

**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

July 24, 1995

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

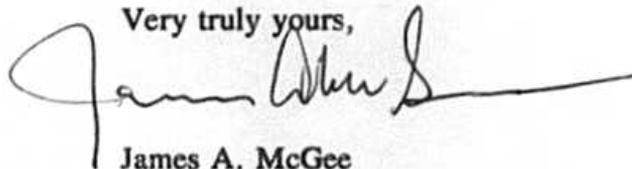
Re: Docket No. ~~950001~~-EI; Request for Specified Confidential Treatment.

Dear Ms. Bayo:

Enclosed for filing are 15 copies of Florida Power Corporation's Motion for Waiver of Twenty-One-Day Filing Requirement and an original of its Request for Specified Confidential Treatment regarding certain information contained in documents requested by Staff as part of its audit in the above-captioned matter. Attachment C to the Request is an unedited copy of the documents which denotes the confidential information with shading. **Attachment C should be treated as Specified Confidential.** Edited copies of these documents, which may be made public, are also enclosed.

Please acknowledge your receipt and filing of the above on the enclosed copy of this letter and return same to me.

Very truly yours,



James A. McGee

JAM:jb
Enclosures



CERTIFICATE OF SERVICE

Docket No. 950001-EI

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Motion for Waiver of Twenty-One-Day Filing Requirement and its Request for Specified Confidential Treatment, sans Attachment C, has been furnished to the following individuals by U.S. Mail this 24th day of July, 1995:

Matthew M. Childs, Esquire
Steel, Hector & Davis
215 South Monroe, Suite 601
Tallahassee, FL 32301-1804

G. Edison Holland, Jr., Esquire
Jeffrey A. Stone, Esquire
Beggs and Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Lee L. Willis, Esquire
James D. Beasley, Esquire
Macfarlane Ausley Ferguson
& McMullen
P. O. Box 391
Tallahassee, FL 32302

Robert S. Goldman, Esquire
Messer, Vickers, Caparello
French & Madsen
P. O. Box 1876
Tallahassee, FL 32302

Martha C. Brown, Esquire
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Barry N. P. Huddleston
Public Affairs Specialist
Destec Energy, Inc.
2500 CityWest Blvd., Suite 150
Houston, TX 77210-4411

J. Roger Howe, Esquire
Office of the Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

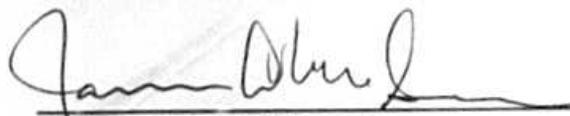
Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin,
Davidson & Bakas, P.A.
315 South Calhoun Street, Suite 716
Tallahassee, FL 32301

Earle H. O'Donnell, Esquire
Zori G. Ferkin, Esquire
Dewey Ballantine
1775 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-4605

Suzanne Brownless, Esquire
2546 Blairstone Pines Drive
Tallahassee, FL 32301

Roger Yott, P.E.
Air Products & Chemicals, Inc.
2 Windsor Plaza
2 Windsor Drive
Allentown, PA 18195

Eugene M. Trisko, Esquire
P. O. Box 596
Berkeley Springs, WV 25411



Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating
performance incentive factor.

Docket No. 950001-EI
Submitted for filing
July 14, 1995

REQUEST FOR SPECIFIED CONFIDENTIAL TREATMENT

Florida Power Corporation (FPC), pursuant to section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, requests Specified Confidential treatment of certain information contained in documents requested by Staff as part of its audit in the above-captioned matter. In support of its request, FPC states as follows:

1. Documents designated Workpaper Nos. 60-1, pages 1-3, 60-1/2, /3, /5, /7, 60-2/1, 60-3/1, /2, /4, /6 and 60-4/1 contain sensitive pricing information concerning contracts for the purchase of fuel and transportation services. Disclosure of this information to suppliers of such services would impair the ability of FPC or Electric Fuels Corporation (EFC), its affiliated coal supplier acting on FPC's behalf, to negotiate future fuel and transportation contracts on favorable terms. As such, the information constitutes proprietary confidential business information entitled to protection from disclosure pursuant to section 366.093(1) and (3)(d), Florida Statutes.

DOCUMENT NUMBER-DATE

07076 JUL 25 95

FPSC-RECORDS/REPORTING

2. The following documents are attached to this Request and incorporated herein by reference:

- Attachment A A justification "matrix" supporting FPC's request for Specified Confidential treatment of the highlighted information in Attachment C, identified for each workpaper document number.
- Attachment B A justification of FPC's request that Specified Confidential treatment for the information subject to this request remain in effect for a period of 24 months.
- Attachment C Workpaper documents nos. 60-1, pages 1-3, 60-1/2, /3, /5, /7, 60-2/1, 60-3/1, /2, /4, /6 and 60-4/1, with the confidential information subject to this request highlighted in transparent ink. This document should be given confidential treatment.

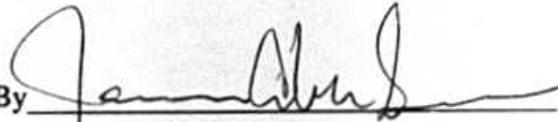
3. FPC requests that the information identified as confidential in Attachment C be designated Specified Confidential for the reasons set forth in Attachment A. FPC further requests that such designation be effective for a period of 24 months, which is necessary to protect FPC and its ratepayers against the adverse effects on future negotiations that would result from disclosure of the information to potential fuel and transportation suppliers, as described in Attachment B.

WHEREFORE, Florida Power Corporation requests that the information identified as confidential in Attachment C be accorded Specified Confidential treatment for a period of 24 months.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By



James A. McGee
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (813) 866-5184
Facsimile: (813) 866-4931

Florida Power Corporation
Docket No. 950001-EI

Request for Specified Confidential Treatment

Workpaper
Document No.

60-1, pages 1-3,
60-1/3, 60-3/2

Justification

60-1/3, 60-3/2

(1) The highlighted information in 60-1, pages 1 and 2, identifies the base and adjusted contract prices for EFC/FPC's coal suppliers and pricing terms of EFC/FPC's long-term contracts. The highlighted information in 60-1, page 3, identifies comparable information regarding FPC's oil suppliers. Disclosure of the invoice price and terms would enable suppliers to determine the prices 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 FPC to bargain for price concessions, since suppliers would be reluctant or unwilling to grant concessions that other potential purchasers would then expect.

(2) The highlighted information identifies the invoice price of EFC/FPC contractual suppliers and their freight rates. The freight price is a function of EFC'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 EFC to obtain rate concessions, since

**Workpaper
Document No.**

Justification

railroads would be reluctant to grant concessions that other rail users would then expect. Disclosure of EFC/FPC's water transportation rates would allow the contract cost of coal to be determined by subtracting the water rate from the delivered cost of coal.

60-1/2, /5, /7, 60-2/1,
60-3/1, /4, /6, 60-4/1

(3) The highlighted information identifies components of EFC's internal financial information as to overhead, additional car cost, and interest. This information is proprietary data of EFC's and is not available anywhere else publicly. Potential coal suppliers can use this information on competitive alternatives in their offers of coal by rail and water and impair EFC's ability to obtain the lowest cost coal and transportation on behalf of Florida Power.

Florida Power Corporation
Docket No. 950001-EI

Request for Specified Confidential Treatment

FPC seeks protection from disclosure of the confidential information identified in Attachment C for a period of 24 months. This is the minimum time necessary to ensure that subsequent disclosure will not allow suppliers to determine accurate estimates of the then-current contract price.

The majority of EFC's contracts contain annual price adjustment provisions. If suppliers were to obtain confidential contract pricing information for a prior reporting month at any time during the same 12-month adjustment period, current pricing information would be disclosed. In addition, if the previously reported information were to be obtained during the following 12-month period, 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 this competitive disadvantage, confidential information requires protection 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 easily converted into essentially current information. For example, if information for the first month under an adjusted contract price is reported in May 1994, the information will remain current

through April 1995. Thereafter, the initial May 1994 information will be only one escalation adjustment removed from the current information reported each month through April 1995. If confidential treatment were to expire after 18 months, suppliers would be able to accurately estimate current prices in October 1995 using information that had been current only 6 months earlier.

An 18-month confidentiality period would effectively waste the protection given in the first 6 months of the second 12-month pricing period (months 13 through 18) by allowing disclosure of the same vintage information in the last 6 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 6 months. To make the protection provided in months 13 through 18 meaningful, it should be extended through month 24. Extending the confidentiality period by 6 months would mean that the information will be an additional 12 months, and one price adjustment, further removed from the current price at the time of disclosure.