AUSLEY & MCMULLEN

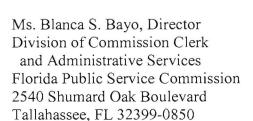
ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560



November 25, 2002

HAND DELIVERED



Re: Petition to determine need for Hines Unit 3 in Polk County by Florida Power

Corporation; FPSC Docket No. 020953-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of the Affidavit of Benjamin Smith to replace the facsimile version that accompanied Tampa Electric's Motion for a Protective Order filed Friday, November 22, 2002.

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,

02 -

JDB/pp Enclosures

CMFCC:

Prehearing Officer Braulio Baez

(w/enc.)

All Parties of Record

(w/enc.)

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER - DATE

12940 NOV 25 8

FPSC-COMMISSION CLERK

AFFIDAVIT

State of Florida

County of Hillsborough

BEFORE ME, the undersigned authority, personally appeared BENJAMIN SMITH, who first being duly sworn, deposed and said that he is Manager Wholesale Marketing and Fuels 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 Highlighted Information in Tampa Electric's Bid Proposals to Florida Power Corporation (FPC)

I have been responsible for the purchase and sale of wholesale power for Tampa Electric Company since January 2000. I personally witnessed and participated in the development of the wholesale market within peninsular Florida and throughout the country.

I have read the Motion of Tampa Electric Company 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 confidential information that is the subject of such Motion and the harm that Tampa Electric and its general body of ratepayers would suffer if the confidential information contained in Tampa Electric's Bid Proposals to FPC is supplied to any of the intervenors in the FPC need determination docket (Docket No. 020953-EI) that compete with Tampa Electric in the wholesale 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.

The intervenors' knowledge of the confidential information contained in Tampa Electric's Bid Proposals to FPC would severely harm Tampa Electric and its ability to effectively compete for new wholesale sales in this and other RFP processes. The confidential information

consists of specific price proposals Tampa Electric made to FPC, including fuel, capacity and variable O & M pricing. Disclosure of such information to Intervenors would enable them to more effectively compete against Tampa Electric and thereby subject Tampa Electric and its retail customers to a significant threat of losing the benefit of wholesale revenues. Tampa Electric's Bid Proposals to FPC reflects bidding decisions and pricing proposals that are based on Tampa Electric's current costs. That is to say, the information is not stale and could be utilized to Tampa Electric's significant disadvantage by other parties in bid proceedings for the foreseeable future.

Dated at Tampa, Florida this <u>22</u> day of November 2002.

BENJAMIN SMITH

Sworn to and subscribed before me this 22^{-1} day of November 2002, with the Affiant

being personally known to the undersigned.

NOTARY PUBLIC

My Commission expires: (Notary Stamp)

