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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:
March 18, 2002

FLORIDA POWER CORPORATION'S SEVENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION (Florida Power's December 2001 Operating Report)

Florida Power Corporation ("Florida Power" or "the Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, F.A.C., requests confidential classification of the highlighted portions of Florida Power's December 2001 Operating Report ("Operating Report"). Fifteen public copies of the Operating Report, with the confidential information redacted, have been filed with this request. In further support of this request, Florida Power states as follows:

Introduction

On or about March 1, 2002, the Staff of the Public Service Commission ("Staff") requested a copy of the Operating Report. On March 5, 2002, Florida Power filed a seventh notice of intent to request confidential classification of the Operating Report. On March 8, 2002,

AUS _____
CAF _____
CMP _____
COM _____
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SEC _____
OTH _____

Florida Power filed an amended seventh notice of intent to request confidential classification and delivered a complete copy of the Operating Report to the Commission, with the confidential information highlighted by page or line, as appropriate.

The information in the Operating Report for which confidential classification is sought is highly proprietary and has not been made public. The Operating Report includes financial information about the Company's regulated and unregulated businesses at a high level of detail,

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so that the Operating Report is considered as highly sensitive and proprietary. Premature disclosure of this information could compromise the Company's competitive interests, encourage market speculation and directly affect the Company's credit rating and cost of capital.

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.

Operating Report

The Operating Report contains information regarding the income, budget, sales and assets for the Company's regulated and non-regulated industries. The Operating Report also contains information about production, fuel consumption, and power delivery and purchases for the Company's regulated and non-regulated industries. This information was prepared by management to analyze past and future performance of the Company. The information is kept strictly confidential and is not released until such time as the Securities Exchange Commission (SEC) requires the release of such information.

Because this information has not yet been publicly disclosed, it likely would be closely scrutinized by financial analysts and could encourage market speculation about the Company's future financial performance. This could immediately 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 included in the Operating Report were not intended to be disseminated to the public without an accompanying explanation by the Company of the underlying assumptions and how they may have changed since the forecasts were prepared.

The level of financial detail provided in the Operating Report could also be used by competitors to analyze the Company's cost structure and profitability, which would significantly affect the Company's ability to deal with its competitors on an equal basis. Thus, the release of such information could significantly harm the competitive interests of the Company.

Disclosure of confidential 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 not 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, the information in the Operating Report 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 Operating Report.

Respectfully submitted,



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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 18th day of March, 2002.

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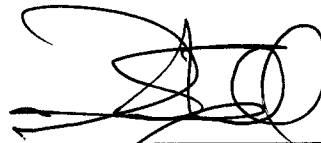
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Attorney

JUSTIFICATION MATRIX

Bates Number	Row	Column	Justification for Seventh Request For Confidential Classification of FPC's December 2002 Operating report
5-10 12-53	All	All	<p><u>Income Statements</u> Financial information from the Company's income statements at this level of detail for the Company's regulated and nonregulated businesses is highly proprietary and confidential. Disclosure of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. This information could also be used by competitors to analyze the Company's cost structure and profitability, which could significantly affect the Company's ability to deal with its competitors on an equal basis. Disclosure of this information also raises questions concerning compliance with Regulation FD. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).</p>
55-67	All	All	<p><u>Balance Sheets</u> Financial information from the Company's balance sheets, including assets, liabilities and capital structure, at this level of detail for the Company's regulated and nonregulated businesses is highly proprietary and confidential. Disclosure of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. This information could also be used by competitors to analyze the Company's cost structure and profitability, which could significantly affect the Company's ability to deal with its competitors on an equal basis. Disclosure of this information also raises questions concerning compliance with Regulation FD. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).</p>

70-72	All	All	<p><u>Operation & Maintenance Expenses</u> Information about the Company's O&M expenses at this level of detail is highly proprietary and confidential. Disclosure of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. This information could also be used by competitors to analyze the Company's cost structure and profitability, which could significantly affect the Company's ability to deal with its competitors on an equal basis. Disclosure of this information could also adversely affect the Company's ability to negotiate with vendors and suppliers in negotiating contract terms and pricing. Disclosure of this information also raises questions concerning compliance with Regulation FD. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).</p>
73-74	All	All	<p><u>Taxes Other Than Income Taxes</u> Information about the Company's tax liabilities at this level of detail for the Company's regulated and nonregulated businesses is highly proprietary and confidential. Disclosure of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. This information could also be used by competitor's to analyze the Company's cost structure and profitability, which would significantly affect the Company's ability to deal with its competitors on an equal basis. Disclosure of this information also raises questions concerning compliance with Regulation FD. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).</p>
75	All	All	<p><u>Retained Earnings</u> Financial information about the Company's earnings at this level of detail is highly proprietary and confidential. Disclosure of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's</p>

			credit rating and cost of capital. This information could also be used by competitor's to analyze the Company's cost structure and profitability, which would significantly affect the Company's ability to deal with its competitors on an equal basis. Disclosure of this information also raises questions concerning compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).
77	All	All	<u>Fuel Cost Comparison</u> The Company's internal analysis of fuel consumption and costs at this level of detail is highly proprietary and confidential. Premature disclosure of this information without sufficient explanation could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this information also raises questions concerning compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
78-80	All	All	<u>Production Statistics</u> Information about the Company's production at this level of detail is highly proprietary and confidential. Premature disclosure without sufficient explanation of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this information also raises questions concerning compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).

81-84	All	All	<p><u>Sales Information</u> Information about the Company's revenues and sales at this level of detail is highly proprietary and confidential. Premature disclosure without sufficient explanation of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this information also raises questions concerning compliance with Regulation FD. See § 366.093(3) (harm to the Company's business operations).</p>
85-93	All	All	<p><u>Power Delivered and Purchased</u> Information about the Company's power delivery and purchases at this level of detail is highly proprietary and confidential. Premature disclosure without sufficient explanation of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this information could also on the Company's competitive interests. Disclosure of this information also raises questions concerning compliance with Regulation FD. See § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).</p>
94	All	All	<p><u>Utility Plant and Other Property</u> Information about the Company's property for regulated and non-regulated businesses at this level of detail is highly proprietary and confidential. Premature disclosure of the regulated information without sufficient explanation could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Non-regulated information is never released at this level of detail and the disclosure of such could also encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this information also raises questions concerning compliance with</p>

			Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
95	All	All	<u>Asset Depreciation</u> Information about the Company's depreciation of assets at this level of detail is highly proprietary and confidential. Disclosure at this level of detail and premature disclosure of some information without sufficient explanation could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this information also raises questions concerning compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations).
96-97	All	All	<u>Payroll</u> Financial information from the Company's payroll budget at this level of detail for the Company's regulated and non-regulated businesses is highly proprietary and confidential. Disclosure of this information could encourage market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. This information could also be used by competitors to analyze the Company's cost structure and profitability, which would significantly affect the Company's ability to deal with its competitors on an equal basis. Disclosure of this information also raises questions concerning compliance with Regulation FD. <i>See</i> § 366.093(3) (harm to the Company's business operations) and (3)(e) (harm to competitive interests).

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DOCKET NO. 000824-EI

Submitted for Filing:
March 18, 2002

AFFIDAVIT OF MARK A. MYERS

STATE OF FLORIDA
COUNTY OF Leon

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 Seventh Request for Confidential Classification to which this affidavit is attached and the Justification Matrix identifying the confidential information in Florida Power's December 2001 Operating Report ("Operating Report"). The confidential information identified in the matrix 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 Seventh Request for Confidential Classification and the Justification Matrix accurately describe the harm to the Company and its ratepayers that would be caused by public disclosure of the confidential information.

4. The Operating Report contains information regarding the income, budget, sales and assets for the Company's regulated and non-regulated industries. The Operating Report also contains information about production, fuel consumption, and power delivery and purchases for the Company's regulated and non-regulated industries. This information was prepared by management to analyze past and future performance of the Company. The information is kept strictly confidential and is not released until such time as the Securities Exchange Commission (SEC) requires the release of such information.

5. Because this information has not yet been publicly disclosed, it likely would be closely scrutinized by financial analysts and could encourage market speculation about the Company's future financial performance. This could immediately 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.

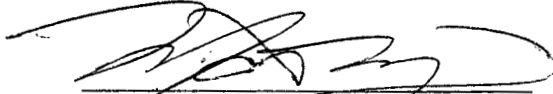
6. Moreover, financial projections are necessarily based on a host of assumptions that change over time. If an assumption proves to be inaccurate in any material respect, the projection is likewise inaccurate. The projections included in the Operating Report were not intended to be disseminated to the public without an accompanying explanation by the Company of the underlying assumptions and how they may have changed since the forecasts were prepared.

7. The level of financial detail provided in the Operating Report could also be used by competitors to analyze the Company's cost structure and profitability, which would significantly affect the Company's ability to deal with its competitors on an equal basis. Thus, the release of such information could significantly harm the competitive interests of the Company.

8. Disclosure of confidential 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 not 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.

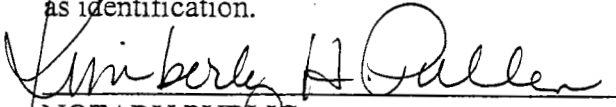
9. For all of these reasons, the Operating Report should be kept confidential to avoid harm to the Company and its ratepayers.

This concludes my affidavit.



MARK A. MYERS

Sworn to and subscribed before me this 18th day of March, 2002, by Mark A. Myers, who is personally known to me ~~or who has produced~~ _____ as identification.



NOTARY PUBLIC

Kimberly H. Pullen
Type or Print Name

My Commission Expires: _____
