

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of long-term fuel transportation contracts with Duke Energy Southeast Supply Header, LLC and CenterPoint Energy Southeastern Pipelines Holding, L.L.C. ("SESH Pipeline Contracts"), by Progress Energy Florida, Inc.

DOCKET NO. 060793-EI
ORDER NO. PSC-07-0551-CFO-EI
ISSUED: June 29, 2007

ORDER GRANTING PROGRESS ENERGY FLORIDA, INC.'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
(DOCUMENT NO. 01372-07) [X-REF. DN 00543-07]

On December 12, 2006, Progress Energy Florida, Inc. ("PEF") filed a Petition seeking approval of the terms and conditions of certain natural gas transportation contracts with Southeast Supply Header, LLC ("SESH") and a determination that the costs associated with the contracts are recoverable through the fuel clause. On January 2, 2007, PEF filed its first request for confidential classification of certain information provided in Exhibit KF-1 and KF-2 to the prefiled direct testimony of PEF witness Kent Fonvielle, dated December 12, 2006, which was granted confidential treatment by Order No. PSC-07-0102-CFO-EI, issued February 6, 2007. On February 9, 2007, pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, PEF filed its second request for confidential classification of certain information provided in its responses to Staff's First Data Request issued in this docket. PEF states that portions of its responses to Staff's First Data Request are similar to the information that was the subject of Order No. PSC-07-0102-CFO-EI, mentioned above, which has already been granted confidential treatment (Document No. 01372-07) [X-REF. DN 00543-07].

Section 366.093(1), Florida Statutes, provides that "any records received by the commission which are shown and found by the commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records Act]." Section 366.093(3), Florida Statutes, defines proprietary confidential business information as information that is intended to be and is treated by the company as private, in that disclosure of the information would cause harm to the company's ratepayers or business operations, and has not been voluntarily disclosed to the public. Section 366.093(3), Florida Statutes, provides that proprietary confidential business information includes, but is not limited to "[i]nformation concerning bids or other 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 d); and "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information" (subsection e).

PEF contends that portions of its responses to Staff's First Data Request fall within these categories and thus constitute proprietary confidential business information entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code. PEF

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states that this information is intended to be and is treated by PEF as private and has not been publicly disclosed.

PEF requests that the information described in the table below be granted confidential classification:

Response to Staff Data Request No.	Page No.	Subject
2D	4	Analysis of the Variable Costs set forth in Exhibit KF-2.
4	9	Existing LNG contracts with BG/percentage of PEF's Overall Supply Portfolio.
5 - Table	10	PEF's plans for transporting additional gas on pipelines in Florida including additional firm pipeline capacity for the years 2008-2012.
6A	10-11	Details regarding gas supply agreements PEF has executed that are contingent on approval of the SESH Pipeline Contracts, including savings from the SESH Pipeline Contracts, and portion of the total pipeline costs offset by such savings during the period of the SESH Contracts.
9	12	The percentage contribution from each supply region of PEF's projected gas usage from 2007-2012.
10A	12	PEF's intentions regarding the full use of the available capacity, initially or at various times, under the SESH Pipeline Contracts.
10B	12	Details regarding whether PEF will have excess capacity, initially or at various times, under the SESH Pipeline Contracts.
11	13-14	Risks to PEF if FPSC postpones decision on PEF's Petition past March 13, 2007.
12	14	Analysis and evaluation of alternatives to SESH Pipeline Project, discussion of business drivers, costs and non-costs factors, whether SESH was lowest cost alternative and criteria used in selecting SESH Pipeline and rejecting other alternatives.
Confidential Exhibit C	2-25	Business Analysis Package.
Confidential Exhibit D	1	Estimated total annual pipeline costs at 80% utilization.

Response to Staff Data Request No.	Page No.	Subject
Confidential Exhibit E	1	Estimated total annual pipeline costs at 90% utilization.

PEF states that the above information generally involves or relates to the confidential rates, terms, and conditions of the SESH Pipeline Contracts; alternatives considered and rejected by PEF in deciding to enter into the SESH Pipeline Contracts; detailed information concerning PEF's existing and future sources, amounts, and costs of natural gas supply, and the total estimated annual costs of service under the contracts assuming various percentage levels of utilization. This information is proprietary confidential information protected by statute, according to PEF.

Specifically, PEF states that its response to Staff's Data Request No. 2D and the attached Confidential Exhibits D and E included in its responses to Staff's Data Request are the same type of confidential cost information provided in Exhibit KF-2 to Mr. Fonvielle's Prefiled Direct Testimony for which confidential classification was previously granted. According to PEF, the public disclosure of its projected costs would harm PEF in the market for procurement of natural gas supplies and transportation. PEF alleges that disclosure would compromise PEF's ability to obtain competitive fuel supply and transportation options that benefit both PEF and its ratepayers.

PEF contends that the confidential proprietary business information provided in PEF's responses to Staff Data Request numbers 4, 5, 6A, 9, 10A, 10B and 11 contain pricing terms, fuel supply, transportation contracts, and other sensitive contractual data, the disclosure of which would impair the competitive business of both PEF and SESH. PEF states that it negotiates with potential fuel suppliers and transportation companies to obtain competitive contracts for fuel options that provide economic value to PEF and its ratepayers. PEF states that in order to obtain such contracts, it must be able to assure fuel suppliers and transportation companies that sensitive business information will be kept confidential. PEF asserts that disclosure of certain third party proprietary information would be contrary to contractual obligations and may impair PEF in future contractual negotiations. Additionally, the disclosure of quantity and pricing information about PEF's fuel supply and transportation contracts would negate PEF's ability to provide economic value to both PEF and its ratepayers.

PEF also asserts that the SESH Pipeline Contracts contain non-pricing information which would, if disclosed, adversely impact PEF and its customers. The terms at which SESH transports natural gas are specifically negotiated for each transaction and depend on the competitive circumstances faced by SESH and its customers, according to PEF. PEF claims that if details related to price, quantity, events of default, remedies, force majeure, and credit support were disclosed to SESH's competitors or customers, SESH would be placed at a disadvantage in future negotiations.

Responses to Staff Data Request number 12 and Confidential Exhibit C, the Business Analysis Package, contain competitive and strategically sensitive information, according to PEF. The information in these responses include a discussion of the various options and alternatives to the SESH Pipeline Project, the various benefits, costs, and disadvantages considered by PEF in connection with each option and alternative, the criteria developed and utilized by PEF to evaluate alternatives, and the assumptions developed and utilized by PEF to evaluate the alternatives, including the projected costs and reliability of the SESH Pipeline Project and the various alternatives. PEF asserts that public disclosure of this information would clearly harm PEF's ability to negotiate optimal fuel supply and transportation agreements in the future, to the detriment of PEF and its ratepayers.

PEF alleges that it follows strict procedures to maintain the confidentiality of information received from fuel suppliers and transportation companies, including restricting access to persons who need the contract information to assist the utility, and restricting the number of, and access to, the contract information and contracts.

Upon review, it appears that the above-referenced information satisfies the criteria set forth in Section 366.093(3), Florida Statutes, for classification as proprietary confidential business information and, thus, shall be treated as confidential. The information constitutes "[i]nformation concerning bids or other 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," or "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." Thus, this information is granted confidential classification.

Pursuant to Section 366.093(4), Florida Statutes, the information for which confidential classification is granted herein shall remain protected from disclosure for a period of 18 months from the date of issuance of this order. At the conclusion of the 18 month period, the confidential information will no longer be exempt from Section 119.07(1), Florida Statutes, unless PEF or another affected person shows, and the Commission finds, that the records continue to contain proprietary confidential business information.

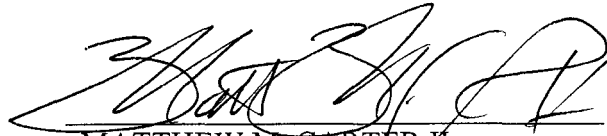
Based on the foregoing, it is

ORDERED by Commissioner Matthew M. Carter II, as Prehearing Officer, that Progress Energy Florida, Inc.'s Request for Confidential Classification of Document No. 01372-07 [X-REF. DN 00543-07] is granted. It is further

ORDERED that the information in Document No. 01372-07 [X-REF. DN 00543-07] for which confidential classification has been granted shall remain protected from disclosure for a period of 18 months from the date of issuance of this order. It is further

ORDERED that this Order shall be the only notification by the Commission to the parties of the date of declassification of the materials discussed herein.

By ORDER of Commissioner Matthew M. Carter II, as Prehearing Officer, this 29th
day of June, 2007.



MATTHEW M. CARTER II
Commissioner and Prehearing Officer

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LCB/pz

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Office of Commission Clerk, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.