



Public Service Commission

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

020164-EQ

DATE: May 21, 2002
 TO: Office of the General Counsel (Gervasi, Helton)
 FROM: Division of Economic Regulation (Harlow) *gjh JB RJ* **JDS**
 RE: Florida Power Corporation's Request for Confidential Classification on DN 04130-02

On May 3, 2002, Florida Power Corporation (FPC) filed a Request for Confidential Classification for portions of document No. 04130-02. FPC filed document No. 04130-02 in response to staff's questions regarding Docket No. 020164-EQ, FPC's Petition for Approval of an Agreement with Cedar Brakes IV, LLC, to Restructure Three Existing Cogeneration Contracts. Document No. 04130-02 consists of: (a) a graphical representation of the capacity account specified by one of the existing cogeneration contracts; (b) a comparison of the two fuel pricing options under the Agreement; and, (c) FPC's net present value calculations of the ratepayer impact of the Agreement under various fuel forecast scenarios. FPC asserts that the indicated portions of DN 04130-02 contain proprietary information which, if disclosed, would impair FPC's competitive interests.

Staff has reviewed DN 04130-02 and concurs with FPC that the redacted portions of the document could impair FPC's bargaining position in future cogeneration contract negotiations. The redacted information primarily concerns: (a) the current capacity account balance as specified by one of the existing cogeneration contracts; (b) FPC's forward coal pricing curves; and, (c) estimated capacity and energy payments over the life of the Agreement under various coal pricing assumptions. Therefore, staff recommends that the redacted portions of DN 04130-02 be granted confidential status and remain confidential for a period of eighteen months from the date of the request in accord with Section 366.093(4), Florida Statutes.

cc: Tom Ballinger, Division of Economic Regulation
 Roland Floyd, Division of Economic Regulation
 Blanca S. Bayo, Division of Records and Reporting

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