Railcar Railcar	CSX Rail CSX Rail	Yes
									Railcar	CSX Rail	Yes
									Railcar	CSX Rail	

1 The delivered costs per MMBtu in the above table are based on the average pricing for a three-year term.

2 Prior to contracting for a long-term fuel purchase, Tampa Electric would need to conduct a test burn of the offered coal. Tampa Electric has not tested the coal offered from **Conduct and test burn**, but intends to do so in 2014 or 2015 so that the bidder may be a potential long term supplier in the future.

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 1 PAGE 4 OF 4 FILED: MARCH 24, 2014

Supplier	Tonnage Bid	Sulfur % (max dry)	\$ /Ton Delivered	\$ / MMBtu Delivered	Delivery Method	Delivery Route	Awarded
					River Barge/ Ocean Vessel	Mississippi River / Gulf Delivery	
					Ocean Vessel	Delaware Tampa	
					River Barge/ Ocean Vessel	Mississippi River / Gulf Delivery	
					River Barge/ Ocean Vessel	Black Warrior River/ Gulf Delivery	
					Ocean Vessel	Gulf Delivery	
					Ocean Vessel	Gulf Delivery	Yes

Polk PC 2013-01

Polk LS 2013-01

			Coal Quality				Deliv	ered Price			
Supplier	Tonnage Bid	Btu/lb	Ash (Lbs)	Sulfur (Lbs)	Moisture (%)	Chlorine (%)	\$/Ton	Cents per MMBtu	Delivery Method	Delivery Route	Awarde
									Ocean Vessel	Gulf Delivery	
									River Barge/ Ocean Vessel	Mississippi River / Gulf Delivery	
									Railcar/ River Barge/ Ocean Vessel	Mississippi River / Gulf Delivery	
									Railcar/Ocean Vessel	Rail/Gulf Delivery	
									Ocean Vessel	Ocean Delivery	Yes

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 2 PAGE 1 OF 1 FILED: MARCH 24, 2014

- 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.
- A. All bids were evaluated on a total delivered cost per MMBtu basis. To identify a short list of qualifying bidders, Tampa Electric also evaluated bids based on projected commodity and transportation costs, quality, proposed terms and conditions, blending impacts, supplier reliability and supplier financial strength. Qualifying bids accounting for operational impacts, containing acceptable quality, terms and conditions and supplier reliability as specified in the RFP were considered. Once qualifying bids were identified, Tampa Electric selected the quality-adjusted lowest priced alternative on a utilized, portfolio basis.

As a result of the Big Bend Gen 2014-01 solicitation identified in the company's response to Interrogatory No. 1, Tampa Electric selected three vendors for coal supply. The vendors are identified in the response to Interrogatory No. 1. Also see the company's response to Interrogatory No. 1 for additional details regarding the Big Bend Gen 2014-01 evaluation process. Tampa Electric agreed to purchase the following annual amounts:

Year	Projected Tons				
2014					
2015					
2016					
2017					
2018					

As a result of the Polk LS 2013-01 and the Polk PC 2013-01 solicitations identified in the company's response to Interrogatory No. 1, Tampa Electric selected a vendor for petroleum coke and a vendor for low sulfur coal. Those vendors are identified in Tampa Electric's response to Interrogatory No. 1. From those vendors, Tampa Electric agreed to purchase the following annual amounts:

Year	Fuel Type	Projected Tons
2013	Petroleum Coke	
2013	Low Sulfur Coal	
2014	Petroleum Coke	
2014	Low Sulfur Coal	

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 4 PAGE 1 OF 5 FILED: MARCH 24, 2014

- 4. For each RFP for natural gas issued in 2013 by TECO, list the bids received. For each bid, include the supplier, volume bid, and delivered price information, as well as the primary pipeline delivered by.
- A. Tampa Electric issued one RFP for natural gas supply during 2013. The bids are described in the following table.

Supplier	Volume/day	NYMEX Offer	Index Offer	Gas Daily	Pipeline	Awarded
						Yes
						Yes
						_

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 4 PAGE 2 OF 5 FILED: MARCH 24, 2014

Supplier	Volume/day	NYMEX Offer	Index Offer	Gas Daily	Pipeline	Awarded
						Yes
						Yes

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 4 PAGE 3 OF 5 FILED: MARCH 24, 2014

Supplier	Volume/day	NYMEX Offer	Index Offer	Gas Daily	Pipeline	Awarded
						Yes
						Yes
						_
						4855
						Yes
						Yes

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 4 PAGE 4 OF 5 FILED: MARCH 24, 2014

Supplier	Volume/day	NYMEX Offer	Index Offer	Gas Daily	Pipeline	Awarded
						Yes
						Yes
						Yes

TAMPA ELECTRIC COMPANY DOCKET NO. 140001-EI STAFF'S FIRST SET OF INTERROGATORIES INTERROGATORY NO. 4 PAGE 5 OF 5 FILED: MARCH 24, 2014

Volume/day	NYMEX Offer	Index Offer	Gas Daily	Pipeline	Awarded
					Yes
					Yes
	Volume/day	Volume/day NYMEX Offer	Volume/day NYMEX Offer Index Offer	Volume/day NYMEX Offer Index Offer Gas Daily	Volume/day NYMEX Offer Index Offer Gas Daily Pipeline

REQUESTED DURATION OF CONFIDENTIAL CLASSIFICATION

Tampa Electric requests that the Confidential Information that is the subject of this request be treated as proprietary confidential business information exempt from the Public Records Law for a minimum of 18 months from the date of the order granting such classification. To the extent the company needs confidential protection of the Confidential Information for a period longer than 18 months, the company's justification therefor is set forth below:

n/a