

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial No.
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February 1, 2005

BY HAND DELIVERY

Blanca Bayó
Director Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 041393-EI
CONFIDENTIAL DOCUMENTS ENCLOSED

Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida, Inc., (PEF) are the following:

(1) The original and seven copies of PEF's Notice of Intent to Request Confidential Classification, with attached copies of the Staff requests pertaining to the confidential information (A diskette containing the Notice in Word format is also included);

(2) A CONFIDENTIAL envelope containing one copy of the documents on which the confidential material has been highlighted.

Please stamp and return the enclosed extra copy of this filing. If you have any question regarding this filing, please contact the undersigned.

Very truly yours,

HOPPING GREEN & SAMs, PA.

By:


Gary V. Perko

Attorneys for Progress Energy Florida, Inc.

Enclosures

cc: Adrienne E. Vining, Esq.

DOCUMENT NUMBER - DATE

01179 FEB-18

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy Florida) Docket No. 041393-EI
for approval of Unit Power Sales Agreements)
for cost recovery purposes.) Filed: February 1, 2005

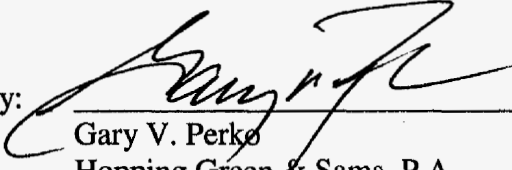
NOTICE OF INTENT TO REQUEST CONFIDENTIAL CLASSIFICATION

Progress Energy Florida, Inc. ("Progress Energy"), by and through its undersigned attorneys and pursuant to Rule 25-22.006, Florida Administrative Code, hereby gives notice that it intends to request confidential classification for documents being produced in response to an informal data request from Staff. A copy of Staff's request for the confidential materials is appended hereto. Copies of the confidential documents are provided in the enclosed envelope labeled "Confidential."

These materials contain proprietary confidential business information regarding trade secrets, contractual and bid information, and information relating to competitive interests the disclosure of which would cause irreparable harm to Progress Energy within the meaning of Section 366.093(3), Florida Statutes. The information for which confidential classification is sought is intended to be and is treated by Progress Energy as private. A formal request for confidential classification will be filed within the time period specified in Rule 25-22.006 (3)(a), Florida Administrative Code, if Staff determines that the information will be retained and not returned to the company within the specified time period.

RESPECTFULLY SUBMITTED this 1st day of February, 2005.

HOPPING GREEN & SAMS, P.A.

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Attorneys for Progress Energy Florida, Inc.

Docket No. 041393-EI
Informal Staff Questions
Progress Energy Florida

8. Page 5 of the petition states that the contracts “offer a ‘bridge’ of sorts, providing coal-based energy in a time frame that construction of new coal facilities would not be possible, until a point in time where new coal facilities could be considered.” Please discuss Progress Energy’s current efforts to determine the cost-effectiveness and feasibility of developing coal capacity in the future.

9. Exhibit D of the petition provides the cost savings from the proposed Southern Company UPS agreements. Please provide the net present value analysis, on an annual and cumulative basis, to determine anticipated savings, including the assumptions used in developing the analysis. Does the cancellation of Progress Energy’s right-of-first refusal on additional capacity from Scherer Unit 3 impact the results of the analysis?

10. How does the assumption on economy purchases used to develop Exhibit D compare to the actual economy purchases completed as a result of the existing UPS agreement with Southern Company?

11. Page 6, lines 9-11 of Mr. Waters’ testimony in Docket No. 040001-EI provides the cost analysis from the proposed Southern Company contracts under “alternative assumptions regarding the availability of economy energy from the Southern system.” Explain what these alternative assumptions were, and identify how Progress Energy’s cost analysis of the actual agreements, as provided in Exhibit D in Docket No. 041393-EI, would be affected by these alternative assumptions.