

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Florida Power Corporation's Earnings, Including Effects of Proposed Acquisition of Florida Power Corporation by Carolina Power & Light

DOCKET NO. 000824-EI

Submitted for Filing:
March 4, 2002

RECEIVED FPSC
02 MAR -4 PM 4:39
COMMISSION CLERK

**FLORIDA POWER CORPORATION'S
SIXTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

(Rebuttal testimony of Mark A. Myers, Charles J. Cicchetti and Robert A. Sipes)

Florida Power Corporation ("Florida Power" or "the Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, F.A.C., requests confidential classification of the highlighted portions of the rebuttal testimony of Mark A. Myers, Charles J. Cicchetti and Robert A. Sipes contained in the sealed envelope attached to this request ("the Testimony"). Fifteen public copies of the Testimony, with the confidential information redacted, have been filed with this request. In further support of this request, Florida Power states as follows:

Introduction

On February 11, 2002, Florida Power pre-filed the rebuttal testimony of Mark A. Myers, Charles J. Cicchetti and Robert A. Sipes. The same day, Florida Power filed a Notice of Intent to Seek Confidential Classification of certain portions of this rebuttal testimony. With this Notice, Florida Power filed a separate, sealed envelope containing one copy of the confidential rebuttal testimony of Robert A. Sipes, Mark A. Myers, and Charles J. Cicchetti -- with

appropriate exhibits, appendices, pages, or lines containing confidential information highlighted.

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC _____
- OTH _____

RECEIVED & FILED
RJM
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02509 MAR -4 08

FPSC-COMMISSION CLERK

Since then, Florida Power has narrowed the scope of its request for confidential classification so that it is now limited to the highlighted portions of the Testimony attached to this request.¹

The information for which confidential classification is sought has not been made public and generally falls into one of following categories:

1) sensitive internal financial information regarding of the Company's regulated and unregulated businesses, premature disclosure of which could compromise competitive interests, encourage market speculation and directly affect the Company's credit rating and cost of capital; and

2) proprietary industry analyses that were obtained from other businesses pursuant to an understanding that Florida Power shall maintain the confidentiality of the information.

The confidentiality of this information is protected by Section 366.093, Florida Statutes, and Rule 25-22.006, F. A. C. The statute generally defines "proprietary confidential business information" to include information that, if disclosed, "would cause harm to the ratepayers or the...company's business operations...." § 366.093(3), *Fla. Stat.* Without limiting this broad definition, the statute specifically protects against disclosure of "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." § 366.093(3)(e), *Fla. Stat.* All of the highlighted information falls into one or both of these categories and thus constitutes "proprietary confidential business information" that is protected from public disclosure.

¹ Florida Power requests that the Testimony attached to this request be substituted for the testimony previously filed under seal on February 11, 2002.

Financial Information

The Testimony references internal projections of future financial performance prepared in connection with and in anticipation of the merger, including projected profit margins and projected synergies for Progress Energy's regulated and non-regulated industries. The projections were prepared solely for internal use by management (both CP&L and Florida Power) in analyzing the potential impacts of the merger and the potential performance of the consolidated company under various scenarios. The projections have been kept strictly confidential.

Because these projections have not been publicly disclosed, they likely would be closely scrutinized by financial analysts and could encourage market speculation about the Company's future financial performance. This could impact the Company's credit rating, which in turn would directly affect the Company's cost of capital, thus harming both the Company and its ratepayers.

Moreover, financial projections are necessarily based on a host of assumptions that change over time. If an assumption proves to be inaccurate in any material respect, the projection is likewise inaccurate. The projections at issue here were intended solely for internal use by Company management who understand the limitations of financial forecasting. The projections were never intended to be disseminated to the public, where the Company has no ability to explain the underlying assumptions and how they may have changed since the forecasts were prepared.

Disclosure of confidential internal financial information also raises questions about compliance with the SEC fair disclosure requirements imposed by "Regulation FD." *See* 17 CFR §243.100. The projections have been kept confidential, and if it is made public in this

proceeding, the Company may have an obligation to take steps to ensure that there can be no claim of selective disclosure. If the Company is required to affirmatively publicize the forecasts, it would give the incorrect impression that they were intended for public dissemination, when they in fact were never intended to be used by the public to evaluate the Company's future financial performance. The resulting potential for market confusion and speculation would be very damaging to the Company and its ratepayers. For all of these reasons, forecasts of financial performance and testimony based upon these forecasts should be classified as confidential pursuant to Subsection 366.093(3), *Fla. Stat.*

Third Party Proprietary Information

Florida Power also requests confidential classification for the Testimony outlined in the attached Justification Matrix that refers to information obtained from PA Consulting Group (“PA”) and Edison Electric Institutes (“EEI”). EEI and PA are independent businesses that provide industry analyses to Florida Power. The information referenced in the Testimony is PA’s and EEI’s proprietary industry analyses obtained by Florida Power pursuant to an understanding that Florida Power shall keep the information confidential. This is proprietary information developed by EEI and PA, which it provides pursuant to an understanding that requires the information to be kept confidential. The information is not public and Florida Power has treated this information as confidential.

Disclosure of this information would also impair EEI’s and PA’s competitive interests, as the data would lose its proprietary value if it were to become public record. The information is thus protected by Subsection 366.093(3)(e), *Fla. Stat.*

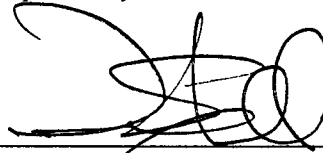
Public disclosure of this information also would undermine Florida Power’s ability to obtain the information in the future, as EEI and PA may refuse to provide proprietary data to

Florida Power if that data could become public record and thus be available for free to anyone. Florida Power routinely uses industry analyses developed by EEI and PA in its business operations, and not having access to that information would harm the Company's business operations. The information thus should be classified as confidential pursuant to Subsection 366.093(3), *Fla. Stat.*

Conclusion

For the reasons set forth above and in the attached Justification Matrix, Florida Power respectfully requests confidential classification of the highlighted portions of the Testimony contained in the sealed envelope attached to this request.

Respectfully submitted,



James A. McGee
FLORIDA POWER CORPORATION
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Gary L. Sasso
James Michael Walls
Jill H. Bowman
W. Douglas Hall
CARLTON FIELDS, P. A.
Post Office Box 2861
St. Petersburg, FL 33731
Telephone: (727) 821-7000
Facsimile: (727) 822-3768
Attorneys for Florida Power Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via hand delivery (where indicated by *) and via U.S. Mail to the following this 4th day of March, 2002.

Mary Anne Helton, Esquire *
Adrienne Vining, Esquire
Bureau Chief, Electric and Gas
Division of Legal Services
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Phone: (850) 413-6096
Fax: (850) 413-6250
Email: mhelton@psc.state.fl.us

Jack Shreve, Esquire
Public Counsel
John Roger Howe, Esquire
Charles J. Beck, Esquire
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400
Phone: (850) 488-9330
Attorneys for the Citizens of the State of
Florida

Daniel E. Frank
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2415
Telephone: (202) 383-0838
Counsel for Walt Disney World Co.

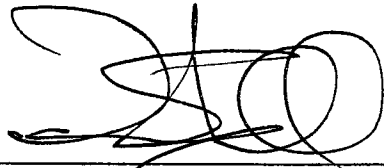
Russell S. Kent, Esq.
Sutherland Asbill & Brennan LLP
2282 Killearn Center Blvd.
Tallahassee, FL 32308-3561
Telephone: (850) 894-0015
Counsel for Walt Disney World Co.

Thomas A. Cloud, Esq.
Gray, Harris & Robinson, P.A.
301 East Pine Street, Ste. 1400
P.O. Box 3068
Orlando, FL 32801
Phone: (407) 244-5624
Fax: (407) 244-5690
Attorneys for Publix Super Markets, Inc.

John W. McWhirter, Jr., Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
400 North Tampa Street, Suite 2450
Tampa, FL 33601-3350
Telephone: (813) 224-0866
Fax: (813) 221-1854
Counsel for Florida Industrial Power Users
Group

Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
117 South Gadsden
Tallahassee, FL 32301
Telephone: (850) 222-2525
Fax: (85) 222-5606
Counsel for Florida Industrial Power Users
Group and Reliant Energy Power Generation,
Inc.

Michael B. Twomey, Esq.
8903 Crawfordville Road (32305)
P.O. Box 5256
Tallahassee, FL 32314-5256
Phone: (850) 421-9530
Fax: (850) 421-8543
Counsel for Sugarmill Woods Civic
Association, Inc. and Buddy L. Hansen

A handwritten signature in black ink, appearing to read "Michael B. Twomey", written over a horizontal line.

Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Review of Florida Power
Corporation's Earnings, Including Effects
of Proposed Acquisition of Florida Power
Corporation by Carolina Power & Light**

DOCKET NO. 000824-EI

Submitted for Filing:
March 4, 2002

AFFIDAVIT OF MARK A. MYERS

STATE OF FLORIDA
COUNTY OF _____

I, Mark A. Myers, having first been duly sworn, do hereby state as follows:

1. My name is Mark A. Myers. I am employed by Florida Power Corporation ("Florida Power" or "the Company") as Vice President of Finance. The facts stated in this affidavit are based upon my personal knowledge.

2. I have reviewed the Sixth Request for Confidential Classification to which this affidavit is attached and the Justification Matrices identifying the confidential rebuttal testimony of Mark A. Myers, Charles J. Cicchetti and Robert A. Sipes ("the Testimony"). The confidential information identified in the matrices is intended to be confidential and is treated by Florida Power and its related companies as confidential. None of the confidential information has been publicly disclosed.

3. Public disclosure of the confidential information would harm the Company and its ratepayers and would impair the Company's competitive interests. The Sixth Request for Confidential Classification and the Justification Matrices accurately describe the harm to the Company and its ratepayers that would be caused by public disclosure of the confidential information.

4. The Testimony references internal projections of future financial performance prepared in connection with and in anticipation of the merger, including projected profit margins and projected synergies for Progress Energy's regulated and non-regulated industries. The projections were prepared solely for internal use by management (both CP&L and Florida Power) in analyzing the potential impacts of the merger and the potential performance of the consolidated company under various scenarios. The projections have been kept strictly confidential.

5. Because these projections have not been publicly disclosed, they likely would be closely scrutinized by financial analysts and could encourage market speculation about the Company's future financial performance. This could impact the Company's credit rating, which in turn would directly affect the Company's cost of capital, thus harming both the Company and its ratepayers.

6. Moreover, financial projections are necessarily based on a host of assumptions that change over time. If an assumption proves to be inaccurate in any material respect, the projection is likewise inaccurate. The projections at issue here were intended solely for internal use by Company management who understand the limitations of financial forecasting. The projections were never intended to be disseminated to the public, where the Company has no ability to explain the underlying assumptions and how they may have changed since the forecasts were prepared.

7. Disclosure of confidential internal financial information also raises questions about compliance with the SEC fair disclosure requirements imposed by "Regulation FD." *See* 17 CFR §243.100. The projections have been kept confidential, and if it is made public in this proceeding, the Company may have an obligation to take steps to ensure that there can be no

claim of selective disclosure. If the Company is required to affirmatively publicize the forecasts, it would give the incorrect impression that they were intended for public dissemination, when they in fact were never intended to be used by the public to evaluate the Company's future financial performance. The resulting potential for market confusion and speculation would be very damaging to the Company and its ratepayers.

8. Florida Power also requests confidential classification for the Testimony outlined in the attached Justification Matrix that refers to information obtained from PA Consulting Group ("PA") and Edison Electric Institutes ("EEI"). EEI and PA are independent businesses that provide industry analyses to Florida Power. The information referenced in the Testimony is PA's and EEI's proprietary industry analyses obtained by Florida Power pursuant to an understanding that Florida Power shall keep the information confidential. This is proprietary information developed by EEI and PA, which it provides pursuant to an understanding that requires the information to be kept confidential. The information is not public and Florida Power has treated this information as confidential.

9. Disclosure of this information would also impair EEI's and PA's competitive interests, as the data would lose its proprietary value if it were to become public record.

10. Public disclosure of this information also would undermine Florida Power's ability to obtain the information in the future, as EEI and PA may refuse to provide proprietary data to Florida Power if that data could become public record and thus be available for free to anyone. Florida Power routinely uses industry analyses developed by EEI and PA in its business operations, and not having access to that information would harm the Company's business operations.

11. For all of these reasons, the Testimony should be kept confidential to avoid harm to the Company and its ratepayers.

This concludes my affidavit.

MARK A. MYERS

Sworn to and subscribed before me this 4th day of March, 2002, by Mark A. Myers, who is personally known to me or who has produced _____ as identification.

NOTARY PUBLIC

Type or Print Name

My Commission Expires: _____

JUSTIFICATION MATRIX
(Robert A. Sipes - Rebuttal Testimony)

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification
5	7-15	Proprietary industry analyses obtained from Edison Electric Institutes (EEI) pursuant to an understanding that requires FPC to keep the information confidential. Disclosure would harm EEI's competitive interests, because the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).
5-6	20-23 1-13 16-19	Proprietary industry analyses obtained from PA Consulting Group (PA) and EEI pursuant to an understanding that requires FPC to keep the information confidential. Disclosure would harm PA's and EEI's competitive interests, because the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).
RAS2/Figures 1-6	All	Proprietary industry analyses obtained from EEI pursuant to an understanding that requires FPC to keep the information confidential. Disclosure would also harm EEI's competitive interests, because the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).

RAS3/Figures 1-6	All	Proprietary industry analyses obtained from PA pursuant to an understanding that requires FPC to keep the information confidential. Disclosure would also harm PA's competitive interests, because the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).
RAS4/Figures 1-6	All	Proprietary industry analyses obtained from EEI pursuant to an understanding that requires FPC to keep the information confidential. Disclosure would also harm EEI's competitive interests, because the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).
RAS5/Figures 1-6	All	Proprietary industry analyses obtained from EEI pursuant to an understanding that requires FPC to keep the information confidential. Disclosure would also harm EEI's competitive interests, because the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).

JUSTIFICATION MATRIX
(Mark Myers - Rebuttal Testimony)

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification
8	10-20, 23	This analysis of projected financial forecasts related to profit margins is confidential and has not been made public. Premature disclosure of internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
9	1, 3-15	This analysis of projected financial forecasts related to profit margins is confidential and has not been made public. Premature disclosure of internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).

JUSTIFICATION MATRIX
(Charles J. Cicchetti - Rebuttal Testimony)

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification
17	12	The breakdown of projected synergy savings among CP&L and Progress Energy's non-regulated affiliates has not been made public and is confidential. Premature disclosure of these internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
18	7	The percentage breakdown of projected synergy savings among CP&L and Progress Energy's non-regulated affiliates has not been made public and is confidential. Premature disclosure of these internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
45	23	The disclosure of projected merger synergies at this level of detail has not been made public and is confidential. Premature disclosure of detailed internal financial projections could harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
46	1, 3, 14	The disclosure of projected merger synergies at this level of detail has not been made public and is confidential. Premature disclosure of detailed internal financial projections could harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).