



**FPL**

Florida Power & Light Company, P. O. Box 14000, Juno Beach, FL 33408-0420  
Law Department

Writer's Direct Dial:  
(561) 691-7101

September 16, 1998

**VIA HAND DELIVERY**

Ms. Blanca S. Bayó  
Director  
Division of Records and Reporting  
Florida Public Service Commission  
Betty Easley Conference Center  
2540 Shumard Oak Boulevard  
Room 110  
Tallahassee, FL 32399-0850

**Re: Florida Power & Light Company's Request for  
Confidential Classification of Certain Material  
Provided in Connection with the Monthly Fuel Filings  
Docket No. 980001-EI**

Dear Ms. Bayó:

I enclose and hand you herewith for filing in the above-referenced matter, the original and fifteen (15) copies of Florida Power & Light Company's ("FPL") Request for Confidential Classification. The original includes Attachments A, B, and C. The fifteen copies include only Attachments B and C.

Attachment A contains the confidential information that is the subject of FPL's Request for Confidential Classification. Attachment A is submitted for filing in a separate, sealed folder or carton marked "**ATTACHMENT A - CONFIDENTIAL**". Attachment B is an edited version of Attachment A, in which the information FPL asserts is confidential has been blocked out. Attachment C contains FPL's justification for its request for confidential classification.

In accordance with Rule 25-22.006(3)(d), FPL requests confidential treatment of the information in Attachment A pending disposition of FPL's request for Confidential Classification.

an FPL Group company

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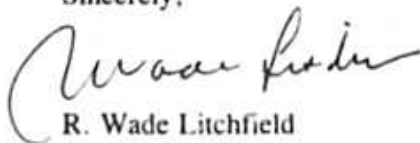
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FPCO-RECORDS/REPORTING

Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
September 16, 1998  
Page 2

Also included herewith is a computer diskette containing FPL's Request for Confidential Classification and Attachment C (in Word Perfect 6.1)

Please do not hesitate to contact me should you or your Staff have any questions regarding this filing.

Sincerely,



R. Wade Litchfield  
Senior Attorney  
Florida Authorized House Counsel

RWL/bjw  
Enclosures

cc: Service List (w/out Attachment A)

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchased Power	)	DOCKET NO. 980001-EI
Cost Recovery Clause and Generating	)	
Performance Incentive Factor	)	FILED: September 16, 1998

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

NOW, BEFORE THIS COMMISSION, through undersigned counsel, comes Florida Power & Light Company ("FPL") and, pursuant to section 25-22.006 of the Florida Administrative Code and section 366.093 of the Florida Statutes, hereby requests confidential classification of certain information on Florida Public Service Commission ("FPSC" or "Commission") Form 423-1(a) submitted in Docket No. 980001-EI. In support of its Request, FPL states as follows:

1. Petitioner's name and address are:

Florida Power & Light Company  
P.O. Box 029100  
Miami, Florida 33102-9100

Orders, notices, or other pleadings related to this request should be served on:

William G. Walker, III  
Vice President  
Florida Power & Light Company  
212 South Monroe Street  
Suite 810  
Tallahassee, FL 32301-1859  
(850) 224-7517

R. Wade Litchfield  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408-0420  
(561) 691-7101

2. The following attachments are included herewith and made a part hereof:

a. Attachment A is the complete and unedited version of FPL's July 1998 Form 423-1(a) which contains certain information that FPL asserts should be accorded confidential treatment. The information in Attachment A for which FPL seeks confidential classification has been highlighted. Attachment A is submitted separately in a sealed envelope marked "CONFIDENTIAL."

b. Attachment B is the edited version of Attachment A. All information that FPL asserts is entitled to confidential treatment has been blocked out in Attachment B.

c. Attachment C identifies information for which confidential treatment is sought and, with regard to each item or type of information, contains a brief statement that explains the need for confidentiality and refers to the specific statutory basis or bases for the request.

3. Pursuant to section 366.093, FPL seeks confidential protection for the information highlighted in Attachment A. FPL submits that such information is proprietary confidential business information within the meaning of section 366.093(3). Pursuant to section 366.093, such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

4. FPL requests that the Commission make the following findings with respect to the No. 6 fuel oil information identified as confidential on Attachments A and C:

- (a) The No. 6 fuel oil data identified are contractual data; and
- (b) FPL's ability to procure No. 6 fuel oil, terminaling and transportation services, and petroleum inspection services is reasonably likely to be impaired by the disclosure of the information identified because:

- (1) the markets in which FPL, as a buyer, must procure No. 6 fuel oil, terminaling and transportation services, and fuel inspection services are oligopolistic;
- (2) FPL, as a substantial buyer in an oligopolistic market may obtain price concessions not available to other buyers; and
- (3) the disclosure of such concessions likely would end them, resulting in higher prices to FPL.

5. FPL typically seeks confidential treatment of No. 2 and No. 3 fuel oil information; however, because FPL made no purchases through a bidding process of No. 2 or No. 3 fuel oil during July 1998, no such request is necessary with respect to the June 1998 Form 423-1(a).

6. FPL requests that the information for which FPL seeks confidential classification not be declassified until the dates specified on Attachment C in order to allow FPL a reasonable period of time within which to negotiate future contracts. Disclosure prior to the requested dates for declassification would impair FPL's ability to negotiate future contracts.

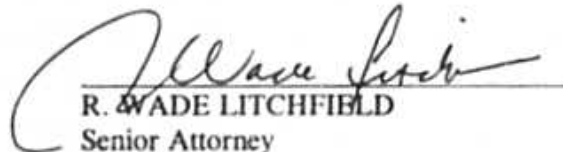
7. The statutory bases and support for FPL's assertion of confidentiality with regard to specific items or types of information are set forth in Attachment C. The information for which confidential classification is sought is intended to be and is

treated by FPL as confidential and, to the best of FPL's knowledge and belief, has not been publicly disclosed.

8. Upon a finding by the Commission that the material in Attachment A for which FPL seeks confidential treatment is proprietary confidential business information within the meaning of section 366.093(3), pursuant to section 366.093(4) such materials should not be declassified for the protective period set by the Commission. Further, the materials should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business.

**WHEREFORE**, for the above and foregoing reasons, including those set forth in the supporting materials included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,



R. WADE LITCHFIELD  
Senior Attorney  
Florida Authorized Counsel  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408-0420  
(561) 691-7101

## CERTIFICATE OF SERVICE

I, THE UNDERSIGNED COUNSEL, HEREBY CERTIFY that a copy of Florida Power & Light Company's Request for Confidential Classification, without Attachment A, has been served via first class mail, postage prepaid to the parties listed below, this 16th day of September, 1998:

Bob Elias, Chief  
Bureau of Electric & Gas  
Division of Legal Services  
Florida Public Service Commission  
Gerald L. Gunter Building - Third Floor  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

G. Edison Holland, Esquire  
Beggs & Lane  
P.O. Box 12950  
Pensacola, FL 32576

Major Gary A. Enders  
United States Air Force  
HQ USAF/ULT, STOP 21  
Tyndall AFB, FL 32403-6001

Kenneth Hoffman, Esquire  
Rutledge, Ecenia, Underwood  
Purnell & Hoffman, P.A.  
P.O. Box 551  
Tallahassee, FL 32301-0551

Occidental Chemical Corporation  
Energy Group  
P.O. Box 809050  
Dallas, TX 75380-9050

Nancy McCann  
Office of Environmental Coordinator  
306 East Jackson Street, 5th Floor  
Tampa, FL 33602

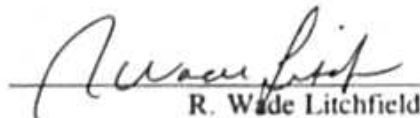
Joseph A. McGlothlin, Esquire  
Vicki Gordon Kaufman, Esquire  
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Tallahassee, FL 32399-1400

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James D. Beasley, Esquire  
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Reedy Creek Utilities, Inc.  
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Lake Buena Vista, FL 32830

James A. McGee, Esquire  
P.O. Box 14042  
St. Petersburg, FL 33733

  
R. Wade Litchfield

FEB COPY

MONTHLY REPORT OF COST AND QUALITY OF FUEL OIL FOR ELECTRIC PLANTS  
DETAIL OF INVOICE AND TRANSPORTATION CHARGES

3 NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA  
SUBMITTED ON THIS FORM RITA McLELLAN, REGULATORY AFFAIRS, (305) 552-4069

4 SIGNATURE OF OFFICIAL SUBMITTING REPORT *[Signature]*

5 DATE COMPLETED 08/25/1968 08 18

Page 1 of 2  
FPC FORM NO 423-1 (8)  
1 REPORTING MONTH JUL YEAR 1968  
2 REPORTING COMPANY FLORIDA POWER LIGHT COMPANY

(A) LINE NO	(B) PLANT	(C) SUPPLIER	(D) DELIVERY LOCATION	(E) DELIVERY DATE	(F) TYPE OIL	(G) VOLUME (BBL)	(H) INVOICE PRICE (\$/BBL)	(I) DISCOUNT (\$)	(J) DISCOUNT (\$)	(K) NET AMOUNT (\$)	(L) NET PRICE (\$/BBL)	(M) QUALITY ADJUST. (\$/BBL)	(N) EFFECTIVE PUR PRICE (\$/BBL)	(O) TRANSP TO TERM (\$/BBL)	(P) ADDITIONAL TRANS CHGS (\$/BBL)	(Q) OTHER CHGS (\$/BBL)	(R) DELIVERED PRICE (\$/BBL)
1	MANATEE	COASTAL	PORT MANATEE	07/02/68	FO8	799442								0.0000			13.7341
2	PT EVERGLADES	COASTAL	PORT EVERGLADES	07/15/68	FO8	221201								0.0000			15.2103
3	PT EVERGLADES	COASTAL	PORT EVERGLADES	07/24/68	FO8	201688								0.0000			14.8253
4	TURKEY POINT	COASTAL	FISHER ISLAND	07/15/68	FO8	48847								0.0000			15.7360
5	TURKEY POINT	COASTAL	FISHER ISLAND	07/25/68	FO8	68300								0.0000			15.2310
6	PT EVERGLADES	NOVARCO	PORT EVERGLADES	07/13/68	FO8	92900								0.0000			15.1373
7	SANFORD	NOVARCO	JACKSONVILLE	07/02/68	FO8	232312								0.0000			14.0211
8	SANFORD	NOVARCO	JACKSONVILLE	07/30/68	FO8	232713								0.0000			13.3254
9	TURKEY POINT	NOVARCO	FISHER ISLAND	07/14/68	FO8	135172								0.0000			15.8430
10	MANATEE	BP	PORT MANATEE	07/07/68	FO8	328569								0.0000			14.0805
11	MANATEE	BP	PORT MANATEE	07/09/68	FO8	326747								0.0000			13.7305
12	CAPE CANAVERAL	COASTAL	PORT CANAVERAL	07/18/68	FO8	109786								0.0000			14.8602
13	MARTIN	COASTAL	PALM BEACH	07/04/68	FO8	125375								0.0000			15.3984
14	MARTIN	COASTAL	PALM BEACH	07/17/68	FO8	127328								0.0000			15.4484
15	MANATEE	COASTAL	PORT MANATEE	07/10/68	FO8	107454								0.0000			15.2205
16	CAPE CANAVERAL	ENRON	PORT CANAVERAL	07/16/68	FO8	142908								0.0000			14.7317
17	MARTIN	ENRON	PALM BEACH	07/24/68	FO8	99819								0.0000			15.0169
18	PT EVERGLADES	GLENCORE	PORT EVERGLADES	07/09/68	FO8	325008								0.0000			14.7698
19	MARTIN	KOCH	PALM BEACH	07/01/68	FO8	118271								0.0000			14.4892
20	MARTIN	KOCH	PALM BEACH	07/27/68	FO8	116215								0.0000			14.7464
21	MANATEE	KOCH	PORT MANATEE	07/12/68	FO8	300465								0.0000			13.4805
22	CAPE CANAVERAL	NOVARCO	PORT CANAVERAL	07/27/68	FO8	240991								0.0000			14.0252
23	MARTIN	NOVARCO	PALM BEACH	07/08/68	FO8	122122								0.0000			15.8754
24	MARTIN	NOVARCO	PALM BEACH	07/20/68	FO8	125778								0.0000			15.4584
25	MARTIN	NOVARCO	PALM BEACH	07/30/68	FO8	123509								0.0000			14.7854
26	MANATEE	NOVARCO	PORT MANATEE	07/17/68	FO8	320517								0.0000			13.5305
27	MARTIN	RIO	PALM BEACH	07/18/68	FO8	131928								0.0000			15.6384
28	SANFORD	STEUART	JACKSONVILLE	07/15/68	FO8	36193								0.0000			12.8704
29	SANFORD	STEUART	JACKSONVILLE	07/28/68	FO8	19614								0.0000			13.2704
30	SANFORD	STEUART	JACKSONVILLE	07/20/68	FO8	65030								0.0000			13.7204



EDITED COPY

MONTHLY REPORT OF COST AND QUALITY OF FUEL OIL FOR ELECTRIC PLANTS  
ORIGIN, VOLUME, DELIVERED PRICE AND AS RECEIVED QUANTITY

Page 2 of 2

FPSC FORM NO 423-1 (a)

1 REPORTING MONTH JUL YEAR 1998

2 REPORTING COMPANY FLORIDA POWER LIGHT COMPANY

3 NAME TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA  
SUBMITTED ON THIS FORM RITA MCLELLAN, REGULATORY AFFAIRS, (305) 552-4069

4 SIGNATURE OF OFFICIAL SUBMITTING REPORT *Rita Mclellan*

5 DATE COMPLETED: 08/25/1998 08:19

(A) LINE NO	(B) PLANT	(C) SUPPLIER	(D) DELIVERY LOCATION	(E) DELIVERY DATE	(F) TYPE OIL	(G) VOLUME (BBL)	(H) INVOICE PRICE (\$/BBL)	(I) INVOICE AMOUNT (\$)	(J) DISCOUNT (\$)	(K) NET AMOUNT (\$)	(L) NET PRICE (\$/BBL)	(M) QUALITY ADJUST (\$/BBL)	(N) EFFECTIVE PUR PRICE (\$/BBL)	(O) TRANSP TO TERM (\$/BBL)	(P) ADDITIONAL TRANS CHGS (\$/BBL)	(Q) OTHER CHGS (\$/BBL)	(R) DELIVERED PRICE (\$/BBL)
31	FT MYERS	TEXACO	BOCA GRANDE	07/01/98	FO6	116803											13 3187
32	FT MYERS	TEXACO	BOCA GRANDE	07/02/98	FO6	78772											12 0917
33	FT MYERS	TEXACO	BOCA GRANDE	07/19/98	FO6	118139											13 5211
34	FT MYERS	TEXACO	BOCA GRANDE	07/26/98	FO6	114170											13 1181
35	FT MYERS	TEXACO	BOCA GRANDE	07/28/98	FO6	113305											12 4221
36	FT MYERS	TEXACO	BOCA GRANDE	07/30/98	FO6	91254											12 3261
37	MARTIN	TEXACO	PALM BEACH	07/14/98	FO6	92499											15 9384
38	RIVIERA	TEXACO	RIVIERA	07/11/98	FO6	118331											13 4676
39	RIVIERA	TEXACO	RIVIERA	07/20/98	FO6	119468											13 0825
40	RIVIERA	TEXACO	RIVIERA	07/31/98	FO6	115830											12 3476
41	RIVIERA	AMERICAS		07/23/98	PRO	6	32 6300	196	0	196	32 6300	0 0000	32 6300	0 0000	0 0000	0 0000	32 6300
42	FT MYERS	AMERICAS		07/21/98	PRO	6	36 3000	218	0	218	36 3000	0 0000	36 3000	0 0000	0 0000	0 0000	36 3000
43	RIVIERA	AMERICAS		07/10/98	PRO	6	32 6300	196	0	196	32 6300	0 0000	32 6300	0 0000	0 0000	0 0000	32 6300
44	PT EVERGLADES	AMERICAS		07/09/98	PRO	14	33 4700	469	0	469	33 4700	0 0000	33 4700	0 0000	0 0000	0 0000	33 4700
45	PT EVERGLADES	AMERICAS		07/30/98	PRO	13	32 8800	440	0	440	32 8800	0 0000	32 8800	0 0000	0 0000	0 0000	32 8800
46	MARTIN	INDIANTOWN		07/14/98	PRO	14	31 1500	436	0	436	31 1500	0 0000	31 1500	0 0000	0 0000	0 0000	31 1500
47	MANATEE	SUBURBAN		07/02/98	PRO	7	31 6800	222	0	222	31 6800	0 0000	31 6800	0 0000	0 0000	0 0000	31 6800
48	SANFORD	SUBURBAN		07/02/98	PRO	11	32 7900	361	0	361	32 7900	0 0000	32 7900	0 0000	0 0000	0 0000	32 7900
49	MANATEE	SUBURBAN		07/10/98	PRO	8	30 6500	245	0	245	30 6500	0 0000	30 6500	0 0000	0 0000	0 0000	30 6500
50	MANATEE	SUBURBAN		07/22/98	PRO	10	29 6100	296	0	296	29 6100	0 0000	29 6100	0 0000	0 0000	0 0000	29 6100
51	SANFORD	SUBURBAN		07/28/98	PRO	12	31 6700	380	0	380	31 6700	0 0000	31 6700	0 0000	0 0000	0 0000	31 6700

## ATTACHMENT C

Docket No. 980001-EI  
JULY 1998

### Justification for Confidentiality for July, 1998 Report:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-1(a)	1 - 40	H	(1)
423-1(a)	1 - 40	I	(2)
423-1(a)	1 - 40	J	(2), (3)
423-1(a)	1 - 40	K	(2)
423-1(a)	1 - 40	L	(2)
423-1(a)	1 - 40	M	(2), (4)
423-1(a)	1 - 40	N	(2), (5)
423-1(a)	1 - 40	P	(6), (7)
423-1(a)	1 - 40	Q	(6), (7)

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### Rationale for confidentiality:

- (1) This information is contractual information which, if made public, "would impair the efforts of [FPL] to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. (1995). The information delineates the price per barrel FPL has paid for No. 6 fuel oil for specific shipments from specific suppliers. 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 generally contain two components, which are: (1) a markup in the market quoted price for that day; and (2) a transportation charge for delivery at an FPL chosen port of delivery. Discounts and quality adjustment components of fuel

price contract formulas are discussed in paragraphs 3 and 4. Disclosure of the invoice price would allow suppliers to determine the contract price formula of their competitors. The knowledge of others' prices (*i.e.*, contract formulas) among No. 6 fuel oil suppliers is reasonably likely to cause the suppliers to converge on a target price, or to follow a price leader, effectively eliminating any opportunity for a major buyer like FPL to obtain price concessions from any one supplier. The end result is reasonably likely to be increased No. 6 fuel oil prices and, therefore, increased electric rates.

- (2) The contract data found in Columns I through N are an algebraic function of Column H. That is, the publication of these Columns together, or independently, could allow a supplier to derive the invoice price of oil.
- (3) Some FPL fuel contracts provide for an early payment incentive in the form of a discount from the invoice price. The existence and amount of such discount is confidential for the reasons stated in paragraph (1) relative to price concessions.
- (4) For fuel that does not meet contract requirements, FPL may reject the shipment, or accept the shipment and apply a quality adjustment. This is, in effect, a pricing term that is as important as the price itself and therefore is confidential for the reasons stated in paragraph (1) relative to price concessions.
- (5) Column N is as important as H from a confidentiality standpoint because of the relatively few times that there are quality or discount adjustments. That is, Column N will equal Column H most of the time. Consequently, Column N needs to be protected for the same reasons as set forth in paragraph (1).
- (6) Column R is used to mask the delivered price of fuel such that the invoice or effective price of fuel cannot be determined. Columns P and Q are algebraic variables of Column R. Consequently, disclosure of Columns P and Q would allow a supplier to calculate the invoice or effective purchase price of oil (Columns H and N) by subtracting these columnar variables from Column R.
- (7) Terminaling and transportation services in Florida tend to have the same, if not more severe, oligopolistic attributes that characterize fuel oil suppliers. In 1987, FPL was only able to find eight qualified parties with an interest in bidding either or both of these services. Of these, four responded with transportation proposals and six with terminaling proposals. Due to the small demand in Florida for both of these services, market entry is difficult. Consequently, disclosure of these contract data is reasonably likely to result in increased prices for terminaling and transportation services.

Petroleum inspection services also have the market characteristics of an oligopoly. Due to the limited number of fuel terminal operations, there are correspondingly few

requirements for fuel inspection services. In FPL's last bidding process for petroleum inspection services, only six qualified bidders were found for FPL's bid solicitations. Consequently, disclosure of these contract data is reasonably likely to result in increased prices for petroleum inspection services.

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**Date of Declassification:**

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>DATE</u>
423-1(a)	1 - 5	H - N, P & Q	03/30/00
423-1(a)	6 - 9	H - N, P & Q	03/30/00
423-1(a)	10 - 40	H - N, P & Q	01/31/99

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**Rationale:**

FPL requests that the confidential information identified above not be disclosed until the identified date of declassification. The date of declassification is determined by adding six months to the last day of the contract period under which the goods or services identified on Form 423-1(a) or 423-1(b) were purchased.

Disclosure of pricing information 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 typically renegotiates its No. 6 fuel oil contracts and fuel-related services contracts prior to the end of such contracts. However, on occasion, some contracts are not renegotiated until after the end of the current contract period. In those instances, the contracts are typically renegotiated within six months. Consequently, it is necessary to maintain the confidentiality of the information identified as confidential on FPL's Form 423-1(a) or 423-1(b) for six months after the end of the individual contract period to which the information relates.

With respect to No. 6 fuel oil price information on the Form 423-1(a) or 423-1(b) for oil that was not purchased pursuant to an already existing contract, and the terms of the agreement under which it is purchased are fulfilled upon delivery, FPL requests the price information identified as confidential be kept confidential for a period of six months after the delivery. A six-month period is the minimum amount of time necessary for confidentiality of these types of purchases to allow FPL to utilize its market presence in gaining price concessions during

seasonal fluctuations in the demand for No. 6 fuel oil. Disclosure of this information any sooner than six months after completion of the transaction is reasonably likely to impair FPL's ability to negotiate such purchases.