



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

SEP 21 PM 2:55
COMMISSION CLERK

DATE: September 20, 2001
TO: Division of Legal Services (C. Keating, Elias)
FROM: Division of Safety and Electric Reliability (Harlow) JH RJ JDJ
RE: Tampa Electric Company's Request for Confidential Classification on DN 09138-01

Tampa Electric Company (TECO) has filed a Request for Confidential Classification for portions of document No. 09138-01. This document contains TECO's responses to Staff's Second Set of Interrogatories (Nos. 2 through 8), filed in Docket No. 010001-EI. TECO asserts that the indicated portions of DN 09138-01 contain proprietary information which, if disclosed, would impair TECO's competitive interests.

Attached is a copy of the redacted pages from DN 09138-01. Also attached is TECO's Request for Confidential Classification, which includes a table containing the Company's reason for requesting confidentiality for the redacted information. Staff has reviewed TECO's DN 09138-01 and concurs with TECO that the redacted portions of the document could impair TECO's bargaining position in future wholesale electric transactions. The information primarily concerns the specific parties and pricing of wholesale transactions. Therefore, staff recommends that the redacted portions of DN 09138-01 be granted confidential status and remain confidential for a period of eighteen months from the date of the request in accord with Section 366.093(4), Florida Statutes.

JH:kb

Attachment

cc: Tom Ballinger, Division of Safety and Electric Reliability
Todd Bohrmann, Division of Safety and Electric Reliability
Bill McNulty, Division of Safety and Electric Reliability
Blanca S. Bayo, Division of Records and Reporting

- APP _____
- CAF _____
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DOCUMENT NUMBER-DATE

11877 SEP 21 01

FPSC-COMMISSION CLERK

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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(850) 224-8115 FAX (850) 222-7560

August 16, 2001

HAND DELIVERED

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance
Incentive Factor; FPSC Docket No. 010001-EI

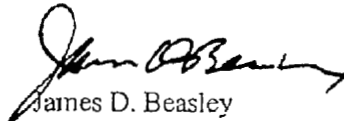
Dear Ms. Bayo:

Enclosed for filing in the above docket is the original and ten (10) copies of Tampa
Electric Company's Request for Confidential Classification.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this
letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Enclosures

cc: All parties of record (w/enc.)

DOCUMENT NUMBER-DATE
10092 AUG 16 2001
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery)
Clause with Generating Performance Incentive) DOCKET NO. 010001-EI
Factor.) FILED: August 16, 2001
_____)

**TAMPA ELECTRIC COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby request confidential treatment of certain information supplied in response to Staff's Second Set of Interrogatories (Nos. 2-8) and, as grounds therefor, says:

1. On July 26, 2001 Tampa Electric filed under a Notice of Intent to Seek Confidential Classification its answers to Staff's Second Set of Interrogatories (Nos. 2-8). Contained within that filing was certain information highlighted in yellow which Tampa Electric considers to be confidential proprietary business information, the disclosure of which would be harmful to the interests of Tampa Electric and the customers it serves. Attached hereto as Exhibit "A" is a detailed justification for warranting the confidential treatment requested herein. Attached hereto as Exhibit "B" are two edited versions of the confidential information with the confidential information redacted.

2. As explained in more detail in Exhibit "A", public disclosure of the information in question would impair the efforts of Tampa Electric to contract for goods or services on favorable terms. The information in question relates to the competitive interests of Tampa Electric and its disclosure would impair the competitive business of the company. Consequently,

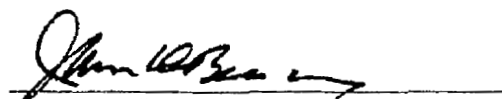
the highlighted information in question is entitled to confidential protection pursuant to Section 366.093, Florida Statutes, and the Commission's Rule 25-22.006, Florida Administrative Code.

3. Tampa Electric maintains the information in question in a confidential manner and has not disclosed it publicly

WHEREFORE, Tampa Electric respectfully requests that the information highlighted in yellow in Tampa Electric's July 26, 2001 answers to the Staff's Second Set of Interrogatories (Nos. 2-8) be designated confidential pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code and be protected from public disclosure.

DATED this 16th day of August, 2001.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Request for Confidential Classification, filed on behalf of Tampa Electric Company, has been furnished by hand delivery (*) or U. S. Mail on this 16 day of August, 2001 to the following:

Mr. Wm. Cochran Keating, IV*
Staff Counsel
Division of Legal Services
Florida Public Service Commission
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Tallahassee, FL 32399-0850

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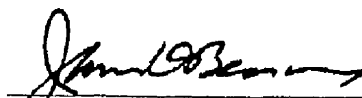
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Tallahassee, FL 32302



ATTORNEY

JUSTIFICATION FOR CONFIDENTIAL TREATMENT

<u>Page No.</u>	<u>Line</u>	<u>Column No.</u>	<u>Justification</u>
Interrogatory No. 5 Pages 2 of 9 through 9 of 9	All lines	All six columns in the right two thirds of each page	(1)
Interrogatory No. 6 Pages 3 of 13 through 10 of 13	All lines	All six columns in the right two thirds of each page	(1)
Interrogatory No. 6 Pages 11 of 13 through 12 of 13	All lines	The right hand column showing the seller(s)	(2)
Interrogatory No. 6 Page 13 of 13	All lines	All columns other than the column indicating the year and month	(3)
Interrogatory No. 7	All lines	a.	(2),(4)
Interrogatory No. 7	All lines	d., e.	(1), (3)

-
- (1) The highlighted information shows details regarding Tampa Electric Company's megawatt hour sales, energy charge, and total revenue dollars for competitive wholesale power sales. Public disclosure of this information would provide Tampa Electric's wholesale power sales competitors with significant useful information with which to compete against Tampa Electric in the wholesale power market. Attached hereto as Exhibit "A" and incorporated herein by reference is a copy of an Affidavit of William L. Brown III, Tampa Electric's Director Wholesale Marketing and Sales, filed in this docket on July 12, 2001 in support of a Motion for a Protective Order which discusses the sensitive nature of this type of historic price information and the harm that its disclosure would cause to Tampa Electric's competitive interests.

The information in question relates to competitive interests the disclosure of which would impair the competitive business of Tampa Electric, the provider of the information. As such, it is specifically included in the categories of proprietary confidential business information set forth in Section 366.093(3), Florida Statutes.

- (2) With respect to purchases, the highlighted information discloses those wholesale power suppliers from whom Tampa Electric has recently purchased wholesale power. This is proprietary confidential business information the disclosure of which would enable Tampa Electric's competitors in the wholesale power market to better profile Tampa

Electric's wholesale power purchase options by disclosing the parties with whom Tampa Electric has wholesale power transactions. As such, this information relates to competitive interests, the disclosure of which would impair the competitive business of Tampa Electric, the provider of the information. As such, the information in question is specifically included in the definition of proprietary confidential business information set forth in Section 366.093(3), Florida Statutes.

- (3) The information in question discloses the rates on a dollar per megawatt hour basis at which Tampa Electric has purchased wholesale power in the recent past. Disclosure of this information would arm potential sellers of wholesale power to Tampa Electric with information enabling them to press for a higher price from Tampa Electric for wholesale power sale than might otherwise be the case if they did not have this information. It would also enable them to profile Tampa Electric's power purchase pricing on a detailed month by month basis. All of this information could be used to the detriment of Tampa Electric and its retail customers as described in the Affidavit attached hereto as Exhibit "A". Consequently, this information relates to competitive interests, the disclosure of which would impair the competitive business of Tampa Electric, the provider of the information. Public disclosure of this information would also adversely affect Tampa Electric's ability to contract for purchased power on favorable terms. It follows that this information is specifically covered in the definition of proprietary confidential business information set forth in Section 366.093(3), Florida Statutes.
- (4) With respect to sales, this information discloses the identity of Tampa Electric's wholesale power customers and public disclosure of this information would cause the same harm as disclosure of Tampa Electric's wholesale power suppliers described in Rationale (2) above.

A F F I D A V I T

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

Before me the undersigned authority, personally appeared WILLIAM L. BROWN III, who, first being duly sworn, deposed and said that he is Director Wholesale Marketing and Sales of Tampa Electric Company, and that the information below is true and correct to the best of his knowledge, information, and belief.

Confidential treatment of certain electric wholesale market information:

I have been responsible for the purchase and sale of wholesale power for Tampa Electric Company since April, 1997. I have personally witnessed and participated in the development of the wholesale market within peninsular Florida and throughout the country.

I have read the Motion for a Protective Order to which my Affidavit is appended as Exhibit "A". I verify that the factual matters asserted therein regarding the sensitive, competitive nature of the information that is the subject of such Motion and the harm that Tampa Electric and its general body of ratepayers would suffer if the information is made public or shown to any FIPUG member that competes with Tampa Electric in the wholesale power market are true and correct.

Florida's wholesale market is entirely bilateral, i.e. all transactions are one-on-one and treated confidentially. Other regions (hubs) such as Entergy and Cinergy have developed wholesale power price indices which are updated hourly and published on a daily basis. Deal details are generically published, i.e. the parties are not identified. These indices represent average prices for standard products which are bought and sold into/out of these hubs. Deals within Florida, however, are not published. Past, present and future market price discovery within Florida is accomplished via extensive and costly personal inquiry and research. Tampa Electric invests considerable time and resources "defining the market" each hour of each day. Historical price information is invaluable since the market is typically cyclical. Purchased power quantities and actual prices paid for wholesale power by a market participant are invaluable information and are basic building blocks for future market price forecasting models.

In addition to market price discovery, a supplier's costs and availability are valuable information to other participants. A competitor can take advantage of another by knowing their hourly incremental cost of generation. This information can be used to determine the participant's level of vulnerability at any given time, i.e. the cost reveals which generating unit is currently on the margin. This information is invaluable in determining a participant's level of supply at any

Exhibit "A"

given time. Market participants extract most of their profits when supply vs. demand is out of balance, e.g. California. Historical incremental generation cost data is also valuable to competitors in that it can provide a competitor with an inside look at a participant's operations because a participant's generation portfolio or mode of operation does not change significantly from year to year. Incremental cost data for the years 1998 and 1999 are very sensitive from a competitive standpoint and if made public, could be used by Tampa Electric's wholesale competitors to Tampa Electric's significant disadvantage. This is largely because there have not been significant changes to Tampa Electric's system configuration and operation since the beginning of 1998. This applies equally to the cost data requested in FIPUG's Interrogatory No. 11(e) and to the HAP reports Tampa Electric has offered to provide in response to FIPUG's Document Request No. 3.

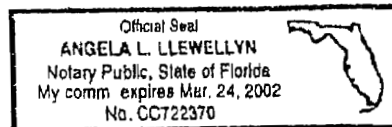
FIPUG has requested that Tampa Electric provide system costs, sales and purchased power information in response to various Interrogatories and Production of Documents (Docket No. 010001-EI). Specific information requests include purchased power and sales contract details, system incremental generation costs, historical power sales quantities and prices and purchased power quantities and prices. (It should be noted that the Federal Energy Regulatory Commission does not allow Tampa Electric to exchange market information with its own affiliates who have market-based pricing authority.) While we have genuinely attempted to comply with FIPUG's requests, we are very concerned with the sensitive nature of this information. FIPUG represents entities who are both Tampa Electric retail customers and wholesale market participants. Should the requested information be shared with FIPUG members who are wholesale market participants or with the public in general, it could disadvantage Tampa Electric's retail customers. We have, therefore, asked FIPUG to sign a non-disclosure agreement as a prerequisite to receiving both market and cost information. FIPUG has objected, which further concerns us and should concern this Commission.

Dated at Tampa, Florida this 12 day of July 2001.


WILLIAM L. BROWN III

Sworn to and subscribed before me this 12th day of July 2001, with the Affiant being personally known to the undersigned.


NOTARY PUBLIC



My Commission expires: MARCH 24, 2002