



FPL

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NOV 16 2:52

November 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.

DOCUMENT NUMBER-DATE

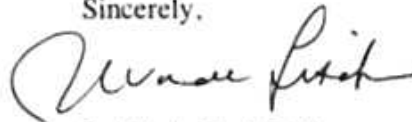
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Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
November 16, 1998
Page 2

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,

A handwritten signature in black ink, appearing to read "R. Wade Litchfield". The signature is fluid and cursive, with the first name "R. Wade" and last name "Litchfield" clearly distinguishable.

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: November 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
215 South Monroe Street
Suite 810
Tallahassee, FL 32301-1859
(850) 224-7595

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 September 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 September 1998, no such request is necessary with respect to the September 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.

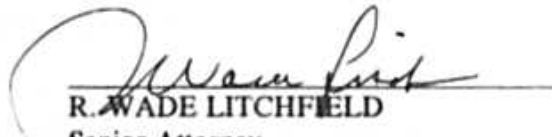
7. The statutory bases and support for FPL's assertion of confidentiality with regard to specific items or types of information are set forth in Attachment C. The information for which confidential classification is sought is intended to be and is treated by FPL as confidential and, to the best of FPL's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

A handwritten signature in cursive script, appearing to read "R. Wade Litchfield", is written over a horizontal line.

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

ATTACHMENT A

FPSC FORM NO. 423-1(a)

**MONTHLY REPORT OF COST AND
QUALITY OF FUEL ORIL FOR ELECTRIC PLANTS**

DETAIL OF INVOICE AND TRANSPORTATION CHARGES

Reporting Month: September; Year 1998

SUBMITTED SEPARATELY

EDITED COPY

ATTACHMENT B

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: SEP 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: *[Signature]*

5. DATE COMPLETED: 10/28/1998

(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 (BBL)	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	CAPE CANAVERAL	COASTAL	PORT CANAVERAL	09/17/1998	FO6	117450								0.0000			12.6998
2	PT. EVERGLADES	COASTAL	PORT EVERGLADES	09/18/1998	FO6	153363								0.0000			12.3078
3	PT. EVERGLADES	COASTAL	PORT EVERGLADES	09/30/1998	FO6	178883								0.0000			13.0378
4	CAPE CANAVERAL	NOVARCO	PORT CANAVERAL	09/25/1998	FO6	97071								0.0000			13.3687
5	PT. EVERGLADES	NOVARCO	PORT EVERGLADES	09/24/1998	FO6	135889								0.0000			12.9767
6	SANFORD	NOVARCO	JACKSONVILLE	09/14/1998	FO6	233532								0.0000			12.2076
7	PT. EVERGLADES	BP	PORT EVERGLADES	09/23/1998	FO6	328541								0.0000			13.7233
8	MARTIN	COASTAL	PALM BEACH	09/14/1998	FO6	111202								0.0000			12.4590
9	MARTIN	COASTAL	PALM BEACH	09/28/1998	FO6	119916								0.0000			13.8090
10	FT. MYERS	ENRON	BOCA GRANDE	09/21/1998	FO6	103399								0.0000			12.1429
11	MANATEE	ENRON	PORT MANATEE	09/13/1998	FO6	290457								0.0000			12.3321
12	PT. EVERGLADES	KOCH	PORT EVERGLADES	09/13/1998	FO6	139289								0.0000			12.1178
13	TURKEY POINT	KOCH	FISHER ISLAND	09/15/1998	FO6	163446								0.0000			12.5922
14	MARTIN	NOVARCO LTD.	PALM BEACH	09/12/1998	FO6	122588								0.0000			12.0510
15	SANFORD	STEUART	JACKSONVILLE	09/12/1998	FO6	21031								0.0000			11.9896
16	SANFORD	STEUART	JACKSONVILLE	09/30/1998	FO6	50138								0.0000			13.4446
17	FT. MYERS	TEXACO	BOCA GRANDE	09/07/1998	FO6	115823								0.0000			9.6463
18	FT. MYERS	TEXACO	BOCA GRANDE	09/24/1998	FO6	118205								0.0000			11.3299
19	RIVIERA	TEXACO	RIVIERA	09/10/1998	FO6	117044								0.0000			9.4878
20	PT. EVERGLADES	AMERIGAS		09/24/1998	PRO	15	32.5300	488	0	488	32.5300	0.0000	32.5300	0.0000	0.0000	0.0000	32.5300
21	TURKEY POINT	AMERIGAS		09/10/1998	PRO	10	32.5700	326	0	326	32.5700	0.0000	32.5700	0.0000	0.0000	0.0000	32.5700
22	RIVIERA	AMERIGAS		09/02/1998	PRO	4	32.6300	131	0	131	32.6300	0.0000	32.6300	0.0000	0.0000	0.0000	32.6300
23	RIVIERA	AMERIGAS		09/17/1998	PRO	4	32.5700	130	0	130	32.5700	0.0000	32.5700	0.0000	0.0000	0.0000	32.5700
24	MARTIN	INDIANTOWN		09/01/1998	PRO	11	30.5280	336	0	336	30.5280	0.0000	30.5280	0.0000	0.0000	0.0000	30.5280
25	MARTIN	INDIANTOWN		09/24/1998	PRO	9	31.2100	281	0	281	31.2100	0.0000	31.2100	0.0000	0.0000	0.0000	31.2100
26	MANATEE	SUBURBAN		09/04/1998	PRO	11	29.0700	320	0	320	29.0700	0.0000	29.0700	0.0000	0.0000	0.0000	29.0700
27	MANATEE	SUBURBAN		09/21/1998	PRO	16	29.0800	465	0	465	29.0800	0.0000	29.0800	0.0000	0.0000	0.0000	29.0800
28	SANFORD	SUBURBAN		09/17/1998	PRO	12	31.6000	379	0	379	31.6000	0.0000	31.6000	0.0000	0.0000	0.0000	31.6000

ATTACHMENT C

Docket No. 980001-EI
SEPTEMBER 1998

Justification for Confidentiality for September 1998 Report:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-1(a)	1 - 19	H	(1)
423-1(a)	1 - 19	I	(2)
423-1(a)	1 - 19	J	(2), (3)
423-1(a)	1 - 19	K	(2)
423-1(a)	1 - 19	L	(2)
423-1(a)	1 - 19	M	(2), (4)
423-1(a)	1 - 19	N	(2), (5)
423-1(a)	1 - 19	P	(6), (7)
423-1(a)	1 - 19	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 - 3	H - N, P & Q	04/30/00
423-1(a)	4 - 6	H - N, P & Q	04/30/00
423-1(a)	7 - 19	H - N, P & Q	03/28/99

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 16th day of November, 1998:

Bob Elias, Chief
Bureau of Electric & Gas
Division of Legal Services
Florida Public Service Commission
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Tallahassee, FL 32399-0850

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Beggs & Lane
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Major Gary A. Enders
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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

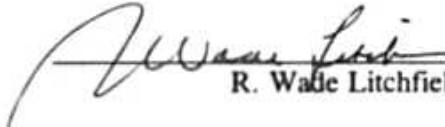
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R. Wade Litchfield