



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

November 25, 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 fifteen copies of its Request for Confidential Classification. The documents containing the information for which confidential classification is sought was highlighted and included with Progress Energy's Notice of Intent to Request Confidential Classification filed on November 10, 2003 in a separate sealed envelope, and was designated **Document DN 11182-03**. A public copy of the documents, with the confidential information redacted, was attached to each filed copy of the Notice. **The documents containing the highlighted information should continue to be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.**

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,

James A. McGee

JAM/scc  
Enclosure

cc: Parties of record

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COMMISSION CLERK

**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 25th day of November, 2003:

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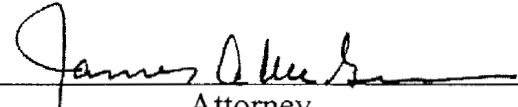
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\_\_\_\_\_  
Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 030001-EI

Submitted for filing:  
November 26, 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 its responses to Staff's Sixth Set of Interrogatories, Nos. 89 and 90 (the Interrogatory 89 and 90 Responses), and on the documents responsive to Staff's Third Request for Production of Documents, No. 16 (the POD 16 Documents), the relevant pages of which were contained in the sealed envelope enclosed with Progress Energy's Notice of Intent to Request Confidential Classification filed on November 10, 2003 and designated Document DN 11182-03. A public version of the Interrogatory 89 and 90 Responses and the POD 16 Documents, with the confidential information redacted, was attached to each filed copy of the Notice of Intent. In support of this request for confidential classification, Progress Energy states as follows:

**Justification for Confidential Classification**

1. 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 the Interrogatory 89 and 90 Responses and the POD 16 Documents fall within these statutory categories and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

2. The highlighted information in the Interrogatory 89 and 90 Responses identifies the contractual commodity price, by supplier, of compliance synfuel and compliance coal, respectively, that Progress Energy's affiliated coal procurer Progress Fuels Corporation (PFC), purchased for use at the Company's Crystal River Units 4 and 5 from 1998 through 2002. Disclosure of this information would identify the commodity price of the synfuel and coal directly, and the related transportation cost indirectly by subtraction from publicly available the delivered cost reported by the same suppliers on Progress Energy's FPSC Form 423's. This would provide PFC's existing and potential coal and waterborne transportation suppliers with a significant competitive advantage in bidding or negotiating for PFC's future coal purchases and waterborne transportation services. Because of this competitive advantage, the suppliers 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.

3. The highlighted information in the POD 16 Documents identifies two related types of contractual pricing terms. The first is the same commodity price information for compliance synfuel and compliance coal as described in paragraph 2 above, the disclosure of which would be harmful for the same reasons. The second type of pricing information is the quality adjustment to the commodity price for variations above or below the guaranteed BTU content negotiated by PFC in its contracts with synfuel and coal suppliers. Disclosure of these contractual pricing terms would be detrimental to PFC, Progress Energy and its customers in two ways. First, disclosure would place PFC at a competitive disadvantage in future negotiations with potential synfuel and coal suppliers who would use the most advantageous of these terms as the beginning point, or floor, of their bargaining position and the least advantageous terms and specifications as their ceiling, knowing in either case that they had been previously accepted by PFC. Second, existing and potential suppliers of coal and waterborne transportation services would be less willing, or unwilling, to offer PFC special or unique concessions on contractual pricing terms if they were aware that such concessions may be disclosed to other potential purchasers who would then demand similar concessions. Either or both of these situations would impair PFC's efforts to contract for goods and services on favorable terms, to the detriment of Progress Energy's customers in the form of higher fuel costs.

4. The highlighted information in the Interrogatory 89 and 90 Responses, and the highlighted information in the POD 16 Documents regarding the commodity prices of synfuel and coal, provides the same or substantially similar price and cost information as that contained (a) in Progress Energy's Form 423 monthly filings in

this proceeding which is consistently accorded confidential classification by the Commission, and (b) in document DN 11296-02 for which confidential classification was granted by Order No. PSC-03-0035-CFO-EI, issued January 6, 2003.

5. The highlighted information in the POD 16 Documents regarding the quality adjustments to the commodity price of synfuel and coal provides the same or substantially similar contractual pricing terms as that contained (a) in Progress Energy's Form 423 monthly filings in this proceeding which is consistently accorded confidential classification by the Commission, and (b) in document DN 04788-03 for which confidential classification was granted by Order No. PSC-03-1184-CFO-EI, issued October 21, 2003.

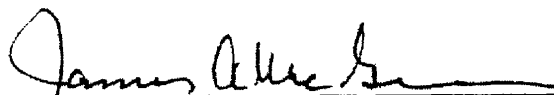
6. The designated information for which confidential classification is sought by this Request is intended to be and is treated by the Company as private and has not been publicly disclosed.

#### **Duration of Confidential Classification**

7. 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 the Interrogatory 89 and 90 Responses and the POD 16 Documents 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 the Interrogatory 89 and 90 Responses and the POD 16 Documents enclosed with its previously filed Notice of Intent be accorded confidential classification for the reasons set forth above.

Respectfully submitted,



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Attorney for  
PROGRESS ENERGY FLORIDA, INC. and  
PROGRESS FUELS CORPORATION