

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-07-0102-CFO-EI  
ISSUED: February 6, 2007

ORDER GRANTING PROGRESS ENERGY FLORIDA, INC.'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION  
(DOCUMENT NO. 00030-07) [X-REF. DN 11365-06]

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. Additionally, PEF filed the prefiled direct testimony of Kent Fonvielle and Exhibits KF-1 and KF-2, which PEF states contain competitive confidential business information for both PEF and a third party transportation contractor and are proprietary confidential business information.

On January 2, 2007, pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, PEF filed a 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 (Document No. 00030-07) [X-REF. DN 11365-06].

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 Exhibit KF-1 and KF-2, 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 states that this

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

PEF requests that the following information be granted confidential classification:

<b>Exhibit / Page No.</b>	<b>Description</b>	<b>Line No.</b>	<b>Florida Statute 366.093(3) Subsection</b>
KF-1 / 4	SESH Precedent Agreement	2, 15	(d)(e)
KF-1 / 8	SESH Precedent Agreement	6-18	(d)(e)
KF-1 / 9	SESH Precedent Agreement	11, 18	(d)(e)
KF-1 / 10	SESH Precedent Agreement	8-21	(d)(e)
KF-1 / 11	SESH Precedent Agreement	3,15,19-22	(d)(e)
KF-1 / 12	SESH Precedent Agreement	1-23	(d)(e)
KF-1 / 13	SESH Precedent Agreement	1-23	(d)(e)
KF-1 / 14	SESH Precedent Agreement	1-23	(d)(e)
KF-1 / 15	SESH Precedent Agreement	1-23	(d)(e)
KF-1 / 16	SESH Precedent Agreement	1-6	(d)(e)
KF-1 / 17	SESH Precedent Agreement	5,9-19	(d)(e)
KF-1 / 18	SESH Precedent Agreement	1,4,7,8-22	(d)(e)
KF-1 / 19	SESH Precedent Agreement	2-17	(d)(e)
KF-1 / 20	SESH Precedent Agreement	6-22	(d)(e)
KF-1 / 21	SESH Precedent Agreement	1-3	(d)(e)
KF-1 / 26	Negotiated Rates for FTS Contract No. 840006	41-46	(d)(e)
KF-1 / 27	Negotiated Rates for FTS Contract No. 840006	2-16, Footnote 1	(d)(e)
KF-1 / 30	Negotiated Rates for FTS Contract No. 840007	41-46	(d)(e)
KF-1 / 31	Negotiated Rates for FTS Contract No. 840007	1-15, Footnote 2	(d)(e)
KF-1 / 34	FTS Contract No. 840006	35-36	(d)(e)
KF-1 / 38	FTS Contract No. 840007	36	(d)(e)

PEF contends that this information contains confidential information regarding 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 in 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.

PEF alleges that it establishes 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. Those established procedures, according to PEF, are strictly followed. PEF states that this information is intended to be and is treated by PEF as private and has not been publicly disclosed.

Upon review, it appears that the above-referenced information contained in Exhibit KF-1 and KF-2 to the prefiled direct testimony of PEF witness Kent Fonvielle, 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.

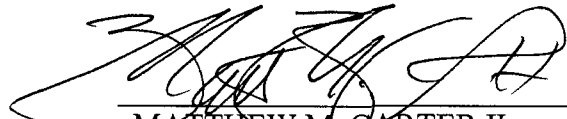
Based on the foregoing, it is

ORDERED by Commissioner Matthew M. Carter II, as Prehearing Officer, that Progress Energy Florida, Inc.'s Request for Confidential Classification of Document No. 00030-07 is granted. It is further

ORDERED that the information in Document No. 00030-07 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 6th day of February, 2007.

  
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MATTHEW M. CARTER II  
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.

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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, 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.