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October 8, 2001

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: Docket No. 010001-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Request for Confidential Classification for responses to interrogatories numbered 23, 59, 76, and 85 of Staff's Second Set of Interrogatories to Gulf Power Company, Nos. 14-138, and requests numbered 1, 3, and 24 of Staff's Second Request for Production of Documents, Nos. 1-33, in the above docket.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosure

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 010001-EI

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 31st day of October 2001 on the following:

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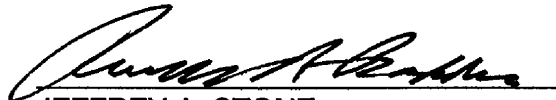
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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power cost
recovery clause and generating performance
incentive factor

Docket No.: 010001-EU
Date Filed: October 9, 2001

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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 the Company’s responses to interrogatories numbered 23, 59, 76 and 85 of Staff’s Second Set of Interrogatories to Gulf Power Company (Nos. 14-138) and requests numbered 1, 3 and 24 of Staff’s Second Request for Production of Documents (No. 1-33). As grounds for this request, the Company states:

1. On September 17, 2001, Gulf submitted its responses to interrogatories numbered 23, 59, 76 and 85 of Staff’s Second Set of Interrogatories to Gulf Power Company (Nos. 14-138) and requests numbered 1, 3 and 24 of Staff’s Second Request for Production of Documents (No. 1-33) under a Notice of Intent to Request Confidential Classification. This information is entitled to confidential classification pursuant to §366.093(3)(a), (d) and (e), Florida Statutes, as information, the public disclosure of which would cause irreparable harm to the competitive interests of Gulf Power and the ability of Gulf to enter into contracts on terms favorable to it and its ratepayers. The information for which confidential classification is sought is intended to be and is treated by Gulf Power Company as private and is not otherwise publically available.

2. The response to interrogatory numbered 23 contains proprietary and commercially sensitive information regarding both Gulf Power and one or more of its affiliates and or agents, which if disclosed to the general public would cause irreparable harm to one or more of those entities and Gulf Power. Specifically, the response is a list of SCS employees, by position, who are responsible for purchasing fossil fuel for Gulf or one of its subsidiaries. The internal structure of SCS with regard to staffing is a considered a trade secret . None of SCS's competitor's are required, nor would they voluntarily disclose the specifics of staffing, including a listing of employees by position. This information is entitled to confidential classification pursuant to §366.093(3)(a), Florida Statutes.

3. The response to interrogatory numbered 59 is entitled to confidential classification as information concerning contractual data, the disclosure of which would impair the efforts of Gulf Power to contract for goods or services on favorable terms. Section 366.093(3)(d), Florida Statutes, provides that such information is proprietary confidential business information and is to be afforded protection from public disclosure. The information provided in this response is the specific price provisions of a contract that Gulf is a party to for the storage of natural gas. Both Gulf Power Company and the entity with whom it has entered into the contract regard the information to be competitively sensitive. Disclosure of the specific pricing provisions in the contract would harm Gulf's ability to negotiate the best price for the same or similar goods or services in the future for the benefit of its customers and the general body of ratepayers. Disclosure of negotiated prices in a competitive market results in price convergence to those prices in future negotiations. The ability of Gulf Power to negotiate the best deal for its

customers would be harmed and ultimately, higher costs to the ratepayers would result. This information is entitled to confidential classification pursuant to §366.093(3)(d), Florida Statutes.

4. The responses to interrogatories numbered 76 and 85 are 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 provided in these responses is the forecasted and actual costs for certain fuel types utilized by Gulf Power. The actual cost information is publically disclosed by Gulf, however, the forecast information is regarded as competitively sensitive. The forecast numbers are inputs into operational and management processes at Gulf. The disclosure of this information would allow competitors access to information about Gulf's operations that Gulf does not have access to with regard to its competitors. Projected cost information, such as fuel costs, can be used by energy wholesalers and fuel suppliers to tailor their offers to Gulf rather than offer their best market price. In addition, these forecasts are competitively sensitive in that if they are publically disclosed, fuel suppliers could target Gulf's forecast without bidding their best offer. The tools, indexes (if any), and other market inputs utilized by Gulf in forecasting fuel prices are also competitively sensitive. This information is entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes.

5. The responses to request for production numbered 1, 3 and 24 are 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. Managing the risks associated with fuel and wholesale energy transactions, as well as the goals and objectives sought in those transactions, is competitively sensitive to both Gulf Power and

SCS, Gulf's agent conducting those transactions. In entering into such transactions, SCS is attempting to maximize its market position relative to other participants in the market. SCS has no similar information about its competitors. Public disclosure of this information would create an asymmetrical flow of information with regard to SCS and its competitors. Knowing how one or more market participants will act in a market gives a strong advantage to the holder of that information. The information contained in this response describes in detail the business strategy of SCS and shows the boundaries and parameters that shape how SCS will behave in the market. General thoughts on how a reasonable market participant may act are known, however, the information provided in this response is of such detail that competitors would have great insight on all facets of SCS's decision-making process. If competitors know how SCS will react to a given market condition, the competitors may try to take advantage of SCS when those market conditions are present. Public disclosure of this information would severely undermine the market position of SCS. Since SCS is Gulf Power's agent for fuel and wholesale energy transactions, Gulf Power is the entity that ultimately is harmed if this information is disclosed publically. This information is entitled to confidential classification pursuant to §366.093(3)(e), Florida Statutes.

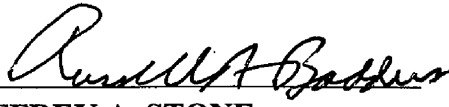
6. The information filed pursuant to Request is intended to be, and is treated as, confidential by the Companies and has not been otherwise publicly disclosed.

7. Submitted as Exhibit "A" is a copy of the responses, on which is highlighted the information for which confidential classification is requested. Exhibit "A" should be treated as confidential pending a ruling on this request. Attached as Exhibit "B" are two (2) edited copies of the responses, 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.

Respectfully submitted this 8th day of October 2001,



JEFFREY A. STONE

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Attorneys 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.: 010001-EU
Date Filed: October 9, 2001

EXHIBIT "A"
REQUEST FOR CONFIDENTIAL CLASSIFICATION

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 "B"

Staff's Second Set of Interrogatories
Docket No. 010001-EI
GULF POWER COMPANY
September 17, 2001
Item No. 23
Page 2 of 2

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59. Provide the cost that Gulf Power incurs to store its natural gas on a monthly basis. Indicate how this cost is derived.

ANSWER:

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76. When Gulf Power prepares its natural gas forecast as an input to determine its fuel cost recovery factor, does Gulf Power prepare low-band and high-band price forecasts in addition to a mid-band price forecast? If so, please complete the following table by providing the low-band, mid-band, and high-band forecasts prepared in conjunction with the filings listed in the table, and the actual costs incurred for the forecast period.

ANSWER:	A	B	C	D
1	[REDACTED]			
2	[REDACTED]			
3	[REDACTED]			
4	[REDACTED]			
5	[REDACTED]			
6	[REDACTED]			\$2.27 (3)
7	[REDACTED]			
8	[REDACTED]			
9	[REDACTED]			\$3.32 (3)
10	[REDACTED]			
11	[REDACTED]			
12	[REDACTED]			
13	[REDACTED]			
14	[REDACTED]			
15	[REDACTED]			
16	[REDACTED]			
17	[REDACTED]			
18	[REDACTED]			
19	[REDACTED]			

85. When Gulf Power prepares its distillate oil price forecast as an input to determine its fuel cost recovery factor, does Gulf Power prepare low-band and high-band price forecasts in addition to a mid-band price forecast? If so, please complete the following table by providing the low-band, mid-band and high-band forecasts prepared in conjunction with the filings listed in the table, and the actual costs incurred for the forecast period.

ANSWER:

	A	B	C	D
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	\$20.62 (2)
4	[REDACTED]	[REDACTED]	[REDACTED]	\$32.90 (2)
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

1. Please provide Southern Company's and Gulf Power's objectives and goals that reference managing risks associated with fuel and wholesale energy transactions.

ANSWER:

The following are considered TRADE SECRET and should be treated accordingly.

Please see attached 2001 SCGEM Departmental Goal Matrix.

Starr's First Request for Production of Documents

Docket No. 010001-EI

GULF POWER COMPANY

September 14, 2001

Item No. 1

Page 1 of 1

Staff's First Request for Production
of Documents
Docket No. 010001-EI
GULF POWER COMPANY
September 17, 2001
Item No. 3
Page 1 of 1

3. Provide Southern Company's and Gulf Power's policies, directives, or guidelines that reference how Gulf Power manages the business risk (i.e., imperfections in business strategies) associated with fuel and wholesale energy transactions.

ANSWER:

The following are considered TRADE SECRET and should be treated accordingly.

The Risk Management Policy consisting of 36 pages has been filed pursuant to Request for Confidential Classification and each of its 36 pages in their entirety are considered confidential including all lines and all columns.

Staff's First Request for Production
of Documents
Docket No. 010001-EI
GULF POWER COMPANY
September 17, 2001
Item No. 24
Page 1 of 1

24. Please provide all reports, analyses, and studies done by or received by Gulf Power since January 1, 1999, that discuss the impact of weather conditions on the current and long-term price for natural gas or residual oil.

ANSWER:

The following are considered TRADE SECRET and should be treated accordingly.

Southern Company's 1999 Fuel Price Workshop consisting of 567 pages has been filed pursuant to Request for Confidential Classification and each of its 567 pages in their entirety are considered confidential including all lines and all columns.

EXHIBIT C

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

<u>Line(s)/Field(s)</u>	<u>Justification</u>
Interrogatory Number 23 Page 1 of 2, lines 1 -23 Page 2 of 2, lines 1 -3	This information is entitled to confidential classification pursuant to §366.093(3)(a), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 2.
Interrogatory Number 59 Page 1, lines 1 - 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 3.
Interrogatory Numbers 76 and 85 No . 76 - Page 1, lines 1 -5, lines 6 -11 except column D, lines 12 -19 No. 85 - Page 1, lines 1 -5, lines 6 -11 except column D, lines 12- 16	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 4.
Request for Production Numbers 1, 3 and 24 POD No. 1, Page 1 of 1 Entire chart/table including all headings and numbers as well as explanatory text. POD No. 3, All 36 pages in their entirety. POD No. 24, All 567 pages 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 5.