

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power) DOCKET NO. 930001-EI
Cost Recovery Clause and) ORDER NO. PSC-93-0944-CFO-EI
Generating Performance Incentive) ISSUED: June 24, 1993
Factor.)
_____)

ORDER GRANTING IN PART AND DENYING IN PART FPL'S REQUEST FOR
CONFIDENTIAL TREATMENT OF APRIL, 1993 FORMS 423

Florida Power & Light Company (FPL), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, has requested specified confidential treatment of various columns of the following FPSC Form 423-1(a):

<u>MONTH/YEAR</u>	<u>FORM</u>	<u>DOCUMENT NO.</u>
April, 1993	423-1(a)	6455-93

FPL asserts that the material identified as confidential information is intended to be and is treated by FPL as private and has not been otherwise publicly disclosed to the best of FPL's knowledge and belief.

FPL has requested specified confidential classification of lines 1-20 of columns H, Invoice Price; I, Invoice Amount; J, Discount; K, Net Amount; L, Net Price; M, Quality Adjustment; N, Effective Purchase Price; P, Additional Transportation Charges, and Q, Other Charges, on Form 423-1(a). FPL argues that column H, Invoice Price, contains contractual information which, if made public, would impair its efforts to contract for goods or services on favorable terms pursuant to Section 366.093(3)(d), Florida Statutes. The information, FPL maintains, delineates the price that FPL has paid for No. 6 fuel oil per barrel for specific shipments from specific suppliers. If disclosed this information would allow suppliers to compare an individual supplier's price with the market quote for that date of delivery and thereby determine the contract pricing formula between FPL and that supplier.

Contract pricing formulas typically contain two components: a mark-up in the market quoted price for that day and a transportation charge for delivery at an FPL chosen port of delivery. Disclosure of the invoice price would allow suppliers to determine the contract price formula of their competitors. FPL contends that the knowledge of each other's prices (i.e. contract formulas) among No. 6 fuel oil suppliers is reasonably likely to cause suppliers to converge on a target price, or follow a price

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leader, thereby effectively eliminating any opportunity for a major buyer, like FPL, to use its market presence to gain price concessions from any one supplier. As a result, FPL contends, No. 6 fuel prices will likely increase, resulting in increased electric rates. Once other suppliers learn of a price concession, the conceding supplier will be forced, due to the oligopolistic nature of the market, to withdraw from future concessions. Disclosure of the invoice price of No. 6 fuel oil paid by FPL to specific fuel suppliers, FPL concludes, is reasonably likely to impair FPL's ability to negotiate price concessions in future No. 6 fuel oil contracts.

FPL argues that lines 1-20 of columns I, Invoice Amount; J, Discount; K, Net Amount; L, Net Price; M, Quality Adjustment; and N, Effective Purchase Price, should be classified confidential because of the contract data found therein are an algebraic function of column H; the publication of these columns together, or independently, FPL argues, could allow suppliers to derive the invoice price of oil. In addition, the same lines in column J reveal the existence and amount of an early payment incentive in the form of a discount reduction in the invoice price, the disclosure of which would allow suppliers again to derive the invoice price of oil. Further, column M includes a pricing term, a quality adjustment applied when fuel does not meet contract requirements, which, if disclosed, would also allow a supplier to derive the invoice price. Column N reveals the existence of quality or discount adjustments and will typically, FPL contends, be identical to H. Lines 1-20 of columns P, Additional Charges, and Q, Other Charges, FPL also argues, are algebraic variables of column R, Delivered Price; and would allow a supplier to calculate the Invoice or Effective Purchase Price of oil by subtracting the columnar variables in H and N from column R. They are, therefore, entitled to confidential classification. Both columns P and Q, FPL argues, are alternatively entitled to confidential classification in that they contain terminaling, transportation, and petroleum inspection service costs which, due to the small demand for them in Florida, have the same, if not more severe, oligopolistic attributes as have fuel oil suppliers. Accordingly, FPL contends, disclosure of this contract data would result in increased prices to FPL for terminaling, transportation, and petroleum inspection service costs. I find that, due to oligopolistic nature of the terminaling, transportation, and petroleum inspection service markets, disclosure would ultimately adversely affect FPL's ratepayers.

FPL has requested confidential treatment of certain information on lines 1-20 of Form 423-1(a) for the month of April, 1993. However, while FPL provides adequate justification for confidential treatment of information found on line 20, FPL has not redacted that information on line 20 on the public copy of Form 423-1(a). Since Rule 25-22.006(4)(a), Florida Administrative Code, requires that specific information asserted to be confidential be blocked out on the public copy, I am not able to treat any information on line 20 on Form 423-1(a) for the month of April as confidential proprietary business information. Accordingly, I find that the information requested above on lines 1-19 on Form 423-1(a) for the month of April, 1993 is entitled to confidential treatment. I deny confidential treatment of the information on line 20 of Form 423-1(a) of FPL's request, since that information has been publicly disclosed.

DECLASSIFICATION

In FPL's request for confidential treatment, FPL determined declassification dates by adding six months to the last day of the contract period under which the goods or services identified were purchased. As discussed above regarding confidentiality, the information on line 20 of Form 423-1(a) for the month of April, 1993, was not afforded confidential treatment. Accordingly, the information listed below is the appropriate information regarding FPL's declassification dates of documents afforded confidential treatment:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>DATE</u>
423-1(a)	1 - 2	H - N	03-30-94
423-1(a)	3 - 5	H - N	10-30-94
423-1(a)	6 - 7	H - N	10-30-94
423-1(a)	8 - 9	H - N	03-31-94
423-1(a)	10 - 19	H - N	10-30-93
423-1(a)	10 - 19	P	10-30-93
423-1(a)	10 - 19	Q	06-30-94

FPL requests that the confidential information identified above not be disclosed until the identified date of declassification. Disclosure of pricing information, FPL argues, during the contract period or prior to the negotiation of a new contract is reasonably likely to impair FPL's ability to negotiate future contracts as described above.

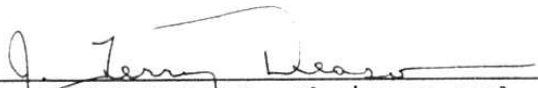
FPL maintains that it typically renegotiates its No. 2 and No. 6 fuel oil contracts and fuel related services contracts prior to the end of such contracts. On occasion, however, some contracts are not renegotiated, until after the end of the current contract period. In those instances, the contracts are usually renegotiated within six months. Accordingly, FPL states, it is necessary to maintain the confidentiality of the information identified as confidential on FPL's Form 423-1(a) for six months. I agree. I find, therefore, FPL information is entitled to an extension of its declassification dates as cited above.

In consideration of the foregoing, it is

ORDERED that Florida Power & Light Company's request for confidential classification of the above specified information on lines 1-19 of Form 423-1(a) for April, 1993, the document identified as DN 6455-93 is granted, as discussed within the body of this Order. The request for confidential classification of information found on line 20 of Form 423-1(a) is hereby denied as discussed within the text of this Order. It is further

ORDERED that the declassification dates for Form 423-1(a) as discussed within the body of this Order are hereby granted.

By ORDER of Chairman J. Terry Deason, as Prehearing Officer, this 24th day of June, 1993.



J. TERRY DEASON, Chairman and
Prehearing Officer

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DLC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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

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should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) 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, Division of Records and Reporting, 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.