



FPL

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October 15, 1998

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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.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPD _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

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[Signature]
FPSC BUREAU OF RECORDS

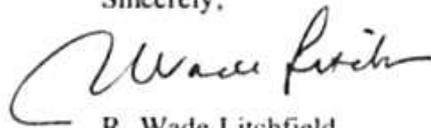
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FPSC BUREAU OF RECORDS

Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
October 15, 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,

A handwritten signature in cursive script, appearing to read "R. Wade Litchfield".

R. Wade Litchfield

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: October 15, 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

DOCUMENT NUMBER-DATE

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FPSC RECORDS-REPORTING

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

a. Attachment A is the complete and unedited version of FPL's August 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. 2 and No. 6 fuel oil information identified as confidential on Attachments A and C:

(a) The No. 2 and No. 6 fuel oil data identified are contractual data; and

(b) FPL's ability to procure No. 2 and 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. 3 fuel oil information; however, because FPL made no purchases through a bidding process of No. 3 fuel oil during August 1998, no such request is necessary with respect to the August 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 until the end of 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

ATTACHMENT B

Page 1 of 2

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

FPSC FORM NO. 423-1 (a)

1. REPORTING MONTH: AUG 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 - 10894. SIGNATURE OF OFFICIAL SUBMITTING REPORT 

5. DATE COMPLETED: 09/24/1998 09:18

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
LINE NO.	PLANT	SUPPLIER	DELIVERY LOCATION	DELIVERY DATE	TYPE OIL	VOLUME (BBLs)	INVOICE PRICE (\$/BBL)	INVOICE AMOUNT (\$)	DISCOUNT (\$)	NET AMOUNT (\$)	NET PRICE (\$/BBL)	QUALITY ADJUST. (\$/BBL)	EFFECTIVE PUR PRICE (\$/BBL)	TRANSP TO TERM (\$/BBL)	ADDITIONAL TRANS CHGS (\$/BBL)	OTHER CHGS (\$/BBL)	DELIVERED PRICE (\$/BBL)
1	PT. EVERGLADES	COASTAL	PORT EVERGLADES	08/04/1998	FO6	108821								0.0000			14.2503
2	PT. EVERGLADES	COASTAL	PORT EVERGLADES	08/15/1998	FO6	138922								0.0000			14.1453
3	TURKEY POINT	COASTAL	FISHER ISLAND	08/05/1998	FO6	164152								0.0000			14.7550
4	TURKEY POINT	COASTAL	FISHER ISLAND	08/16/1998	FO6	140639								0.0000			14.8500
5	CAPE CANAVERAL	COASTAL	PORT CANAVERAL	08/29/1998	FO6	240128								0.0000			11.8489
6	CAPE CANAVERAL	NOVARCO	PORT CANAVERAL	08/13/1998	FO6	234981								0.0000			12.4019
7	CAPE CANAVERAL	NOVARCO	PORT CANAVERAL	08/19/1998	FO6	90071								0.0000			11.9609
8	MANATEE	NOVARCO	PORT MANATEE	08/30/1998	FO6	329981								0.0000			13.4805
9	SANFORD	NOVARCO	JACKSONVILLE	08/11/1998	FO6	240089								0.0000			13.6847
10	SANFORD	NOVARCO	JACKSONVILLE	08/30/1998	FO6	306760								0.0000			12.1990
11	SANFORD	NOVARCO	JACKSONVILLE	08/30/1998	FO6	306760								0.0000			12.1990
12	MANATEE	BP	PORT MANATEE	08/02/1998	FO6	337177								0.0000			13.7055
13	RIVIERA	COASTAL	RIVIERA	08/07/1998	FO6	128283								0.0000			12.5938
14	MARTIN	ENRON	PALM BEACH	08/02/1998	FO6	101823								0.0000			14.3334
15	MANATEE	ENRON	PORT MANATEE	08/06/1998	FO6	275981								0.0000			13.7805
16	TURKEY POINT	ENRON	FISHER ISLAND	08/30/1998	FO6	103886								0.0000			12.2750
17	PT. EVERGLADES	GLENCORE	PORT EVERGLADES	08/24/1998	FO6	322847								0.0000			13.3107
18	FT. MYERS	KOCH	BOCA GRANDE	08/06/1998	FO6	118115								0.0000			12.6215
19	FT. MYERS	KOCH	BOCA GRANDE	08/16/1998	FO6	118841								0.0000			11.5715
20	MANATEE	KOCH	PORT MANATEE	08/08/1998	FO6	351390								0.0000			13.4805
21	PT. EVERGLADES	KOCH	PORT EVERGLADES	08/07/1998	FO6	300728								0.0000			14.6453
22	MARTIN	NOVARCO	PALM BEACH	08/13/1998	FO6	122074								0.0000			13.1844
23	MARTIN	NOVARCO	PALM BEACH	08/27/1998	FO6	125077								0.0000			12.9054
24	TURKEY POINT	NOVARCO	FISHER ISLAND	08/28/1998	FO6	95913								0.0000			13.7080
25	FT. MYERS	TEXACO	BOCA GRANDE	08/09/1998	FO6	115069								0.0000			12.2845
26	FT. MYERS	TEXACO	BOCA GRANDE	08/16/1998	FO6	91596								0.0000			11.9005
27	FT. MYERS	TEXACO	BOCA GRANDE	08/29/1998	FO6	111642								0.0000			10.4315
28	RIVIERA	TEXACO	RIVIERA	08/05/1998	FO6	117354								0.0000			12.2356
29	RIVIERA	TEXACO	RIVIERA	08/17/1998	FO6	117408								0.0000			11.5028
30	RIVIERA	TEXACO	RIVIERA	08/20/1998	FO6	116102								0.0000			11.5028

DUPLICATED COPY

FPSC FORM NO 423-1 (6)

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

1 REPORTING MONTH AUG YEAR 1998

3 NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM RITA MCLELLAN, REGULATORY AFFAIRS, (305) 552 - 4089

2 REPORTING COMPANY FLORIDA POWER LIGHT COMPANY

4 SIGNATURE OF OFFICIAL SUBMITTING REPORT 

5 DATE COMPLETED: 10/14/1998

(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 DISCOUNT 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	RIVIERA	TEXACO	RIVIERA	08/01/1998	FO8	117370								0.0000			10.5486
32	TURKEY POINT	COASTAL		08/17/1998	FO2	352								0.0000			17.4440
33	PT. EVERGLADES	AMERIGAS		08/28/1998	PRO	14	32.3900	453	0	453	32.3900	0.0000	32.3900	0.0000	0.0000	0.0000	32.3900
34	TURKEY POINT	AMERIGAS		08/18/1998	PRO	6	32.7000	196	0	196	32.7000	0.0000	32.7000	0.0000	0.0000	0.0000	32.7000
35	RIVIERA	AMERIGAS		08/03/1998	PRO	7	34.2500	240	0	240	34.2500	0.0000	34.2500	0.0000	0.0000	0.0000	34.2500
36	RIVIERA	AMERIGAS		08/20/1998	PRO	5	32.5400	163	0	163	32.5400	0.0000	32.5400	0.0000	0.0000	0.0000	32.5400
37	SANFORD	SUBURBAN		08/21/1998	PRO	9	31.7800	286	0	286	31.7800	0.0000	31.7800	0.0000	0.0000	0.0000	31.7800
38	CAPE CANAVERAL	SUBURBAN		08/18/1998	PRO	8	31.9600	256	0	256	31.9600	0.0000	31.9600	0.0000	0.0000	0.0000	31.9600
39	MANATEE	SUBURBAN		08/21/1998	PRO	12	28.9700	348	0	348	28.9700	0.0000	28.9700	0.0000	0.0000	0.0000	28.9700
40	MANATEE	SUBURBAN		08/07/1998	PRO	10	27.9700	280	0	280	27.9700	0.0000	27.9700	0.0000	0.0000	0.0000	27.9700

ATTACHMENT C

Docket No. 980001-EI
AUGUST 1998

Justification for Confidentiality for August 1998 Report:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-1(a)	1 - 32	H	(1)
423-1(a)	1 - 32	I	(2)
423-1(a)	1 - 32	J	(2), (3)
423-1(a)	1 - 32	K	(2)
423-1(a)	1 - 32	L	(2)
423-1(a)	1 - 32	M	(2), (4)
423-1(a)	1 - 32	N	(2), (5)
423-1(a)	1 - 32	P	(6), (7)
423-1(a)	1 - 32	Q	(6), (7)

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 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 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 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.

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 - 11	H - N, P & Q	03/30/00
423-1(a)	12 - 31	H - N, P & Q	02/28/99
423-1(a)	32	H - N, P & Q	18 months

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.

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 15th day of October, 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

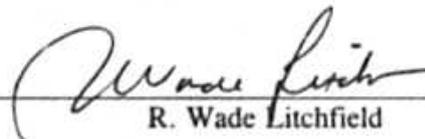
Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin,
Davidson, etc.
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Ausley, McMullen, McGehee,
Carothers & Proctor
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Tallahassee, FL 32302

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Lake Buena Vista, FL 32830

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P.O. Box 14042
St. Petersburg, FL 33733


R. Wade Litchfield