



Robert L. McGee, Jr.  
Regulatory & Pricing Manager

One Energy Place  
Pensacola, FL 32520-0780  
850 444 6530 tel  
850 444 6026 fax  
rlmcgee@southernco.com

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December 13, 2016

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

**REDACTED**

RE: Docket No. 160186-EI

Dear Ms. Stauffer:

Enclosed for filing in the above-referenced docket is Gulf Power Company's Request for Confidential Classification pertaining to certain portions of Gulf's response to Staff's Fourth Set of Interrogatories to Gulf Power Company (Nos. 99-128). Also enclosed is a copy of Gulf Power's Request for Confidential Classification and Exhibit "A" which is a justification for confidential treatment of the Confidential Information in Microsoft Word format. A copy of the confidential documents are provided on a separate DVD labeled "Confidential."

Sincerely,

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

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Enclosures

cc: Beggs & Lane  
Jeffrey A. Stone, Esq.  
Gunster Law Firm  
Charles A. Guyton, Esq.  
Richard A. Melson, Esq.

COM \_\_\_\_\_  
AFD \_\_\_\_\_  
APA \_\_\_\_\_  
ECO \_\_\_\_\_  
ENG 1 + DVD  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for rate increase by Gulf  
Power Company.

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Docket No. 160186-EI  
Dated: December 14, 2016

**GULF POWER COMPANY'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Gulf Power Company ("Gulf Power," "Gulf," or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby requests confidential classification of certain documents and information produced in Response to Staff's Fourth Set of Interrogatories to Gulf Power Company (Nos. 99-128) ("Staff's Discovery"). Confidential information submitted in response to Staff's Discovery has been segregated and placed upon the enclosed DVD bearing the label "CONFIDENTIAL" ("Confidential Information"). This DVD should be treated as confidential in its entirety.

**Description of the Document(s)**

The Confidential Information consists of PDF files produced in response to Interrogatory number 117. These documents are identified with specificity on Exhibit "A" to this Request. In support of this request, the Company states:

1. Subsection 366.093(1), Florida Statutes, provides that any records "found by the Commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1), Florida Statutes [requiring disclosure under the Public Records Act]." Proprietary confidential business information includes, but is not limited to "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms." Subsection 366.093(3)(d), Florida Statutes. Proprietary confidential business information also includes "[i]nformation relating to competitive interests, the disclosure of which would impair

the competitive business of the provider of the information.” Section 366.093(3)(e), Florida Statutes. The Confidential Information that is the subject of this request and motion falls within the statutory categories and, thus, constitutes proprietary confidential business information entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

2. Attached hereto as Exhibit "A" is a justification for confidential treatment of the Confidential Information.

3. Attached hereto as Exhibit "B" are public versions of the Document(s) with the Confidential Information redacted, unless previously filed as indicated.

4. The Confidential Information is intended to be and is treated by Gulf Power as private and, to this attorney's knowledge, has not been publicly disclosed.

**Requested Duration of Confidential Classification**

5. Gulf Power requests that the Confidential Information be treated by the Commission as confidential proprietary business information for at least the 18 month period prescribed in Rule 25-22.006(9)(a), Florida Administrative Code. If, and to the extent that the Company is in need of confidential classification of the Confidential Information beyond the 18 month period set forth in the Commission rule, the justification and grounds for such extended confidential treatment are set forth in Exhibit "C" to this request and motion.

WHEREFORE, Gulf Power Company respectfully requests that the Confidential Information that is the subject of this request and motion be accorded confidential classification for the reasons set forth herein and for a minimum period of 18 months, subject to any request for a longer period of confidential classification as may be set forth in Exhibit "C" to this request and motion.

Respectfully submitted this 13th day of December, 2016,

A handwritten signature in blue ink, appearing to read 'A. Stone', is written above a horizontal line.

**JEFFREY A. STONE**

Florida Bar No. 325953

**RUSSELL A. BADDERS**

Florida Bar No. 007455

**STEVEN R. GRIFFIN**

Florida Bar No. 0627569

**Beggs & Lane**

P. O. Box 12950

Pensacola, FL 32591

(850) 432-2451

**Attorneys for Gulf Power Company**

**EXHIBIT "A"**

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF PORTIONS OF  
GULF POWER'S RESPONSES TO STAFF'S FOURTH  
SET OF INTERROGATORIES (NOS. 99-128)**

| <u>Interrogatory No.</u> | <u>Bates Pages or File Names</u> | <u>Detailed Description</u> | <u>Rationale</u> |
|--------------------------|----------------------------------|-----------------------------|------------------|
| 117                      | Page 5                           | All highlighted information | (1)              |

- 
- (1) The information identified on the listed pages/files contains information from Gulf's incentive compensation plans which include non-public employee compensation data. Specifically, the confidential information consists of target percentage awards for incentive compensation by salary grade. It also contains company-wide percentage-based performance goals for eligible employees. Public disclosure of this information could provide Gulf's competitors with an advantage in acquiring and obtaining qualified employees, increase Gulf's employee turnover and associated training costs, and give existing and prospective employees an advantage in negotiating compensation packages, leading to increases in the overall amount paid to employees. This information is entitled to confidential classification pursuant to section 366.093(3)(e), Florida Statutes. *See Florida Power & Light v. Florida Public Service Commission*, 31 So.3d 860 (Fla. 1st DCA 2010).



**EXHIBIT "B"**

**PUBLIC VERSION(S) OF THE DOCUMENT(S)**

Attached hereto (unless previously filed as may be noted below) are two public versions of the Document(s) with the Confidential Information redacted.

Public Version(s) of the Document(s) attached  X \_\_\_\_\_

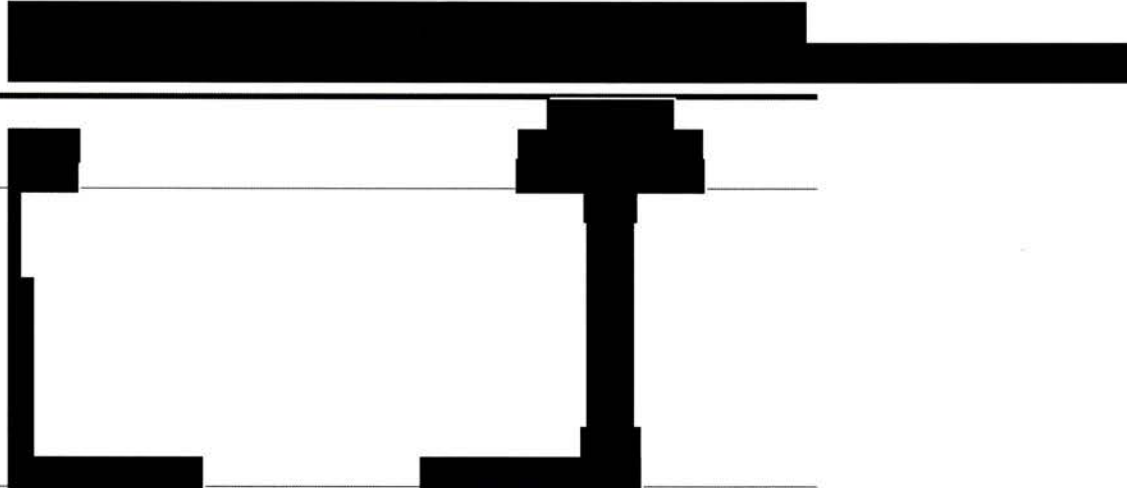
Public Version(s) of the Document(s) previously filed on \_\_\_\_\_

Document(s) are confidential in their entirety \_\_\_\_\_

# Performance Share Program Design Details 2015 - Manager

Staff's Fourth Set of Interrogatories  
Docket No. 160186-EI  
Item No. 117, Page 5 of 9

- Interns
- Temporary employees



To calculate the number of Performance Shares to be granted, the Performance Share amount (base salary x LT Target Award %) is divided by the fair value of one Performance Share on the date of the grant. Fair value is based on accounting standards and is not necessarily the same as market value. Base salary and salary grade level are determined as of the date of the annual merit increase adjustment of the year of grant. The participant will be notified of the number of Performance Shares that have been granted to the participant. Performance Shares are units, not actual shares of Southern Company common stock, and thus the actual number of Southern Company common stock to be paid to the participant will not be determined until the end of the performance period.

## How Performance is Measured

The performance results are determined by Southern Company's performance against pre-established measures. For 2015, the pre-established measures and weights are:

- Southern Company Relative Total Shareholder Return (TSR) weighted 50%  
 $TSR = ((SO \text{ stock price at end year } 3 - SO \text{ stock price at start year } 1) + \text{Dividends paid and reinvested during } e \text{ year period}) / (SO \text{ stock price at start year } 1)$
- Southern Company Cumulative Earnings Per Share (EPS) weighted 25%  
 $Cumulative \text{ EPS Result} = EPS \text{ Year } 1 + EPS \text{ Year } 2 + EPS \text{ Year } 3$
- Return on Equity of the Traditional Operating Companies (ROE) weighted 25%  
 $Equity \text{ Weighted ROE Result} = 3\text{-yr average of } (Net \text{ Income for APC} + GPC + Gulf + MPC) / (Average \text{ Equity for APC} + GPC + Gulf + MPC) * (Total \text{ Common Equity for APC} + GPC + Gulf + MPC) / (Total \text{ Capitalization for APC} + GPC + Gulf + MPC)$
- At the end of the three-year performance period, the EPS and ROE goals will each result in a 0% payout if any of the credit ratings below occur:
  - Southern Company is rated below BBB- by Standard & Poor's
  - Alabama Power Company is rated below BBB/Baa2 by both Fitch and Moody's
  - Georgia Power Company is rated below BBB/Baa2 by both Fitch and Moody's

**EXHIBIT "C"**

**REQUESTED DURATION OF CONFIDENTIAL CLASSIFICATION**

Gulf Power requests that the Confidential Information that is the subject of this request be treated as proprietary confidential business information exempt from the Public Records Law for a minimum of 18 months from the date of the order granting such classification. To the extent the company needs confidential protection of the Confidential Information for a period longer than 18 months, the company's justification therefor is set forth below:

n/a



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for Increase in Rates )  
By Gulf Power Company )  
)

Docket No.: 160186-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by overnight mail this 13th day of December, 2016 to the following:

Office of Public Counsel  
J. R. Kelly/Stephanie A. Morse  
Public Counsel  
c/o The Florida Legislature  
111 W. Madison Street, Room 812  
Tallahassee, FL 32399-1400  
[kelly.jr@leg.state.fl.us](mailto:kelly.jr@leg.state.fl.us)  
[morse.stephanie@leg.state.fl.us](mailto:morse.stephanie@leg.state.fl.us)

Office of the General Counsel  
Theresa Tan  
Kelley Corbari  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850  
[ltan@psc.state.fl.us](mailto:ltan@psc.state.fl.us)  
[kcorbari@psc.state.fl.us](mailto:kcorbari@psc.state.fl.us)  
[blheriss@psc.state.fl.us](mailto:blheriss@psc.state.fl.us)  
[scuello@psc.state.fl.us](mailto:scuello@psc.state.fl.us)  
[kyoung@psc.state.fl.us](mailto:kyoung@psc.state.fl.us)

Federal Executive Agencies  
c/o Thomas A. Jernigan  
AFCEC/JA-ULFSC  
139 Barnes Drive, Suite 1  
Tyndall Air Force Base, FL 32403  
[Thomas.Jernigan.3@us.af.mil](mailto:Thomas.Jernigan.3@us.af.mil)

Southern Alliance for Clean Energy  
Bradley Marshall, Esq.  
Alisa Coe, Esq.  
Earthjustice  
111 S. Martin Luther King Jr. Blvd.  
Tallahassee, FL 32301  
[bmarshall@earthjustice.org](mailto:bmarshall@earthjustice.org)  
[acoe@earthjustice.org](mailto:acoe@earthjustice.org)



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**JEFFREY A. STONE**  
Florida Bar No. 325953  
[jas@beggslane.com](mailto:jas@beggslane.com)  
**RUSSELL A. BADDERS**  
Florida Bar No. 007455  
[rab@beggslane.com](mailto:rab@beggslane.com)  
**STEVEN R. GRIFFIN**  
Florida Bar No. 0627569  
[srg@beggslane.com](mailto:srg@beggslane.com)  
**BEGGS & LANE**  
P. O. Box 12950  
Pensacola FL 32591-2950  
(850) 432-2451  
**Attorneys for Gulf Power**