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COMMISSION  
CLERK

REDACTED



November 5, 2009

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

Dear Ms. Cole:

RE: Docket No. 090484-EI

Enclosed is an original and seven copies of Gulf Power Company's Amended Request for Confidential Classification pertaining to portions of Commission Staff's report on Gulf Power Company's Quality Assurance Process for Distribution Construction (PA-09-02-006).

Sincerely,

*Susan D. Ritenour (mre)*

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APA 2 \_\_\_\_\_ mr  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_ Enclosures  
RAD \_\_\_\_\_  
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cc: Beggs & Lane  
Jeffrey A. Stone, Esq.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: Review of Gulf Power Company's  
Quality Assurance Process for Distribution  
Construction

Docket No.: 090484-EI  
Date: November 5, 2009

**AMENDED 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 amended request that the Florida Public Service Commission enter an order protecting from public disclosure certain information included in Commission Staff's report concerning its Review of Gulf Power Company's Quality Assurance Process for Distribution Construction (PA-09-02-006) (the "Review"). As grounds for this request, the Company states:

1. This Amended Request for Confidential Classification is intended to replace Gulf Power's Request for Confidential Classification dated September 14, 2009 (Document # 09563-09).

2. A portion of information contained in Staff's report relates directly to findings and results of an audit performed by Gulf Power's agent pertaining to the Company's distribution construction quality assurance processes. Specifically, the confidential information consists of findings from a 2005 risk assessment audit performed by an independent audit company, AEGIS. This information is confidential pursuant to section 366.093(3)(b), Florida Statutes.

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

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disclosed.

4. Submitted as Exhibit "A" are copies of pages 20 and 21 of Staff's report. The information for which confidential classification is requested is highlighted in yellow. Exhibit "A" should be treated as confidential pending a ruling on this request. Attached as Exhibit "B" are two (2) edited copies of pages 20 and 21, 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 5<sup>th</sup> day of November, 2009.



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(850) 432-2451  
**Attorneys for Gulf Power Company**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: Review of Gulf Power Company's  
Quality Assurance Process for Distribution  
Construction

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Docket No.: 090484-EI  
Date: November 5, 2009

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

**EXHIBIT "A"**

Provided to the Commission Clerk under separate cover as confidential  
information.

EXHIBIT "B"

## 2.4 Independent Audit Oversight

### Does Gulf's Internal Audit Department periodically examine its distribution quality control assessment processes?

The DSO audits and the direct oversight by line supervisors and managers provide the internal assessment efforts for Gulf. Traditional internal audits have not been performed in this area. Gulf identifies and evaluates risks through the combined efforts of its Power Delivery, Risk Management, and Safety and Health Departments. The inherent review processes involved in evaluating new materials, new specifications, and construction practices require a coordinated effort of various subject matter experts to determine risks involved and the actions required to mitigate them. In addition, risks are identified and evaluated through the following activities:

- ◆ Gulf's DSO Process Audit.
- ◆ Best practices learned through Gulf's involvement in professional organizations and various industry groups, such as the Edison Electric Institute and Southeastern Electric Exchange.
- ◆ Evaluation of accident and claims investigations occurring on Gulf's distribution system.

### Has Gulf's distribution construction quality control processes been reviewed by outside audit organizations?

#### AEGIS Review

Gulf has not had any formal risk analysis studies or evaluations completed during the last 36 months. Gulf did, however, provide distribution construction QA-related portions of its 2005 *Underwriting Risk Assessment* report conducted by AEGIS, an independent audit company. While Gulf does not have an external quality control review conducted by an independent reviewer at least once every three years as reflected in generally accepted government auditing standards,<sup>8</sup> Gulf has a five-year AEGIS review process in place. Specifically, the AEGIS review service is provided by the insurance underwriter to facilitate Gulf's understanding of potential exposure to certain areas of risk from an insurance perspective. Gulf considers the findings and suggestions and determines what, if any, action is needed to address the findings.

<sup>8</sup> GAO Government Auditing Standard 3.50, Quality Control and Assurance states that each audit organization performing audits or attestation engagements in accordance with generally accepted government auditing standards must: a) establish a system of quality control that is designed to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements; and, b) have an external peer review at least once every 3 years.  
<http://www.gao.gov/govaud/govaudhtml/d07731g-5.html#pgfid-1034319>

- ◆ [REDACTED]
- ◆ [REDACTED]
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- ◆ [REDACTED]
- ◆ [REDACTED]
- ◆ [REDACTED]
- ◆ [REDACTED]

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◆ [REDACTED]

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◆ [REDACTED]

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EXHIBIT C

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

**Line(s)/Field(s)**

**Justification**

Page 20  
Lines 1-2 in their entirety.

This information is entitled to confidential classification pursuant to section 366.093(3)(b), Florida Statutes. The basis for this information being designated as confidential is more fully set forth in paragraph 2.

Page 21  
In its entirety.

STATE OF FLORIDA

COMMISSIONERS:  
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LISA POLAK EDGAR  
NANCY ARGENZIANO  
NATHAN A. SKOP  
DAVID E. KLEMENT



OFFICE OF COMMISSION CLERK  
ANN COLE  
COMMISSION CLERK  
(850) 413-6770

# Public Service Commission

## ACKNOWLEDGEMENT

DATE: November 6, 2009

TO: Susan D. Ritenour, Gulf Power Company

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 090484 or, if filed in an undocketed matter, concerning certain information included in staff's report concerning its Review of Gulf's Quality Assurance Process for Distribution Construction (PA 09-02-0006), and filed on behalf of Gulf Power Company. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.

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