



Maria J. Moncada
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5795
(561) 691-7135 (Facsimile)
E-mail: maria.moncada@fpl.com

September 23, 2015

VIA HAND DELIVERY

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

Re: Docket No. 150001-EI

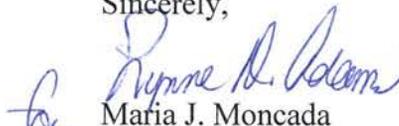
Dear Ms. Stauffer:

I enclose for filing in the above docket FPL's Request for Confidential Classification of Certain Information Provided in Response to Staff's Eighth Set of Interrogatories Nos. 65, 74 and 76, and Second Request for Production of Documents No. 2.

Exhibit A consists of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment 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 the affidavit in support of FPL's Request for Confidential Classification.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,


Maria J. Moncada

Enclosures

cc: parties of record, (Request for Confidential Classification w/o exhibits)

2995410

COM
AFD
APA
ECO
ENG
GCL
IDM
TEL
CLK

Redacted

COMMISSION
CLERK

15 SEP 23 PM 3:41

RECEIVED FPSC

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchase power cost recovery
clause with generating performance incentive
factor

Docket No: 150001-EI
Date: September 23, 2015

**FLORIDA POWER & LIGHT COMPANY'S REQUEST FOR
CONFIDENTIAL CLASSIFICATION OF INFORMATION PROVIDED IN
RESPONSE TO THE STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION'S
EIGHTH SET OF INTERROGATORIES (Nos. 65, 74 and 76)
AND SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (No.2)**

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information provided in response to the Staff of the Florida Public Service Commission's ("Staff") Eighth Set of Interrogatories (Nos. 65, 74 and 76) and Second Request for Production of Documents (No. 2) ("Confidential Discovery Responses"). In support of its Request, FPL states as follows:

1. On September 3, 2015, Staff served its Eighth Set of Interrogatories (Nos. 61-78) and Second Request for Production of Documents (Nos. 2-3) on FPL. FPL's Response to Staff's Eighth Set of Interrogatories (Nos. 65, 74 and 76) and Second Request for Production of Documents (No. 2) contain information of a confidential nature, which is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes.

2. FPL served its responses to Staff's Eighth Set of Interrogatories (Nos. 61-78) and Second Request for Production of Documents (Nos. 2-3) on September 23, 2015. This request is being filed contemporaneously with the service of the responses to Staff's discovery in order to request confidential classification of the Confidential Discovery Responses consistent with Rule 25-22.006, Florida Administrative Code.

3. The following exhibits are included with and made a part of this request:

a. Exhibit A consists of a copy of the Confidential Discovery Responses on which all information that FPL asserts is entitled to confidential treatment is highlighted.

b. Exhibit B consists of an edited version of the Confidential Discovery Responses on which all information that FPL asserts is entitled to confidential treatment is redacted. For the documents that are confidential in their entirety, FPL has included only identifying cover pages in Exhibit B.

c. Exhibit C is a table containing an identification of the information highlighted in Exhibit A by page and line and a brief description of the Confidential Information. Exhibit C also references the specific statutory bases for the claim of confidentiality and identifies the affiant who supports of the requested classification.

d. Exhibit D is the affidavit of Gerard J. Yupp, Senior Director of Wholesale Operation in the Energy Marketing and Trading Division.

4. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and is exempt from the disclosure provisions of the public records law. Thus, once the Commission determined 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 hard of disclosure against the public interest in access to the information.

5. As more fully described in Exhibit C and the affidavit included in Exhibit D, the Confidential Discovery Responses provided by FPL contains information related to contractual

data, the disclosure of which would impair FPL's ability to contract for goods or services on favorable terms. This information is protected by Section 366.093(3)(d), Fla. Stat.

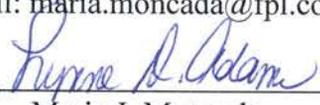
6. In addition, the Confidential Discovery Responses also relate to competitive interests, the disclosure of which would impair the competitive business of FPL or its suppliers. This information is protected by Section 366.093(3)(e), Fla. Stat.

7. Upon a finding by the Commission that the Confidential Information remains proprietary and confidential business information, the information should not be declassified for at least an additional eighteen (18) month period 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 Confidential Classification be granted.

Respectfully submitted,

John T. Butler
Assistant General Counsel - Regulatory
Maria J. Moncada
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5795
Facsimile: (561) 691-7135
Email: maria.moncada@fpl.com

By: 

Maria J. Moncada
Florida Bar No. 0773301

CERTIFICATE OF SERVICE

Docket No. 150001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing* has been furnished by electronic mail on this 23rd day of September, 2015 to the following:

Suzanne Brownless, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
sbrownle@psc.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

Beth Keating, Esq.
Gunster Law Firm
Attorneys for FPUC
215 South Monroe St., Suite 601
Tallahassee, Florida 32301-1804
bkeating@gunster.com

Dianne M. Triplett, Esq.
Attorneys for DEF
299 First Avenue North
St. Petersburg, Florida 33701
dianne.triplett@duke-energy.com

James D. Beasley, Esq.
J. Jeffrey Wahlen, Esq.
Ashley M. Daniels, Esq.
Ausley & McMullen
Attorneys for Tampa Electric
P.O. Box 391
Tallahassee, Florida 32302
jbeasley@ausley.com
jwahlen@ausley.com
adaniels@ausley.com

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
srg@beggslane.com

Robert Scheffel Wright, Esq.
John T. LaVia, III, Esq.
Gardner, Bist, Wiener, et al
Attorneys for Florida Retail Federation
1300 Thomaswood Drive
Tallahassee, Florida 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

James W. Brew, Esq.
Owen J. Kopon, Esq.
Laura A. Wynn, Esq.
Attorneys 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
owen.kopon@bbrslaw.com
laura.wynn@bbrslaw.com

Robert L. McGee, Jr.
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-080
rlmcgee@southernco.com

Matthew R. Bernier, Esq.
Duke Energy
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
matthew.bernier@duke-energy.com

Erik L. Sayler, Esq.
John J. Truitt, Esq.
J. R. Kelly, Esq.
Patricia Christensen, Esq.
Charles Rehwinkel, 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
sayler.erik@leg.state.fl.us
truitt.john@leg.state.fl.us

Cheryl Martin, Director – Regulatory Affairs
FPUC
911 South 8th Street
Fernandina Beach, FL 32034
cheryl_martin@fpuc.com

Paula K. Brown, Manager
Tampa Electric Company
Regulatory Coordinator
Post Office Box 111
Tampa, Florida 33601-0111
regdept@tecoenergy.com

Jon C. Moyle, Esq.
Moyle Law Firm, P.A.
Attorneys for FIPUG
118 N. Gadsden St.
Tallahassee, Florida 32301
jmoyle@moylelaw.com

By: 

Maria J. Moncada
Florida Bar No. 0773301

* The exhibits to this Request are not included with the service copies, but copies of Exhibits B, C and D are available upon request.

REDACTED

Q.

In the 2014 Evaluation, the 50-year total for Depreciation (Column D) is \$190.8 Million, and in the 2015 Evaluation, the 50-year total for Depreciation is \$169.9 Million. Please explain why the 50-year project total forecasted amount for Depreciation is lower in the 2015 Evaluation than as shown in the 2014 Evaluation.

A.

The depreciation column represents recovery over the project life of FPL's total capex invested in the Woodford Project. There are three factors causing the reduction in FPL's total estimated capex. First, the original 2014 filing assumed all other working interest owners would non-consent to the proposed wells, effectively leaving FPL and PetroQuest as the only working interest owners to pay the capital costs. In reality, many working interest owners have consented to their share of the well, hence reducing FPL's share of working interest, and consequently, its share of capital costs. Second, per the Drilling and Development Agreement, FPL is required to pay a "carry" on its share of capital costs for the Woodford Project. A

1
2
3
4

A Third, and most importantly, FPL's current analysis reflects PetroQuest's reported drilling and completion costs to date, which are in fact below budget in the aggregate. Please see the response to Interrogatory No. 76, where FPL has provided a revision to the 2015 Evaluation that includes correction of an overstatement of depreciation expense such that the total is \$168.0 million rather than \$169.9 million.

Florida Power & Light Company
Docket No. 150001-EI
Staff's 8th Set of Interrogatories
Interrogatory No. 74
Page 1 of 1

Q. Please enter the appropriate amounts and quantities for the chart below.

A.

	1	2	3	4	5	6
	Market Price @ Perryville Hub \$/MMBtu	Delivered Cost of Woodford Project gas @ Perryville in \$/MMBtu		Other Transportation Cost of Woodford Project gas delivered to Perryville in \$/MMBtu	Quantity of Woodford Project gas delivered to Perryville in MCF	Quantity of Woodford Project gas delivered to Perryville in MMBtu
March 2015	\$2.82	\$6.33		\$0.00	77.4	73.0
April 2015	\$2.52	\$13.14		\$0.00	52.9	49.9
May 2015	\$2.44	\$11.86		\$0.00	62.3	58.7
June 2015	\$2.74	\$6.52		\$0.00	267.6	252.4
July 2015	\$2.58	\$3.76		\$0.00	477.2	450.0
August 2015	\$2.80	\$2.96		\$0.00	1219.2	1149.7
September 2015	\$2.62	\$2.90		\$0.00	1450.9	1369.2
October 2015	\$2.65	\$3.13		\$0.00	1346.5	1269.8

Consistent with Page 9 from Exhibit GJY-4, filed on August 14, 2015, in Docket No. 150001-EI the above table includes actual results through July and forecasted results thereafter.

**Results of FPL's Economic Evaluation: Based on Incremental Cost of Capital
PetroQuest⁽¹⁾**

	A	B	C	D	E	F = C + D + E	G = F / B	H	I = B x (H - G)	J	K = I x J
	Year	Annual Production (Bcf)	Operating Expenses (\$MM)	Depreciation (\$MM)	Return Rate ⁽³⁾ (\$MM)	Revenue Requirement (\$MM)	Effective Cost (\$/MMBtu)	FPL Market Price Forecast (\$/MMBtu) ⁽⁴⁾	Undiscounted Customer Savings (\$MM)	FPL Discount Factor	Discounted Customer Savings (\$MM)
1	2015	7.3					\$3.31	\$2.72	(\$4.4)	0.93	(\$4.1)
2	2016	19.9					\$2.79	\$3.00	\$4.3	0.86	\$3.7
3	2017	12.6					\$3.07	\$3.23	\$2.0	0.80	\$1.6
4	2018	9.6					\$3.27	\$3.74	\$4.5	0.75	\$3.4
5	2019	7.8					\$3.64	\$3.96	\$2.5	0.70	\$1.7
6	2020	6.6					\$3.97	\$4.93	\$6.3	0.65	\$4.1
7	2021	5.8					\$4.13	\$5.32	\$6.9	0.60	\$4.1
8	2022	5.2					\$4.27	\$5.61	\$6.9	0.56	\$3.9
9	2023	4.7					\$4.39	\$5.85	\$6.9	0.52	\$3.6
10	2024	4.3					\$4.49	\$6.03	\$6.7	0.48	\$3.2
11	2025	4.0					\$4.39	\$6.22	\$7.3	0.45	\$3.3
12	2026	3.7					\$4.46	\$6.41	\$7.2	0.42	\$3.0
13	2027	3.5					\$4.52	\$6.60	\$7.2	0.39	\$2.8
14	2028	3.3					\$4.58	\$6.81	\$7.2	0.36	\$2.6
15	2029	3.1					\$4.65	\$7.01	\$7.2	0.34	\$2.4
16	2030	2.9					\$4.71	\$7.23	\$7.2	0.31	\$2.3
17	2031	2.7					\$4.78	\$7.44	\$7.2	0.29	\$2.1
18	2032	2.5					\$4.85	\$7.67	\$7.2	0.27	\$1.9
19	2033	2.4					\$4.93	\$7.90	\$7.1	0.25	\$1.8
20	2034	2.2					\$5.01	\$8.06	\$6.8	0.23	\$1.6
21	2035	2.1					\$5.09	\$8.22	\$6.6	0.22	\$1.4
22	2036	2.0					\$5.18	\$8.42	\$6.5	0.20	\$1.3
23	2037-65	25.7					\$6.95	\$11.06	\$105.6	0.10	\$10.7
	Totals⁽²⁾	143.9	\$308.7	\$168.0	\$154.1	\$630.9			\$233.0		\$62.5

Notes:

- (1) Includes actuals through July 2015 and current estimates thereafter
- (2) Totals are for 2015-2065, an assumed 50 year project life. Totals may not add due to rounding
- (3) Return rate is calculated at incremental cost of capital, with return on equity of 10.5% and cost of debt of 5.1%
- (4) Utilizes FPL's July long-range forecast

**Florida Power & Light Company
Docket No. 150001-EI
Staff's Second Request for Production
Request No. 2
Page 1 of 1**

Documents responsive to Staff's Second Request for Production No. 2 (Bates Nos. FCR-15-05499 through FCR-15-05518) are confidential in their entirety.

EXHIBIT C

COMPANY: Florida Power & Light Company
TITLE: List of Confidential Documents
DOCKET NO.: 150001-EI
DOCKET TITLE: Fuel and Purchased Power Cost Recovery Clause
SUBJECT: FPL's Responses to Staff's Eighth Set of Interrogatories (Nos. 61-78) and Staff's Second Request for Production of Documents (Nos. 2-3)
DATE: September 23, 2015

FPL's Answers to Staff's 8th Set of Interrogatories	Description	Line No./ Col. No.	Florida Statute 366.093(3) Subsection	Affiant
No. 65	Negotiated terms between FPL and PetroQuest	Lines 1A, 2-3, 4A	(e)	G. Yupp
No. 74	Gas Transportation Costs for delivery from Woodford Project to Perryville	Col. 3	(d)	G. Yupp
No. 76 (Attachment I)	Results of FPL's Economic Evaluation: Based on Incremental Cost of Capital PetroQuest	Cols. C-F, Lns. 1-23	(d), (e)	G. Yupp

FPL's Response to Staff's 2nd Request for Production	Page/Bates Nos.	Description	Line No./ Col. No.	Florida Statute 366.093(3) Subsection	Affiant
No. 2	Bates Nos. FCR-15-05499 through FCR-15-05518	FPL Market Price Forecast	ALL	(d), (e)	G. Yupp

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Fuel and Purchase Power Cost Recovery
Clause with Generating Performance
Incentive Factor

Docket No. 150001-EI

STATE OF FLORIDA)
)
PALM BEACH COUNTY)

AFFIDAVIT OF GERARD J. YUPP

BEFORE ME, the undersigned authority, personally appeared Gerard J. Yupp who, being first duly sworn, deposes and says:

1. My name is Gerard J. Yupp. I am currently employed by Florida Power & Light Company ("FPL") as Senior Director of Wholesale Operations in the Energy Marketing and Trading Division. I have personal knowledge of the matters stated in this affidavit.

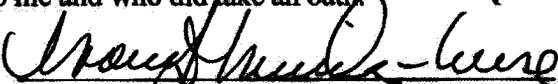
2. I have reviewed the documents and information included in Exhibit A to FPL's Request for Confidential Classification. The documents and materials in Exhibit A which are asserted by FPL to be proprietary confidential business information consist of the details of FPL's market gas price forecast, fuel transportation contracts, and natural gas storage contracts. Additionally, the confidential information relates to contractual data, the disclosure of which would impair the competitive business as well as the efforts of FPL to contract for goods and services on favorable terms, also to the detriment of FPL and its customers. The documents also contain the results for a gas reserve project entered into on behalf of FPL or its affiliate. This information, if disclosed, would impair the efforts of FPL to contract for goods and services on favorable terms for the benefit of its customers. Further, disclosure would impair the competitive interests of FPL, NEE or their affiliates or vendors, and would place FPL, NEE or their affiliates at a competitive disadvantage when coupled with other information that is publicly available.

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.


Gerard J. Yupp

SWORN TO AND SUBSCRIBED before me this 23 day of September 2015, by Gerard J. Yupp, who is personally known to me and who did take an oath.


Notary Public, State of Florida

My Commission Expires:

