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Attorneys and Counselors

Writer's Direct Dial No.
(850) 425-2359

March 1, 2005

BY HAND DELIVERY

Blanca Bayó
Director, Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket 050001-EI
CONFIDENTIAL INFORMATION ENCLOSED

Dear Ms. Bayó:

Enclosed for filing in the above referenced docket on behalf of Progress Energy Florida, Inc. ("PEF") are the original and fifteen copies of the following:

- Pre-filed Direct Testimony of Javier Portuondo with Exhibit No. __ (JP-1T), Exhibit No. __ (JP-2T), Exhibit No. __ (JP-3T), Exhibit No. __ (JP-4T), and a redacted copy of Exhibit No. __ (JP-5T);
- Pre-filed Direct Testimony of Pamela R. Murphy with Exhibit No. __ (PRM-1) Exhibit No. __ (PRM-2), Exhibit No. __ (PRM-3), and Exhibit No. __ (PRM-4);
- Pre-filed Direct Testimony of Robert M. Oliver with Exhibit No. __ (RMO-1);
- Pre-filed Direct Testimony of Albert W. Pitcher with Exhibit No. __ (AWP-1), a redacted copy of Exhibit No. __ (AWP-2), and a redacted copy of Exhibit No. __ (AWP-3); and
- PEF's Request for Confidential Classification for portions of Exhibit Nos. __ (JP-3T, AWP-2, and AWP-3), along with a package containing two redacted copies of the exhibits and a separate envelope labeled "CONFIDENTIAL" containing one unredacted copy of the exhibits with the confidential information highlighted in yellow.

I also have includes a diskette containing the testimony and Request for Confidential Classification in Microsoft Word format.

DOCUMENT NUMBER-DATE

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Ms. Blanca Bayó
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Please acknowledge receipt and filing of the above by stamping the enclosed extra copies of the testimony and attached exhibit and returning them to me. If you have any questions concerning this filing, please contact me at 425-2359.

Thank you for your assistance in connection with this matter.

Very truly yours,

HOPPING GREEN & SAMS, P.A.

By:



Gary V. Perko

Attorneys for PROGRESS ENERGY FLORIDA, INC.

GVP/dwg
Enclosures
cc: Certificate of Service

Hopping Green & Sams

Attorneys and Counselors

CERTIFICATE OF SERVICE

I HEREBY CERTIFY, on behalf of Progress Energy Florida, Inc., that true and correct copies of the Direct Testimony and Exhibits of Javier Portuondo, Albert W. Pitcher, Pamela R. Murphy, and Robert M. Oliver and Progress Energy's Request for Confidential Classification in Docket No. 050001-EI have been furnished by hand-delivery (*) or regular U.S. mail to the following this 15th day of March, 2005.

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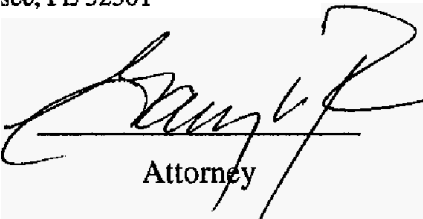
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re Fuel and purchase power cost)
recovery clause with generating)
performance incentive factor)
_____)

Docket No. 050001-EI

Filed: March 1, 2005

**PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., ("PEF" or the "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code, submits this Request For Confidential Classification of certain information provided in exhibits to the direct testimony of Progress Energy witnesses Javier Portuondo and Albert W. Pitcher. In support of this Request, Progress Energy states:

1. Contemporaneously with this Request, PEF is pre-filing the direct testimony and exhibits of Javier Portuondo, Albert W. Pitcher and two other witnesses. As further explained below, Mr. Portuondo's Exhibit No. __ (JP-5T) and Mr. Pitcher's Exhibit Nos. __ (AWP-2) and (AWP-3) contain information that is "proprietary business information" under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this request:

(a) Composite Exhibit A is a package containing two copies of redacted versions of the documents for which the Company requests confidential classification. The specific information for which confidential treatment is requested has been blocked out by opaque marker or other means.

(b) Composite Exhibit B is a package containing unredacted copies of all the documents for which Progress seeks confidential treatment. Composite Exhibit B is being

submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted in yellow.

3. The following identifies by page and line the information for which Progress seeks confidential classification and the specific statutory bases for seeking confidential treatment:

(a) The information on lines 1-7, page 2, of Schedule A12 in Mr. Portuondo's Exhibit No. _ (JP-5T) includes data related to confidential wholesale power purchase and sale contracts. Specifically, the highlighted information provides the number of megawatts for each purchase or sale. In combination with other non-confidential cost data provided in the exhibit, this information could be used to determine the capacity charges for each contract. Disclosure of this information would enable wholesale providers to determine the prices of their competitors, which would likely result in greater price convergence in future negotiations. Suppliers would no longer need to make their best offers to ensure the competitiveness of their prices against the disclosed prices. Instead, suppliers could simply offer the highest prices that would allow them to maintain a marginally competitive position against the disclosed prices. As such, disclosure of the information would impair the Company's efforts to contract for goods or services on favorable terms. *See* § 366.093(3)(d), F.S. Additionally, disclosure of the capacity charges paid by Progress Energy's wholesale customers would provide an unfair advantage to competitors pursuing such customers. As such, the information relates to the competitive interests of Progress Energy and its affiliates, the disclosure of which would impair their competitive businesses. *Id.* § 366.093(3)(e). Accordingly, the information constitutes "proprietary confidential business information" which is exempt from disclosure pursuant to Section 366.093(1), F.S.

(b) The information on lines 1-10 of Mr. Pitcher's Exhibit No. __ (AWP-2) includes pricing information for replacement coal purchases by Progress Energy's affiliate, Progress Fuels Corporation (PFC), as well as fuel forecast information. Disclosure of this information would provide coal suppliers with knowledge of prices that PFC has paid and expects to pay for coal. This knowledge would give suppliers significant competitive advantage in future negotiations because they would no longer need to make their best offers to ensure the competitiveness of their rates against the disclosed prices or forecasts. Instead, suppliers could simply offer the highest rates that would allow them to maintain a marginally competitive position against the disclosed prices or forecasts. As such, disclosure of the information would impair the efforts of the Company and PFC to contract for goods or services on favorable terms and, therefore, is exempt from disclosure. *See* § 366.093(1) and (3)(d), F.S.

(c) The information on lines 1-3, 5-8, 13-14, 18, and 20-22 of Mr. Pitcher's Exhibit No. __ (AWP-3) includes data related to coal transportation costs. The information includes the costs for ocean-going barges used to transport coal (line 1, 3 and 5), the tons of coal transported (lines 8, 14, 18, 20-22), the number of trips (lines 8, 18, 20- 22), the 2004 cross-Gulf waterborne transportation rate established in the Stipulation and Settlement in Docket No. 031057-EI (line 6),¹ and the incremental cost/ton above the settlement rate (lines 7 & 13). This information, either alone or in combination with other confidential information, would provide alternative transportation suppliers with direct knowledge of the waterborne transportation rates with which they must compete. Armed with this information, suppliers could tailor their rates to remain marginally competitive to the disclosed rates without offering their best price. As such, disclosure of the information would impair the efforts of the Company and its affiliate to contract

¹ The Commission has already granted confidential classification for the 2004 waterborne transportation rate in Order No. PSC-04-0705 issued in Docket No. 031057-EI.

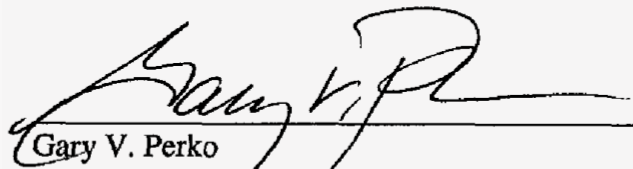
for goods or services on favorable terms and, therefore, is exempt from disclosure. *See* § 366.093(a) and (3)(d), F.S.

4. The information for which PEF seeks confidential classified is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public.

5. Progress Energy requests that the information identified above be classified as “proprietary confidential business information” within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4), F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

WHEREFORE, for the foregoing reasons, Progress Energy Florida, respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 1st day of March, 2005.



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