

ORIGINAL



November 10, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

981594 - EI

Dear Ms. Bayo:

RE: Florida Public Service Commission Audit of Gulf Power Company Affiliate
Transactions (1993-1997) Control # 96-025-1.1

Enclosed for official filing are an original and fifteen copies of Gulf Power
Company's Request for Confidential Classification in the above referenced matter.

Sincerely,

Linda G. Malone

Linda G. Malone
Assistant Secretary and Assistant Treasurer

- ACK _____
- AFA _____
- AFD _____
- CFE _____
- CM _____
- CT _____
- DA _____
- LF _____
- LI _____
- OP _____
- RF _____
- SE _____
- WAS _____
- OTH _____

lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone
Gulf Power Company
Susan D. Ritenour

98 NOV 2 2-NOV 86

X-ref DN 12458-98
DOCUMENT NUMBER-DATE
12705 NOV 12 88
RECORDS AND REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Florida Public Service Commission
Audit of Gulf Power Company Affiliate
Transactions (1993-1997)

Docket No.: Undocketed Audit
Date: November 11, 1998

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 information obtained by the Commission Staff in its Audit of Gulf Power Company Affiliate Transactions (1993-1997). Certain of this information is regarded as confidential by Gulf Power. As grounds for this request, Gulf Power Company states:

1. Gulf Power Company asserts that certain of the information provided to the Commission Staff during its audit of Gulf Power Company Affiliate Transactions (1993-1997) is entitled to confidential classification pursuant to §366.093(3)(c), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power and the Southern Company.

2. Information was provided to the Commission Staff in the form of responses to document requests. The public disclosure of certain portions of the information provided in the document responses would cause irreparable harm to the competitive interests of Gulf Power.

The information for which confidential classification is sought discusses contractual terms with

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FPSC-RECORDS/REPORTING

vendors and affiliates and internal audit reports/findings of Gulf Power Company.

3. Submitted as Exhibit "A" are copies of the documents submitted by Gulf Power Company in response to Staff audit requests, on which is highlighted the information for which confidential classification is requested. In instances where confidential classification is sought for an entire report, study or document, a cover sheet indicating such accompanies the document and a line-by-line highlighting is not provided. Exhibit "A" should be treated as confidential pending a ruling on this request. Attached as Exhibit "B" are two (2) edited copies of the information for which confidential classification is sought, which may be made available for public review and inspection. A cover page indicating that confidential classification is sought for an entire report, study or document is substituted for the two (2) edited copies where applicable. Attached as Exhibit "C" to this request is a line-by-line/field-by-field justification for the request for confidential classification.

4. The material for which confidential classification is requested is intended to be, and is treated as, confidential by Gulf Power Company and has not been otherwise publicly disclosed.

WHEREFORE, Gulf Power Company respectfully requests that the Commission enter an order protecting the information identified on Exhibit "A" from public disclosure as proprietary confidential business information.

Respectfully submitted this 10th day of November 1998.



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

Beggs & Lane

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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Florida Public Service Commission
Audit of Gulf Power Company Affiliate
Transactions (1993-1997)

Docket No.: Undocketed Audit
Date: November 11, 1998

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

The information provided herein should be maintained as proprietary confidential business information pursuant to Section 366.093 and Rule 25-22.006, F.A.C.

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

EXHIBIT "C"

Justification

**The justification for confidential classification will be done by work paper number with each audit response being individually numbered within the response beginning with page 1. Line-by-line justification will be made where possible, however, where the information for which confidential classification is sought contains tables and/or graphs with accompanying text, a field-by field justification will be performed. A field will be in many instances an entire page or document.

<u>Work Paper Number</u> <u>Page(s)/Line(s)</u>	<u>Justification</u>
11-1 - 11-1.18 Internal Audit Report-- Review of Affiliated Billings September 8, 1997 Pages 1 - 16 (includes all text and tables)	Gulf Power asserts that this information is entitled to confidential classification pursuant to §366.093(3)(b), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is an internal audit report on affiliated billings. Audit reports are recognized by statute as proprietary confidential business information in §366.093(3)(b), Florida Statutes. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.
11-1A - 11-1A.2 Internal Controls Pages 1 - 2 (includes all text therein)	Gulf Power asserts that this information is entitled to confidential classification pursuant to §366.093(3)(b), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document outlining an internal audit control for affiliated billings. Internal audit controls are recognized by statute as proprietary confidential business information in §366.093(3)(b), Florida Statutes. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

Audit Request Number
Page(s)/Line(s)

Justification

11-1B - 11-1B.4

Customer Job Order
Procedures

Pages 1 - 7 (includes all
tables and accompanying
text)

Gulf Power asserts that this information is entitled to confidential classification pursuant to §366.093(3)(b) and (c), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document outlining an internal audit control for affiliated billings. Internal audit controls are recognized by statute as proprietary confidential business information in §366.093(3)(b), Florida Statutes. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-1C - 11-1C.3

1994 Overheads

Page 1 - 3(including all
text and tables)

Gulf Power asserts that this information is entitled to confidential classification pursuant to §366.093(3)(c), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document discussing allocation of costs. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-1D - 11-1D.2

1995 Overheads

Pages 1 - 2(including all text and tables)

Gulf Power asserts that this information is entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document discussing allocation of costs. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-1E - 11-1E.3

O/H & Trace to Ledger

Pages 1 -3(including all text and tables)

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms, cost data and pricing data. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services performed for or by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing and cost data would harm the competitive interests of Gulf. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-1F - 11-1F.5

Lease Data

Pages 1- 5(all text and tables)

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms, cost data and pricing data. This information includes the actual contract as well as price data. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services or products performed for or used by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing and cost data would harm the competitive interests of Gulf and the entity with whom it has contracted for goods or services. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power and Southern Communications regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-1G - 11-1G.7

Overhead Rates

Pages 1 - 7 (includes all text therein)

Gulf Power and its affiliates assert that this information is entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document discussing allocation of costs. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-1H - 11-1H.20

Comparison to Georgia
Power

Pages 1 - 20 (includes all
text therein)

Gulf Power and Georgia Power, an affiliate of Gulf Power, assert that this information is entitled to confidential classification pursuant to §366.093(3)(b), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document outlining an internal audit control of Georgia Power Company. Internal audit controls are recognized by statute as proprietary confidential business information in §366.093(3)(b), Florida Statutes. The public disclosure of this information would harm the competitive interests of Gulf Power and Georgia Power and give an unfair advantage to energy service providers who seek to compete with either. Gulf Power and Georgia Power regard this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-5 - 11-5.5

Related Party
Transactions

All documents retained by
F.P.S.C. staff regarding
vendor Beggs & Lane
Note: Staff did not
indicate whether any such
documents were kept.

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms, cost data and pricing d...a. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services or products performed for or used by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing and cost data would harm the competitive interests of Gulf and the entity with whom it has contracted for goods or services. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power and Southern Communications regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-8 - 11-8.18

Related Party
Transactions

Pages 3 - 15 and 18
(includes all tables and
accompanying text)

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms and pricing data. Invoices and contracts indicating price and other contractual terms were provided to Staff in this response. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services or products performed for or used by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing would harm the competitive interests of Gulf and the entity with whom it has contracted for goods or services. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power and the vendor regard this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-9 - 11-9.18

Related Party
Transactions

Pages 3 -14, 18 (includes
all tables and
accompanying text)

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms and pricing data. Invoices and contracts indicating price and other contractual terms were provided to Staff in this response. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services or products performed for or used by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing would harm the competitive interests of Gulf and the entity with whom it has contracted for goods or services. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power and the vendor regard this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-10 - 11-10.10

Related Party
Transactions

Pages 3 - 6, 10 (includes
all tables and
accompanying text)

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms and pricing data. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services or products performed for or used by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing would harm the competitive interests of Gulf and the entity with whom it has contracted for goods or services. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power and the vendor regard this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-11 - 11-11.18

Related Party
Transactions

Page 1, lines 7 - 10
Pages 2 - 10 (including all
text and tables)

Page 18, lines a - e

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms and pricing data. In addition, the information sought is privileged and confidential attorney/client information. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services or products performed for or used by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing would harm the competitive interests of Gulf and the entity with whom it has contracted for goods or services. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power and the vendor regard this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-12 - 11-12.10

Related Party
Transactions

Pages 5 - 10 (includes all
tables and accompanying
text)

This information is entitled to confidential classification pursuant to Section 366.093(3)(d) and (e). This information is proprietary confidential business information regarding contractual terms and pricing data. In addition, the information sought is privileged and confidential attorney/client information. Public disclosure of this information would impair the ability of Gulf Power Company to negotiate terms and conditions in future contracts for services or products performed for or used by Gulf that are the most favorable to Gulf and its general body of customers. Moreover, disclosure of pricing would harm the competitive interests of Gulf and the entity with whom it has contracted for goods or services. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power and the vendor regard this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-13B - 11-13B.4

Conflict of Interest
Guidelines 1996

Pages 1 - 4 (includes all
text therein)

Gulf Power asserts that this information is entitled to confidential classification pursuant to §366.093(3)(b), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document outlining an internal audit control for affiliated billings. Internal audit controls are recognized by statute as proprietary confidential business information in §366.093(3)(b), Florida Statutes. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.

11-13C - 11-13C.2A

Conflict of Interest
Guidelines 1997

Pages 1 - 4 (includes all
text therein)

11-15.1 - 11-15.15

Review of 1996 Arthur
Anderson Work Papers

Pages 6,14, 15 (includes
all text and tables)

Gulf Power and its affiliates assert that this information is entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power. The information for which confidential classification is sought is a document discussing allocation of costs. The public disclosure of this information would harm the competitive interests of Gulf Power and give an unfair advantage to energy service providers who seek to compete with Gulf Power. Competitors can utilize this cost information to gain a superior position to Gulf Power in the markets in which Gulf Power conducts business. Gulf Power regards this information to be confidential and competitively sensitive. No public disclosure of this information has been made.