



Rhonda J. Alexander
Manager
Regulatory, Forecasting & Pricing

One Energy Place
Pensacola, FL 32520-0780
850 444 6743 tel
850 444 6026 fax
rjalexad@southernco.com

September 20, 2017

Ms. Carlotta Stauffer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0868

REDACTED

Re: Docket No. 20170169-EI - Petition for Approval of Negotiated Renewable Energy Power Purchase Agreement with Bay County, Florida

Dear Ms. Stauffer:

Enclosed is Gulf Power Company's Request for Confidential Classification pertaining to Gulf Power's response to Staff's First Data Request in the above-referenced docket.

Sincerely,

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

md

Enclosures

cc w/encl.: Gulf Power Company
Jeffrey A. Stone, Esq.
Beggs and Lane
Russell Badders, Esq.
Division of Engineering
Takira Thompson

COM ___
AFD ___
APA ___
ECO ___
ENG 1 + CD
GCL ___
IDM ___
CLK ___

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition of Gulf Power Company for
approval of negotiated renewable energy
power purchase agreement with Bay County,
Florida.

Docket No.: 20170169-EI
Date: September 21, 2017

_____)

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 First Data Request in the above-referenced docket. As grounds for this request, the Company states:

1. A portion of the information submitted by Gulf Power in response to question number one of Commission Staff's First Data Request constitutes proprietary confidential business information. Specifically, the confidential information consists of Gulf's fuel price forecast data which is utilized by the Company to, among other things, perform cost-effectiveness analyses for purchased power agreements. 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. Protection of this information has taken on added importance recently given data mining trends in the industry. Trade publications are increasingly scouring regulatory filings, compiling data and selling these packaged products to industry participants such as commodity suppliers. 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 question number six 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

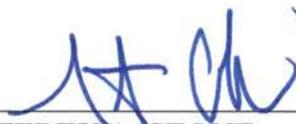
result in vendors charging higher prices, or refusing to do business with Gulf, out of concern that their data would be publicly disclosed. Public disclosure of this data would impair the competitive business interests of Gulf Power and its vendors and is therefore entitled to confidential classification 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" is one copy of Gulf's responses to question numbers one and six. The confidential information has been highlighted in yellow. 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/field-by-field 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 20th day of September, 2017.



JEFFREY A. STONE

General Counsel

Florida Bar No. 325953

jastone@southernco.com

Gulf Power Company

One Energy Place

Pensacola, FL 32520-0100

(850) 444-6550

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

Beggs & Lane

P. O. Box 12950

Pensacola, FL 32591

(850) 432-2451

Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition of Gulf Power Company for
approval of negotiated renewable energy
power purchase agreement with Bay County,
Florida.

Docket No.: 20170169-EI

Date: September 21, 2017

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

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

EXHIBIT "B"

1. Please provide a copy of the fuel price forecast used for determining the net present value savings to Gulf Power Company's (Gulf or Utility) customers.

RESPONSE:

Table A shows the projected annual average fuel prices used in the 2017 production cost model runs from which Gulf's territorial avoided energy prices used in the Power Purchase Agreement (PPA) analysis were derived.

Year	Natural Gas \$/MMBtu	Coal \$/MMBtu
2017		
2018		
2019		
2020		
2021		
2022		

Table A: Projected Natural Gas and Coal Commodity Prices \$/MMBtu

6. Please detail whether or not Gulf compared, for reasonableness, the fuel price forecast used in this docket to any other fuel price forecast. If so, please provide all alternative fuel price forecasts of natural gas prices that Gulf used and the results of the comparison.

RESPONSE:

Gulf's fuel forecasts, which result from the Southern Electric System (SES) fuel forecast process, are routinely compared for reasonableness to forecasts from third party sources. From a range of high to low fuel price forecasts, a moderate view of projected fuel prices is reflected in the avoided energy prices used to evaluate this PPA's pricing. The Company believes that its moderate fuel price forecasts are reasonable and within the range of fuel price forecasts from third party sources.

Shown in Table B below are the third party natural gas forecasts used in the SES fuel forecast process as compared to Gulf's forecasted prices. Gulf's forecasted natural gas prices used in this docket are lower.

Year	Gulf's Forecast \$/MMBtu	EVA Forecast \$/MMBtu	BTU Analytics \$/MMBtu
2017			
2018			
2019			
2020			
2021			
2022			

Table B: Gulf's vs Third Party Projected Natural Gas Prices, nominal \$/MMBtu

EXHIBIT "C"

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

Line(s)/Field(s)

Response to Question # 1

Page 1 of 1

Highlighted information provided in Table A.

Justification

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

Response to Question # 6

Page 1 of 1

Highlighted information provided in Table B.

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Petition of Gulf Power Company for**)
Approval of Negotiated Renewable Energy Power)
Purchase Agreement with Bay County, Florida)

Docket No.: **20170169-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by overnight mail this 20th day of September, 2017 to the following:

Don Banks
Bay County Attorney's Office
840 West 11th Street
Panama City, FL 32401
dbanks@baycountyfl.gov



JEFFREY A. STONE
General Counsel
Florida Bar No. 325953
jastone@southernco.com
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0100
(850) 444-6550

RUSSELL A. BADDERS
Florida Bar No. 007455
rab@beggslane.com
STEVEN R. GRIFFIN
Florida Bar No. 0627569
srg@beggslane.com
Beggs & Lane
P. O. Box 12950
Pensacola FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power