



ORIGINAL
Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 13, 2004
TO: Jennifer Rodan, Senior Attorney, Office of the General Counsel RUF
FROM: Ralph J. VonFossen, Economic Analyst, Division of Economic Regulation
RE: Docket No. 040001 - EI, Fuel and Purchased Power Cost Recovery Clause, Request for Confidentiality of Document No. 04155-04

On April 1, 2004, Gulf Power Company (Gulf) filed its request for confidential classification for Document No. 04155-04. This document is Gulf's Risk Management Plan.

Gulf contends its Risk Management Plan for Fuel Procurement contains proprietary and commercially sensitive information regarding Gulf which if disclosed to the general public would cause irreparable harm to Gulf. On this basis, confidential classification is requested pursuant to section 366.093(3)(a) and (e), Florida Statutes. Specifically, the Risk Management Plan for Fuel Procurement contains, in a single resource, detailed information about Gulf's fuel procurement for the near term and into the future, Gulf Power and other members of the market in which it competes for fuel, fuel transportation and fuel storage consider this type of information to be trade secret and competitively sensitive. This information discusses how Gulf manages its fuel procurement with specific details regarding its fuel needs, market position and trends it sees in those markets in which it addresses its fuel needs. In addition, the strategy employed by Gulf or on its behalf in the procurement of fuel is discussed in detail. Similar information is not made public by other market participants which would give these other market participants an advantage over Gulf in the fuel markets. This would result in a detriment to Gulf's ratepayers as it would prevent Gulf from managing its fuel procurement in a manner that secures the best price and terms for its customers' fuel needs.

Gulf has requested that the entire 77 page document be confidential. However, the appendixes have been included twice making pages 55-76 redundant. Staff has reviewed this document and believes there are areas of the plan for which confidentiality should not be granted. We recommend that Gulf's confidentiality request be approved with the following exceptions. Confidentiality should be denied for the portions of the document as detailed below.

- CMP
COM
CTR Page 1 - Introduction
ECR Page 2 - Procurement strategy
GCL Page 11 - Introduction
OPC Page 13 - Coal Transportation Procurement Strategy
MMS Page 17 - Gas Program Overview
RCA Page 18 - Graph
SCR Page 19 - Oil Program Overview
SEC
OTH Lockard

DOCUMENT NUMBER - DATE

11108 OCT 15 04

FPSC-COMMISSION CLERK

Pages 20 - 22 - Risk Management Policy
Pages 23, 24 – SCGEM Risk Management Policy
Pages 46, 47, 51, 52, 53, 54, 77

The Information on Pages 1, 2, 11, 13 and 17 is too general and broad to be considered confidential. Additionally, information therein regarding Gulf's generating plants is readily available to the public. The graph on page 18 is available through NYMEX.

Pages 20-22 provide an overview of the structure of Gulf's risk management activities. While objectives and guidelines are included, nothing is revealed regarding Gulf's fuel needs, market position or fuel procurement strategy. This information is neither trade secret nor competitively sensitive. Pages 23 and 24 contain the title page and table of contents for the Risk Management Policy neither of which can be called confidential. Pages 46 and 47, 51-54 and page 77 contain a glossary as well as an organizational chart and listing of authorized individuals regarding the risk management activities. These pages provide general information which is not competitively sensitive.

RVF:kb

~~Cc:~~ Commission Clerk