



JAMES A. MCGEE  
ASSOCIATE GENERAL COUNSEL  
PROGRESS ENERGY SERVICE CO., LLC

August 11, 2003

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

Re: Docket No. 030001-EI; **Request for Confidential Classification.**

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., formerly Florida Power Corporation, is an original and ten copies of its Request for Confidential Classification. The document containing the information for which confidential classification is sought was highlighted and included with Progress Energy's Notice of Intent to Request Confidential Classification filed on July 22, 2003 in a separate sealed envelope, along with an attached public copy of the document in which the confidential information was redacted. **The document containing the highlighted information 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. A 3½ inch diskette containing the above-referenced Request in WordPerfect format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc  
Enclosure

cc: Parties of record

DOCUMENT NUMBER-DATE  
07369 AUG 12 03  
FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing has been furnished to the following individuals by regular U.S. Mail the 12<sup>th</sup> day of August, 2003:

Wm. Cochran Keating, IV, Esquire  
Senior Attorney  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

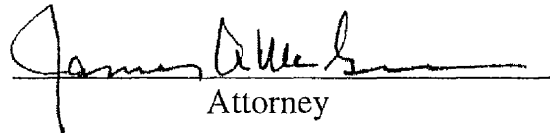
Robert Vandiver, Esquire  
Office of the Public Counsel  
c/o The Florida Legislature  
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Vicki Gordon Kaufman, Esquire  
McWhirter, Reeves, et al.  
117 S. Gadsden Street  
Tallahassee, FL 32301

  
Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 030001-EI  
Submitted for filing:  
August 12, 2003

**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., formerly Florida Power Corporation, (Progress Energy or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of the highlighted information in Progress Energy's Response Nos. 31, 32, 33, 34, 35-3, 36-1, 36-3, 36-5, 38, 40 and 41 (the Responses) to Staff's Third Set of Interrogatories (Nos. 30 - 42) contained in the sealed envelope enclosed with the Company's Notice of Intent to Request Confidential Classification filed in this docket on July 22, 2003. In support of this request for confidential classification, Progress Energy 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). 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 following is a justification supporting Progress Energy’s request for confidential classification of the highlighted information in the Responses.

Responses 31 and 32. The contract under which Progress Energy obtains the natural gas subject to Response 31 prohibits the parties from disclosing the contents of the contract, including the quantities and prices identified in this Response, and obligates the parties to obtain suitable safeguards to protect the Contracts when disclosure is legally required, such as is currently the case. Thus, Progress Energy, as a party to the contract, is required to seek and obtain the safeguards against public disclosure of the contract’s contents requested herein in fulfillment of its contractual obligation and to avoid potential liability for damages that its contractual counterparty may incur as a result of disclosure.

In addition, disclosure of the fixed price and spot market quantities and prices contained in these two Responses would provide current and potential suppliers of natural gas with sensitive information regarding the Company’s strategy for fixed price and spot purchases as a proportion of its total requirements. This would place Progress Energy at a competitive disadvantage in future negotiations with these suppliers for either fixed price or spot market purchases which would enable potential suppliers to tailor their bids accordingly and prevent the Company from receiving their lowest prices. These effects of disclosure would thus impair the

efforts of Progress Energy to contract for goods and services on favorable terms for the benefit of its customers.

Responses 33 and 34. Disclosure of the highlighted information in these Responses would provide current and potential suppliers of natural gas with knowledge of Progress Energy's future minimum monthly requirements and the portion of these requirement currently secured. This would place the Company at a significant disadvantage with these suppliers in future negotiations to secure additional natural gas quantities to satisfy its minimum requirements. These effects of disclosure would thus impair the efforts of Progress Energy to contract for goods and services on favorable terms for the benefit of its customers.

Responses 35-1, 36-1, 36-3, 36-5 and 38. Disclosure of the highlighted information in these Responses would place Progress Energy at a competitive disadvantage against the Company's current and potential suppliers of natural gas by giving them otherwise unavailable knowledge of the specific kinds of hedging contracts or transaction used by Progress Energy and the specific quantities of natural gas for which those contracts and transactions are utilized. This knowledge would enable these suppliers to tailor their bids accordingly and prevent Progress Energy 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.

Response 40. Disclosure of the highlighted information in this Response would place Progress Energy at a competitive disadvantage against its current and potential suppliers natural gas, residual oil, and purchased power by giving them otherwise

unavailable knowledge of the Company's overall hedging strategy for each commodity, as well as the specific quantities and lengths of hedges for natural gas and residual oil. This knowledge would enable these suppliers to tailor their bids accordingly and prevent Progress Energy 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.

Response 41. Disclosure of the highlighted information in this Response would place Progress Energy at a competitive disadvantage against current and potential suppliers natural gas and residual oil by giving them otherwise unavailable knowledge of the Company's plans and timing regarding natural gas storage and fuel switching specific kinds of hedging contracts or transaction used by Progress Energy and the specific quantities of natural gas for which those contracts and transactions are utilized. Knowledge of Progress Energy's storage and fuel switching capabilities and when these capabilities will be available would enable these suppliers to tailor their bids accordingly and prevent Progress Energy 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.

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

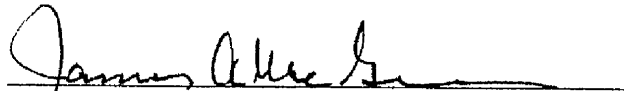
#### **Duration of Confidential Classification**

6. Progress Energy requests an 18-month confidentiality period, consistent with Rule 25-22.006(9)(a), F.A.C. In addition, Progress Energy asks that the

Responses be returned to the Company when the Commission no longer needs the information to conduct its business, in accordance with Rule 25-22.006(9)(b), F.A.C.

WHEREFORE, Progress Energy requests that the highlighted information in the Responses enclosed with its Notice of Intent filed July 22, 2003 be accorded confidential classification for the reasons set forth above.

Respectfully submitted,



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Attorney for  
PROGRESS ENERGY FLORIDA, INC.