

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Florida Power Corporation's Earnings, Including Effects of Proposed Acquisition of Florida Power Corporation by Carolina Power & Light

DOCKET NO. 000824-EI

Submitted for Filing:
February 21, 2002

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**FLORIDA POWER CORPORATION'S
FOURTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Florida Power Corporation ("Florida Power"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, F.A.C., requests confidential classification of the highlighted portions of the testimony of David Dismukes, R. Earl Poucher and Kimberly H. Dismukes contained in the sealed envelope attached to this request ("the Testimony"). Fifteen public copies of the Testimony, with the confidential information redacted, have been filed with this request. In further support of this request, Florida Power states as follows:

Introduction

On January 22, 2002, the Citizens of the State of Florida (hereinafter "Citizens"), pre-filed the testimony of David Dismukes, Donna Deronne, R. Earl Poucher and Kimberly H. Dismukes. On January 31, 2002, Florida Power filed a Notice of Intent to Seek Confidential Classification of certain portions of the testimony of David Dismukes, Donna Deronne, R. Earl Poucher and Kimberly H. Dismukes. Florida Power has reviewed the testimony of Donna Deronne and determined that this testimony does not contain any confidential information. The confidential portions of the testimony of the remaining witnesses has been highlighted and placed in the sealed envelope attached to this request.

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Some of the information referenced by the of the witnesses was obtained from confidential documents provided to Citizens pursuant to a confidentiality agreement. Although the actual documents referenced in the testimony are not attached as exhibits to the testimony, Florida Power reaffirms that nothing in this request shall constitute a waiver of the confidentiality of the documents referenced in the testimony.

The information for which confidential classification is sought has not been made public and generally falls into one of following categories:

1) sensitive internal financial information regarding of the Company's regulated and unregulated businesses, premature disclosure of which could compromise competitive interests, encourage market speculation and directly affect the Company's credit rating and cost of capital;

2) detailed customer information, including names and account numbers, regarding customer contacts with the Company, the disclosure of which would harm the privacy interests of individual customers and may deter customers from contacting the Company in the future if such information is subject to public disclosure; and

3) proprietary economic information that was purchased from a research firm pursuant to a contract that requires FPC to maintain the confidentiality of the information.

The confidentiality of this information is protected by Section 366.093, Florida Statutes, and Rule 25-22.006, F. A. C. The statute generally defines "proprietary confidential business information" to include information that, if disclosed, "would cause harm to the ratepayers or the...company's business operations...." § 366.093(3), *Fla. Stat.* Without limiting this broad definition, the statute specifically protects against disclosure of "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." § 366.093(3)(e), *Fla. Stat.* All of the highlighted information falls

into one or both of these categories and thus constitutes "proprietary confidential business information" that is protected from public disclosure.

Financial Information

The Testimony references internal projections of future financial performance prepared in connection with and in anticipation of the merger. The projections were prepared solely for internal use by management (both CP&L and Florida Power) in analyzing the potential impacts of the merger and the potential performance of the consolidated company under various scenarios. The projections have been kept strictly confidential.

Because these projections have not been publicly disclosed, they likely would be closely scrutinized by financial analysts and could encourage market speculation about the Company's future financial performance. This could impact the Company's credit rating, which in turn would directly affect the Company's cost of capital, thus harming both the Company and its ratepayers.

Moreover, financial projections are necessarily based on a host of assumptions that change over time. If an assumption proves to be inaccurate in any material respect, the projection is likewise inaccurate. The projections at issue here were intended solely for internal use by Company management who understand the limitations of financial forecasting. The projections were never intended to be disseminated to the public, where the Company has no ability to explain the underlying assumptions and how they may have changed since the forecasts were prepared. Further, the Company has an obligation to provide consistent information to the public, and any perceived inconsistency could fuel speculation and risk confusion in the public market.

The potential for harm is increased where, as here, a number of the projections are based upon allocation factors that have been proposed to the SEC, but have not been adopted. The proposed allocation factors could be modified or rejected entirely, in which case the projections would change materially. The possibility of conflicting or inconsistent projections substantially increases the likelihood of market confusion and/or speculation.

Disclosure of confidential internal financial information also raises questions about compliance with the SEC fair disclosure requirements imposed by "Regulation FD." See 17 CFR §243.100. The projections have been kept confidential, and if it is made public in this proceeding, the Company may have an obligation to take steps to ensure that there can be no claim of selective disclosure. If the Company is required to affirmatively publicize the forecasts, it would give the incorrect impression that they were intended for public dissemination, when they in fact were never intended to be used by the public to evaluate the Company's future financial performance. The resulting potential for market confusion and speculation would be very damaging to the Company and its ratepayers. For all of these reasons, forecasts of financial performance and testimony based upon these forecasts should be classified as confidential pursuant to Subsection 366.093(3), *Fla. Stat.*

Customer Information

The Testimony includes detailed customer information, including individual names and account numbers, relating to customer calls to the Company. Further, the Testimony reveals the general subject matter of the calls and that some of the calls may have related to personal credit information. Public disclosure of this information would invade the privacy of individual customers by revealing their name, account number and reason for calling the Company, and could deter customers from contacting the Company in the future. The Company treats all

customer information as highly confidential. For these reasons, all detailed customer information should be classified as confidential pursuant to Subsection 366.093(3), *Fla. Stat.*

Third Party Proprietary Information

FPC also requests confidential classification for the Testimony outlined in the attached Justification Matrix that refers to information purchased from WEFA. This is proprietary information developed by WEFA, which it sells pursuant to an agreement that requires the information to be kept confidential. The information is not public and FPC has treated this information as confidential.

Public disclosure of this proprietary information would harm FPC most directly by potentially exposing it to liability for breach of contract. Because disclosure would harm the Company's business operations, the information should be classified as confidential pursuant to Subsection 366.093(3), *Fla. Stat.*

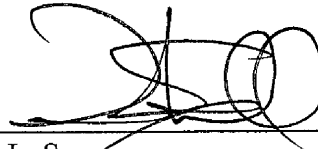
Disclosure of this information would also impair WEFA's competitive interests, since the data would lose its proprietary value if it were to become public record. The information is thus protected by Subsection 366.093(3)(e), *Fla. Stat.*

Public disclosure of this information also would undermine FPC's ability to obtain the information in the future, as WEFA may refuse to provide proprietary data to FPC if that data could become public record and thus be available for free to anyone. FPC routinely uses economic data developed by WEFA in its business operations, and not having access to that information would harm the Company's business operations. The information thus should be classified as confidential pursuant to Subsection 366.093(3), *Fla. Stat.*

Conclusion

For the reasons set forth above and in the attached Justification Matrix, Florida Power respectfully requests confidential classification of the highlighted portions of the Testimony contained in the sealed envelope attached to this request.

Respectfully submitted,



James A. McGee
FLORIDA POWER CORPORATION
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Gary L. Sasso
James Michael Walls
Jill H. Bowman
W. Douglas Hall
CARLTON FIELDS, P. A.
Post Office Box 2861
St. Petersburg, FL 33731
Telephone: (727) 821-7000
Facsimile: (727) 822-3768
Attorneys for Florida Power Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via hand delivery (where indicated by *) and via U.S. Mail to the following this 21st day of February, 2002.

Mary Anne Helton, Esquire **
Adrienne Vining, Esquire
Bureau Chief, Electric and Gas
Division of Legal Services
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Phone: (850) 413-6096
Fax: (850) 413-6250
Email: mhelton@psc.state.fl.us

Jack Shreve, Esquire
Public Counsel
John Roger Howe, Esquire
Charles J. Beck, Esquire
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400
Phone: (850) 488-9330
Attorneys for the Citizens of the State of
Florida

Daniel E. Frank
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2415
Telephone: (202) 383-0838
Counsel for Walt Disney World Co.

Thomas A. Cloud, Esq.
Gray, Harris & Robinson, P.A.
301 East Pine Street, Ste. 1400
P.O. Box 3068
Orlando, FL 32801
Phone: (407) 244-5624
Fax: (407) 244-5690
Attorneys for Publix Super Markets, Inc.

Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
117 South Gadsden
Tallahassee, FL 32301
Telephone: (850) 222-2525
Fax: (85) 222-5606
Counsel for Florida Industrial Power Users
Group and Reliant Energy Power Generation,
Inc.

Russell S. Kent, Esq.
Sutherland Asbill & Brennan LLP
2282 Killearn Center Blvd.
Tallahassee, FL 32308-3561
Telephone: (850) 894-0015
Counsel for Walt Disney World Co.

John W. McWhirter, Jr., Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
400 North Tampa Street, Suite 2450
Tampa, FL 33601-3350
Telephone: (813) 224-0866
Fax: (813) 221-1854
Counsel for Florida Industrial Power Users
Group

Michael B. Twomey, Esq.
8903 Crawfordville Road (32305)
P.O. Box 5256
Tallahassee, FL 32314-5256
Phone: (850) 421-9530
Fax: (850) 421-8543
Counsel for Sugarmill Woods Civic
Association, Inc. and Buddy L. Hansen



Attorney

JUSTIFICATION MATRIX
(R. Earl Poucher)

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification
17	25	This internal forecast of projected future cash flow is confidential and has not been made public. Premature disclosure of internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
Exhibit REP-2 pages 1-22	Columns containing customer names and account numbers	Disclosure of individual customer information, including names and account numbers relating to customer calls to the Company, would invade the privacy interests of the individual customers and could harm individual ratepayers and the Company by deterring customers from contacting the Company in the future. The Company treats all customer information as highly confidential. <i>See</i> § 366.093(3) (harm to the Company's business operations).
Exhibit REP-3 pages 1-80	Columns containing customer names and account numbers	Disclosure of individual customer information, including names and account numbers relating to customer calls to the Company, would invade the privacy interests of the individual customers and could harm individual ratepayers and the Company by deterring customers from contacting the Company in the future. The Company treats all customer information as highly confidential. <i>See</i> § 366.093(3) (harm to the Company's business operations).
Exhibit REP-6 page 1	ALL rows of 2003 Column only	The Company's future Business Plan is highly confidential and proprietary. Disclosure could harm the Company's competitive interests. <i>See</i> Subsection 366.093(3)(e) (harm to competitive interests). In addition, premature disclosure of projected future expenses could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).

JUSTIFICATION MATRIX
(Kimberly H. Dismukes)

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification
21	24	The breakdown of projected synergy savings among CP&L and Progress Energy's non-regulated affiliates has not been made public and is confidential. Premature disclosure of these internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
22	1	The breakdown of projected synergy savings among CP&L and Progress Energy's non-regulated affiliates has not been made public and is confidential. Premature disclosure of these internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
46	4, 6, 8, 23	Disclosure of financial projections based upon allocation factors not approved by the SEC could cause market confusion and speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).

	<u>Column</u>	<u>Row</u>	
Schedule 2	CP&L, Non-regulated and Total	ALL, except \$175 million Total Synergies	The breakdown of projected synergy savings among CP&L and Progress Energy's non-regulated affiliates has not been made public and is confidential. Premature disclosure of these internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
Schedule 9 1-6	ALL	ALL	The breakdown of projected synergy savings among CP&L and Progress Energy's non-regulated affiliates has not been made public and is confidential. Premature disclosure of these internal financial projections could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. The potential for harm is increased where the financial projections are based upon allocation factors not approved by the SEC, which could exacerbate market confusion and speculation. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).

	<u>Column</u>	<u>Row</u>	
Schedule 10	ALL	ALL, except for FPC Energy Supply, FPC Energy Delivery and FPC Regulated	Disclosure of detailed budgetary information and preliminary internal financial projections for Florida Progress' regulated and unregulated businesses could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. Further, disclosure of this information would substantially impair Florida Progress' competitive interests for the unregulated businesses. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Prospective buyers could use this information to their advantage and to Florida Progress' detriment in negotiating contract terms and prices. <i>See</i> § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
Schedule 11 pages 1-4	ALL	ALL	Disclosure of detailed budgetary information and preliminary internal financial projections for the Company could harm the Company and its ratepayers by encouraging market speculation, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information could also raise compliance issues with respect to Regulation FD. Further, disclosure of this information would substantially impair the Company's competitive interests. Competitors could use this information to infer costs and profitability, which could be used to target existing and prospective customers. Prospective buyers could use this information to their advantage and to the Company's detriment in negotiating contract terms and prices. <i>See</i> § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).

JUSTIFICATION MATRIX
(R. Earl Poucher)

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification
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JUSTIFICATION MATRIX
(David E. Dismukes)

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification
Exhibit DED-4	ALL	<p>The exhibit contains proprietary economic information purchased from WEFA pursuant to a contract that requires FPC to keep the information confidential. Disclosure could potentially expose FPC to liability for breach of contract. Disclosure would also harm WEFA's competitive interests, since the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).</p>
Exhibit DED-5	ALL	<p>The exhibit contains proprietary economic information purchased from WEFA pursuant to a contract that requires FPC to keep the information confidential. Disclosure could potentially expose FPC to liability for breach of contract. Disclosure would also harm WEFA's competitive interests, since the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).</p>

JUSTIFICATION MATRIX
(David E. Dismukes)

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Exhibit DED-5	ALL	<p>The exhibit contains proprietary economic information purchased from WEFA pursuant to a contract that requires FPC to keep the information confidential. Disclosure could potentially expose FPC to liability for breach of contract. Disclosure would also harm WEFA's competitive interests, since the proprietary information would lose its value if it becomes public record. Disclosure would also undermine FPC's ability to obtain the information in the future and thus impair its business operations. The information is protected by Subsection 366.093(3) (harm to the Company's business operations) and Subsection 366.093(3)(e) (harm to competitive interests).</p>

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DOCKET NO. 000824-EI

Submitted for Filing:
February 21, 2002

AFFIDAVIT OF MARK A. MYERS

**STATE OF FLORIDA
COUNTY OF PINELLAS**

I, Mark A. Myers, having first been duly sworn, do hereby state as follows:

1. My name is Mark A. Myers. I am employed by Florida Power Corporation ("Florida Power" or "the Company") as Vice President of Finance. The facts stated in this affidavit are based upon my personal knowledge.

2. I have reviewed the Fourth Request for Confidential Classification to which this affidavit is attached and the Justification Matrices identifying the confidential testimony of David Dismukes, R. Earl Poucher and Kimberly H. Dismukes ("the Testimony"). The confidential information identified in the matrices is intended to be confidential and is treated by Florida Power and its related companies as confidential. None of the confidential information has been publicly disclosed.

3. Public disclosure of the confidential information would harm the Company and its ratepayers and would impair the Company's competitive interests. The Fourth Request for Confidential Classification and the Justification Matrices accurately describe the harm to the Company and its ratepayers that would be caused by public disclosure of the confidential information.

4. The Testimony references internal projections of future financial performance prepared in connection with and in anticipation of the merger. The projections were prepared solely for internal use by management (both CP&L and Florida Power) in analyzing the potential impacts of the merger and the potential performance of the consolidated company under various scenarios. The projections have been kept strictly confidential.

5. Because these projections have not been publicly disclosed, they likely would be closely scrutinized by financial analysts and could encourage market speculation about the Company's future financial performance. This could impact the Company's credit rating, which in turn would directly affect the Company's cost of capital, thus harming both the Company and its ratepayers.

6. Moreover, financial projections are necessarily based on a host of assumptions that change over time. If an assumption proves to be inaccurate in any material respect, the projection is likewise inaccurate. The projections at issue here were intended solely for internal use by Company management who understand the limitations of financial forecasting. The projections were never intended to be disseminated to the public, where the Company has no ability to explain the underlying assumptions and how they may have changed since the forecasts were prepared. Further, the Company has an obligation to provide consistent information to the public, and any perceived inconsistency could fuel speculation and risk confusion in the public market.

7. The potential for harm is increased where, as here, a number of the projections are based upon allocation factors that have been proposed to the SEC, but have not been adopted. The proposed allocation factors could be modified or rejected entirely, in which case the

projections would change materially. The possibility of conflicting or inconsistent projections substantially increases the likelihood of market confusion and/or speculation.

8. Disclosure of confidential internal financial information also raises questions about compliance with the SEC fair disclosure requirements imposed by "Regulation FD." See 17 CFR §243.100. The projections have been kept confidential, and if it is made public in this proceeding, the Company may have an obligation to take steps to ensure that there can be no claim of selective disclosure. If the Company is required to affirmatively publicize the forecasts, it would give the incorrect impression that they were intended for public dissemination, when they in fact were never intended to be used by the public to evaluate the Company's future financial performance. The resulting potential for market confusion and speculation would be very damaging to the Company and its ratepayers.

9. The Testimony includes detailed customer information, including individual names and account numbers, relating to customer calls to the Company. Further, the Testimony reveals the general subject matter of the calls and that some of the calls may have related to personal credit information. Public disclosure of this information would invade the privacy of individual customers by revealing their name, account number and reason for calling the Company, and could deter customers from contacting the Company in the future. The Company treats all customer information as highly confidential.

10. FPC also requests confidential classification for testimony that refers to information purchased from WEFA. This is proprietary information developed by WEFA, which it sells pursuant to an agreement that requires the information to be kept confidential. The information is not public and FPC has treated this information as confidential.

11. Public disclosure of this proprietary information would harm FPC most directly by potentially exposing it to liability for breach of contract. Because disclosure would harm the Company's business operations, the information should be classified as confidential.

12. Disclosure of this information would also impair WEFA's competitive interests, since the data would lose its proprietary value if it were to become public record.

13. Public disclosure of this information also would undermine FPC's ability to obtain the information in the future, as WEFA may refuse to provide proprietary data to FPC if that data could become public record and thus be available for free to anyone. FPC routinely uses economic data developed by WEFA in its business operations, and not having access to that information would harm the Company's business operations.

14. For all of these reasons, the Testimony should be kept confidential to avoid harm to the Company and its ratepayers.

This concludes my affidavit.

MARK A. MYERS

Sworn to and subscribed before me this 21st day of February, 2002, by Mark A. Myers, who is personally known to me or who has produced _____ as identification.

NOTARY PUBLIC

Type or Print Name

My Commission Expires: _____