

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for confidentiality of electric service quality and reliability audit, by Gulf Power Company.

DOCKET NO. 060251-EI
ORDER NO. PSC-08-0048-CFO-EI
ISSUED: January 23, 2008

ORDER GRANTING GULF POWER COMPANY'S
REQUEST FOR CONTINUED CONFIDENTIAL CLASSIFICATION

On November 19, 2007, Gulf Power Company (Gulf), pursuant to Rule 25-22.006, Florida Administrative Code and Section 366.093, Florida Statutes, filed a request for an extension of the confidential classification previously granted in Order No. PSC-06-0427-CFO-EI. That order, issued May 19, 2006 in Docket No. 060251-EI, granted confidential classification of Document No. 02379-06, which has been refiled as part of Document No. 10391-07.

Gulf's request references Section 366.093(4), which provides in pertinent part:

[if] the public utility or affected person shows, and the Commission finds, that the records [retained by the Commission] continue to contain proprietary confidential business information . . . the Commission may extend the period for confidential treatment for a period not to exceed 18 months. . .

Gulf has requested continued confidential classification for information obtained in conjunction with Audit No. RR-04-07-001 (Review of Electric Service Quality of Florida Investor-Owned Utilities-Gulf Power) in the following categories:

- (1) trade secrets
- (2) internal auditing controls and reports of internal auditors
- (3) contractual data
- (4) information relating to competitive interests

These categories are afforded confidentiality based on Section 366.093(a), (b), (d) and (e), respectively. Since Gulf represents that the information continues to be maintained by Gulf as confidential, these documents are properly treated as confidential during the additional period of their retention by the Commission, as Gulf requests. The specific recommendation as to the contents of each of the documents is contained in Attachment I to this Order.

Based on the above, it is

ORDERED that Gulf Power Company's request for continued confidential classification of the documents listed herein is granted. It is further

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FPSC-COMMISSION CLERK

ORDERED that pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, any confidentiality granted to the documents specified herein shall expire eighteen (18) months from the date of issuance of this Order in the absence of a renewed request for confidentiality pursuant to Section 366.093. It is further

ORDERED that this Order will be the only notification by the Commission to the parties concerning the expiration of the confidentiality time period. It is further

ORDERED that this docket is closed.

By ORDER of Chairman Matthew M. Carter II, as Prehearing Officer, this 23rd day of January, 2008.



MATTHEW M. CARTER II
Chairman and Prehearing Officer

(S E A L)

RCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the

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form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

DOCKET NO. 060251-EI
 Gulf Power request for confidential classification of certain documents and work papers
 associated with the Review of Electric Service Quality of Florida Investor-Owned
 Utilities – Gulf Power

Documents Requested as Confidential	Company Reason for 18 month Extension of Confidential Classification	Assessment of the company's Request
DR-1.6a Pgs. 2-21	Pursuant to F.S. section 366.093(3)(e); contains results of externally prepared customer surveys, the property of the contractors that prepared them and are subject to a confidentiality agreement; business strengths and weaknesses revealed by the surveys and the questions constitute competitively sensitive information and would allow competitors to optimize their systems and practices at Gulf Power's expense.	These pages of data are marked "Confidential and Proprietary Information", and contain specific questions used to survey Gulf Power's customer opinions regarding service reliability and power quality. Since these are confidential documents between Southern Company, Gulf Power and its contractors, pages 2-21 should remain protected pursuant to F.S. section 366.093(3)(e).
DR-1.21[f] Pgs. 3-8	Pursuant to F.S. section 366.093(3)(a) and (e); information contains excerpts and/or summaries from proprietary Gulf Power and Southern Company procedures and specifications plates; embodies the best practices on how to operate their systems; would provide access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense.	These pages contain Gulf Power and Southern Company procedures for grounding and lightning protection. Gulf's request to protect these operational procedures from public dissemination is reasonable, and pages 3-8 should remain protected pursuant to F.S. section 366.093(3)(a) and (e).
DR-1.24 Pgs. 3-16	Pursuant to F.S. section 366.093(3)(a) and (e); information contains excerpts and/or summaries from proprietary Gulf Power and Southern Company procedures and specifications plates; embodies the best practices on how to operate their systems; would provide access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense.	These pages contain Gulf Power and Southern Company procedures for animal protection. Gulf's request to protect these operational procedures from public dissemination is reasonable, and pages 3-16 should remain protected pursuant to F.S. section 366.093(3)(a) and (e).

DR-1.30a Pgs. 3-9	Pursuant to F.S. section 366.093(3)(a) and (e); 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; competitively sensitive proprietary business information which would cause Gulf Power Company's competitive business interests irreparable harm if disclosed; would provide Gulf's competitors access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense.	These pages contain detailed Gulf Power Company operational information and charts used for distribution transformer loading. Gulf's request to protect these operational procedures from public dissemination is reasonable, and pages 3-9 should remain protected pursuant to F.S. section 366.093(3)(a) and (e).
DR-1.32 Exhibit 1	Pursuant to F.S. section 366.093(3)(a) and (e); information contains excerpts and/or summaries from proprietary Gulf Power and Southern Company procedures and specifications plates; embodies the best practices on how to operate their systems; would provide access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense.	This exhibit contains the detailed Southern Company recommended operational procedures for the substation inspection program and outlines tasks, settings and measures for different types of equipment inspected within the substation. Gulf's request to protect these operational procedures from public dissemination is reasonable, and DR-1.32, Exhibit 1, should remain protected pursuant to F.S. section 366.093(3)(a) and (e).
DR-1.33a, Exhibits 1-2	Pursuant to F.S. section 366.093(3)(a) and (e); information contains excerpts and/or summaries from proprietary Gulf Power and Southern Company procedures and specifications plates; embodies the best practices on how to operate their systems; would provide access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense.	Exhibit 1 contains the detailed Southern Company recommended operational procedures and technical specifications for distribution overhead lines and facilities, pole ground line inspections and internal and external pole treatments. Exhibit 2 contains the detailed transmission line inspection procedures for transmission facilities. Gulf's request to protect these operational procedures from public dissemination is reasonable, and Exhibits 1 and 2, in their entirety, should remain protected pursuant to F.S. section 366.093(3)(a) and (e).

<p>DR-2.3 e-f</p>	<p>Pursuant to F.S. section 366.093(3)(e); contains competitively sensitive proprietary business information that would cause irreparable harm to Gulf Power's competitive business interests if disclosed; responses outline employee target award opportunity goals, annual achievement rates and dollars rewarded; 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 the pricing of contracts for commodities and its disclosure would impair the Company's efforts to compete for qualified employees.</p>	<p>Gulf's response to DR-2.3e includes detailed information of the percent of target award opportunity available to individual employee pay groups and the Performance Pay Program Goal Achievement for 1999-2005. The response to DR-2.3f includes the actual dollars paid by Gulf to management and nonmanagement employees for the same period. Gulf's request to protect this data from public dissemination is reasonable, and responses to items e and f should remain protected pursuant to F.S. section 366.093(3)(e).</p>
<p>DR-3.3b</p>	<p>Pursuant to F.S. section 366.093(3)(e); contains proprietary business information which would cause irreparable harm to Gulf Power Company's competitive business interests; reflect an externally prepared assessment/critique of Gulf Power's response to hurricanes occurring in 2004 and outlines protocols in detail along with strengths, weaknesses and suggestions for improvement; disclosure of this information would harm Gulf Power by revealing how the company allocates 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.</p>	<p>This response contains a Southern Company Emergency Ops Review for Gulf Power conducted after hurricane Ivan. The assessment assesses what activities were completed successfully for storm restoration and areas of improvement useful for the next emergency event. The assessment includes Gulf's emergency coordination between other companies and contains individual names and assignments for improving specific areas. Gulf's request to protect this data from public dissemination is reasonable, and responses to items e and f should remain protected pursuant to F.S. section 366.093(3)(e).</p>
<p>DR-3.4</p>	<p>Pursuant to F.S. section 366.093(3)(a) and (e); documents contain proprietary business information which would cause irreparable harm to Gulf Power's competitive business interests; documents consist of Gulf's Area Distribution Studies, akin to an audit; studies are self-critical analyses which reveal internal company practices and procedures related to distribution reliability; disclosure of the information would allow competitors to capitalize on identified weaknesses and emulate identified strengths at the Company's expense.</p>	<p>Detailed and specific information used to plan for Gulf Power's distribution system growth and loading requirements are included in the Area Distribution Studies provided in DR-3.4. These studies identify specific strategies to upgrade and improve system load balance against expected growth conditions throughout the Company. This information is proprietary and sensitive in nature and should be protected pursuant to F.S. section 366.093(3)(a) and (e).</p>

<p>DR-4.4a-b pgs. 2-3</p>	<p>Pursuant to F.S. section 366.093(3)(e); contains proprietary business information which would cause irreparable harm to Gulf Power Company's competitive business interests; documents consist of company operational and financial targeted goals for employee performance; documents reflect the Company's internal strategy for improving reliability and its business processes generally and 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; documents reflect the Company's monetary expenditures in furtherance of those goals; if publicly disclosed, the information could be used by competitors to optimize their own business strategies at Gulf Power's expense.</p>	<p>DR-4.4a-b contains detailed data on Gulf Power's financial and operational target goals and results for the period 1999-2005. These target and results goals are the basis for Gulf Power's Performance Pay Program held confidential in DR-2.3e and are considered by the company as proprietary business information. Gulf's request that this information not be disclosed to the general public is reasonable. Pages 2-3 of DR-4.4a-b should remain under confidential protection, pursuant to F.S. section 366.093(3)(e).</p>
<p>Work papers page 8. lines 3 and 4 of auditors handwritten notes dated 10/19/05 and titled "Audits-Reliability Review"</p>	<p>Pursuant to F.S. section 366.093(3)(d); references a specific monetary amount paid to an outside contractor; as contractual data the disclosure would impair Gulf's efforts to contract goods and services on favorable terms.</p>	<p>Lines 3-4 on page 8 of the auditor's notes specifies Gulf Power's contractor for tree trimming services, the dates of the contract, and the total expenditure level for the contract. Gulf Power has not claimed confidentiality for the total annual tree trimming expenditure data provided in staff's report, but seeks to protect the individual contracted rates for specific contractors and contracts. This request is reasonable and should be allowed pursuant to F.S. section 366.093(3)(d).</p>
<p>Work papers page 4. lines 8-27 and page 5, lines 1-8 of auditors handwritten notes titled "Responses to Audits & Recs."</p>	<p>Pursuant to F.S. section 366.093(3)(b); summarizes the results of an internal compliance audit performed by Gulf Power of its Pensacola District.</p>	<p>This request seeks to redact auditor summary notes for a compliance audit performed by Southern Company auditors. This data is considered as proprietary business information regarding internal auditing controls and reports of internal auditors. Pursuant to F.S. section 366.093(3)(b), this request is reasonable and should be allowed.</p>

<p>Document Summary and Control Log, page 15, column B lines 5-19 for documents produced in response to DR-1</p>	<p>Pursuant to F.S. section 366.093(3)(e); summarizes the documents produced in response to DR- 1.30a ; competitively sensitive proprietary business information which would cause Gulf Power Company's competitive business interests irreparable harm if disclosed; would provide Gulf's competitors access to the Company's internal procedures and specifications and allow competitors to optimize their own systems at Gulf Power's expense.</p>	<p>The data included in Column B, lines 5-19 of the document log summary for DR- 1.30a contains detailed distribution and transmission transformer information. Gulf's transformer loading and estimating software used in calculating transformer loading requirements is also described. Gulf Power considers this data to be competitively sensitive and proprietary in nature. Gulf Power's request is reasonable and pursuant to F.S. 366.093(3)(e) this request should be granted.</p>
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