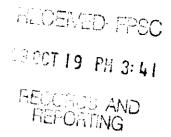


Writer's Direct Dial: (561) 691-7101 R. Wade Litchfield Senior Attorney Florida Authorized House Counsel Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 (561) 691-7103 (Facsimile)



October 19, 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-El

Dear Ms. Bayó:

I enclose and hand you herewith for filing in the above-referenced matter, the original and five (5) copies of Florida Power & Light Company's ("FPL") Request for Confidential Classification. The original includes Attachments A, B, and C. The five 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 version 6/7/8.

FOSC BURFAU OF RECORDS

DOCUMENT NUMBER-DATE

an FPL Group company

Blanca S. Bayó, Director Division of Records and Reporting Florida Public Service Commission October 19, 1999 Page 2

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

Sincerely,

Ware fins -R. Wade Litchfield

RWL/jsb Enclosures

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cc: Service List (w/out Attachment A)

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#### **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: October 19, 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 12758 OCT 198 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 July 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 and No. 2 fuel oil data identified are contractual data; and

(b) FPL's ability to procure No. 6 and No. 2 fuel oil, terminaling and transportation services, and petroleum inspection services is reasonably likely to be impaired by the disclosure of the information identified because:

the markets in which FPL, as a buyer, must procure No. 6 and No.
2 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 July 1999, no such request is necessary with respect to the July 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,

the race R. WADE LITCHFIELD

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

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ATTACHMENT A

FPSC FORM NO. 423-1(a)

**OCTOBER 1999** 

**FILED SEPARATELY** 

## **NON-CONFIDENTIAL**

• • •

**ATTACHMENT B** 

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

**OCTOBER 1999** 

## EDITED COPY

## MONTHLY REPORT OF COST AND QUALITY OF FUEL OIL FOR ELECTRIC PLANTS

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DETAIL OF INVOICE AND TRANSPORTATION CHARGES

1. REPORTING MONTH: JUL YEAR: 1999

Page 1 of 2

FPSC FORM NO. 423-1 (a)

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

2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY 4. SI

4. SIGNATURE OF OFFICIAL SUBMITTING REPORT:\_

5. DATE COMPLETED: 10/18/1999

(A)	<b>(B)</b>	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
LINE NO.	PLANT	SUPPLIER	DELIVERY LOCATION	DELIVERY		VOLUME (BBLS)	INVOICE PRICE	INVOICE AMOUNT (\$)	DISCOUN	NET F AMOUNT (\$)	NET PRICE (\$/BBL)	QUALITY ADJUST. (\$/BBL)	EFFECTIVE PUR PRICE (\$/BBL)		ADDITIONAL TRANS CHGS (\$/BBL)	other Chgs (\$/BBL)	DELIVERED PRICE (\$/BBL)
				DATE		076107	(\$/BBL)		(\$					<u> </u>			10.0757
1 MANA		COASTAL	PORT MANATEE	07/16/199	F06	276197								0.0000			16.2757
	VERGLADES	COASTAL	PORT EVERGLADES	07/07/199	F06	176025								0.0000			15.5342
-	EY POINT	COASTAL	FISHER ISLAND	07/08/199	F06	96172								0.0000			16.0729
4 SANF		NOVARCO	JACKSONVILLE	07/26/199	F06	229031								0.0000			18.0571
5 MANA		COASTAL	PORT MANATEE	07/05/199	F06	108618								0.0000			15.3757
6 MANA		COASTAL	PORT MANATEE	07/22/199	F06	124317								0.0000			17.1707
7 MANA		COASTAL	PORT MANATEE	07/28/199	F06	127269								0.0000			17.4407
	VERGLADES	ENRON	PORT EVERGLADES	07/27/199	F06	262529								0.0000			12.7822
9 FT. M		FAMM	BOCA GRANDE	07/05/199	F06	117434					26			0.0000			14.5218
10 FT. M		FAMM	BOCA GRANDE	07/13/199	F06	112729						<b>`</b> ,		0.0000			15.9358
11 FT. M		FAMM	BOCA GRANDE	07/22/199	F06	113732								0.0000			16.9038
12 FT. M		FAMM	BOCA GRANDE	07/30/199	F06	115021								0.0000			16.9938
	CANAVERAL	GLENCORE	PORT CANAVERAL	07/27/199	F06	89914								0.0000			17.0565
14 MANA		GLENCORE	PORT MANATEE	07/01/199	F06	116419								0.0000			14.8107
15 MANA		GLENCORE	PORT MANATEE	07/03/199	F06	120586								0.0000			15.3177
	VERGLADES	GLENCORE	PORT EVERGLADES	07/12/199	F06	115946								0.0000			15.8612
	EY POINT	GLENCORE	FISHER ISLAND	07/20/199	F06	119650								0.0000			17.3409
	ey point	GLENCORE	FISHER ISLAND	07/28/199	F06	120560								0.0000			18.2579
19 MART	'IN	NOVARCO	PALM BEACH	07/06/199	F06	125023								0.0000			15.8799
20 MART		NOVARCO	PALM BEACH	07/16/199	F06	126299								0.0000			17.0459
21 MART	IN	NOVARCO	PALM BEACH	07/27/199	F06	125218	•							0.0000			17.8209
22 RIVIEI		NOVARCO	RIVIERA	Q7/13/199	F06	117811								0.0000			15.8590
23 RIVIEI	RA	NOVARCO	RIVIERA	07/25/199	F06	117023								0.0000			16.9450
20 TURK	ey point	NOVARCO	FISHER ISLAND	07/02/199	F06	117793								0.0000			13.8829
25 SANFO		STEUART	JACKSONVILLE	07/23/199	F06	27185								0.0000			16.9171
26 MANA	TEE	TOSCO	PORT MANATEE	07/08/199	F06	278302								0.0000			13.3857
27 TURKI	EY POINT	COASTAL		07/27/199	FO2	174								0.0000			24.8300
. 28 TURKI		COASTAL		07/30/199	FO2	1 <b>76</b>								0.0000		•	25.6100
29 RIVIEF		AMERIGAS		07/16/199	PRO	6	38.8600	233	0	233	38.8600	0.0000	38.8600	0.0000	0.0000	0.0000	38.8600
30 RIVIEF	<b>Α</b> Α	AMERIGAS		07/29/199	PRO	6	40.1000	241	0	241	40.1000	0.0000	40.1000	0.0000	0.0000	0.0000	40.1000
FPSC F	ORM NO. 423-	1 (a) (07/1999)															



## MONTHLY REPORT OF COST AND QUALITY OF FUEL OIL FOR ELECTRIC PLANTS

DETAIL OF INVOICE AND TRANSPORTATION CHARGES

1. REPORTING MONTH: JUL YEAR: 1999

2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY

Page 2 of 2

FPSC FORM NO. 423-1 (a)

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

4. SIGNATURE OF OFFICIAL SUBMITTING REPORT;

5. DATE COMPLETED: 10/18/1999

(A)	<b>(B)</b>	(C)	(D)	(E)	(F)	(G)	(H)	(1)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
LINE NO.	PLANT	SUPPLIER	DELIVERY		TYPE OIL	VOLUME (BBLS)	INVOICE PRICE	INVOICE AMOUNT (\$)	DISCOUNT	NET AMOUNT (\$)	NET PRICE (\$/BBL)	QUALITY ADJUST. (\$/BBL)	EFFECTIVE PUR PRICE (\$/88L)	TRANSP TO TERM (\$/BBL)	ADDITIONAL TRANS CHGS (\$/BBL)	OTHER CHGS (\$/88L)	DELIVERED PRICE (\$/BBL)
31 FT. M	YERS	AMERIGAS		07/16/199	PRO	8	45.0000	360	0	360	45.0000	0.0000	45.0000	0.0000	0.0000	0.0000	45.0000
32 PT. E\	/ERGLADES	AMERIGAS		07/10/199	PRO	17	35.9300	611	0	611	35.9300	0.0000	35.9300	0.0000	0.0000	0.0000	35.9300
33 PT. E\	/ERGLADES	AMERIGAS		07/29/199	PRO	15	38.6100	579	0	579	38.6100	0.0000	38.6100	0.0000	0.0000	0.0000	38.6100
34 RIVIER	RA	AMERIGAS		07/01/199	PRO	6	37.4000	224	0	224	37.4000	0.0000	37.4000	0.0000	0.0000	0.0000	37.4000
35 TURKI	ey point	AMERIGAS		07/27/199	PRO	7	38.3500	268	0	268	38.3500	0.0000	38.3500	0.0000	0.0000	0.0000	38.3500
36 MART	IN	INDIANTOWN		07/22/199	PRO	13	31.0800	404	0	404	31.0800	0.0000	31.0800	0.0000	0.0000	0.0000	31.0800
37 CAPE	CANAVERAL	SUBURBAN		07/07/199	PRO	7	33.2400	233	0	233	33.2400	0.0000	33.2400	0.0000	0.0000	0.0000	33.2400
38 MANA	TEE	SUBURBAN		07/15/199	PRO	16	34.8000	557	0	557	34.8000	0.0000	34.8000	0.0000	0.0000	0.0000	34.8000
39 MANA	TEE	SUBURBAN		07/29/199	PRO	25	34.7800	870	0	870	34.7800	0.0000	34.7800	0.0000	0.0000	0.0000	34.7800
40 MANA	TEE	SUBURBAN		07/02/199	PRO	12	33.1600	398	0	398	33.1600	0.0000	33.1600	0.0000	0.0000	0.0000	33.1600
41 SANFO	ORD	SUBURBAN		07/23/199	PRO	10	34.7900	348	0	348	34.7900	0.0000	34.7900	0.0000	0.0000	0.0000	34.7900

## ATTACHMENT C

Docket No. 990001-EI July 1999

#### Justification for Confidentiality for July 1999 Report:

FORM	LINE(S)	COLUMN	RATIONALE
423-1(a)	1 - 28	Н	(1)
423-1(a)	1 - 28	I	(2)
423-1(a)	1 - 28	J	(2), (3)
423-1(a)	1 - 28	K	(2)
423-1(a)	1 - 26	L	(2)
423-1(a)	1 - 28	М	(2), (4)
423-1(a)	1 - 28	Ν	(2), (5)
423-1(a)	1 – 28	Р	(6), (7)
423-1(a)	1 - 28	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 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.

This information is contractual information which, if made public, "would impair the (8) 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.

FORM	LINE(S)	COLUMN	DATE
423-1(a)	1-3	H – N, P & Q	12/31/01
423-1(a)	4	H – N, P & Q	02/28/02
423-1(a)	5-7	H – N, P & Q	12/31/99
423-1(a)	8	H – N, P & Q	09/30/99
423-1(a)	9-12	H – N, P & Q	12/31/99
423-1(a)	13-18	H – N, P & Q	12/31/99

### **Date of Declassification:**

423-1(a)	19-24	H – N, P & Q	12/31/99
423-1(a)	25	H – N, P & Q	09/30/99
423-1(a)	26	H – N, P & Q	09/30/99
423-1(a)	27-28	H – N, P & Q	09/30/00

#### **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 19th day of October, 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, EsquireRutledge, Ecenia, UnderwoodPurnell & Hoffman, P.A.P.O. Box 551Tallahassee, FL 32301-0551

Occidental Chemical Corporation Energy Group P.O. Box 809050 Dallas, TX 75380-9050 Joseph A. McGlothlin, Esquire Vicki Gordon Kaufman, Esquire McWhirter, Reeves, McGlothlin, Davidson, Etc. 117 S. Gadsden Street Tallahassee, FL 32301

Jack Shreve, Esquire Office of Public Counsel 111 W. Madison Street Room 812 Tallahassee, FL 32399-1400

Lee L. Wills, Esquire James D. Beasley, Esquire Ausley, McMullen, McGehee, Carothers & Proctor P.O. Box 391 Tallahassee, FL 32302

Lee G. Schmudde, Esquire Reedy Creek Utilities, Inc. P.O. Box 40 Lake Buena Vista, FL 32830

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

R. Wade Litchfield