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COMMISSION
CLERK

DATE: September 23, 2004

TO: Adrienne Vining, Senior Attorney, General Counsel

FROM: Ralph J. VonFossen^{RvF}, Economic Analyst, Division of Economic Regulation

RE: Docket No. 040001 - EI, Fuel and Purchased Power Cost Recovery Clause, Request for Confidentiality of Document No. 04198-04

On April 22, 2004, Tampa Electric Company (TECO) filed its request for confidential classification for Document No. 04198-04. This document consists of TECO's Annual Risk Management Report, for which the utility has requested confidentiality be granted for a period of three years.

TECO contends that disclosure of the highlighted information in the Plan would disclose its purchasing strategy (both with respect to fuel and purchased power) and the company's planned risk exposure. Those who have an interest in supplying TECO's fuel and purchased power needs could use this valuable information to help them force more favorable terms, to the detriment of the utility and its ratepayers. They could learn of the company's plans and needs and use that information in exacting better prices for meeting those needs.

Disclosure of the highlighted information in the Plan would also provide highly sensitive information to recipients regarding the manner and timing of TECO's entry into the fuel and purchased power markets. Knowledge of this information would allow the opportunity for market manipulation through transactions made in anticipation of the company's entry into the market. Market manipulations based on knowledge of the highlighted information would increase the price of fuel and purchased power paid by TECO's customers as well as the price paid by the company to hedge the customers' price of fuel and purchased power. These effects of disclosure would impair the efforts of TECO to contract for goods and services on favorable terms for the benefit of its customers.

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- OPC _____
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- RCA _____
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- OTH Lockwood

Staff has reviewed this document and recommends that TECO's confidentiality request be approved with the following exceptions. Confidentiality should be denied for the portions of the document as detailed below.

- Page 1, highlighted portions of last two lines
- Page 2, the only highlighted portion of the page
- Page 3, the total in the third column
- Page 3, all of columns 5 and 9
- Page 3, the three highlighted portions of the paragraph below the chart

DOCUMENT NUMBER-DATE

10401 SEP 24 3

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The information on pages 1, 2, and the third column and below paragraph on page 3, shows the annual results of risk management activities and its impact upon ratepayers. This information does not reveal any information regarding individual transactions, strategy or manner or timing of entry into the market. TECO has not shown how it or its customers would be negatively impacted by disclosure of this information.

The information in columns 5 and 9 are already in the public domain and therefore not confidential. Consumption in MMBTUs is available in the utility's A schedules filed with this Commission and settle prices can be found in the Wall Street Journal as well as trade publications.

RVF:kb

Cc: Commission Clerk