Susan D. Ritenour Secretary and Treasurer and Regulatory Manager

One Energy Place Pensacola, Florida 32520-0781

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COMMISSION CLERK



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,

usan D. Ritenour (mr)

COM APA 2___ mr ECR Enclosures CCC RAD Beggs & Lane CC: SSC Jeffrey A. Stone, Esq. ADM OPC CLK

DOCUMENT NUMBER-DATE 11173 NOV-68 FPSC-COMMISSION CLERM

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:

 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

DOULMENT NUMBER-DATE 11173 NOV-68 FPSC-COMMISSION CLERK 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 5th day of November, 2009.

JEFFREY A. STONE V 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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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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"

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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

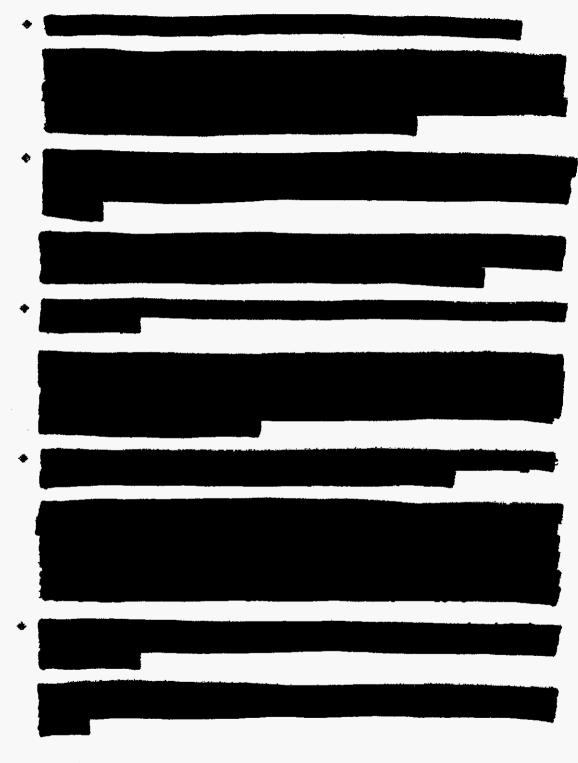
Gulf has not had any formal risk analysis studies or evaluations completed during the last 36 months. Gulf did, however, provide distribution construction QA-related portions of its 2005 Underwriting Risk Assessment report conducted by AEGIS, an independent audit company. While Gulf does not have an external quality control review conducted by an independent reviewer at least once every three years as reflected in generally accepted government auditing standards,⁸ 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.



⁸ 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/govaud/mmi/d07731g-5.html#pgfld-1034319

QUALITY ASSURANCE

CONFIDENTIAL DRAFT 8/21/2009



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QUALITY ASSURANCE

2.4 Independent Audit Oversight

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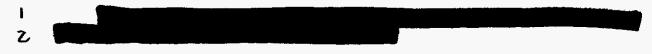
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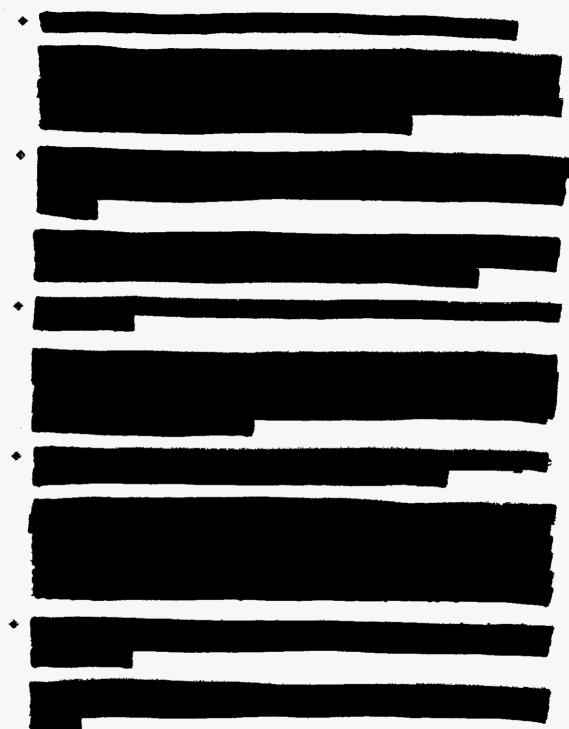
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QUALITY ASSURANCE

CONFIDENTIAL DRAFT 8/21/2009



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EXHIBIT C

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

Line(s)/Field(s)

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Page 20 Lines 1-2 in their entirety.

Justification

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: Matthew M. Carter II, Chairman Lisa Polak Edgar Nancy Argenziano Nathan A. Skop David E. Klement



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

Huhlic 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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PSC/CLK 019-C (Rev. 10/09)

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Document2