



**Florida
Power**
CORPORATION

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RECORDS AND
REPORTING

JAMES A. MCGEE
SENIOR COUNSEL

August 19, 1999

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

991170-EI

Re: Docket No. 990000-PU;
Request for Confidential Classification.

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of Florida Power Corporation's Request for Confidential Classification. The request pertains to the document filed with its Notice of Intent on July 29, 1999, which has been designated DN 08973-99.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced request in Word 97 format. Thank you for your assistance in this matter.

- AFA _____
- APP _____
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- LEG _____
- MAS 5 _____
- OPC _____
- PAI _____
- SEC 1 _____
- WAW _____
- OTH _____

JAM/ams

Enclosure

Very truly yours,

James A. McGee /kcc

James A. McGee

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FPSC-BUREAU OF RECORDS

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A Florida Progress Company

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request of Florida Power Corporation for Confidential Classification of certain responses to Ten-Year Site Plan supplemental information requested by Staff.

Docket No. 990000-PU

Submitted for filing:

August 19, 1999

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Florida Power Corporation (Florida Power or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of highlighted portions of the document enclosed with Florida Power's Notice of Intent to Request Confidential Classification filed in the above-captioned matter on July 29, 1999 and designated DN 08973-99. This document was submitted as Florida Power's response to a request from Staff for supplemental information (the Response) to aid in their review of the Company's Ten-Year Site Plan, previously filed with the Commission on April 1, 1999. In support of its request, Florida Power states as follows:

Introduction

1. The increasingly competitive wholesale power market in which Florida Power operates has caused certain information contained in the Response to become commercially sensitive and justifies its protection from disclosure to the Company's competitors. Subsection 366.093(1) provides that any records "found by the commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [requiring disclosure under the Public Records Act]." Subsection 366.093(3) states that "Propriety confidential business information includes, but is not limited to: *** (e) information relating to

DOCUMENT NUMBER-DATE

09928 AUG 19 99

competitive interests, the disclosure of which would the competitive business of the provider of the information.” As explained below, the designated portions of Florida Power’s Response fall within this statutory category and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

2. Attachment A hereto contains a justification matrix supporting Florida Power's request for confidential classification of the highlighted information in the Response submitted with its July 29, 1999 Notice of Intent. The information is identified on a page-by-page, column-by-column basis.

The Effect of the Competitive Wholesale Power Market

3. In any competitive market, the availability of information about competitors provides market participants a competitive advantage. This is increasingly true in the wholesale market for electricity. Florida Power, like other public utilities, is facing competition from wholesale power marketers and other non-traditional utilities. Consequently, commercial sensitivity of information about the Company has increased in recent years. Florida Power currently sells power in the wholesale market at cost-based rates within the State of Florida, and at market-based rates outside the state. The public availability of information about Florida Power’s costs and operations gives competing power suppliers a significant advantage in developing marketing strategies that target the Company’s existing and potential power sales customers.

4. The public availability of information about Florida Power’s costs and operations would be less objectionable if all market participants were subject to the

same reporting and disclosure requirements. However, most of the Company's competitors are non-traditional utilities that are not subject to the detailed reporting requirements that apply to Florida Power and other public utilities. Consequently, Florida Power is operating in an environment in which its competitors have detailed commercial and financial information about the Company, but the Company has little or no such information about most of its competitors. The disparity in information makes it virtually impossible for the Company to compete as effectively as other market participants.

5. The designated information in the Response is directly relevant to the ability of Florida Power to compete effectively in the commercial marketplace for power sales. If potential customers know the details of the Company's generation and purchased power costs or operational characteristics, they will be able to develop offers to purchase power from the Company that minimize the Company's ability to obtain a contribution to its fixed costs. Competitors in the power sales market will be able to develop competing offers that undercut the Company's offers because they will have superior market information. Such unfair competition will adversely affect the public interest because it will allow competitors to raise their prices to just below the Company's cost-based prices, which would increase the prices that power purchasers must pay.

Consistency Considerations

6. The filing of similar information by other public utilities without requests for confidentiality does not justify denying Florida Power's request for such treatment. Each public utility must make its own determination about whether

particular information is commercially sensitive or could otherwise cause it competitive harm. The decision of a public utility to not seek confidential classification of the supplemental information requested by Staff affects only the utility that made that decision. Therefore, Florida Power cannot, and should not be required to, point to any special circumstances that justify treating this information differently from that of other public utilities. The Commission should evaluate each request from a utility for confidential classification independently, rather than basing its decision on what other utilities have done. This is far more fair than holding Florida Power captive to the decisions of other public utilities, as would be the case if the Commission were to deny confidential treatment for Florida Power on the ground that other utilities had not made similar requests.

WHEREFORE, Florida Power respectfully requests that the highlighted information in the Response previously submitted with its Notice of Intent and described in Attachment A hereto be classified as confidential for the reasons set forth above.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By James A. McGee/kcc

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ATTACHMENT A

JUSTIFICATION MATRIX FOR CONFIDENTIAL INFORMATION CONTAINED IN DN 08973-99, FPC'S RESPONSE TO STAFF'S SUPPLEMENTAL INFORMATION REQUEST

Page	Rows	Columns	Justification
8	all	3-6	Individual unit performance data is highly sensitive competitive information. Disclosure of outage and availability factors would allow competitors to determine average system capacity availability and predict FPC's ability to make sales or its need to make purchases. Disclosure of heat rate data would allow competitors to determine FPC's cost of generation using readily available fuel prices.
18	1999-2008	4-7	Disclosure of the energy prices of QF and non-QF firm purchases would allow competitors to determine the cost of a major component of FPC's capacity resources against which they must compete and would allow potential energy suppliers to know the price they must undercut.
19	Debt, Preferred, Equity, Discount Rate	1	Disclosure of capitalization ratios and discount rate would allow competitors and potential capacity suppliers to determine FPC's capital costs to construct new generation against which they must compete.
21	1999-2008	2, 4, 5, 7	Disclosure of isolated and assisted LOLP results and the corresponding unserved energy would allow competitors to assess the reliability of service against which they must compete.
39	1999 2000-2009	2, 4 2-4	Disclosure of variations in the timing and type of future capacity additions and the effect of each addition on the CPWRR and LOLP associated with FPC's high and low demand forecasts would allow competitors and potential power suppliers to determine the cost and reliability impact of these additions and their sensitivity to demand fluctuations and thus be able to adjust their prices accordingly.
41	1999-2009	2-4	Disclosure of variations in the timing and type of future capacity additions and the effect of each addition on the CPWRR and LOLP associated with FPC's base case would allow competitors and potential power suppliers to determine the cost and reliability impact of these additions and thus be able to adjust their prices accordingly.

Page	Rows	Columns	Justification
42-45	1999-2009	2-3	Disclosure of variations in the timing and type of future capacity additions and the effect of each addition on the CPWRR associated with FPC's alternative technology expansion plans would allow competitors and potential power suppliers to determine the cost and reliability impact of these additions and thus be able to adjust their prices accordingly.
47	1999-2008	1	Disclosure of SO ₂ emissions would allow competitors and potential power suppliers to determine FPC's Clean Air Act compliance status, and allow participants in the SO ₂ emissions credit market to determine FPC's position.
47	1999-2008	2-6	Disclosure of these emissions would allow competitors to determine FPC's status with respect to emerging environmental constraints and requirements.
60	1999-2008	1, 3	Disclosure of FPC's forecasted nominal and real average retail prices would allow competitors to determine FPC's expected future generation costs.
73	1999-2008	3-5	Disclosure of these non-tariff natural gas transportation rates would allow competitors to know sensitive contractual information and enable the determination of FPC's fuel cost of gas-fired generation.
83	all	1999-2008	Disclosure of forecasted nature gas and distillate oil consumption by each of these units would allow competitors to determine FPC's expect unit specific costs and operational levels.