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March 16, 2006

060251-E1

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Re: Gulf Power Company's Electric Service Quality and Reliability Audit

Enclosed are an original and fifteen copies of Gulf Power Company's Request for Confidential Classification in regards to Document Requests 1.6a, 1.21, 1.24, 1.30a, 1.32, 1.33a, 2.3e-f, 3.3b, 3.4, 4.4a-b and certain auditor working papers.

Sincerely,

Susan D. Ritenour (lw)

lw

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER-DATE

02378 MAR 17 06

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Gulf Power Company Electric
Service Quality and Reliability Audit
_____)

Docket No.: Undocketed
Date: March 14, 2006

REQUEST FOR CONFIDENTIAL CLASSIFICATION

GULF POWER COMPANY ["Gulf Power", "Gulf", or the "Company"], by and through its undersigned attorney 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 Gulf Power's responses to Document Requests ("DR") 1.6a, 1.21, 1.24, 1.30a, 1.32, 1.33a, 2.3e-f, 3.3b, 3.4, 4.4a-b and certain auditor working papers. As grounds for this request, the Company states:

1. Pursuant to Rule 25.22.006(3)(a)2 Gulf Power timely files its Request for Confidential Classification.

A. Responses to Document Request One

2. The documents provided in response to DR-1.6a (pg. 2-21), DR-1.21(pg. 3-8), DR-1.24(pg. 3-16), DR-1.30a (pg. 3-9); DR-1.32 (exhibit 1), and DR-1.33a (exhibits 1-2) are entitled to confidential classification pursuant to Florida Statute section 366.093(3)(a) and (e). The documents contain proprietary business information which would cause irreparable harm to Gulf Power Company's competitive business interests if such information is disclosed to the general public. Specifically, with the exception of the responses to DR-1.30a (pg. 3-9) and DR-1.6a (pg. 2-21), the documents produced in response to document request 1 contain excerpts and/or summaries from proprietary Gulf Power and Southern Company procedures and specifications plates. The procedures and specifications contained in the plates embody Gulf Power and Southern Company's best practices on how to operate their systems. Revelation of

this information would provide Gulf Power's competitors access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense. The response to DR-1.30a (pg. 3-9) reflects the types of distribution, transmission and substation transformers used by the Company and the current load characteristics and assumptions for the use of each. This is competitively sensitive proprietary business information which would cause irreparable harm to Gulf Power Company's competitive business interests if such information is disclosed to the general public. Like the plates discussed above, these documents embody Gulf Power and Southern Company's best practices on how to operate their systems. Revelation of this information would provide Gulf Power's competitors access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense.

3. Gulf Power's response to DR-1.6a (pg. 2-21) contains results of externally prepared customer surveys. These surveys are the property of the contractors who prepared them and are subject to a confidentiality agreement. Moreover, the Company uses the results of these surveys to gauge its performance relative to its competitors. The business strengths and weaknesses revealed by the surveys, as well as the survey questions themselves, constitute competitively sensitive information insofar as revelation of such information would allow competitors to optimize their systems and practices at Gulf Power's expense. These documents are entitled to confidential classification pursuant to Florida Statute section 366.093(e).

B. Responses to Document Request Two

4. The written responses provided in response to DR-2.3e-f are entitled to confidential classification pursuant to Florida Statute section 366.093(e). The responses contain competitively sensitive proprietary business information which would cause irreparable harm to

Gulf Power Company's competitive business interests if such information is disclosed to the general public. Specifically, the responses outline employee target award opportunity goals, their annual achievement rates and dollars awarded. These documents reflect the company's design and structure of a compensation plan that allows it to successfully recruit and retain employees in a competitive market. It is akin to pricing of contracts for commodities and its disclosure would impair the Company's efforts to compete for qualified employees. This information is therefore protected pursuant to Florida Statute section 366.093(e).

C. Responses to Document Request Three

5. The documents provided in response to DR-3.3(b) are entitled to confidential classification pursuant to Florida Statute section 366.093(3)(e). The documents contain proprietary business information which would cause irreparable harm to Gulf Power Company's competitive business interests if such information is disclosed to the general public. Specifically, the documents reflect an externally prepared assessment/critique of Gulf Power's response to hurricanes occurring in 2004. The assessment outlines Company hurricane protocols in detail along with strengths, weaknesses and suggestions for improvement. Disclosure of this information would harm Gulf Power insofar as it would reveal how the Company allocates its financial and non-financial resources relative to hurricane preparedness and would allow Gulf's competitors to capitalize on such information and optimize their practices at Gulf Power's expense.

6. The documents provided in response to DR-3.4 are entitled to confidential classification pursuant to Florida Statute section 366.093(3)(a) and (e). The documents contain proprietary business information which would cause irreparable harm to Gulf Power Company's competitive business interests if such information is disclosed to the general public. Specifically,

the documents consist of Gulf Power's Area Distribution Studies. Company area distribution studies are akin to an audit. They are self-critical analyses which reveal internal company practices and procedures related to distribution and distribution reliability. Disclosure of this information would harm the Company insofar as it would allow competitors to capitalize on identified weaknesses and emulate identified strengths at the Company's expense.

C. Responses to Document Request Four

7. The documents provided in response to DR-4.4a-b (pg. 2-3) are entitled to confidential classification pursuant to Florida Statute section 366.093(3)(e). The documents contain proprietary business information which would cause irreparable harm to Gulf Power Company's competitive business interests if such information is disclosed to the general public. Specifically, the documents consist of company operational and financial targeted goals for employee performance. These documents reflect the Company's internal strategy for improving reliability and its business processes generally. Additionally, they reflect those specific operational goals which Gulf Power emphasizes in order to best serve its customers and the degree to which such goals are emphasized relative to one another. Finally, the documents reflect the Company's monetary expenditures in furtherance of those goals. All of this information together provides insight into internal Company strategy which, if publicly disclosed, could be used by competitors to optimize their own business strategies at Gulf Power's expense.

D. Auditors' Working Papers

8. Gulf Power is also seeking confidential classification of certain portions of the auditors' working papers. The Company seeks confidential classification of page 8, lines 3 and 4 of an auditor's handwritten notes dated 10/19/05 and titled "Audits – Reliability Review" which

references a specific monetary amount paid to an outside contractor. This information is entitled to confidential classification pursuant to Florida Statute section 366.093(3)(d) as contractual data the disclosure of which would impair efforts of Gulf Power to contract for goods and services on favorable terms.

9. Additionally, the Company seeks confidential classification for page 4, lines 8-27 and page 5, lines 1-8 of an auditor's handwritten notes entitled "Responses to Audits & Recs." This information is entitled to confidential classification pursuant to Florida Statute section 366.093(3)(b) as it summarizes the results of an internal compliance audit performed by Gulf power of its Pensacola District.

10. Finally, the Company seeks confidential classification for page 15, column B lines 5-19 of the "Document Summary and Control Log" for documents produced in response to DR-1. This information summarizes the documents produced in response to DR-1.30a and is confidential for the same reasons are stated in paragraph 2 above.

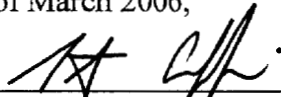
11. All of the information filed pursuant to this Request is intended to be, and is treated as, confidential by the Gulf Power and has not been otherwise publicly disclosed.

12. Submitted as Exhibit "A" are copies of Gulf Power's responses to Document Requests 1.6a (pg. 2-21), 1.21 (pg. 3-8), 1.24 (3-16), 1.30a (pg. 3-9), 1.32 (exhibit 1), 1.33a (exhibits 1-2), 2.3e-f, 3.3b, 3.4, 4.4a-b and previously specified portions of auditor working papers. The confidential portions of the auditors' working papers and parts e-f of the response to DR-2.3 have been highlighted. Because Gulf Power is requesting confidential treatment for the remaining documents in their entirety, Gulf has not highlighted them (as doing so would potentially result in destruction of some or all of the documents). Exhibit "A" should be treated as confidential pending a ruling on this request. Attached as Exhibit "B" to this request are two

copies of the redacted materials. 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 identified in Exhibit "A" from public disclosure as proprietary business information.

Respectfully submitted this 16th day of March 2006,



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Gulf Power Company Electric
Service Quality and Reliability Audit

Docket No.: Undocketed
Date: March 17, 2006

_____)

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

Provided to the Division of Records and Reporting
under separate cover as confidential information

EXHIBIT C

Document Request One

DR-1.6a (pg. 2-21),
DR-1.21(pg. 3-8),
DR-1.24(pg. 3-16),
DR-1.30a (pg. 3-9),
DR-1.32 (exhibit 1), and
DR-1.33a (exhibits 1-2)
--In their entirety--

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

Document Request Two

DR-2.3e-f
--In their entirety--

This information is entitled to confidential classification pursuant to §366.093(3)(a) and (e), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 4.

Document Request Three

DR-3.3b and
DR-3.4
--In their entirety--

This information is entitled to confidential classification pursuant to §366.093(3)(a) and (e), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraphs 5-6.

Document Request Four

DR-4.4 a-b (pg. 2-3)
--In their entirety--

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 7.

Auditors' Working Papers

Auditor's handwritten notes dated 10/19/05 and titled "Audits – Reliability Review" (page 8, lines 3-4)

This information is entitled to confidential classification pursuant to §366.093(3)(d), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 8.

Auditor's handwritten notes entitled "Responses to Audits & Recs" (page 4, lines 8-27; page 5, lines 1-8)

This information is entitled to confidential classification pursuant to §366.093(3)(b), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 9.

Auditors' Working Papers Contd.

Page 15, column B lines 1-15 of the "Document Summary and Control Log" for documents produced in response to DR-1.

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 paragraphs 2 and 10.