



ORIGINAL

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

October 18, 2004

HAND DELIVERY

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
OCT 18 PM 3:34
COMMISSION
CLERK

Re: Docket No. 040001-EI; Testimony and Exhibits of Samuel S. Waters;
Amended Request for Confidential Classification.

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., is an original and seven copies of its Amended Request for Confidential Classification, which restates and replaces the original Request filed September 9, 2004. Also enclosed is a sealed envelope containing the document* subject to the Request, with the confidential information highlighted. **These documents should be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.** Two public versions of the documents, with the confidential information redacted, are also enclosed with 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 Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

- CMP _____
- COM _____
- CTR _____
- ECR 1
- GCL 1
- OPC _____ JAM/scc
- MMS _____ Enclosures
- RCA _____ cc: Parties of record
- SCR _____ Mr. Michael Haff
- SEC 1
- OTH 1 cent records

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

11210 OCT 18 04

FPSC-COMMISSION CLERK

copy

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 040001-EI

Submitted for filing:
October 18, 2004

AMENDED
REQUEST FOR CONFIDENTIAL CLASSIFICATION

Progress Energy Florida, Inc. (Progress Energy or the Company), pursuant to pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby amends its Requests for Confidential Classification filed September 9, 2004 by withdrawing its request for certain information on pages 5 and 6 of Mr. Waters' direct testimony, pages 4, 21, 49, 50, 51 and 55 of his Exhibit SSW-1, Tolling Agreement between the Company and Shady Hills Power Company, L.L.C. (the Shady Hills Agreement), page 6 of his Exhibit SSW-2, the Letter of Intent between the Company and Southern Company Services, Inc. to extend an existing Unit Power Sales Agreement (the Southern LOI), Exhibit SSW-3, a one-page summary of the Shady Hills Agreement's costs and benefits, and Exhibit SSW-4, a one-page summary of the Southern LOI's costs and benefits. The remaining information in Mr. Waters' direct testimony and exhibits (collectively, the Waters Testimony and Exhibits) that continues to be the subject of Progress Energy's Amended Request is and enclosed herewith in a separate sealed envelope. Two public copies of the Waters Testimony and Exhibits, with the confidential information redacted, are also enclosed with this Amended Request. In support hereof, 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 Waters Testimony and Exhibits 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. Specifically, with respect to the Shady Hills Agreement, the highlighted information (a) on page 4, line 23, and page 5, lines 1 and 2, of Mr. Waters’ direct testimony, (b) on pages 22, 47 – 49, 51, and 65 of Exhibit SSW-1, and (c) under “NPV Costs, 2004\$” on Exhibit SSW-3, identifies contractual prices or pricing terms and provisions used to determine payments made pursuant to the Agreement. **Disclosure of this information would provide Progress Energy’s existing and potential wholesale power suppliers with a significant**

competitive advantage in bidding or negotiating for the Company's future power purchases. Because of this competitive advantage, these suppliers would be able to avoid offering their lowest price and instead simply undercut the Company's existing price. As a result, Progress Energy and ultimately its customers would incur higher purchased power costs than if the Company's suppliers were not forearmed with this competitively sensitive and valuable information.

3. The highlighted information on pages 12, 13, 39, 40 and 55 of Exhibit SSW-1 identifies sensitive contractual terms and specifications negotiated by Progress Energy for the power to be purchased pursuant to the Shady Hills Agreement, in addition to the pricing information described in paragraph 2 above. Disclosure of these contractual terms and specifications would be detrimental to Progress Energy and its customers in two ways. First, disclosure would place the Company at a competitive disadvantage in future negotiations with potential suppliers of purchased power who would use the most advantageous of these terms and specifications 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 the Company. Second, existing and potential power suppliers would be less willing, or unwilling, to offer Progress Energy special or unique concessions on contractual terms and specification 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 Progress Energy's efforts to contract for goods and services on favorable terms, to the detriment of its customers in the form of higher purchased power costs.

4. With respect to the Southern LOI, the highlighted information (a) on page 5, lines 19 and 20, of Mr. Waters' direct testimony, (b) on pages 4 - 6, 10 and 11 of the LOI, Exhibit SSW-2, regarding Unit Availability, Capacity Charges, Variable O&M, and Startup Charges, and (c) under "NPV Costs, 2004\$" on Exhibit SSW-4, identifies contractual prices or pricing terms and provisions used to determine payments made pursuant to the LOI. Disclosure of this information would provide Progress Energy's existing and potential wholesale power suppliers with a significant competitive advantage in bidding or negotiating for the Company's future power purchases. Because of this competitive advantage, these suppliers would be able to avoid offering their lowest price and instead simply undercut the Company's existing price. As a result, Progress Energy and ultimately its customers would incur higher purchased power costs than if the Company's suppliers were not forearmed with this competitively sensitive and valuable information.

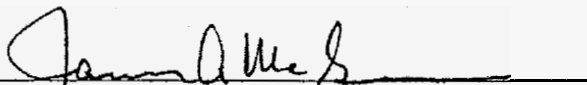
5. The designated information for which confidential classification is sought by this Request is intended to be and is treated by the Company as private and has not been publicly disclosed.

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 the confidential version of the Waters Testimony and Exhibits containing the highlighted information 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 Waters Testimony and Exhibits attached hereto be accorded confidential classification for the reasons set forth above.

Respectfully submitted,



James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5519
Email: james.mcgee@pgnmail.com

Attorney for
PROGRESS ENERGY FLORIDA, INC.

PROGRESS ENERGY FLORIDA

DOCKET NO. 040001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Amended Request for Confidential Classification has been furnished to the following individuals by regular U.S. Mail the 18th day of October, 2004.

Wm. Cochran Keating, IV, Esquire
Office of the General Counsel
Economic Regulation Section
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Norman Horton, Jr., Esquire
Messer, Caparello & Self
P. O. Box 1876
Tallahassee, FL 32302

John W. McWhirter, Jr., Esquire
McWhirter, Reeves et al.
400 North Tampa Street
Suite 2450
Tampa, FL 33601

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

John T. Butler, Esquire
Steel, Hector & Davis
200 S. Biscayne Blvd., Suite 4000
Miami, Florida 33131

Lee L. Willis, Esquire
James D. Beasley, Esquire
Ausley & McMullen
P.O. Box 391
Tallahassee, FL 32302

Jeffrey A. Stone, Esquire
Russell A. Badders, Esquire
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Robert Vandiver, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400



Attorney