



ORIGINAL

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

November 26, 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

RECEIVED - FPSC
03 DEC - 1 AM 11:14
COMMISSION
CLERK

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 document 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 1115-03**. A public copy of the document, with the confidential information redacted, was attached to each filed copy of the Notice. **The document 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

RECEIVED & FILED

15

FPSC-BUREAU OF RECORDS

JAM/scc

Enclosure

cc: Parties of record

AUS
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records

DOCUMENT NUMBER-DATE

12127 DEC-18

FPSC-COMMISSION CLERK

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:
December 1, 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 Late-Filed Exhibit No. 1 to the deposition of Javier Portuondo taken by Staff in the subject docket, which was contained in the sealed envelope enclosed with Progress Energy's Notice of Intent to Request Confidential Classification filed on November 7, 2003. A public version of Late-Filed Exhibit No. 1, 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

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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 Late-Filed Exhibit No. 1 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 Late-Filed Exhibit No. 1 identifies the four cost components that comprise the projected 2004 cost of coal shown on Schedule E3; waterborne transportation costs, rail transportation costs, commodity costs, and miscellaneous costs.¹ Disclosure of Progress Energy's waterborne and rail transportation costs, together with publicly available waterborne and rail transportation quantities (*e.g.*, Progress Energy's response to Staff Fifth Set of Interrogatories, No. 59), would enable the Company's waterborne transportation market price proxy and its rail transportation rate to be readily determined, which, in turn, would enable the commodity price of coal to be determined by subtraction from the publicly available delivered coal prices reported in the Company's monthly Form 423 filings. Knowledge of Progress Energy's commodity prices would provide existing and potential coal suppliers with a significant competitive advantage in bidding or negotiating for the Company's future coal purchases. Knowledge of Progress Energy's market price proxy for waterborne transportation would provide the alternative transportation supplier, the railroad, with a significant competitive advantage in upcoming negotiations for a new rail transportation services contract.

¹ Progress Energy waives its claim of confidentiality for the miscellaneous costs shown on Late-Filed Exhibit No. 1.

In addition, disclosure of Progress Energy's commodity costs on Late-Filed Exhibit No. 1 would provide the railroad with another means to determine the waterborne transportation market price proxy and achieve the same competitive advantage described above. Since the railroad knows the Company's rail transportation costs, it would be able to subtract these costs from the commodity costs to determine the approximate (except for relatively minor miscellaneous costs) amount of the waterborne transportation costs, which would yield the market price proxy when divided by publicly available waterborne quantities.

3. The waterborne and rail transportation rates that disclosure of the highlighted information on Late-Filed Exhibit No. 1 would allow to be determined is substantially the same as similar information contained (a) in Progress Energy's Form 423 monthly filings in this proceeding which are consistently accorded confidential classification by the Commission, (b) in document DN 11296-02 for which confidential classification was granted by Order No. PSC-03-0035-CFO-EI, issued January 6, 2003, (c) in document DN 12104-02 for which confidential classification was granted by Order No. PSC-03-0036-CFO-EI, issued January 6, 2003, (d) in document DN 04144-03 for which confidential classification was granted by Order No. PSC-03-1298-CFO-EI, issued November 13, 2003, and (e) in document DN 04788-03 for which confidential classification was granted by Order No. PSC-03-1184-CFO-EI, issued October 21, 2003.

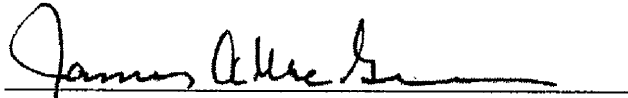
4. The designated information for which confidential classification is sought by this Request is intended to be and is treated by the Company as private and has not been publicly disclosed.

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 Late-Filed Exhibit No. 1 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 Late-Filed Exhibit No. 1 enclosed with its previously filed Notice of Intent be accorded confidential classification for the reasons set forth above.

Respectfully submitted,



James A. McGee
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Attorney for
PROGRESS ENERGY FLORIDA, INC. and
PROGRESS FUELS CORPORATION

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 26th day of November, 2003:

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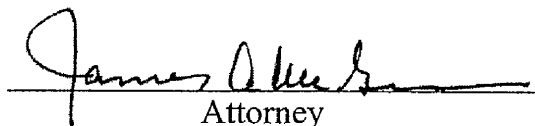
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