

Writer's E-Mail Address: bkeating@gunster.com

September 26, 2014

BY HAND DELIVERY

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

REDACTED

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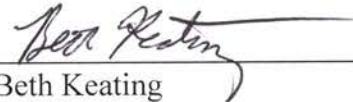
Re: New Filing – Petition of Florida Public Utilities Company for Approval of Negotiated Power Purchase Contract with Eight Flags Energy, LLC

Dear Ms. Stauffer:

Enclosed for filing, please find the original and seven copies of Florida Public Utilities Company's Request for Confidential Classification of information contained in Attachment B to its Petition for Approval of Negotiated Power Purchase Contract, as well as portions of the referenced contract.

Please do not hesitate to contact me if you have any questions whatsoever regarding this filing.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Cc:/ Jim Dean, Director/Division of Economics

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition of Florida Public Utilities
Company for Approval of Negotiated Power
Purchase Contract with Eight Flags Energy,
LLC**

Docket No.: _____

Filed: September 26 , 2014

FLORIDA PUBLIC UTILITIES COMPANY'S REQUEST
FOR CONFIDENTIAL CLASSIFICATION OF INFORMATION

Florida Public Utilities Company ("FPUC"), by and through its undersigned counsel, pursuant to Section 366.093, Florida Statutes, and consistent with Rule 25-22.006(4), Florida Administrative Code, hereby submits its Request for Confidential Classification of information contained in Attachment B to its Petition for Approval of Amendment to Negotiated Contract ("Contract") with Eight Flags Energy, LLC ("Eight Flags"), as well as certain amounts identified in the Contract. In support of this Request, FPUC states that:

1. FPUC requests confidential classification of information pertaining to the rates, terms and conditions in the Contract, which represent data provided in the context of confidential contractual negotiations. Both FPUC and Eight Flags treat the subject information as proprietary confidential business information consistent with the definition of that term in Section 366.093, Florida Statutes, and to the extent of FPUC's knowledge, this information has not otherwise been publicly disclosed.
2. The information for which FPUC seeks confidential classification meets the definition of "proprietary confidential business information" as set forth in Section 366.093(3), Florida Statutes, which provides:

(3) Proprietary confidential business information means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. Proprietary confidential business information includes, but is not limited to:

- (a) Trade secrets.
- (b) Internal auditing controls and reports of internal auditors.
- (c) Security measures, systems, or procedures.
- (d) Information concerning bids or other 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.
- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.
- (f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

More specifically, the information for which FPUC seeks confidential classification falls into one of two categories: (1) Information concerning contractual data, including pricing, consistent with subsection (d) above; and (2) Information relating to competitive interests, the disclosure of which would impair the competitive business interests of the provider of the information, consistent with subsection (e) above. Additional information for which FPUC seeks confidential classification includes information regarding the rates and terms set forth in FPUC's power purchase agreements with other wholesale providers. In other words, the information for which FPUC seeks confidential classification either identifies a specific rate, term, or pricing methodology in the Contract, or it identifies an obligation that could impact the competitive interests of one of the parties or a third party with whom FPUC has a contractual obligation to maintain contractual terms as confidential. In either case, the disclosure of the pertinent information would be detrimental to business operations of the party that provided the information, and in the case of FPUC, would ultimately harm FPUC's ratepayers.

3. The location of the information for which FPUC seeks confidential classification is set forth in the chart below, along with the rationale associated with each item in question:

Petition for Approval of Amendment to Contract, Attachment B	Page 1, Highlighted numbers in Columns Year 2016 through Year 2036, for JEA Contract Price, Capacity Factor, Eight Flags Tolling Fees Charge, Net Benefits, and Eight Flags Charges and Total row; and Page 2, Highlighted numbers in Columns Year 2016 through Year 2036, for JEA Contract Price, Rayonier Contract Price and Margin, Capacity Factor, Eight Flags Tolling Fees Charge, Net Benefits and Eight Flags Charges and Total row	Includes information concerning pricing and pricing methodology, the disclosure of which would impair FPUC's future efforts to negotiate and contract for goods and services on reasonable terms and conditions. (Section 366.093(3)(d) and (e))
Contract	Page 14, highlighted number in last paragraph; and Page 16, highlighted amounts in first paragraph and fourth paragraph	Includes specific contract pricing and methodology terms, the disclosure of which would impair FPUC's future efforts to negotiate and contract for goods and services on reasonable terms and conditions. (Section 366.093(3)(d) and (e))

4. The information specified above is highly proprietary, competitive and contractual information that falls squarely within Sections 366.093(3)(d) and (e), Florida Statutes. Release of the referenced information as a public record would harm FPUC's business operations and ratepayers by impairing the Company's ability to effectively negotiate for goods and services. Likewise, as specified above, the release of certain identified information would also have adverse impacts on Eight Flags' competitive interests and enable competitors to gain undue

advantage in the market. As such, FPUC requests that the Commission afford this information confidential classification and thus, exempt from Section 119.07, Florida Statutes. Included with this Request is a highlighted copy of the Contract, and Attachment B to the referenced Petition. Also enclosed are two redacted copies of the same information.

5. FPUC asks that confidential classification be granted for a period of at least 18 months. Should the Commission no longer find that it needs to retain the information, FPUC respectfully requests that the confidential information be returned to the Company.

WHEREFORE, FPUC respectfully requests that the highlighted information contained in Attachments A (Contract) and B to its Petition for Approval of Negotiated Contract with Eight Flags Energy, LLC be classified as "proprietary confidential business information," and thus, exempt from Section 119.07, Florida Statutes.

RESPECTFULLY SUBMITTED this 26th day of September, 2014.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Attorneys for FPUC

PROJECTED NET BENEFITS FROM CONTRACT BETWEEN EIGHT FLAGS AND FPU

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Wholesale Costs of Power Including G&T (\$/MWh)																						
Projected JEA Contract Price*																						
Eight Flags Generator																						
Output Gain (MW)	19.80																					
Capacity Factor																						
Output per Year, MWh	166,510																					
Eight Flags Non-Fuel Cost Charge (\$/MWh)																						
[REDACTED]																						
Adjusted Fuel Prices																						
Natural Gas All In Price	5.79	5.94	6.10	6.26	6.45	6.63	6.79	6.91	6.92	7.03	7.17	7.29	7.40	7.52	7.64	7.77	7.89	8.02	8.15	8.29	8.42	
Avoided Cost-Based Savings 19.8 MW																						
[REDACTED]																						
Eight Flags-based Charges																						
Capacity/Non-Fuel Cost	[REDACTED]																					
Fuel Costs w/Transport	[REDACTED]																					
Steam Credit	[REDACTED]																					
Total	[REDACTED]																					
Net Benefits																						
Annual Total	3,563,499	3,484,885	3,292,123	2,533,110	2,277,748	3,221,416	3,085,468	2,894,149	2,957,564	2,765,326	2,666,580	2,604,602	2,549,774	2,502,314	2,462,462	2,430,472	2,406,619	2,391,198	2,384,524	2,386,935	2,401,147	
Discounted Net Benefits																						
Annual Total	3,102,400	2,830,872	2,495,275	1,791,459	1,503,036	1,983,449	1,772,580	1,551,373	1,479,245	1,290,514	1,161,132	1,058,228	966,607	885,117	812,717	748,464	691,509	641,087	596,504	557,138	522,940	
Social Discount Rate																						
[REDACTED]																						

KVA Capacity: 25 MVA

(c) Under no circumstances shall Seller be considered in default of this Agreement or be liable for any Costs, Losses, damages or other amounts payable to Buyer (or be entitled to any other remedy) on account of any failure to deliver Net Energy Supply or Capacity in accordance with this Agreement (including the failure to deliver Net Energy Supply pursuant to Sections 7(b) hereof), whether under tort (including strict liability), contract, statute or any other theory of liability, provided however that the foregoing shall not be construed to limit Buyer's right to terminate this Agreement in accordance with Section 2(c).

(c) Title and risk of loss to Net Energy Supply sold hereunder shall pass to Buyer at the Delivery Point.

8. METER READING, QUANTITIES OF NET ENERGY SUPPLY

(a) Metering Net Energy Supply for the Delivery Month: All Net Energy Supply furnished hereunder shall be measured by suitable meter in accordance with Section 6 hereof. Buyer shall read, or have read on its behalf, the metering equipment at the Delivery Point on a schedule consistent with Buyer's Delivery Month (metering schedule), but no less frequently than monthly.

(b) Maintenance of Metered Data: In electronic form, Buyer shall retain and make available to Seller, the metered amounts of Net Energy Supply for each Delivery Month

9. CHARGES, PURCHASE PRICES, AND PAYMENTS FOR NET ENERGY SUPPLY

9.1 Charges and Adjustments

(a) Rates and Charges

The rates and charges under this Agreement shall consist of two (2) components:

Non-Fuel Charge: The initial Non-Fuel Charge shall be set at [REDACTED] The Non-Fuel Charge includes a cost of service component for the actual operations and maintenance (O & M) expenses of the facility. The initial O&M component will be based upon Seller's reasonable estimate of actual O&M expenses. The initial and all subsequent recalculations of the O&M component of the Non-Fuel Charge shall be adjusted annually using inflation as measured by the U.S. Bureau of Labor Statistics' Consumer Price Index ("CPI") for the duration of this

(a) The Minimum Quantity of Net Energy Supply shall be [REDACTED] net Energy output as measured over any twelve (12) month period.

(b) For any Delivery Month in which Seller delivers less than the Minimum Quantity of Net Energy Supply as calculated in accordance with Section 9.2(a), the payment due for the quantity of Net Energy Supply (MWh) that is delivered to Buyer shall be reduced by an amount equal to the difference, if any, between the amount of the payment that Buyer would have made to Seller for the Shortfall amount and the amount the Buyer paid another wholesale power provider to make up for the Shortfall. Buyer's sole and exclusive remedy for Seller's failure to deliver the Minimum Quantity of Net Energy Supply in accordance with this Agreement shall be the pricing adjustments set forth in this Section 9.2(b). For purposes of this Section 9.2(b), "Shortfall" shall mean the difference between the amount of Net Energy Supply delivered to Buyer that is less than the Minimum Quantity and the Minimum Quantity.

(c) Notwithstanding any term to the contrary set forth herein, for any Delivery Month Seller shall not have a maximum limit on Net Energy Supply, provided that Buyer is capable of taking delivery of Net Energy Supply from Seller in excess of the Committed Capacity at any time without Buyer, or Buyer's Native Load Obligation, incurring physical or financial harm (other than any payment required hereunder) or impairment to its transmission or distribution system, each of which Buyer shall have the burden of demonstrating. Subject to the foregoing and to any limitation in Section 9.4 hereof, Buyer shall accept and pay for all Charges for all Net Energy Supply delivered hereunder. If any amounts of Net Energy Supply are proffered or supplied hereunder in excess of the Committed Capacity and Buyer refuses to accept such excess in accordance with this Section 9.2(c) or Section 9.4 or Section 12 hereof, the greater of 15.0 MW or the then-current Committed Capacity shall nonetheless be included in the calculation of Net Energy Supply delivered by Seller during any particular month for purposes of making the calculations specified in Section 9.2(a) and (b) hereof. Consistent with Section 7(a), in no instance shall Committed Capacity exceeding 20 MW be included in such calculation.

(d) For the duration of the Steam Agreement, Buyer shall receive a credit to the Fuel Charge component ("Credit") on each invoice in an amount equal to [REDACTED] of the gross revenues Seller has derived from the sale of Unfired Steam under the Steam Agreement for the preceding Month. Notwithstanding the foregoing, this Credit shall be reduced to zero percent (0%) of gross revenues derived from the sale of Unfired Steam under the Steam Agreement for the preceding month in situations arising under Section 9.4.

9.3 Invoices and Payments

(a) Buyer shall remit monies, in U.S. dollars, to Seller in an amount equal to the invoice amount, within thirty (30) Business Days upon receipt of each monthly invoice.

KVA Capacity: 25 MVA

(c) Under no circumstances shall Seller be considered in default of this Agreement or be liable for any Costs, Losses, damages or other amounts payable to Buyer (or be entitled to any other remedy) on account of any failure to deliver Net Energy Supply or Capacity in accordance with this Agreement (including the failure to deliver Net Energy Supply pursuant to Sections 7(b) hereof), whether under tort (including strict liability), contract, statute or any other theory of liability, provided however that the foregoing shall not be construed to limit Buyer's right to terminate this Agreement in accordance with Section 2(c).

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