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July 19, 2013

REDACTED

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

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COMMISSION
CLERK

RE: Docket No. 110321-EI

Dear Ms. Cole:

Enclosed are an original and seven copies of Gulf Power Company's Request for Confidential Classification pertaining to portions of the Commission's Review of Coal Combustion Residual Storage and Disposal Processes of the Florida Electric Industry (PA-10-10-004). Also included is a DVD of Gulf's Request for Confidential Classification and Exhibit C in Microsoft Word format.

Sincerely,

Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

COM _____ Enclosures

AFD _____

APA 1 cc: Beggs and Lane

ECO _____ Jeffrey A. Stone, Esq

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of Coal Combustion
Residual Storage and Disposal Processes of
the Florida Electric Industry

Docket No.: 110321-EI
Date: July 22, 2013

REQUEST FOR EXTENDED 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 granting extended confidential classification for certain information produced by Commission Staff in connection with the Commission's Review of Coal Combustion Residual Storage and Disposal Processes of the Florida Electric Industry (PA-10-10-004) (the "Review"). As grounds for this request, the Company states:

1. On November 23, 2011, Gulf filed a Request for Confidential Classification of certain information produced by Commission Staff and Gulf Power in connection with the Review. (Document No. 08597-11). The materials that were subject to the initial request were contained in Document No. 08598-11.

2. On January 24, 2012, the Commission entered an order granting Gulf Power's request for a period of eighteen (18) months. See Order No. PSC-12-0035-CFO-EI (Document No. 00487-12).

3. Following the entry of Order No. PSC-12-0035-CFO-EI, Commission Staff returned to Gulf Power the bulk of the documents that were subject to Gulf's original request. However, a portion of the confidential materials remains in the Commission's possession.

Specifically, the Commission has retained a draft audit report (“Staff’s Draft Report”) which contains confidential information.¹

4. As provided in section 366.093(4), Florida Statutes, and by the Commission’s order, the confidential portions of Staff’s Draft Report will be made public after July 24, 2013 unless Gulf or another affected party shows, and the Commission finds, that the information is entitled to continued confidential treatment.

5. Gulf hereby requests that the Commission enter an order extending the confidential classification of certain portions of Staff’s Draft Report for an additional 18-month period.²

6. The confidential information remains sensitive and is entitled to continued confidential classification for the same reasons that it was initially classified. As stated in Gulf’s original request and as described in detail below, this information constitutes “proprietary confidential business information” as defined by section 366.093(3), Florida Statutes.

Staff’s Draft Report

7. Staff’s Draft Report summarizes conclusions and recommendations contained in annual Coal Combustion Residue (“CCR”) storage and disposal management reports from Southern Company Services’ inspections. These reports present detailed findings regarding the location, makeup and safety of CCR storage facilities and recommendations for ensuring the

¹ This same confidential information was also incorporated in Staff’s Final Audit Report. The confidential portions of Staff’s Final Audit Report were assigned Document Number 00049-12 and were cross-referenced in the Commission’s order granting Gulf’s original Request for Confidential Classification. Gulf requests that the Commission extend the confidential classification of the confidential information contained in Document Number 00049-12 as well.

² In Gulf’s original request for Confidential Classification, Gulf sought confidential treatment for information pertaining to quantities of Coal Combustion Residues produced, disposed of, and marketed between 2008 and 2010 along with costs and revenues associated with the same. Due to the passage of time, this information is no longer considered confidential and is therefore not a subject of this Request.

continued safety of such facilities. The reports are the product of Company inspection policies and are in the nature of reports of internal auditors. Consequently, the information included in Staff's Draft Report is confidential pursuant to section 366.093(3)(b), Florida Statutes.

8. 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.

9. Submitted as Exhibit "A" are copies of the subject documents. The information for which confidential classification is requested is 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 for an additional 18-month period.

Respectfully submitted this 19th day of July, 2013.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of Coal Combustion
Residual Storage and Disposal Processes of
the Florida Electric Industry

Docket No.: 110321-EI
Date: July 22, 2013

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

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

EXHIBIT "B"

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significant change to, existing storage units. Construction of lined landfills, as well as additional waste management and groundwater monitoring may be necessary. Southern Company also stated that under both options, the EPA proposes to exempt the beneficial use of coal combustion byproducts from regulation; however, a hazardous or other designation indicative of heightened risk could limit or eliminate beneficial reuse options. Although its analysis is preliminary, Southern Company believes the EPA has significantly underestimated compliance costs in the proposed rule.

Southern Company stated in its comments that federal oversight is not necessary because its facilities are designed, constructed, and operated according to the best industry practices to ensure CCR management and disposal are safe and effective. However, should the EPA promulgate final regulations, Southern Company urged the EPA to take an approach that recognizes the operational realities of the existing energy delivery structure.

Southern Company further stated that any federal standards or regulations should recognize that CCRs are non-hazardous "solid waste" for purposes of the Resource Conservation and Recovery Act. Gulf believes existing CCR management facilities should be allowed to continue operating and that primary responsibility for CCR regulation should reside with the states, pursuant to the direction provided by Congress under Resource Conservation and Recovery Act Subtitle D. Among the options proposed or discussed by the EPA, Gulf states that Subtitle D-prime is the best approach, subject to the number of additional suggestions proposed by Gulf.

Southern Company stated that the impact of these proposed regulations will depend on their final form and the outcome of any legal challenges. The changes could result in significant additional compliance, operational costs that could affect future unit retirement, replacement decisions, results of operations, cash flows, and financial condition. Also, it noted that higher costs recovered through regulated rates would result in higher rates for customers and could contribute to reduced demand for electricity which could negatively impact results of operations, cash flows, and financial condition.

5.3 PERFORMANCE SELF-EVALUATION

HAS THE UTILITY CONDUCTED ANY STUDIES OR ANALYSES ON ITS COAL COMBUSTION RESIDUAL STORAGE AND DISPOSAL MANAGEMENT PROCESSES?

Annual CCR storage and disposal management reports from Southern Company Services' inspectors conveyed the following over the period 2009 through 2010:

PLANT CRIST

The dam safety inspection reports, dated April 9 and December 10, 2010, [REDACTED]

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[REDACTED]

PLANT SMITH

A dam safety inspection report, dated February 10, 2010,

[REDACTED]

In regard to an ash pond evaluation on April 23, 2010,

[REDACTED]

A report, dated June 29, 2010,

[REDACTED]

PLANT SCHOLZ

A dam safety inspection report by Southern Company Services, dated February 11, 2010,

[REDACTED]

A report by Southern Company Services, dated October 11, 2010,

[REDACTED]

Another internal report, dated November 18, 2010,

[REDACTED]

PLANT DANIEL

A dam safety inspection report, dated April 14, 2009,

[REDACTED]

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Another internal dam safety inspection report, dated May 19, 2010,



DOES THE UTILITY HAVE PROCESS IMPROVEMENT ACTIVITIES IN PLACE FOR ITS COAL COMBUSTION RESIDUAL STORAGE AND DISPOSAL MANAGEMENT PROCESSES (LESSONS LEARNED, PEER REVIEWS, ETC.)?

Gulf states its weekly inspections, annual safety inspections and assessments of its ash ponds by qualified personnel provide the necessary assurance that the facilities will safely retain the CCRs. Gulf has implemented the following procedures and practices to ensure continued safe CCR operations:

- ◆ Emergency response numbers and personnel available twenty-four hours a day, seven days a week if necessary;
- ◆ Plant personnel who conduct ash pond inspections are trained by dam safety engineers annually;
- ◆ Vegetation on dikes/berms of ash ponds is controlled;
- ◆ Any new structures, modifications to existing structures, or changes in maintained sluiced CCR levels must be reviewed and approved by professional engineers at Southern Company Services prior to and during design and construction.

Additionally, Gulf has initiated the stockpiling of gravel and soil at all ash pond locations in the event that corrective actions might be required. Gulf further notes that it strives to improve its best management practices through continual employee education on new industry standards and process improvements.

EXHIBIT "C"

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

Line(s)/Field(s)

Justification

Staff's Draft Report

Page 20, lines 1-7
Page 21, lines 1-41
Page 22, lines 1-7

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 7.