



JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE CO., LLC

June 4, 2003

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 030001-EI; **Request for Confidential Classification.**

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., formerly Florida Power Corporation, is an original and ten copies of its Request for Confidential Classification. Also enclosed is a sealed envelope containing the document subject to the Request, with the confidential information highlighted. **This document should be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.** A public copy of the document in which the confidential information has been redacted is attached to the Request.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. A 3½ inch diskette containing the above-referenced Request in WordPerfect format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'James A. McGee', written over a horizontal line.

James A. McGee

JAM/scc
Enclosures

cc: Parties of record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished to the following individuals by regular U.S. Mail the 4th day of June, 2003:

Wm. Cochran Keating, IV, Esquire
Senior Attorney
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

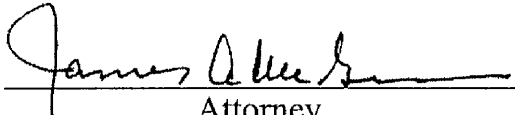
Robert Vandiver, Esquire
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Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, et al.
117 S. Gadsden Street
Tallahassee, FL 32301



Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost
Recovery Clause and Generating
Performance Incentive Factor.

Docket No. 030001-EI

Submitted for filing:
June 5, 2003

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Progress Energy Florida, Inc., formerly Florida Power Corporation, (Progress Energy or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of the highlighted information on Attachment 16 to Progress Energy's response to Staff's Second Set of Interrogatories propounded in the subject docket, which is contained in the sealed envelope enclosed with this request. In support of this request for confidential classification, Progress Energy states as follows:

Background

1. Interrogatory No. 16 of Staff's Second Set of Interrogatories to Progress Energy requests detailed actual information for two years, including the most current data for 2002, regarding the costs incurred by the Company's affiliated coal supplier, Progress Fuels Corporation (PFC), for each of the components of PFC's waterborne transportation system. To ensure that Staff has sufficient information to conduct its review of PFC's waterborne transportation costs, Progress Energy provided an attachment to its response to Interrogatory No. 16 (Attachment 16) that contained a more detail breakdown of PFC's costs for each year than requested in the template

Staff included with the interrogatory. Because the current cost data for 2002 is highly sensitive competitive information, Progress Energy submits this request in order to protect the confidentiality of the highlighted information on Attachment 16 contained in the enclosed envelope. A public version of Attachment 16, with the confidential information redacted, is attached to each filed copy of this Request.

Justification for Confidential Classification

2. Subsection 366.093(1), F.S., provides that any records “found by the commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [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)), and “[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information” (subsection 366.093(3)(e)). The designated portions of Attachment 16 fall within these statutory categories and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

3. Specifically, the highlighted information on Attachment 16 identifies the rate per ton paid by PFC in 2002 for waterborne coal transportation, by component detail and in aggregate. Disclosure of this information would provide PFC’s existing and potential waterborne transportation suppliers with a significant competitive advantage in bidding or negotiating for PFC’s future waterborne transportation

services. In addition, disclosure of this information, coupled with publicly available total delivered coal costs contained in the Company's monthly filings of FPSC Form 423, would allow existing and potential coal suppliers to calculate PFC's FOB mine price of its coal purchases by simple subtraction, thus providing these suppliers with a competitive advantage in bidding on PFC's future coal purchases. Because of this competitive advantage, suppliers of both coal and transportation services would be able to avoid offering their lowest price and instead simply undercut PFC's existing price. As a result, PFC, Progress Energy, and ultimately its customers would incur higher fuel costs than if PFC's suppliers were not forearmed with this competitively sensitive and valuable information.

4. This sensitive coal supply and transportation information and the justification for according it confidential treatment are virtually identical to that routinely provided by Progress Energy and approved by the Commission in the Company's Request For Confidential Classification of the monthly FPSC Form 423.

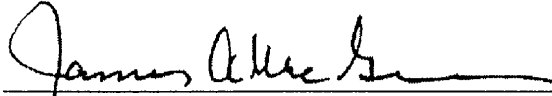
5. The designated information for which confidential classification is sought by this Request is intended to be and is treated by the Company as private and has not been publicly disclosed.

Duration of Confidential Classification

6. Progress Energy requests an 18-month confidentiality period, consistent with Rule 25-22.006(9)(a), F.A.C. In addition, Progress Energy asks that Attachment 16 be returned to the Company when the Commission no longer needs the information to conduct its business, in accordance with Rule 25-22.006(9)(b), F.A.C.

WHEREFORE, Progress Energy requests that the highlighted information in Attachment 16 enclosed herewith be accorded confidential classification for the reasons set forth above.

Respectfully submitted,



James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
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St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Attorney for
PROGRESS ENERGY FLORIDA, INC.

REDACTED

**Progress Fuels Corporation
Response to interrogatory No. 16**

Line	Notes	Contract Rates per Ton		Notes
		1992	2002	
		UP-RIVER COST		
1	Rail			1
2	TTI			
3	EKII	\$6.19		
4	EKII	\$6.51		
5	CVI	\$6.40		
6	CVII	\$7.05		
7	BSI	\$5.99		
8	BSII	\$6.14		
9	BSIII	\$6.24		
10	Clean Coal			
11	EKII	\$6.00		
12	EKII	\$6.40		
13	CVI	\$6.20		
14	CVII	\$6.60		
15	BSI	\$6.58		
16	BSII	\$6.70		
17	BSIII	\$6.80		
18	Oglebay Norton			
19	EKII	\$6.75		
20	EKII	\$7.15		
21	CVI	\$6.95		
22	CVII	\$7.35		
23	BSI	\$6.97		
24	BSII	\$7.07		
25	BSIII	\$7.47		
26				
27	Truck & Transloading			
28	Elk Run to KRT Kanawha River Docks			
29	Martin County to KRT Big Sandy River Dock	\$4.60		
30	Kentucky May Dock - Massey	\$6.85		
31				
32	Up-River Rate	\$4.12		
33				
34	RIVER BARGE COST			
35	Valley Line (ACBL)			
36	Ceredo Dock	\$7.60		
37	TTI	\$7.14		
38	Cleancoal	\$6.58		
39	Jefferson Riverport	\$6.45		
40	Big Sandy	\$7.70		
41	Kanawha River Terminal	\$8.96		
42	Licking River	\$6.82		
43				
44	MEMCO			
45	Ceredo Dock	\$7.55		
46	TTI	\$7.08		
47	Cleancoal	\$6.52		
48	Jefferson Riverport	\$6.40		
49	Big Sandy	\$7.64		3
50	Kanawha River Terminal	\$8.93		3
51	Ohio River (Licking River)	\$6.76		3
52	Demurrage			2
53				
54	River Barge Rate	\$7.32		3
55				
56	GULF TERMINAL COST (IMT)			
57	Storage	\$3.98		
58	Direct			
59	Import of Foreign Coal			
60	Terminal crane discharge through storage including barge charges			
61	Terminal crane discharge through storage excluding barge charges			
62	Terminal crane discharge through CBU direct to gulf barge/inc.all charges			
63	Full service package for vessel crane discharge through storage			
64	Terminal crane discharge through CBU direct to gulf barge/exc Barges			
65	Vessel crane discharge through storage			
66	Vessel crane discharge through CBU direct to gulf barge			
67	Vessel conveyor discharge through inbound hopper through storage			
68	Harbor Fee	2		
69	Additional Charges			
70	Demurrage	2		
71	Line Handling	2		
72	Port Fees		\$0.01	
73	Dockage	2		
74				
75	Gulf Terminal Rate	\$4.04		

Line		Contract Rates per Ton			
		Notes	1992	2002	Notes
76					
77	CROSS-GULF COST (DFL)				
78	Rate less than initial 1.6 million tons		\$0.00		4
79	Rate greater than initial 1.6 million tons		\$0.00		4
80	Average adjusted rate actually paid		\$7.63		4
81	Additional charges				
82	Port Fees		\$0.03		
83	Assist Tug		\$0.10		
84	Demurrage/Repairs				
85	Insurance/Labor Adjustment				
86	Customs/Surveys				
87					
88	Cross-Gulf Rate		\$7.52		
89	Total Rate		\$23.00		
	Notes:				
	1. There were no up-river rail deliveries in 2002.				
	2. Costs for various miscellaneous charges are not available.				
	3. Base contract rate, subject to quarterly adjustment for changes in the price of diesel fuel.				
	4. Reduced temporary rate in effect from April 2002 through March 2005 that does not reflect an adequate return on DFL's current investment nor the additional investment of more than \$35 million over next 10 years for major repairs to DFL's tug-barge fleet.				
	Risks and other costs not included				
	a. Risk of coal losses at IMT due to hurricanes and/or flooding				
	b. Risk of damage or loss of Gulf tug-barge units				
	c. Increased costs for drydocking repairs to Gulf tug-barge units (see Note 4)				
	d. Loss on sale of PFC's interest in IMT in 2001				