

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light.

DOCKET NO. 000824-EI  
ORDER NO. PSC-02-0209-CFO-EI  
ISSUED: February 18, 2002

ORDER GRANTING REQUEST FOR CONFIDENTIAL CLASSIFICATION OF CERTAIN  
OF FLORIDA POWER CORPORATION'S RESPONSES TO OFFICE OF PUBLIC  
COUNSEL'S FIRST, THIRD, FIFTH AND SIXTH REQUESTS FOR PRODUCTION  
OF DOCUMENTS (DOCUMENTS NOS. 00313-02 and 15854-01)

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power Corporation (FPC or Company) has requested specified confidential treatment for certain information contained in its responses to the Office of Public Counsel's (OPC) first, third, fifth, and sixth requests for production of documents. The documents for which confidential classification is sought were part of a larger set previously filed under seal on December 18, 2001, as Document No. 15854-01, with a Notice of Intent to Request Confidential Classification.

The Request for Confidential Classification (Request) was filed on January 9, 2002. In the Request, FPC explains that it has narrowed the scope of its request for confidential classification to the discovery responses addressed herein. The information for which confidential classification is sought is filed with the Commission as Document No. 00313-02. FPC requests that Document No. 00313-02 be substituted for the previously filed Document No. 15854-01. Therefore, to the extent that Document No. 15854-01 contains information not included within Document No. 00313-02, it shall no longer be treated as confidential.

In its Request, FPC asserts that the discovery responses at issue contain material which is intended to be and is treated by FPC as confidential and has not been disclosed to the public. Pursuant to Section 366.093(3), Florida Statutes, FPC requests confidential classification of the information described below.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

INFORMATION FOR WHICH CONFIDENTIAL CLASSIFICATION IS SOUGHT

Below is a matrix identifying the information for which confidential classification is sought and the Company's justifications therefor. For those justifications which are repeated for more than one request, the following categories of justifications apply:

Categories

- 1a. Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Federal Regulation FD (17 CFR Section 243.100). See Section 366.093(3) (harm to the Company's business operations).
- 1b. Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
- 1c. Disclosure of internal financial projections, and financial data at this level of detail, would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. See Section 366.093(3) (harm to the Company's business operations).
- 1d. Disclosure of internal financial projections and potential business strategies would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this

confidential information also raises questions concerning compliance with Regulation FD. See Section 366.093(3) (harm to the Company's business operations).

- 1e. Disclosure of internal projections for expected earnings per share (EPS) dilution and synergies required for breakeven would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. See Section 366.093(3) (harm to the Company's business operations).
- 2a. Disclosure of valuation and future earnings projections for Florida Progress' unregulated businesses would substantially impair Florida Progress' competitive interests. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Prospective buyers could use this information to their advantage and to Florida Progress' detriment in negotiating contract terms and prices. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
- 2b. Disclosure of internal cash flow projections for Florida Progress' unregulated businesses would substantially impair Florida Progress' competitive interests. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Prospective buyers could use this information to their advantage and to Florida Progress' detriment in negotiating contract terms and prices. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
- 2c. Disclosure of internal valuation data for Florida Progress' unregulated businesses would substantially impair Florida Progress' competitive interests. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Prospective buyers could use this information to their

advantage and to Florida Progress' detriment in negotiating contract terms and prices. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).

3. Financial information from the Company's budget at this level of detail is highly proprietary and confidential. Disclosure of this information would encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. This information could also be used by competing power producers to analyze the Company's cost structure and profitability, which would significantly affect the Company's ability to deal with its competitors on an equal basis. Disclosure of this information would also adversely affect the Company's ability to negotiate with vendors and suppliers in negotiating contract terms and pricing. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
4. Disclosure of internal performance data for Florida Progress' unregulated businesses would substantially impair Florida Progress' competitive interests. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Prospective buyers could use this information to their advantage and to Florida Progress' detriment in negotiating contract terms and prices. Disclosure would also cause harm by encouraging market speculation about future performance, which in turn could destabilize credit ratings and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
5. Disclosure of potential business strategies would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. See

Section 366.093(3) (harm to the Company's business operations).

6. Disclosure of confidential internal forecasts of the future financial performance of related unregulated businesses would cause harm by encouraging market speculation regarding future performance, which in turn could destabilize credit ratings and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. See Section 366.093(3) (harm to the Company's business operations).
7. Public disclosure of the anticipated after-tax proceeds from the sale of related noncore businesses would cause significant harm by providing potential purchasers with otherwise unavailable information concerning the expected sales price of these businesses. This is particularly true since the sales price of at least one noncore business has already been announced, which would allow potential purchasers to infer that the difference is the anticipated sales price for the remaining businesses. This could greatly affect negotiations for the potential sale of remaining unregulated businesses. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
8. Disclosure of the projected financial performance of related synthetic fuels operations would adversely affect negotiations with buyers of synthetic fuel by providing otherwise unavailable information about profit margins for synthetic fuel sales. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
9. Public disclosure of the anticipated after-tax proceeds from the sale of related noncore businesses would cause significant harm by providing potential purchasers with otherwise unavailable information concerning the expected sales price of these businesses. This is particularly true since the sales price of at least one noncore business has already been announced, which would allow potential purchasers to infer that the difference is the anticipated sales price for the remaining businesses. This could greatly affect negotiations

for the potential sale of remaining unregulated businesses. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).

10. Disclosure of the projected financial performance of related synthetic fuels operations would adversely affect negotiations with buyers of synthetic fuel by providing otherwise unavailable information about profit margins for synthetic fuel sales. See Section 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).

MATRIX

Bates Number	Row	Column	Company Justification
OPC3 7363	All	All	Category 2a
OPC3 7367	All	All	Category 1e
OPC3 7407	Boxed Portion entitled "Pro forma EPS Impact"		Category 1e
OPC3 8123	Bottom box entitled "Projected Financial Data"	2002E through 5-year CAGR	Category 1a
OPC3 8127	Top box entitled "Valuation of Unregulated Businesses"		Category 2a
OPC3 8134	All	2002 through CAGR '98-'03	Category 1a
OPC3 8151	All	All	Category 2b

Bates Number	Row	Column	Company Justification
OPC3 8156	All	All	Category 2c
OPC3 8193	Bottom box entitled "Projected Financial Data"	2002E through 5-year CAGR	Category 1a
OPC3 8196	Top Box entitled "Valuation of Unregulated Businesses		Category 2c
OPC3 8209	All	2002 through CAGR '98-'03	Category 1a
OPC3 8219	All		Category 1e
OPC3 8544	Bottom Box entitled "Projected financial data"	2002E through 5- year CAGR	Category 1a
OPC3 8547	Top Box entitled "Valuation of Unregulated Businesses"		Category 2c
OPC3 8560	All	2002 through CAGR '98-'03	Category 1a
OPC3 8569	All		Category 1e
OPC 9178-9181	All	2002-2004	Category 1a

Bates Number	Row	Column	Company Justification
OPC 9208	All	2004 EBITDA	Category 1b
OPC 9218	All		Category 1b
OPC 9221	All	FY 2002E	Category 1a
OPC 9222	Top three boxes (out of four) referencing multiple of 2004 EBITDA		Category 1a
OPC 9254	All	2002-2004	Category 1a
OPC 9277-9278	All	2002	Category 1a
OPC 9279	All	2002	Category 1a
OPC 9282	All	2002 through 1999-2004 5 Yr CAGR	Category 1a
OPC 9284	All	2002-2004	Category 1a
OPC 9285	All	2002-2004	Category 1a
OPC 9288	All	2002 through 1999-2004 5 Yr CAGR	Category 1a
OPC 9290	All	2002-2004	Category 1a



Bates Number	Row	Column	Company Justification
OPC 9291	All	2002-2004	Category 1a
OPC 9294	All	2002 through 1999-2004 5 Yr CAGR	Category 1a
OPC 9296	All	2002-2004	Category 1a
OPC 9297	All	2002-2004	Category 1a
OPC 9307	All	2002 through 1999-2004 5 Yr CAGR	Category 1a
OPC 9309-9312	All	2002-2004	Category 1a
OPC 9313	All	2002 through 1999-2004 5 Yr CAGR	Category 1a
OPC 9314-9317	All	2002-2004	Category 1a
OPC 9318-9319	All		Category 1c
OPC 9320	All	2002 through 1999-2004 5 yr CAGR	Category 1a

Bates Number	Row	Column	Company Justification
OPC 9321-9323	All	2002-2004	Category 1a
OPC 9326	All	2002 through 1999-2004 CAGR	Category 1a
OPC 9327-9330	All	2002-2004	Category 1a
OPC 9332	All	2002-2003	Category 1a
OPC 9333	All	2002	Category 1a
OPC 9335	All	2002-2004	Category 1a
OPC 9337	All	2002 through 1999-2004 5 yr CAGR	Category 1a
OPC 9339-9341	All	2002-2004	Category 1a
OPC 9343	All	2002-2004	Category 1a
OPC 9345	All	2002 through 1999-2004 5 yr CAGR	Category 1a
OPC 9347-9349	All	2002-2004	Category 1a
OPC 2444-2457	All		Category 3

Bates Number	Row	Column	Company Justification
OPC 2459-2462	All		Category 3
OPC 2463-2472	All	2002-2003	Category 1a
OPC 2479 - 2483	All		Category 3
OPC 2487	All		Category 3
OPC 2488	All		Category 3
OPC5 1521	Last paragraph (all four lines)		Category 1d
OPC5 1522	paragraph (all five lines)		Category 1d
OPC5 1523	Last paragraph (all four lines)		Category 1d
OPC5 1525-1528	All		Category 1d
OPC5 1529	Last two lines		Category 1d
OPC5 1530	Fourth bullet point (all three lines)		Category 4
OPC5 1534	Second bullet point (one line)		Category 5

Bates Number	Row	Column	Company Justification
OPC5 1534	Sixth bullet point (one line)		Category 6
OPC5 1538	Second bullet point (one line)		Category 7
OPC5 1538	Ninth bullet point (both lines)		Category 8
OPC5 1539	Second bullet point (both lines)		Category 9
OPC5 1539	Ninth bullet point (both lines)		Category 10
OPC6A 2-20	All		Category 3

FINDINGS/RULINGS

Upon review, it appears that the information contained on the above-referenced pages/lines is proprietary confidential business information, within the meaning of Section 366.093(3), Florida Statutes, for the reasons expressed by FPC. Therefore, FPC's request for confidential classification of this information is granted.

Section 366.093(4), Florida Statutes, provides that "any finding by the Commission that records contain proprietary confidential business information is effective for a period not to exceed 18 months, unless good cause is shown for a specified longer period." FPC did not specify a time period in its request. Therefore, this information shall be granted confidential classification for a period of 18 months from the issuance of this order. At the conclusion of the 18 month period, FPC may, in its discretion, renew its request for confidentiality. Moreover, as

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prescribed by Section 366.093(2), Florida Statutes, the subject information shall be returned to FPC if not entered into the record.

As previously noted, the information for which confidential classification is sought is contained in Document No. 00313-02. To the extent that this information is not also contained within Document No. 15854-01, Document No. 15854-01 shall no longer be treated as confidential.

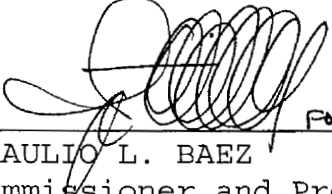
Based on the foregoing, it is

ORDERED by Commissioner Braulio L. Baez, as Prehearing Officer, that Florida Power Corporation's Request for Confidential Classification of Document No. 00313-02 is granted. To the extent that this information is not also contained within Document No. 15854-01, Document No. 15854-01 shall no longer be treated as confidential. It is further

ORDERED that the information described within the body of this order and contained in Documents Nos. 00313-02 and 15854-01 shall expire 18 months from the date of issuance of this order in the absence of a renewed request for confidentiality. 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 Braulio L. Baez, as Prehearing Officer, this 18th day of February, 2002.

  
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FOL BAEZ  
BRAULIO L. BAEZ  
Commissioner and Prehearing Officer

( S E A L )

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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, 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 the Commission Clerk and Administrative Services, 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.