

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-02-0351-CFO-EI
ISSUED: March 15, 2002

ORDER GRANTING REQUEST FOR CONFIDENTIAL CLASSIFICATION FOR
PORTIONS OF DOCUMENTS 01665-02 [X-REF 00709-02]
AND 01667-02 [X-REF 00914-02]

On February 12, 2002, Florida Power Corporation (FPC) filed its Third Request for Confidential Classification which covers portions of the deposition transcripts of Mark A. Myers and Robert Bazemore. The information for which FPC seeks protection falls into two categories: 1) preliminary financial projections regarding potential merger benefits which have been superseded by later projections; and, 2) information and assumptions relating to FPC's strategic business plans.

FPC explains that early estimates of the benefits of the proposed merger with Carolina Power & Light were superseded by more refined projections based on additional analysis. FPC further explains that the early projections were prepared strictly for internal use by management and have been kept confidential.

FPC claims that if the projections are made public, they could be scrutinized by financial analysts and cause market confusion or speculation as to why the early projections differ from the later projections. FPC further claims that such speculation or confusion could impair its credit rating, which would harm FPC and its ratepayers. FPC also asserts that disclosure of this information after it has been treated as confidential could raise questions on compliance with the SEC fair disclosure requirements in "Regulation FD". See 17 CFR Sec. 243.100.

FPC explains that the deposition transcripts also contain information related to Florida Progress' potential business strategies in divesting certain noncore businesses. FPC claims that the disclosure of this information would: 1) impair FPC's negotiating position with potential buyers; 2) encourage speculation as to whether Florida Progress intends to divest

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additional noncore businesses, resulting in market volatility; and, 3) disrupt the ongoing operations of the noncore businesses by generating concern and confusion among employees.

FPC states that parts of Mr. Myers' deposition testimony relate to assumptions underlying FPC's strategic business plan. FPC claims that disclosure of this information could give FPC's competitors access to information on which FPC's decisions are based, thereby harming FPC's competitive interests.

FPC states that parts of Mr. Myers' deposition testimony also pertain to estimated revenues and profits from FPC's power marketing sales. FPC claims that competitors could use this information to target FPC's existing and prospective customers, and buyers could use the information in negotiating contract terms and prices. This would harm the FPC's competitive interests.

Attachment A to this Order shows the specific information for which confidentiality is requested and FPC's reasons for the requests.

Legal Standard

Section 366.093, Florida Statutes, provides:

The term "proprietary confidential business information" means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public.

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."

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Analysis

The information for which confidentiality is requested satisfies the legal standard in Section 366.093, Florida Statutes, for the reasons provided by FPC. The information shall retain confidential status for a period of 18 months, in accordance with Section 366.093(4), Florida Statutes. FPC has not requested confidential treatment for a longer period.

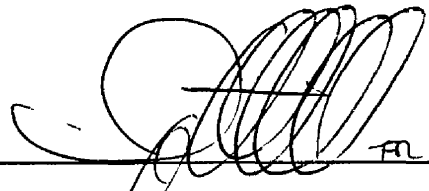
Based on the foregoing, it is

ORDERED by Commissioner Braulio L. Baez that Florida Power Corporation's Third Request for Confidential Classification is granted as provided in the body of this Order. It is further

ORDERED that the documents granted confidentiality shall be deemed confidential for 18 months from the date this Order is issued. 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 15th Day of March, 2002.



BRAULIO L. BAEZ
Commissioner and Prehearing Officer

(S E A L)

MKS

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.

JUSTIFICATION MATRIX
(Mark Myers)

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| Page Number of Testimony | Line(s) | Justification for Request For Confidential Classification |
|--------------------------|---------|---|
| 14 | 6-7, 19 | The adjusted amount of actual merger expenses has not yet been made public. Premature disclosure of this information could encourage market speculation and could raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations). |
| 18 | 16 | Disclosure of preliminary internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations). |
| 22 | 19-24 | Disclosure of preliminary internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations). |
| 23 | 14-16 | Disclosure of preliminary internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations). |

ATTACHMENT A

| | | |
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| 29 | 11-21 | Disclosure of internal financial projections concerning estimated revenues and profits from the Company's power marketing sales is highly proprietary and confidential. 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 in negotiating contract terms and prices. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests). |
| 33 | 7-9, 18-20 | This testimony relates to a key assumption underlying the Company's strategic business plan, the disclosure of which would impair its competitive interests in the wholesale power market. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests). |
| 34 | 15-20 | This testimony relates to a key assumption underlying the Company's strategic business plan, the disclosure of which would impair its competitive interests in the wholesale power market. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests). |
| 39 | 11-12 | Disclosure of preliminary internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. See § 366.093(3) (harm to the Company's business operations). |
| 50 | 20-23 | Disclosure of preliminary internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. See § 366.093(3) (harm to the Company's business operations). |
| 51 | 20-21 | Disclosure of preliminary internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. See § 366.093(3) (harm to the Company's business operations). |

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|----|-------|---|
| 52 | 21-22 | Disclosure of preliminary internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations). |
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JUSTIFICATION MATRIX
(Robert Bazemore)

| Page Number of Testimony | Line(s) | Justification for Request For Confidential Classification |
|---------------------------------|----------------|---|
| 15 | 19-25 | Information concerning potential business strategies and divestment of noncore businesses is highly proprietary and confidential. Premature disclosure of this information could harm the Company and its ratepayers by encouraging market speculation, and could disrupt the ongoing operations of the Company's noncore businesses. Disclosure of this confidential information also raises possible concerns with respect to compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations). |
| 16 | 1-3 | Information concerning potential business strategies and divestment of noncore businesses is highly proprietary and confidential. Premature disclosure of this information could harm the Company and its ratepayers by encouraging market speculation, and could disrupt the ongoing operations of the Company's noncore businesses. Disclosure of this confidential information also raises possible concerns with respect to compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations). |

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