



September 21, 2020

VIA HAND DELIVERY

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

REDACTED

RE: Docket No. 20200001-EI; Audit Control No: 2020-013-1-1

Dear Mr. Teitzman:

Attached is Gulf Power Company's Request for Confidential Classification regarding certain documents produced by Commission Staff and Gulf Power in connection with a review (ACN 2020-013-1-1) of Gulf Power's hedging settlements in the above-referenced docket.

Sincerely,

S/Richard Hume

Richard Hume
Regulatory Issues Manager

md

Attachments

cc: Gulf Power Company
Russell Badders, Esq., VP & Associate General Counsel

COM	___
AFD	___ 1 Exh B
APA	___
ECO	___
ENG	___
GCL	___
IDM	___
CLK	___

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COMMISSION
CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 20200001-EI

Date: September 21, 2020

**GULF POWER COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Gulf Power Company ("Gulf"), pursuant to Rule 25-22.006, Florida Administrative Code ("F.A.C.") and Section 366.96, Florida Statutes ("F.S."), hereby requests that the Florida Public Service Commission ("Commission") enter an order protecting from public disclosure certain information contained in documents showing Gulf's Hedging Transactions for the Period August 1, 2019 to July 31, 2020 ("2020 Hedging Settlements"), which Gulf has produced to the Commission Staff ("Staff") in Audit Control No. 2020-013-1-1. In support of this request, Gulf states as follows:

1. In response to certain data requests propounded by Staff, Gulf has produced its 2020 Hedging Settlements. The 2020 Hedging Settlements will be included in Staff's work papers in this docket. This request is being filed in order to request confidential classification of certain information contained in the 2020 Hedging Settlements, consistent with Rule 25-22.006, F.A.C.
2. The following exhibits are attached to and made a part of this Request:
 - a. Exhibit "A" consists of the 2020 Hedging Settlements, and all the information that Gulf asserts is entitled to confidential treatment has been highlighted.
 - b. Exhibit "B" is an edited version of Exhibit "A" on which the specific information Gulf asserts is confidential has been blocked out.
 - c. Exhibit "C" is a line-by-line justification table in support of Gulf's Request for Confidential Classification in which Gulf demonstrates that the

information Gulf asserts is confidential qualifies as one of the statutory examples listed in section 364.183(3), 366.093(3), or 367.156(3), F.S.

- d. Exhibit “D” is a written declaration in support of this Request, which affirms that the information for which Gulf seeks confidential classification is intended to be and is treated by Gulf as private and has not been disclosed.

3. Gulf submits that the confidential information contained in the 2020 Hedging Settlements relates to competitive interests, the disclosure of which would impair the competitive business of Gulf. This information contains details concerning Gulf’s hedging activities between August 2019 and July 2020, and target ranges for hedging transactions. Disclosure of pricing and target range information would give other market participants a competitive advantage over Gulf and adversely affect Gulf’s ability to conduct its hedging activities to the benefit of its customers. Similarly, hedging counterparties may refuse to conduct business with Gulf, or may charge higher prices, if pricing terms were made public. This information is entitled to confidential classification pursuant to section 366.093(3)(d)-(e), F.S.

4. Upon a finding by the Commission that the confidential information contained in the 2020 Hedging Settlements is proprietary and confidential business information, the information should not be declassified for at least eighteen (18) month period and should be returned to Gulf as soon as it is no longer necessary for the Commission to conduct its business. *See* Section 366.093(4), F.S.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials, Gulf Power Company respectfully requests that the Commission grant Gulf's Request for Confidential Classification and enter an order protecting the information highlighted on Exhibit "A" from public disclosure.

Respectfully submitted this 21st day of September 2020.

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By: *s/ Jason A. Higginbotham*
Jason A. Higginbotham
Fla. Auth. House Counsel No. 1017875
Attorney for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 20200001-EI

Date: September 21, 2020

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

CONFIDENTIAL

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 20200001-EI

Date: September 21, 2020

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "B"

REDACTED

8/24/20

Gulf Power Company
 Hedging Transactions
 For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-RI
 Audit Control No.: 2020-013-1-1
 File: 2020 Hedging Settlements
 Auditor: Debra Dobiao

A	B	C	D	E	F	G	H
Counterparty	Deal Type	Index	Accounting Month	Contract Month	Hedge Month	MMBTU	Settlement (Gain)/Loss
Nymex Gas Hedging Pay Settlement 8/19							
JPMORG	Swaps Settlement	NYMEX	Jul-19	Aug-19	Aug-19		\$
MBRRIL	Swaps Settlement	NYMEX	Jul-19	Aug-19	Aug-19		\$
CITIGROUP	Swaps Settlement	NYMEX	Jul-19	Aug-19	Aug-19		\$
						450,600	\$ 818,240
							48.1 \$ 818,240

Prepared by audit staff
 Source - FIN-2040 support

CONFIDENTIAL

SOURCE is referenced

8/26/20

Gulf Power Company
 Hedging Transactions
 For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-BI
 Audit Control No.: 2020-013-1-1
 File: 2020 Hedging Settlements
 Auditor: Debra Doblas

A Counterparty	B Deal Type	C Index	D Accounting Month	E Contract Month	F Hedge Month	G MMBTU	H Settlement (Gain)/Loss
Nymex Gas Hedging Pay Settlement 9/19							
1 3 JPMORG	Swaps Settlement	NYMEX	Aug-19	Sep-19	Sep-19		\$
MERRIL	Swaps Settlement	NYMEX	Aug-19	Sep-19	Sep-19		\$
CITIGROUP	Swaps Settlement	NYMEX	Aug-19	Sep-19	Sep-19		\$
						\$ 30,000	\$ 768,740
						48.1	\$ 768,740

Prepared by audit staff
 Source - FIN-2040 support

CONFIDENTIAL

SOURCE As Referenced

8/8/20/20

Gulf Power Company
 Hedging Transactions
 For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-BI
 Audit Control No.: 2020-013-1-1
 File: 2020 Hedging Settlements
 Auditor: Dobra Doblas

A	B	C	D	E	F	G	H
Counterparty	Deal Type	Index	Accounting Month	Contract Month	Hedge Month	MMBTU	Settlement (Gain)/Loss
Nymex Gas Hedging Pay Settlement 10/19							
JPMORG	Swaps Settlement	NYMEX	Sep-19	Oct-19	Oct-19		\$
MERRIL	Swaps Settlement	NYMEX	Sep-19	Oct-19	Oct-19		\$
CITIGROUP	Swaps Settlement	NYMEX	Sep-19	Oct-19	Oct-19		\$
						<u>450,000</u>	<u>\$ 689,090</u>
						48.1	<u>\$ 689,090</u>

Prepared by audit staff
 Source - FIN-2040 support

CONFIDENTIAL

SOURCE AS ADVISED

8/26/20

Gulf Power Company
Hedging Transactions
For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-B1
Audit Control No.: 2020-013-1-1
File: 2020 Hedging Settlements
Auditor: Dobra Doblas

	A	B	C	D	E	F	G	H
	Counterparty	Deal Type	Index	Accounting Month	Contract Month	Hedge Month	MMBTU	Settlement (Gain)/Loss
	Nymex Gas Hedging Pay Settlement 11/19							
1	JPMORG	Swaps Settlement	NYMBX	Oct-19	Nov-19	Nov-19		\$
2	MERRIL	Swaps Settlement	NYMBX	Oct-19	Nov-19	Nov-19		\$
3	CITIGROUP	Swaps Settlement	NYMBX	Oct-19	Nov-19	Nov-19		\$
							\$30,000	\$ 602,680
								48.1 \$ 602,680

Prepared by audit staff
Source - FIN-2040 support

CONFIDENTIAL

SOURCE As of period

8/20/20

Gulf Power Company
 Hedging Transactions
 For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-El
 Audit Control No.: 2020-013-1-1
 File: 2020 Hedging Settlements
 Auditor: Debra Doblas

A Counterparty	B Deal Type	C Index	D Accounting Month	E Contract Month	F Hedge Month	G MMBTU	H Settlement (Gain)/Loss
Nymex Gas Hedging Pay Settlement 12/19							
JPMORG	Swaps Settlement	NYMEX	Nov-19	Dec-19	Dec-19		\$
MERRIL	Swaps Settlement	NYMEX	Nov-19	Dec-19	Dec-19		\$
CITIGROUP	Swaps Settlement	NYMEX	Nov-19	Dec-19	Dec-19		\$
						530,000	\$ 669,990
							48.1 \$ 669,990

Prepared by audit staff
 Source - FIN-2010 support

CONFIDENTIAL

SOURCE A. Robinson

08/26/20

Gulf Power Company
Hedging Transactions
For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-EI
Audit Control No.: 2020-013-1-1
File: 2020 Hedging Settlements
Auditor: Debra Doblas

A	B	C	D	E	F	G	H
Counterparty	Deal Type	Index	Accounting Month	Contract Month	Hedge Month	MMBTU	Settlement (Gain)/Loss
Nymex Gas Hedging Pay Settlement 1/20							
1 2 JPMORG	Swaps Settlement	NYMEX	Dec-19	Jan-20	Jan-20		\$
MERRIL	Swaps Settlement	NYMEX	Dec-19	Jan-20	Jan-20		\$
						330,000	\$ 467,160
						48.1	\$ 467,160

Prepared by audit staff
Source - FIN-2040 support

CONFIDENTIAL

SOURCE As referenced

08/26/20

Gulf Power Company
Hedging Transactions
For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-BI
Audit Control No.: 2020-013-1-1
File: 2020 Hedging Settlements
Auditor: Debra Doblas

A	B	C	D	E	F	G	H
Counterparty	Deal Type	Index	Accounting Month	Contract Month	Hedge Month	MMBTU	Settlement (Gain)/Loss
Nymex Gas Hedging Pay Settlement 2/20							
JPMORG	Swaps Settlement	NYMEX	Jan-20	Feb-20	Feb-20		\$
MBRRIL	Swaps Settlement	NYMEX	Jan-20	Feb-20	Feb-20		\$
						330,000	\$ 559,890
						48.1	\$ 559,890

Prepared by audit staff
Source - FIN-2040 support

CONFIDENTIAL

SOURCE As Referenced

08/26/20

Gulf Power Company
Hedging Transactions
For Period August 1, 2019 to July 31, 2020

Docket No.: 20200001-EL
Audit Control No.: 2020-013-1-1
File: 2020 Hedging Settlements
Auditor: Debra Dobias

A	B	C	D	E	F	G	H
Counterparty	Deal Type	Index	Accounting Month	Contract Month	Hedge Month	MMBTU	Settlement (Gain)/Loss
Nymex Gas Hedging Pay Settlement 3/20							
JPMORG	Swaps Settlement	NYMEX	Feb-20	Mar-20	Mar-20		\$
MBRRIL	Swaps Settlement	NYMEX	Feb-20	Mar-20	Mar-20		\$
						<u>330,000</u>	<u>\$ 578,370</u>
						48.1	<u>\$ 578,370</u>

Prepared by audit staff
Source - PIN-2040 support

CONFIDENTIAL

SOURCE Reference

469.1

SOURCE: *As Reported*

DocId: No. 20200001-EI
 Audit Control No.: 2020-013-1-1
 File: 2020 Hedging Settlements
 Auditor: Debra Dobias

Gulf Power Company
 Hedging Transactions Audit
 For Period August 1, 2019 to July 31, 2020

Natural Gas MONTHS	August	September	October	November	December	January	February	March	Total
Projected Base:	48,294	6,726,091	6,540,808	3,405,904	6,132,474	6,424,402	5,990,318	6,369,416	48,407,811
Settled Hedging Transactions:	49-9	450,000	450,000	530,000	530,000	530,000	530,000	330,000	\$ 3,400,000
% of Demand:	7%	7%	7%	16%	9%	5%	6%	5%	7%
Var - Act vs Proj % Demand:	0%	0%	-1%	4%	0%	0%	0%	0%	0%

NOTE: As per the Risk Management Plan, filed with the FERC on August 4, 2016
 Gulf will annually hedge gas prices generally between [redacted] of its projected annual gas load for the current year.
 Gulf will utilize fixed price swaps as its primary financial gas price hedging instrument but may also utilize options to a lesser degree when appropriate.
 Gulf will limit the amount of fixed-price hedges to [redacted] of the projected fuel load for the upcoming year.
 Gulf will limit options price hedges to [redacted] of its projected load.
 Gulf will take forward hedge positions up to [redacted] months into the future.
 The Risk Management Plan, dated 8/4/2016 (Prevention Strategy for 2017 to 2019), did not have any projected annual gas load (MMBTU) quantities.

CONFIDENTIAL

08/26/20

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 20200001-EI

Date: September 21, 2020

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "C"

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

<u>Line(s)/Field(s)</u>	<u>Justification</u>
Document 48-1 Columns G & H, lines 1-3	This information is entitled to confidential classification pursuant to §366.093(3)(d)-(e), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 2.
Document 48-2 Columns G & H, lines 1-3	
Document 48-3 Columns G & H, lines 1-3	
Document 48-4 Columns G & H, lines 1-3	
Document 48-5 Columns G & H, lines 1-3	
Document 48-6 Columns G & H, lines 1-2	
Document 48-7 Columns G & H, lines 1-2	
Document 48-8 Columns G & H, lines 1-2	
Document 48-9.1 lines 2 & 4-6 as marked	

EXHIBIT "D"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 20200001-EI

Date: September 21, 2020

STATE OF FLORIDA)
) WRITTEN DECLARATION OF RICHARD HUME
COUNTY OF PALM BEACH)

1. My name is Richard Hume. I am currently employed by Gulf Power Company ("Gulf") as Regulatory Issues Manager. I have personal knowledge of the matters stated in this written declaration.

2. I have reviewed the documents and information included in Exhibit "A" to Gulf's Request for Confidential Classification filed this date, for which I am listed as a declarant on Exhibit "C". The documents that I have reviewed and which are asserted by Gulf to be proprietary confidential business information contain or constitute contractual data, and information related to competitive interests, the disclosure of which would impair the competitive business of Gulf, its affiliates and its contractors, vendors and suppliers. Specifically, the documents and exhibits contain the details concerning Gulf's hedging activities between August 2019 and July 2020, and target ranges for hedging transactions. Disclosure of this information would impair or negate the commercial interests of Gulf as Gulf negotiates contracts with third-party entities. The disclosure of this information will also impact the efforts of Gulf or its affiliates to contract for goods and services on favorable terms in the future, which in turn increases costs to Gulf and its customers. To the best of my knowledge, Gulf has maintained the confidentiality of this information.

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 Gulf as soon as the information is no longer necessary for the Commission to conduct its business so that Gulf can continue to maintain the confidentiality of these documents.

4. Under penalties of perjury, I declare that I have read the foregoing declaration and that the facts stated therein are true and to the best of my knowledge and belief.



Richard Hume

Date: 9/21/2020

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor)

Docket No.: 20200001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery to Commission Clerk and via electronic mail this 21st day of September, 2020 to the following:

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Florida Division of Chesapeake
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