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Florida Authorized House Counsel  
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RECORDS AND REPORTING

June 28, 1999

**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. 990001-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.

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

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

*all to MAS*  
an FPL Group company

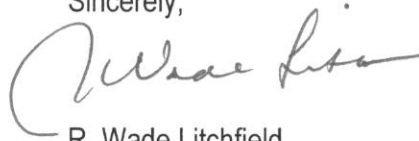
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*[Signature]*  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
**07807 JUN 28 99**  
FPSC-RECORDS/REPORTING

Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
June 28, 1999  
Page 2

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/lj  
Enclosures

cc: Service List (w/out Attachment A)

**BEFORE THE**

**FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchased Power ) DOCKET NO. 990001-EI  
Cost Recovery Clause and Generating )  
Performance Incentive Factor ) FILED: June 28, 1999

**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. 990001-EI. In support of its Request, FPL states as follows:

1. Petitioner's principal business address is as follows:

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  
(850) 224-7197 (telecopier)

R. Wade Litchfield  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408-0420  
(561) 691-7101  
(561) 691-7103 (telecopier)

DOCUMENT NUMBER-DATE

07807 JUN 28 99

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 March 1999 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 and No. 3 fuel oil during March 1999, no such request is necessary with respect to the March 1999 Form 423-1(a).

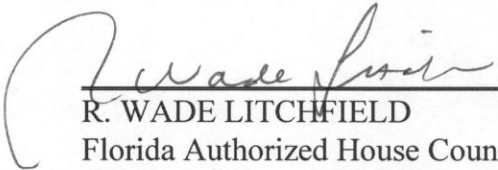
6. FPL requests that the information for which FPL seeks confidential classification not be declassified until the dates specified on Attachment C in order to allow FPL a reasonable period of time within which to negotiate future contracts. Disclosure prior to the requested dates for declassification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



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

**CONFIDENTIAL**

**ATTACHMENT A**

**FPSC FORM NO. 423-1(a)**

**MARCH 1999**

**FILED SEPARATELY**

**NON-CONFIDENTIAL**

**ATTACHMENT B**

**FPSC FORM NO. 423-1(a)**  
**(Edited)**

**MARCH 1999**



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: MAR YEAR: 1999

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: 

5. DATE COMPLETED: 04/26/1999

(A) LINE NO.	(B) PLANT	(C) SUPPLIER	(D) DELIVERY LOCATION	(E) DELIVERY DATE	(F) TYPE OIL	(G) VOLUME (BBLs)	(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)
1	CAPE CANAVERAL	COASTAL	PORT CANAVERAL	03/15/1999	FO6	246402								0.0000			11.8172
2	SANFORD	NOVARCO	JACKSONVILLE	03/24/1999	FO6	226300								0.0000			13.2743
3	FT. MYERS	COASTAL	BOCA GRANDE	03/20/1999	FO6	120222								0.0000			11.5855
4	PT. EVERGLADES	ENRON	PORT EVERGLADES	03/22/1999	FO6	141661								0.0000			11.6732
5	TURKEY POINT	ENRON	FISHER ISLAND	03/23/1999	FO6	158567								0.0000			12.3123
6	RIVIERA	NOVARCO	RIVIERA	03/14/1999	FO6	117634								0.0000			11.1730
7	RIVIERA	NOVARCO	RIVIERA	03/25/1999	FO6	118506								0.0000			12.5880
8	MANATEE	NOVARCO LTD.	PORT MANATEE	03/23/1999	FO6	300340								0.0000			12.1857
9	RIVIERA	NOVARCO LTD.	RIVIERA	03/01/1999	FO6	118864								0.0000			10.0910
10	SANFORD	STEUART	JACKSONVILLE	03/06/1999	FO6	71984								0.0000			11.6853
11	SANFORD	STEUART	JACKSONVILLE	03/08/1999	FO6	32981								0.0000			11.6853
12	FT. MYERS	TEXACO	BOCA GRANDE	03/06/1999	FO6	117863								0.0000			10.0075
13	FT. MYERS	TEXACO	BOCA GRANDE	03/27/1999	FO6	117308								0.0000			11.6315
14	RIVIERA	TEXACO	RIVIERA	03/16/1999	FO6	116023								0.0000			10.4620
15	PT. EVERGLADES	AMERIGAS		03/04/1999	PRO	13	31.5600	410	0	410	31.5600	0.0000	31.5600	0.0000	0.0000	0.0000	31.5600
16	RIVIERA	AMERIGAS		03/11/1999	PRO	5	33.3700	167	0	167	33.3700	0.0000	33.3700	0.0000	0.0000	0.0000	33.3700
17	RIVIERA	AMERIGAS		03/26/1999	PRO	4	34.3700	137	0	137	34.3700	0.0000	34.3700	0.0000	0.0000	0.0000	34.3700
18	TURKEY POINT	AMERIGAS		03/30/1999	PRO	5	28.0300	140	0	140	28.0300	0.0000	28.0300	0.0000	0.0000	0.0000	28.0300
19	MARTIN	INDIANTOWN		03/03/1999	PRO	17	31.0800	528	0	528	31.0800	0.0000	31.0800	0.0000	0.0000	0.0000	31.0800
20	MANATEE	SUBURBAN		03/12/1999	PRO	14	28.9900	406	0	406	28.9900	0.0000	28.9900	0.0000	0.0000	0.0000	28.9900
21	SANFORD	SUBURBAN		03/05/1999	PRO	11	31.8400	350	0	350	31.8400	0.0000	31.8400	0.0000	0.0000	0.0000	31.8400
22	SANFORD	SUBURBAN		03/31/1999	PRO	11	31.3200	345	0	345	31.3200	0.0000	31.3200	0.0000	0.0000	0.0000	31.3200
23	CAPE CANAVERAL	SUBURBAN		03/30/1999	PRO	7	31.3700	220	0	220	31.3700	0.0000	31.3700	0.0000	0.0000	0.0000	31.3700
24	MANATEE	SUBURBAN		03/02/1999	PRO	24	28.9400	695	0	695	28.9400	0.0000	28.9400	0.0000	0.0000	0.0000	28.9400

## ATTACHMENT C

Docket No. 990001-EI  
March 1999

### Justification for Confidentiality for March 1999 Report:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-1(a)	1 - 14	H	(1)
423-1(a)	1 - 14	I	(2)
423-1(a)	1 - 14	J	(2), (3)
423-1(a)	1 - 14	K	(2)
423-1(a)	1 - 14	L	(2)
423-1(a)	1 - 14	M	(2), (4)
423-1(a)	1 - 14	N	(2), (5)
423-1(a)	1 - 14	P	(6), (7)
423-1(a)	1 - 14	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 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 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 which is as important as the price itself and is therefore 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 of 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.

- (8) 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), F.S. (1995). The information delineates the price FPL has paid for No. 2 fuel oil per barrel for specific shipments from specific suppliers. No. 2 fuel oil is purchased through a bidding process. At the request of the No. 2 fuel oil suppliers, FPL has agreed to not publicly disclose any supplier's bid. This nondisclosure agreement protects both FPL's ratepayers and the bidding suppliers. As to FPL's ratepayers, the non-public bidding procedure provides FPL with a greater variation in the range of bids that would otherwise not be available if the bids, or the winning bid by itself, were publicly disclosed. With public disclosure of the No. 2 fuel oil prices found on FPL's Form 423-1(a), the bids would narrow to a closer range around the last winning bid, eliminating the possibility that one supplier might, based on his economic situation, come in substantially lower than the other suppliers. Nondisclosure likewise protects the supplies from divulging any economic advantage that supplier may have which the others have not discovered.



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**Date of Declassification:**

<b>FORM</b>	<b><u>LINE(S)</u></b>	<b><u>COLUMN</u></b>	<b><u>DATE</u></b>
423-1(a)	1	H - N, P & Q	03/30/00
423-1(a)	2	H - N, P & Q	03/30/00
423-1(a)	3	H - N, P & Q	09/30/99
423-1(a)	4 - 5	H - N, P & Q	09/30/99
423-1(a)	6 - 9	H - N, P & Q	09/30/99
423-1(a)	10 - 11	H - N, P & Q	09/30/99
423-1(a)	12 - 14	H - N, P & Q	09/30/99

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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.

## 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 28<sup>th</sup> day of June, 1999:

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

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

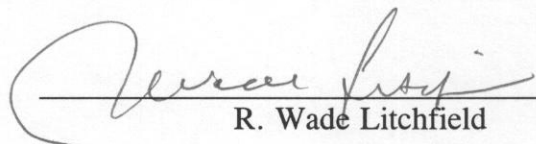
Joseph A. McGlothlin, Esquire  
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Tallahassee, FL 32302

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Lake Buena Vista, FL 32830

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

  
R. Wade Litchfield