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July 31, 2014

## VIA HAND DELIVERY

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

#### Re: Docket No. 140001-EI



4 JUL 31 PM 3: 54

Dear Ms. Stauffer:

I enclose for filing in the above docket an original and seven (7) copies of Florida Power & Light Company's ("FPL's") Request for Confidential Classification of Certain Material Provided in Response to Staff's Amended Second Set of Interrogatories. The original includes Exhibits A, B (two copies), C and D. The seven copies do not include copies of the Exhibits.

Exhibit A consists of the confidential material that FPL asserts is entitled to confidential treatment and has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C is a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains one affidavit in support of FPL's Request for Confidential Classification. Also included in this filing is a compact disc containing FPL's Request for Confidential Classification and Exhibit C, in Microsoft Word format.

Please contact me if you or your Staff has any questions regarding this filing. COM AFD Barg APA Sincerely, ECO ENG Scott A. Goorland GCL IDM Enclosure Counsel for Parties of Record (w/encl.) cc: TEL CLK Florida Power & Light Company

700 Universe Boulevard, Juno Beach, FL 33408

### **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for Prudence Determination Regarding Acquisition of Gas Reserves Docket No: 140001-EI Date: July 31, 2014

## FLORIDA POWER AND LIGHT COMPANY'S REQUEST FOR CONFIDENTIAL CLASSIFICATION OF CERTAIN MATERIAL PROVIDED IN RESPONSE TO STAFF'S AMENDED SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 12-94)

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") Request for Confidential Classification of certain material provided in in response to Staff of the Florida Public Service Commission's ("Staff's") Amended Second Set of Interrogatories to Florida Power & Light Company (Nos. 12-94), Nos. 45 and 55. In support of its request, FPL states as follows:

1. On July 16, 2014, Staff served its Second Set of Interrogatories to Florida Power & Light Company (Nos. 12-94). On July 23, 2014, Staff served its Amended Second Set of Interrogatories to Florida Power & Light Company (Nos. 12-94). On July 31, 2014, FPL submitted its Responses to Staff's Amended Second Set of Interrogatories to Florida Power & Light Company (Nos. 12-94)("Responses"). FPL's Responses Nos. 45 and 55 contains information of a confidential nature, which is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. Pursuant to Rule 25-22.006(3)(a), Florida Administrative Code, FPL is filing this Request for Confidential Classification.

- 2. The following exhibits are included with, and made part of this request:
  - a. Exhibit A consists of a copy of the confidential material on which all information that FPL asserts is entitled to confidential treatment has been highlighted.

- Exhibit B consists of the confidential material, on which all information that FPL asserts is entitled to confidential treatment has been redacted.
- c. Exhibit C is a table containing a column-by-column and line-by-line identification of the information for which confidential treatment is sought and references to the specific statutory basis or bases for the claim of confidentiality and to the affidavits in support of the requested classification.
- d. Exhibit D consists of the affidavit of Sam Forrest.

3. FPL submits that the highlighted information in Exhibit A is proprietary and confidential business information within the meaning of Section 366.093(3). F.S. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, F.S., such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

4. As the affidavit included in Exhibit D indicates, the documents and materials included in Exhibits A and B, and identified in Exhibit C contain information concerning bids or other contractual data. Disclosure of this information would violate nondisclosure provisions of FPL's contracts with certain vendors and impair the efforts of FPL or its affiliates to contract for goods or services on favorable terms. Such information is protected pursuant to Section 366.093(3)(d), F.S. In addition, this information relates to competitive interests, the disclosure of which would impair the competitive business of FPL, its affiliates or its vendors. Specifically, the documents contain information regarding gas hedging volumes and gas transportation and storage

contract values as well as asset optimization practices. The disclosure of this proprietary confidential business information would provide other participants in the fuel and financial markets insight into FPL's hedging and asset optimization practices that would allow them to anticipate FPL's trading decisions and impair FPL's ability to negotiate, to the detriment of FPL and its customers. Disclosure of this information would also place FPL at a competitive disadvantage when coupled with other information that is publicly available. Such information is protected pursuant to Section 366.093(3)(e), F.S.

5. Upon a finding by the Commission that the information highlighted in Exhibit A, and referenced in Exhibits B, C and D is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to FPL as soon as it is no longer necessary for the Commission to conduct its business. *See* § 366.093(4), Fla. Stat.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Extension of Confidential Classification be granted.

Respectfully submitted this 31<sup>st</sup> day of July, 2014.

R. Wade Litchfield, Vice President and General Counsel
John T. Butler, Assistant General Counsel -Regulatory
Scott A. Goorland, Principal Attorney
Attorneys for Florida Power & Light Company 700 Universe Boulevard
Juno Beach, Florida 33408-0420
Telephone: (561) 691-7101
Facsimile: (561) 691-7135

By:

Scott A. Goorland Florida Bar No. 0066834

### CERTIFICATE OF SERVICE Docket No. 140001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by

hand delivery (\*\*) or electronic service on this 31st day of July, 2014 to the following:

Martha F. Barrera, Esq.\*\* Julia Gilcher, Esq. \*\* Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 mbarrera@psc.state.fl.us jgilcher@psc.state.fl.us

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Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin, Esq. Beggs & Lane Attorneys for Gulf Power P.O. Box 12950 Pensacola, Florida 32591-2950 jas@beggslane.com rab@beggslane.com

James W. Brew, Esq. F. Alvin Taylor, Esq. Attorney for White Springs Brickfield, Burchette, Ritts & Stone, P.C 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, DC 20007-5201 jbrew@bbrslaw.com ataylor@bbrslaw.com J. R. Kelly, Esq. Patricia Christensen, Esq. Charles Rehwinkel, Esq. Joseph A. McGlothlin, Esq. Erik L. Sayler, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, Florida 32399 kelly.jr@leg.state.fl.us christensen.patty@leg.state.fl.us rehwinkel.charles@leg.state.fl.us mcglothlin.joseph@leg.state.fl.us sayler.erik@leg.state.fl.us Michael Barrett Division of Economic Regulation Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 mbarrett@psc.state.fl.us

By: Scott A. Goorland

Scott A. Goorland Florida Bar No. 0066834

# **EXHIBIT B**

# REDACTED

CONFIDENTIAL A B	$C^{\prime}$	D	E
1		ver & Light Comp	oany
2	Docket No.		1.0
1	Staff's 2nd Staff'	Set of Interrogato	ries
3	Interrogato	ry No. 45	
4	Page 1 of 1	and the second se	
5	5		(22)

#### 6 Q.

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Please refer to page 17 of the testimony of witness Forrest, lines 7 through 21. If the
Commission approves FPL's request to acquire an interest in the Woodford Project,
will this reduce the portion of projected gas consumption that is financially hedged?
Please explain your response and, if necessary, discuss the reduction in the portion
of projected gas consumption that will be financially hedged.

12 A.

Yes. FPL intends to replace a corresponding amount of financial hedges with the gas projected to be produced by the Woodford Project. For example, in 2015, FPL expects to hedge approximately of its projected natural gas requirements. The Woodford
Project is projected to produce approximately 43,000 MMBtu/day, which is approximately 2.9% of FPL's daily needs. As a result, FPL will financially hedge of its projected gas needs and utilize the Woodford Project gas to achieve a hedged level.

CONFIDENTIAL E B C D Α Florida Power & Light Company ı Docket No. 140001-EI Z Staff's 2nd Set of Interrogatories 345 **Interrogatory No. 55** Page 1 of 1 6 Q.

Regarding the incentive mechanism, what is the status of outsourcing the assetoptimization functions?

**q** 10

A. For clarification, FPL is interpreting the terminology "outsourcing the asset optimization 11 functions" in this interrogatory to be specifically related to the release of gas 12 transportation capacity or gas storage capacity under an Asset Management Agreement 13 ("AMA"). FPL's use of the term "outsource" in testimony and discovery in Docket No. 14 120015-EI was specific to AMA transactions where FPL could release a portion of gas 15 transportation capacity or gas storage capacity to lock in value for FPL's customers on 16 assets that were not projected to be needed over the period in which the agreements were 17 signed. FPL does not intend to "outsource" any asset optimization function outside of 18 Combined, the AMA's that have been executed by FPL AMA transactions. 19 represent nearly **control** of value. However, it is important to understand these 20 agreements represent a very minor part of the asset optimization functions, which are 21 handled primarily by FPL's Energy Marketing and Trading ("EMT") business unit. 22

# **EXHIBIT C**

# **JUSTIFICATION TABLE**

# EXHIBIT C

## COMPANY: Florida Power & Light Company TITLE: List of Confidential Documents DOCKET TITLE: Petition for Prudence Determination Regarding Acquisition of Gas Reserves DOCKET NO.: 140001 DATE: July 31, 2014

Description	Pages	Conf. Y/N	Line/Column	366.093(3) F.S.	Affiant
Staff 2 <sup>nd</sup> Set of Interrogatories N0.45	1 of 1	Y	Line 15, Col B Line 17, Col E Line 18, Col D	(d) (e)	Sam Forrest
Staff 2 <sup>nd</sup> Set of Interrogatories N0.55	1 of 1	Y	Line 19, Col D Line 20, Col B	(d) (e)	Sam Forrest

# **EXHIBIT D**

# AFFIDAVITS

## EXHIBIT D

## **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Fuel and purchased power cost recovery clause with generating performance incentive factor

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Docket No: 140001-EI

STATE OF FLORIDA	
COUNTY OF PALM BEACH	

### AFFIDAVIT OF SAM FORREST

**BEFORE ME,** the undersigned authority, personally appeared Sam Forrest who, being first duly sworn, deposes and says:

1. My name is Sam Forrest. I am currently employed by Florida Power & Light Company ("FPL") as Vice President of the Energy Marketing and Trading ("EMT") Business Unit. My business address is 700 Universe Boulevard, Juno Beach, Florida 33408. I have personal knowledge of the matters stated in this affidavit.

I have reviewed Exhibit C and the documents that are included in Florida Power & 2. Light Company's ("FPL") Request for Confidential Classification concerning information provided in response to Staff's Amended Second Set of Interrogatories to Florida Power & Light Company (Nos. 12-94) for which I am identified on Exhibit C as the affiant. The documents and materials that I have reviewed contain proprietary confidential business information, including information concerning bids or other contractual data. Disclosure of this information would violate nondisclosure provisions of FPL's contracts with certain vendors and impair the efforts of FPL or its affiliates to contract for goods or services on favorable terms. In addition, this information relates to competitive interests, the disclosure of which would impair the competitive business of FPL, its affiliates or its vendors. Specifically, the documents contain information regarding gas hedging volumes and gas transportation and storage contract values as well as asset optimization practices. The disclosure of this proprietary confidential business information would provide other participants in the fuel and financial markets insight into FPL's hedging and asset optimization practices that would allow them to anticipate FPL's trading decisions and impair FPL's ability to negotiate, to the detriment of FPL and its customers. Disclosure of this information would also place FPL at a competitive disadvantage when coupled with other information that is publicly available. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.

Sam Forrest

SWORN TO	AND SUB	SCRIBED before	me this $30$	_ day of July, 2014, by S	Sam
Forrest, who is personally k	nown to n	ne or who has pro	oduced	(type	e of
identification) as identificatio	n and who	did take an oath.	melas d	h f l	
My Commission Expires		MARITZA MIRANDA-WISE MY COMMISSION # FF 002868 EXPIRES: May 30, 2017	Notary F	Public, State of Florida	L

Bonded Thru Notary Public Underwriters