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March 19, 2003

### HAND DELIVERED

Ms. Blanca S. Bayo, Director Division of Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor; FPSC Docket No. 030001-EI

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and ten (10) copies of Tampa Electric Company's Request for Confidential Classification regarding its answer to Staff's Request for Supplemental Data Request No. 10.

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,

JDB/pp Enclosure

cc: All Parties of Record (w/enc.)

DOCUMENT NUMBER COATS

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FPSC-CCMMISSION CLERK

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery	)	
Clause with Generating Performance Incentive	)	DOCKET NO. 030001-EI
Factor.	)	FILED: March 19, 2003
	)	

# 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 requests confidential treatment of Tampa Electric Company's response to Staff's Request for Supplemental Information, Question No. 2, pertaining to hedging activity of Tampa Electric Company and, as grounds therefor, says:

- 1. On February 26, 2003 Tampa Electric Company filed a Notice of Intent to Seek Confidential Classification of its responses to Staff's Request for Supplemental Information regarding hedging and fuel price forecasts. Tampa Electric has since furnished the Staff its fuel price forecasts on a non-confidential basis and hereby withdraws its Notice of Intent to Seek Confidential Treatment of its answer to Staff's Supplemental Data Request No. 10.
- 2. With respect to Supplemental Data Request No. 2 pertaining to Tampa Electric's hedging activities, the company reaffirms its need to have its response treated confidentially.
- 3. The company's response to Staff's Request No. 2 consists of confidential proprietary business information the disclosure of which would be harmful to Tampa Electric and its customers.
- 4. Attached hereto as Exhibit "A" is justification for confidential treatment of Tampa Electric Company's answers to Staff's Supplemental Request No. 2.

- 5. Attached hereto as Exhibit "B" are two copies of a redacted version of Tampa Electric Company's answer to Staff's Supplemental Request No. 2.
- 6. Tampa Electric Company treats the information contained in its response to Staff's Supplemental Request No. 2 as confidential proprietary business information and has not disclosed that information publicly.

WHEREFORE, Tampa Electric Company submits the foregoing in support of its request for confidential classification of the company's response to Staff's Supplemental Request No. 2 in the above matter.

DATED this /9 day of March 2003.

Respectfully submitted,

LEE L. WILLIS

JAMES D. BEASLEY

Ausley & McMullen

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Tallahassee, Florida 32302

(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

#### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Request for Confidential

Classification has been furnished by U. S. Mail or hand delivery (\*) on this

19 day of March

2003 to the following:

Mr. Wm. Cochran Keating, IV\* Senior Attorney Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0863

Mr. James A. McGee Associate General Counsel Progress Energy Florida, Inc. Post Office Box 14042 St. Petersburg, FL 33733

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Mr. Jeffrey A. Stone Mr. Russell A. Badders Beggs & Lane Post Office Box 12950 Pensacola, FL 32591-2950

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# JUSTIFICATION FOR CONFIDENTIAL TREATMENT

The information contained in Tampa Electric Company's response to Staff's Supplemental Request No. 2 is entitled to confidential treatment because making public this detailed information on hedges would disclose Tampa Electric Company's purchasing strategy for fuel and purchased power and our planned risk exposure. Such disclosure would allow suppliers to use the information to potentially obtain more favorable terms, harming the company and ratepayers. This information should also not be disclosed due to the opportunity for market manipulation that could arise should others possess information about the company's expected entry into the market. That could increase prices paid for commodities and/or hedging transactions. As such, the information in question concerns contractual data, the disclosure of which would impair the efforts of Tampa Electric to contract for goods and services on favorable terms. Moreover, the information in question relates to competitive interests, the disclosure of which would impair the competitive business of Tampa Electric. Consequently, the information in question is entitled to protection pursuant to Section 366.093(3), Florida Statutes.

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TAMPA ELECTRIC COMPANY DOCKET NO. 030001-EI STAFF'S REQUEST FOR SUPPLEMENTAL INFORMATION "HEDGING" QUESTION NO. 2 PAGE 1 OF 2

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2. Show the volume of fuel and purchased power hedged by month from August 2002 through December 2003. Indicate how this fuel and purchased power was hedged. Provide the average period of each hedge. Provide the actual total cost (e.g., fees, commission, options premiums, futures gains and losses, swaps settlements) associated with using each type of hedging instrument. Compare the volume of hedging for each fuel and energy purchases from October 2002 through December 2003 with the volumes hedged prior to that period.

A. The requested confidential information is provided in the following table for the months August 2002 through February 2003. Tampa Electric's request for hedge authorization for the remainder of 2003 is being considered by the TECO Energy Risk Authorizing Committee. Therefore, although the company plans to hedge price risk in the remainder of 2003, Tampa Electric cannot now provide detail on projected volumes or hedge savings/(losses). In addition, Tampa Electric's cost for these hedges is embedded in the hedged commodity cost.

TAMPA ELECTRIC COMPANY DOCKET NO. 030001-EI STAFF'S REQUEST FOR SUPPLEMENTAL INFORMATION "HEDGING" QUESTION NO. 2 PAGE 2 OF 2

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Month	Commodity Hedged	Period	Type of Hedge	Total Cost (\$/MMBTU) (1)	Mark-to-Market Savings / (Loss) (\$)	Hedged Volume (MMBTU)	Consumption (MMBTU)	Percent Hedged
August 2002							603,121	
September 2002							845,199	
October 2002							863,378	
November 2002							131,738	
December 2002							72,641	
January 2003							131,738	
February 2003 (2)							23,579	
Total Period					(105,400)	1,210,000	2,671,394	47%
(1) Includes commod	ity cost				, ,	. ,	• •	
(2) Through 2/26/03	-							