



RECEIVED-FPSC

12 OCT -4 AM 10: 58

COMMISSION
CLERK

October 3, 2012

 claim of confidentiality
 notice of intent
 X request for confidentiality
 filed by OPC

Via U.S. Mail
Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

For DN 06733-12, which
is in locked storage. You must be
authorized to view this DN.-CLK

Re: Docket No. 120001-EI; Request for Specified Confidential Treatment of 423 Forms

Dear Ms. Cole:

Please find enclosed for filing, Progress Energy Florida, Inc.'s ("PEF") Request for Confidential Classification for PEF's 423 Forms for July, 2012. The confidential 423 Form information is attached in a sealed envelope.

Thank you for your assistance in this matter. Please feel free to call me at (727)820-5184 should you have any questions.

Sincerely,

John Burnett
Deputy General Counsel

JB/emc
Enclosures

COM
AFD 2

APA

ECO

ENG

GCL

IDM

TEL

CLK

299 1st Avenue North, St. Petersburg, FL 33701 ☎ P.O. Box 14042, St. Petersburg, FL 33733
Phone: 727.820.5184 ☎ Fax: 727.820.5249 ☎ Email: john.burnett@pgnmail.com

DOCUMENT NUMBER-DATE

06732 OCT -4 12

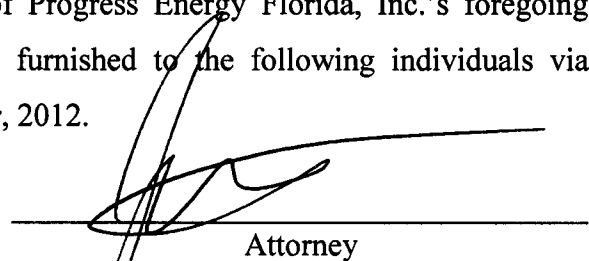
FPSC-COMMISSION CLERK

Progress Energy Florida, Inc.

CERTIFICATE OF SERVICE

Docket No.: 120001-EI

I HEREBY CERTIFY that a true copy of Progress Energy Florida, Inc.'s foregoing Request for Confidential Classification has been furnished to the following individuals via Email/regular U.S. Mail, on this 3rd day of October, 2012.



Attorney

<p>Jennifer Crawford Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 jennifer.crawford@psc.state.fl.us Martha.Barrera@psc.state.fl.us</p> <p>AFFIRM Dan Moore 316 Maxwell Road, Suite 400 Alpharetta, GA 30009 dmoore@ecoconsult.com</p> <p>Ausley & McMullen Law Firm James D. Beasley, Esq./J. Jeffry Wahlen, Esq. P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com</p> <p>Beggs & Lane Law Firm Jeffrey A. Stone, Esq./Russell A. Badders, Esq. Steven R. Griffin P.O. Box 12950 Pensacola, FL 32591 jas@lane.com</p> <p>Brickfield Law Firm James W. Brew, Esq./F. Alvin Taylor, Esq. 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007 jbrew@bbrslaw.com</p>	<p>Florida Industrial Power Users Group Moyle Law Vicki Gordon Kaufman/Jon Moyle 118 N. Gadsden Street Tallahassee, FL 32301 vkaufman@moylelaw.com</p> <p>Florida Power & Light Co. John T. Butler, Esq. 700 Universe Boulevard Juno Beach, FL 33408 john.butler@fpl.com</p> <p>Florida Power & Light Company Kenneth Hoffman 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1858 Ken.Hoffman@fpl.com</p> <p>Florida Public Utilities Company Cheryl Martin P.O. Box 3395 West Palm Beach, FL 33402-3395 cmmartin@fpuc.com</p> <p>Florida Retail Federation c/o Gardner Law Firm Robert Scheffel Wright/John T. LaVia, III 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com</p>
---	---

Federal Executive Agencies
Captain Samuel Miller
USAF/AFLOA/JACL/ULFSC
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319
Samuel.Miller@Tyndall.af.mil

Tampa Electric Company
Paula K. Brown
P.O. Box 111
Tampa, FL 33601
Regdept@tecoenergy.com

White Springs Agricultural Chemicals, Inc.
Randy B. Miller
P. O. Box 300
White Springs, FL 32096
RMiller@pcsphosphate.com

Office of Attorney General
Cecilia Bradley
The Capitol – PL01
Tallahassee, FL 32399-1050
Cecilia.Bradley@myfloridalegal.com

Gulf Power Company
Ms. Susan D. Ritenour
One Energy Place
Pensacola, FL 32520-0780
sdriteno@southernco.com

Gunster Law Firm
Beth Keating, Esquire
215 S. Monroe Street #601
Tallahassee FL 32301
BKeating@gunster.com

Office of Public Counsel
J.R. Kelly/P. Christensen/C. Rehwinkel
c/o The Florida Legislature
111 W. Madison St., Room 812
Tallahassee, FL 32399-1400
rehwinkel.charles@leg.state.fl.us
Christensen.patty@leg.state.fl.us

Patrick K. Wiggins
P. O. Drawer 1657
Tallahassee, FL 32302
p.wiggins@gfblawfirm.com

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 120001-EI

Submitted for filing:
October 3, 2012

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Progress Energy Florida, Inc. (Progress Energy or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of the highlighted information on its FPSC Form 423 Fuel Report for the reporting month of July, 2012 (the 423 Report), which is contained in the sealed envelope enclosed with this Request as Attachment C. A public version of the 423 Report, with the confidential information redacted, is attached to each filed copy of this Request. In support hereof, Progress Energy states as follows.

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” (paragraph 366.093(3)(d)). The designated

DOCUMENT NUMBER-DATE

06732 OCT-4 2012

portions of the 423 Report fall within this statutory category and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

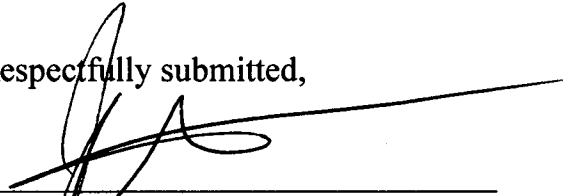
2. Attachment A to this Request is a matrix providing justification and support for confidential classification of the highlighted information in each section of the 423 Report (Forms 423-1A, 2, 2A, 2B and 2C) on a line-by-line, column-by-column basis.

3. 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.

4. Progress Energy requests that the confidential information contained in the 423 Report be protected from disclosure for a period of 24 months. For the reasons explained in Attachment B to this Request, this is the minimum time necessary to ensure that purposes for which confidential classification is granted are not contravened and frustrated by a premature subsequent disclosure. In addition, Progress Energy asks that the version of the 423 Report 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 its 423 Report enclosed with this Request be accorded confidential classification for the reasons set forth in Attachment A, and that such confidential classification be maintained for a duration of 24 months for the reasons set forth in Attachment B.

Respectfully submitted,



John Burnett
Deputy General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5249
Email: john.burnett@pgnmail.com

Attorney for
PROGRESS ENERGY FLORIDA, INC.

Justification Matrix

Reporting Month: July 2012

FORM 423-1A		
Line No.	Column	Justification
1	H	(1) §366.093(3)(d) The information under "Invoice Price", identifies the basic component of the contract pricing mechanism. Disclosure of the invoice price, particularly if in conjunction with information under other columns discussed below, would enable suppliers to determine the pricing mechanisms of their competitors. The likely result would be greater price convergence in future bidding. Disclosure would also result in a reduced ability on the part of a major purchaser such as PEF to bargain for price concessions, since suppliers would be reluctant or unwilling to grant concessions that other potential purchasers would then expect.
1	I	(2) §366.093(3)(d) Disclosure of the Invoice Amount, when divided by the Volume figure available from column G, would also disclose the Invoice Price in column.
1	J	(3) §366.093(3)(d) Disclosure of the Discount, in conjunction with other information under columns K, L, M or N, could also disclose the Invoice Price shown in column H by mathematical deduction. In addition, disclosure of discounts resulting from bargaining concessions would impair the ability of PEF to obtain such concessions in the future for the reasons discussed in item (1) above.
1	K	(4) §366.093(3)(d) See item (3) above.
1	L	(5) §366.093(3)(d) See item (3) above.
1	M	(6) §366.093(3)(d) See item (3) above.
1	N	(7) §366.093(3)(d) See item (3) above. This column is particularly sensitive because it is usually the same as or only slightly different from the Invoice Price in column H.
1	O	(8) §366.093(3)(d) Disclosure of the Transportation to Terminal Charges, in conjunction with the information under column P, would also disclose the Effective Purchase Price in column N by subtracting them from the Delivered Price available in column Q.
1	P	(9) §366.093(3)(d) See item (8) above.

FORM 423-2

Plant Name, Line No.	Column	Justification
Transfer Facility – Associated, 1-5 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1- 9 Transfer Facility – UBT, 1- 4	H	(10) §366.093(3)(d) The Effective Purchase Price is also found on Form 423-2A, column L, and on Form 423-2B, column G. In nearly every case it is the same as the FOB Mine Price found under column F on Form 423-2A, which is the current contract price of coal purchased from each supplier PEF, adjusted for quality. Disclosure of this information would enable suppliers to determine the prices of their competitors, which would likely result in greater price convergence in future bidding. Disclosure would also result in a reduced ability on the part of a major purchaser such as PEF to bargain for price concessions since suppliers would be reluctant or unwilling to grant concessions that other potential purchasers would then expect. In addition, disclosure of the Effective Purchase Price would also disclose the Total Transportation Cost in column H by subtracting column G from the FOB Plant Price in column I.
Transfer Facility – Associated, 1-5 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1- 9 Transfer Facility – UBT, 1- 4	I	(11) §366.093(3)(d) See item (25) below. In addition, disclosure of the Total Transportation Cost would also disclose the Effective Purchase Price in column G when subtracted from the FOB Plant Price in column I.

FORM 423-2A

Plant Name, Lines	Column	Justification
Transfer Facility – Associated, 1-7 Crystal River, 1- 4 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-5	F	(12) §366.093(3)(d) The FOB Mine Price is the current contract price of coal purchased from each supplier by PEF. Disclosure of this information would enable suppliers to determine the prices of their competitors, which would likely result in greater price convergence in future bidding. Disclosure would also result in a reduced ability on the part of a major purchaser such as PEF to bargain for price concessions since suppliers would be reluctant or unwilling to grant concessions that other potential purchasers would then expect.
Transfer Facility – Associated, 1-7 Crystal River, 1- 4 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-5	H	(13) §366.093(3)(d) The Original Invoice Price is the same as the FOB Mine Price in column F, except in rare instances when the supplier is willing and able to disclose its short haul and loading costs (column G), if any, included in the contract price of coal. Disclosure would therefore be detrimental for the reasons identified in item (12) above.
Transfer Facility – Associated, 1-7 Crystal River, 1- 4 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-5	J	(14) §366.093(3)(d) The Base Price is the same as the Original Invoice Price in column H, since retroactive price adjustments (column I) are normally received well after the reporting month and are included on Form 423-2C at that time. Disclosure would therefore be detrimental for the reasons identified in item (12) above.
Transfer Facility – Associated, 1-7 Crystal River, 1- 4 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-5	K	(15) §366.093(3)(d) These adjustments are based on variations in coal quality characteristics (usually BTU content) between contract specifications and actual deliveries. Disclosure of this information would allow the FOB mine price to be calculated using the associated tonnage and available contract BTU specifications.
Transfer Facility – Associated, 1-7 Crystal River, 1- 4 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-5	L	(16) §366.093(3)(d) The Effective Purchase Price is the Base Price in column J adjusted by Quality Adjustments reported in column K. Disclosure would therefore be detrimental for the reasons identified in item (12) above.

FORM 423-2B

Plant Name, Lines	Column	Justification
Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3	G	(17) §366.093(3)(d) See item (16) above.
Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3	I	(18) §366.093(3)(d) The information under Rail Rate is a function of PEF's contract rate with the railroad and the distance between each coal supplier and Crystal River. Since these distances are readily available, disclosure of the Rail Rate would effectively disclose the contract rate. This would impair the ability of a high volume user such as PEF to obtain rate concessions, since railroads would be reluctant to grant concessions that other rail users would then expect.
Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3	J	(19) §366.093(3)(d) Other Charges Incurred consist of PEF's railcar ownership cost. This cost is internal information which is not available to any party with whom PEF contracts, railroads or otherwise. If this information were disclosed to the railroad, their existing knowledge of PEF's rail rates would allow them to determine PEF's total rail cost and be better able to evaluate PEF's opportunity to economically use competing transportation alternatives.
Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3	K	(20) §366.093(3)(d) The figures under River Barge Rate are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current river barge transportation rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.
Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3	L	(21) §366.093(3)(d) The figures under Transloading Rate are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.

<p>Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3</p>	<p>M</p>	<p>(22) §366.093(3)(d) The figures under Ocean Barge Rate are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.</p>
<p>Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3</p>	<p>N</p>	<p>(23) §366.093(3)(d) The figures under Other Charges Incurred are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.</p>
<p>Transfer Facility – Associated, 1-4 Transfer Facility – Crystal River, 1- 6 Transfer Facility – IMT, 1-7 Transfer Facility – UBT, 1-3</p>	<p>O</p>	<p>(24) §366.093(3)(d) The figures under Total Transportation Charges are the total cost reported as transportation charges. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.</p>

**Explanation of the Need to Maintain
Confidential Classification for a 24-Month Duration**

The majority of the fuel and transportation contracts from which the costs in the 423 Report are derived contain annual price adjustment provisions. If existing or potential fuel and transportation suppliers were to obtain confidential contract pricing information for a prior reporting month within the currently effective 12-month adjustment period, current pricing information would be disclosed. In addition, if contractual pricing information for a reporting month in the previous 12-month adjustment period were to be obtained, the information would be only one adjustment removed from the current price. Suppliers knowledgeable in the recent escalation experience of their market could readily calculate a reasonably precise estimate of the current price.

To guard against providing suppliers with such a competitive advantage, confidential information must be protected from disclosure for the initial 12-month period in which it could remain current, and for the following 12-month period in which it can be readily converted into essentially current information. For example, if information for the first month under an adjusted contract price is reported in May of Year 1, the information will remain current through April of Year 2. Thereafter, the initial May, Year 1 information will be only one escalation adjustment removed from the current information reported each month through April, Year 3. If confidential classification of the May, Year 1 information were to expire after 18 months, suppliers would be able to accurately estimate current

prices in October, Year 2 using information that had been current only six months earlier.

An 18-month confidentiality period would effectively waste the protection given in the first six months of the second 12-month pricing period (months 13 through 18) by disclosing information of the same vintage in the last six months of the pricing period. The information disclosed in months 19 through 24 would be equally as detrimental in terms of revealing the current price as the information protected from disclosure during the preceding six months. To make the protection provided in months 13 through 18 meaningful, it must be extended through month 24.

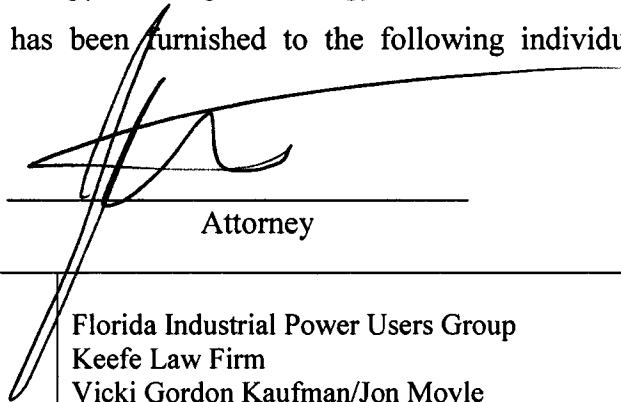
Extending the confidentiality period by six months would mean that the information will be one additional price adjustment further removed from the current price at the time of disclosure. Simply put, a six-month extension provides an additional 12 months of protection.

Progress Energy Florida, Inc.

CERTIFICATE OF SERVICE

Docket No.: 120001-EI

I HEREBY CERTIFY that a true copy of Progress Energy Florida, Inc.'s foregoing Request for Confidential Classification has been furnished to the following individuals via Email, on this 3rd day of October, 2012.



Attorney

<p>Jennifer Crawford Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 jcrawford@psc.state.fl.us</p>	<p>Florida Industrial Power Users Group Keefe Law Firm Vicki Gordon Kaufman/Jon Moyle 118 N. Gadsden Street Tallahassee, FL 32301 vkaufman@kagmlaw.com</p>
<p>AFFIRM Dan Moore 316 Maxwell Road, Suite 400 Alpharetta, GA 30009 dmoore@ecoconsult.com</p>	<p>Florida Power & Light Co. John T. Butler, Esq. 700 Universe Boulevard Juno Beach, FL 33408 john.butler@fpl.com</p>
<p>Ausley & McMullen Law Firm James D. Beasley, Esq./J. Jeffry Wahlen, Esq. P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com</p>	<p>Florida Power & Light Company Kenneth Hoffman 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1858 Phone: 850-521-3919 FAX: 521-3939 Ken.Hoffman@fpl.com</p>
<p>Beggs & Lane Law Firm Jeffrey A. Stone, Esq./Russell A. Badders, Esq. Steven R. Griffin P.O. Box 12950 Pensacola, FL 32591 jas@lane.com</p>	<p>Florida Public Utilities Company Cheryl Martin P.O. Box 3395 West Palm Beach, FL 33402-3395 P.O. Box 3395 West Palm Beach, FL 33402-3395 cmmartin@fpuc.com</p>

Brickfield Law Firm
James W. Brew, Esq./F. Alvin Taylor, Esq.
1025 Thomas Jefferson St., NW
8th Floor, West Tower
Washington, DC 20007
jbrew@bbrslaw.com

Federal Executive Agencies
Captain Samuel Miller
USAF/AFLOA/JACL/ULFSC
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319
Samuel.Miller@Tyndall.af.mil

Tampa Electric Company
Paula K. Brown
P.O. Box 111
Tampa, FL 33601
Regdept@tecoenergy.com

White Springs Agricultural Chemicals, Inc.
Randy B. Miller
P. O. Box 300
White Springs, FL 32096
RMiller@pcsphosphate.com

Office of Attorney General
Cecilia Bradley
The Capitol – PL01
Tallahassee, FL 32399-1050
Cecilia.Bradley@myfloridalegal.com

Florida Retail Federation
c/o Gardner Law Firm
Robert Scheffel Wright/John T. LaVia, III
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com

Gulf Power Company
Ms. Susan D. Ritenour
One Energy Place
Pensacola, FL 32520-0780
sdriteno@southernco.com

Gunster Law Firm
Beth Keating, Esquire
215 S. Monroe Street #601
Tallahassee FL 32301
BKeating@gunster.com

Office of Public Counsel
J.R. Kelly/P. Christensen/C. Rehwinkel
c/o The Florida Legislature
111 W. Madison St., Room 812
Tallahassee, FL 32399-1400
rehwinkel.charles@leg.state.fl.us
Christensen.patty@leg.state.fl.us

Patrick K. Wiggins
P. O. Drawer 1657
Tallahassee, FL 32302
p.wiggins@gfblawfirm.com