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September 9, 2004

HAND DELIVERED

RECEIVED-FPSC
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COMMISSION
CLERK

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating
Performance Incentive Factor; FPSC Docket No. 040001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and ten (10) copies of Tampa
Electric Company's Request for Confidential Classification of Document No. 1, Page 2 of 2, of the
exhibit to the Prepared Direct Testimony of Joann T. Wehle and pages 3 and 6 of the Prepared
Direct Testimony of Benjamin F. Smith.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this
letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,



James D. Beasley

- CMP _____
- COM _____
- CTR _____
- ECR JDB/pp
- GCL Enclosure
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC
- OTH 1 cont
records

cc: All Parties of Record (w/enc.)

RECEIVED & FILED



FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09860 SEP-9 04

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 040001-EI
FILED: September 9, 2004

**TAMPA ELECTRIC COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Tampa Electric Company ("Tampa Electric" or "the company") hereby requests confidential treatment of portions of Document No. 1, Page 2 of 2, of the exhibit to the Prepared Direct Testimony of Tampa Electric witness Ms. Joann T. Wehle (JTW-2) and pages 3 and 6 of the Prepared Direct Testimony of Tampa Electric witness Benjamin F. Smith, all of which are being simultaneously filed herewith in the above docket. In support thereof, the company says:

1. Tampa Electric is simultaneously filing under separate cover letter a highlighted version of the above-referenced pages of Ms. Wehle's Exhibit and the Prepared Direct Testimony of Mr. Smith. Tampa Electric is also filing 10 copies of Ms. Wehle's Exhibit and Mr. Smith's testimony with the confidential information redacted.

2. The highlighted portions of the above-referenced testimony and exhibit are entitled to confidential classification and protection from public disclosure in that they constitute proprietary confidential business information under Section 366.093, Florida Statutes. Attached hereto as Exhibit "A" is a detailed justification for the confidential classification requested herein.

3. Tampa Electric requests that the highlighted information in Ms. Wehle's Exhibit and in Mr. Smith's Direct Testimony be protected from public disclosure through September 9, 2006. Public disclosure of the information prior to that date could adversely affect the competitive

interests of Tampa Electric's affiliates and Tampa Electric itself and thereby adversely affect Tampa Electric customers.

4. The information sought herein to be treated as confidential has been recognized by the Commission to constitute proprietary confidential business information which is entitled to protection against public disclosure under Section 366.093, Florida Statutes.

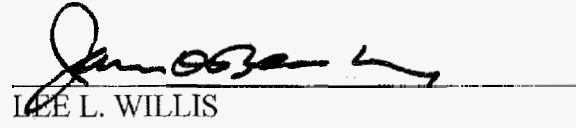
5. Tampa Electric requests that the information for which Tampa Electric seeks confidential classification not be declassified until the date specified in Exhibit "B" to this request. The time periods requested are necessary to allow Tampa Electric's affiliated transportation companies to negotiate future contracts without their competitors (and other customers) having access to information which would adversely affect the ability of these affiliates to negotiate future contracts. In addition, the duration of confidential treatment requested with respect to matters relating to Tampa Electric's purchased power strategy will avoid compromising Tampa Electric's ability to contract for goods and services on favorable terms. The period of time requested will ultimately protect Tampa Electric and its customers.

6. The material for which classification is sought is intended to be and is treated by Tampa Electric and its affiliates as confidential private information and has not been disclosed publicly.

WHEREFORE, Tampa Electric submits the foregoing in support of its request for confidential classification of the highlighted information contained in the Exhibit to the Prepared Direct Testimony of Ms. Wehle and in the Prepared Direct Testimony of Mr. Smith.

DATED this 9th day of September 2004.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James D. Beasley", is written over a horizontal line.

LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Confidential Classification filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (*) on this 9th day of September 2004 to the following:

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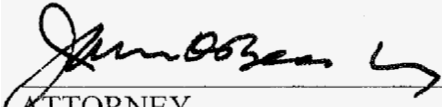
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ATTORNEY

September 9, 2004

DETAILED JUSTIFICATION FOR CONFIDENTIAL CLASSIFICATION

Exhibit to the Testimony of Joann T. Wehle (JTW-2), Document No. 1, Page 2 of 2

All yellow highlighted information shown on page 2 of Document No. 1 of the Exhibit to the prepared direct testimony of Witness Joann T. Wehle is entitled to confidential classification under Section 366.093(3)(d) and (e), Fla. Stat. Disclosure of the highlighted information would impair the efforts of Tampa Electric to contract for goods and services on favorable terms. In addition, it would harm the competitive interests of Tampa Electric's transportation affiliates and thereby ultimately harm Tampa Electric and its customers. There exists vigorous competition among suppliers of these waterborne transportation services; and therefore, any public disclosure of prices charged by Tampa Electric's affiliates would eliminate any negotiating leverage which the affiliates have in marketing their services to others.

Aside from the coal transportation services performed for Tampa Electric, the TECO Transport affiliates currently transport coal and other bulk commodities for other customers as well. These markets are very competitive. As commercial enterprises, the affiliates face significant competition for each of the other transportation, transfer and storage services that they perform. Only a small percentage of waterway traffic is subject to regulation, and exempt carriers are not required to publish revenues, operating data rates or financial information. Disclosing the amounts charged by these affiliates to Tampa Electric would permit the affiliates' other customers, who may be paying higher prices for similar services, to bargain for more favorable terms from the affiliates.

The weighted average per ton price for waterborne transportation from all Tampa Electric coal sources is entitled to confidential protection for the reasons given above. The total

transportation cost, the per-ton (over\nder) benchmark amount, and the total cost over/under benchmark each require confidential protection because they are arithmetic functions of the weighted average per-ton price and publicly available information. Disclosing these amounts, in conjunction with the public information on tons transported or the transportation benchmark, would enable competitors to determine the weighted average price for waterborne transportation charged by Tampa Electric's transportation affiliates. Therefore, these amounts are also entitled to confidential protection for the same reasons cited with respect to the weighted average per ton price for waterborne transportation.

The prior years' cumulative benefit and the net benefit for 1988-2003 are, likewise, entitled to confidential protection. The former number is an arithmetic function of the prior years' weighted average price for transportation services, and its disclosure would enable a competitor to determine that weighted average price from the total tons transported. The latter amount is an arithmetic function of the confidential total cost over/(under) benchmark and the prior years' cumulative benefit, the disclosure of which would allow a competitor to calculate those amounts. Therefore, both benefit amounts are entitled to confidential protection for the same reasons cited above.

Prepared Direct Testimony of Benjamin F. Smith

The values highlighted in yellow on page 3, lines 23 and 24, and on page 6, lines 1 and 3, of Mr. Smith's testimony disclose Tampa Electric's purchased power strategy in terms of the company's mix of long-term contracts and short-term market purchases. This is information relating to competitive interests, the disclosure of which would impair the competitive business of Tampa Electric. Such information is specifically included in the definition of proprietary

confidential business information in Section 366.093(3), Florida Statutes. As such, this information is entitled to confidential protection and exemption from the Public Records Law.

Disclosure of the highlighted information in Mr. Smith's testimony would disclose not only the company's purchasing strategy with respect to purchased power, but also the company's planned risk exposure. Those who have an interest in supplying Tampa Electric's purchased power needs could use this valuable information to negotiate more favorable terms, to the detriment of Tampa Electric and its ratepayers, than would otherwise be the case. They could use this information about the company's plans and expected needs to exact better prices for meeting those needs.

The need for confidential protection of the information highlighted on pages 3 and 6 of Mr. Smith's Prepared Direct Testimony is very similar to the need for confidential classification of highlighted portions of the company's risk management plan which have been deemed by the Commission to be entitled to protection under Section 366.093, Florida Statutes.

Date of Declassification:

<u>DOCUMENT</u>	<u>PAGE NO.</u>	<u>LINE NO.</u>	<u>DATE</u>
Exhibit (JTW-2) (Document No. 1, Page 2 of 2)	18	All Yellow Highlighted Information	September 9, 2006
Prepared Direct Testimony Of Benjamin F. Smith	3 6	23 and 24 1 and 3	September 9, 2006 September 9, 2006

Rationale:

Coal Transportation Data

1. Tampa Electric seeks protection of the coal transportation contract information specified as confidential for a minimum period of two years.

2. The need for two or more years of confidentiality is vital not only to Tampa Electric and its ratepayers, but to the vendors of coal transportation services as well.

3. TECO Transport & Trade markets bulk commodity transportation services in the open non-regulated marketplace. The prices at which its services are sold are not publicly disclosed anywhere by publication or voluntary dissemination because it would materially lessen their competitive posture with customers other than Tampa Electric. Outside customers who negotiate for coal transportation services are placed at a competitive advantage for these goods or services if they know the cost of the services.

4. An analyst for an outside customer of TECO Transport who reads the written transcripts of public fuel hearings or reads the written orders of the FPSC can easily discover that until November 1, 1988, Tampa Electric paid cost for coal transportation from TECO Transport. Further, the publication of the stipulation agreement between the parties in 1988 indicated that the initial benchmark price was close to cost and subsequent testimony indicates the revised contract escalates from cost.

5. As long as an outside customer does not know how such an escalation clause changes price, the cost cannot be calculated. However, publicizing the price of coal transportation services will tell an outside customer how much the escalation has been and make it easy for him to calculate cost. Because of seasonality of costs in this business, a full year's cost data is necessary for an accurate cost measurement.

6. A second year must pass before one full year can be compared with a second year to measure the escalation accurately. So a perceptive vendor seeks two years of data to make his cost estimates. The competitive industries recognize that data beyond two years is not helpful to them,

as enough factors may change in that time frame for costs to be much different from what was incurred. Any data less than two full years old is extremely valuable to outside customers in contracting for services with TECO Transport. The difference of small amounts per ton can mean a difference of millions of dollars in total.

7. A loss of outside business by TECO Transport will affect not only TECO Transport, but if large enough, it could affect the credibility of the company. The prices negotiated with Tampa Electric by this vendor took into consideration its costs and revenues at the time of negotiation, including the revenues from outside customers. A significant loss of outside business could cause TECO Transport to fail, since under market pricing regulation Tampa Electric will not make up the difference to it in cost. In turn, a failure of this vendor would leave Tampa Electric and its customers with only higher cost alternatives for coal transportation to Tampa, a higher cost that would be paid by Tampa Electric's ratepayers. So the continued credibility of TECO Transport is important to protect Tampa Electric's ratepayers from higher cost alternatives.

8. The above rationale for a two-year confidential protection of the information in question has been approved by the Commission in this docket. (See, e.g., Order No. PSC-03-1278-CFO-EI issued November 10, 2003.)

Purchased Power Strategy

1. Tampa Electric seeks protection of the purchased power strategy information specified as confidential for a minimum period of two years.

2. The need for two or more years of confidentiality is vital to Tampa Electric and its customers because this information is strategic and of a continuing nature, which could be in place for a period beyond the standard eighteen month period that confidential information is treated by the Commission as such. This strategic information does not quickly become stale or lose its value to competitors who will attempt to use it to their negotiating advantage. Therefore, a minimum of two years of confidential protection is essential to prevent competitive entities in the purchased power market from having access to information they could use to the competitive disadvantage of Tampa Electric, which would increase the fuel and purchased power costs borne by Tampa Electric's customers.