



ASSOCIATE GENERAL COUNSEL

JAMES A. MCGEE

October 11, 2001

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

RECEIVED - FPSC
01 OCT 11 PM 4:35
COMMISSION CLERK

Re: Docket No. 010001-EI;
Request for Confidential Classification.

Dear Ms. Bayó:

Enclosed for filing in the subject docket is Florida Power Corporation's Request for Confidential Classification. The documents containing the information for which confidential classification is sought were highlighted and enclosed with Florida Power's Notice of Intent to Request Confidential Classification filed on September 20, 2001. The Notice also included two public copies of the documents, with the confidential information redacted. The highlighted portions of the unredacted version of these documents should continue to be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.

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 WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

[Handwritten signature of James A. McGee]

James A. McGee

JAM/scc
Enclosure

cc: Parties of record

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12968 OCT 11 01
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost
Recovery Clause and Generating
Performance Incentive Factor.

Docket No. 010001-EI

Submitted for filing:
October 11, 2001

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 those responses by the Company to Staff's Second Set of Interrogatories and to Staff's First Request for Production of Documents enclosed with Florida Power's Notice of Intent to Request Confidential Classification filed on September 20, 2001 (the Responses). Two public copies of the Responses, with the confidential information redacted, were also enclosed with the Notice. In support of its request, Florida Power states as follows:

1. 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]." Proprietary confidential business information includes, but is not limited to, "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms." Section 366.093(3)(d). It also includes "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." Section 366.093(3)(e).

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The designated portions of the Responses fall within these statutory categories and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

2. The increasingly competitive wholesale power market in which Florida Power operates has caused certain information contained in the Responses to become commercially sensitive and justifies its protection from disclosure to the Company's competitors. Disclosure of the highlighted information in the Responses would place Florida Power at a disadvantage against the Company's potential purchasers and suppliers of wholesale power and its competitors for such purchasers and suppliers in the wholesale power market by giving them otherwise unavailable knowledge of Florida Power's trading personnel and its hedging practices, restrictions and limitations. Many of these purchasers, suppliers and competitors are not subject similar regulatory review that would disclose comparable information to Florida Power. This one-way flow of knowledge would impair Florida Power's competitive interests in its power marketing business.

3. The following is a justification supporting Florida Power's request for confidential classification of the highlighted information in the Responses.

Interrogatory Responses

Interrogatories 22 and 119. The hiring and retention of skilled power marketing personnel is among the most highly competitive functions within Florida Power's overall operations. Disclosure of the highlighted information in these Responses would place Florida Power at a disadvantage against competitors for skilled power marketing employees by giving them otherwise unavailable knowledge regarding the name and position of the Company's traders and factors considered in their compensation. This knowledge would impair Florida Power's competitive interests in retaining its skilled power

marketing personnel and in protecting its investment of time, money and resources for the training of such personnel in the power marketing business.

Interrogatories 27, 28, 30 and 31. Disclosure of the highlighted information in these Responses would place Florida Power at a disadvantage against the Company's potential suppliers of fuel and wholesale power by giving them otherwise unavailable knowledge of the specific kinds of hedging practices in which Florida Power is engaged and the specific types of fuel for which those practices are or are not utilized. This knowledge would enable potential suppliers to tailor their bids accordingly and prevent Florida Power from receiving their lowest prices. These effects of disclosure would thus impair the efforts of the Company to contract for goods and services on favorable terms for the benefit of its customers.

Interrogatories 39, 40 and 44. Disclosure of the highlighted information in these Responses would place Florida Power at a disadvantage against the Company's potential suppliers of fuel and wholesale power by giving them otherwise unavailable knowledge of the specific kinds of hedging contracts or transaction used by Florida Power and the specific types and quantities of fuel for which those contracts and transactions are utilized. This knowledge would enable potential suppliers to tailor their bids accordingly and prevent Florida Power from receiving their lowest prices. These effects of disclosure would thus impair the efforts of the Company to contract for goods and services on favorable terms for the benefit of its customers.

Interrogatories 61 through 65. Disclosure of the highlighted information in these Responses would place Florida Power at a disadvantage against the Company's potential suppliers of natural gas and residual oil by giving them otherwise unavailable knowledge of detailed contractual terms, including pricing and discount provisions, of all the Company's past and (for natural gas) future supply contracts. This particularly sensitive knowledge would enable such potential suppliers to tailor their bids accordingly and prevent Florida Power from receiving their lowest prices. These effects of disclosure would thus impair the efforts of the Company to contract for goods and services on favorable terms for the benefit of its customers.

Interrogatories 86, 93 and 94. Disclosure of the highlighted information in these Responses would place Florida Power at a disadvantage against the Company's potential suppliers of fuel and wholesale power by giving them otherwise unavailable knowledge of the advantages and preferences seen by the Company for specific kinds of hedging practices in different types of transactions, including the associated risks and the Company's strategies to

mitigate these risks. This knowledge would enable potential suppliers to tailor their bids accordingly and prevent Florida Power from receiving their lowest prices. These effects of disclosure would thus impair the efforts of the Company to contract for goods and services on favorable terms for the benefit of its customers.

Interrogatory 107. Disclosure of the highlighted information in this Response, which provides the times when the Company began to “ramp down” wholesale sales, would place Florida Power at a disadvantage against its potential suppliers of wholesale power by giving them knowledge, when coupled with other market information available to them, of the market price at which Florida Power recalled non-firm wholesale sales, thus indicating the price level at which the Company experiences a need to make purchases in the wholesale market. This knowledge would enable potential suppliers to time and tailor their bids accordingly and prevent Florida Power from receiving their lowest prices. These effects of disclosure would thus impair the efforts of the Company to contract for goods and services on favorable terms for the benefit of its customers.

Production of Document Responses

Appendices to “Risk Management Guidelines” (Section 13) and “Credit Risk Management Guidelines” (Section 9). Disclosure of the highlighted information in these Responses would place Florida Power at a disadvantage against the Company’s potential suppliers of fuel and wholesale power by giving them otherwise unavailable knowledge of the specific risk management and credit risk management coverage criteria and specifications applicable to the individual power marketing transactions made by the Company. This knowledge would enable potential suppliers to tailor their bids accordingly and prevent Florida Power from receiving their lowest prices. These effects of disclosure would thus impair the efforts of the Company to contract for goods and services on favorable terms for the benefit of its customers.

Daily Trading Reports, Version 1 (8 pages) and Version 2 (24 pages). Disclosure of the highlighted information in these Responses would place Florida Power at a disadvantage against the Company’s potential suppliers of fuel and wholesale power by giving them otherwise unavailable knowledge of detailed market data for transactions by individual supplier, as well as the Company’s methodology and assessment criteria for the analysis and comparison of this data. This knowledge would enable such potential suppliers to tailor their bids accordingly and prevent Florida Power from receiving their lowest prices. These effects of disclosure would thus impair the efforts of the

Company to contract for goods and services on favorable terms for the benefit of its customers.

4. The designated information for which confidential classification is sought is intended to be and is treated by the Company as private and has not been publicly disclosed.

WHEREFORE, Florida Power respectfully requests that the highlighted information in the Responses enclosed with its previously filed Notice be classified as confidential for the reasons set forth above.

Respectfully submitted,

FLORIDA POWER CORPORATION

By 

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FLORIDA POWER CORPORATION

DOCKET NO. 010001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Request for Confidential Classification has been furnished to the following individuals by regular U.S. Mail the 12th day of October, 2001.

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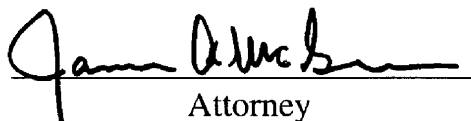
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