

State of Florida



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

DATE: October 6, 2008

TO: Rosanne Gervasi, Senior Attorney, Office of the General Counsel

FROM: William F. Coston, Operations Review Specialist, Division of Regulatory Compliance *WFC*

RE: 080439-EI - Request for confidential classification of portions of staff's workpapers on *Review of Fuel Procurement Hedging Practices of Florida's Investor-Owned Electric Utilities* by Gulf Power Company.
Document: 06716-08

Attached is a July 30, 2008 supplemental request (document 06716-08) from Gulf Power Company counsel, Susan Ritnour. This document includes a supplemental request for Specified Confidential Classification on portions of staff's workpapers on the *Review of Fuel Procurement Hedging Practices of Florida's Investor-Owned Electric Utilities*. The company cites §366.0963(3)(d), F.S.—which addresses contractual data—as the basis for the request.

Staff has reviewed this request and believes that the specified information is covered by §366.0963(3)(d). Staff recommends the approval of Gulf Power Company's Request for Confidential Classification on portions of staff's workpapers on *Review of Fuel Procurement Hedging Practices of Florida's Investor-Owned Electric Utilities*.

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FPSC-COMMISSION CLERK

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

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July 30, 2008

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

Dear Ms. Cole:

RE: Docket No. 080439-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Request for Confidential Classification regarding documents produced by Commission Staff and Gulf Power Company in connection with a 2008 management review of Gulf Power's fuel procurement hedging practices.

Sincerely,

Susan D. Ritenour
buh

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Enclosures

cc: Office of the General Counsel
Rosanne Gervasi
Beggs & Lane
Jeffrey A. Stone, Esq.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Public Service Commission
Management Review of Hedging Practices of
Investor-Owned Electric Utilities

Docket No.: 080439-EI
Date: July 30, 2008

SUPPLEMENTAL REQUEST FOR 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 this supplement to its previous request that the Florida Public Service Commission enter an order protecting from public disclosure certain documents produced by Commission Staff and Gulf Power in connection with a 2008 management review of Gulf Power's fuel procurement hedging practices (PA-07-11-007) (the "Review"). As grounds for this request, the Company states:

1. On June 25, 2008, the Company filed a Request for Confidential Classification of a portion of the information submitted by Gulf Power in response to Commission Data Requests issued in conjunction with the Review.

2. The volume of documents submitted by Gulf Power in connection with the Review was substantial. Among the documents produced to staff in response to Data Request 3.4 was a single CD-ROM which contains copies of ISDA (International Swaps and Derivatives Association) contracts between Gulf Power, its affiliates and various hedging counterparties. Pursuant to Rule 25-22.006(3)(a)2, Gulf Power indicated on Form PSC/RCA 6-R (2/95) that the information contained on this CD-ROM was believed by the Company to be confidential pursuant to section 366.093, Florida Statutes. Gulf Power also reiterated this belief in its cover letter dated April 11, 2008, accompanying its response to the Commission Data Request and

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Form PSC/RCA 6-R.

3. In the process of compiling its June 25, 2008, Request for Confidential Classification, Gulf Power inadvertently failed to identify the subject CD-ROM as containing confidential information. At the time of preparing and compiling its June 25th request, Gulf Power was experiencing a high degree of activity at the Commission, including finalizing its Petition for a Mid-Course Adjustment of its Fuel Cost Recovery Factors (filed June 20, 2008). Upon learning of the oversight, Gulf immediately took steps to correct the same. Allowing the filing at this time will not prejudice the rights of third parties.

4. The ISDA contracts at issue are subject to confidentiality agreements,¹ are labeled as confidential and contain contractual data, the disclosure of which would impair the efforts of the Company and its affiliates to contract for goods and services on favorable terms. See, § 366.093(3)(d), Fla. Stat. The contracts are considered confidential by the signatories and are treated accordingly.

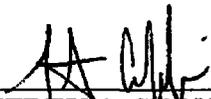
5. The information filed pursuant to this Request is intended to be, and is treated as, confidential by the Gulf Power and, to this attorney's knowledge, has not been otherwise publicly disclosed.

6. Submitted as Exhibit "A" is a copy of the CD-ROM for which confidential treatment is sought. Exhibit "A" should be treated as confidential pending a ruling on this request. Because the CD-ROM is confidential in its entirety, Gulf Power has not attached redacted copies. Submitted as Exhibit "B," is a line-by-line/field-by-field justification for the request for confidential classification.

¹ The contract with Deutsche Bank is marked confidential at the top of each page, but does not appear to contain a separate confidentiality clause. Even in the absence of such a clause, the document stills falls within the definition of "proprietary confidential business information" pursuant to section 366.093(3)(d).

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

Respectfully submitted this 30th day of July, 2008.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Public Service Commission
Management Review of Hedging Practices of
Investor-Owned Electric Utilities

Docket No.: 080439-EI
Date: July 30, 2008

REQUEST FOR CONFIDENTIAL CLASSIFICATION

EXHIBIT "A"

Provided to the Commission Clerk under separate cover as confidential
information

EXHIBIT B

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

Line(s)/Field(s)

Response to Data Request 3.4
Confidential in its Entirety

Justification

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 4.