

ORIGINAL

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M- 12 AM 10:36

COMMISSION CLERK

DATE: October 30, 2003
TO: Cochran Keating
FROM: Roland Floyd
RE: Recommendation on Request for Confidential Classification - Document No. 04993-03

On June 5, 2003, Progress Energy Florida requested confidential classification of certain information contained in response to Interrogatory 16, Staff's Second Set of Interrogatories. Staff agrees with the request for confidential classification for the reasons stated on pages 2 and 3 of Progress Energy's June 5, 2003 request.

Attachment

cc: Kay Flynn/Records and Hearing Services
Harold McLean/General Counsel

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DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

STATE OF FLORIDA

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON



DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770 (CLERK)
(850) 413-6330 (ADMIN)

Public Service Commission

M-E-M-O-R-A-N-D-U-M

DATE: June 5, 2003

TO: OFFICE OF THE GENERAL COUNSEL
DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT
~~DIVISION OF ECONOMIC REGULATION~~
DIVISION OF AUDITING AND SAFETY

FROM: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO(s): 04993-03

DESCRIPTION: Progress (McGee) - (CONFIDENTIAL) Responses to staff's 2nd set of interrogatories, No. 16 (attachment 16).

SOURCE: Progress Energy Florida, Inc. f/k/a Florida Power Corporation

DOCKET NO(S): 030001-EI

The above material was received with a request for confidential classification. Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of the Commission Clerk and Administrative Services, Bureau of Records and Hearing Services, and to the Office of General Counsel.

- The document(s) is (are), in fact, what the utility asserts it (them) to be.
- The utility has provided enough details to perform a reasoned analysis of its request.
- The material has been received incident to an inquiry.
- The material is confidential business information because it includes:

- (a) Trade secrets;
- (b) Internal auditing controls and reports of internal auditors;
- (c) Security measures, systems, or procedures;
- (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the company to contract for services on favorable terms;
- (e) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities;
- (f) Tax returns or tax-related information;
- (g) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information.

- The material appears to be confidential in nature and harm to the company or its ratepayers will result from public disclosure.
- The material appears not to be confidential in nature.
- The material is a periodic or recurring filing and each filing contains confidential information.

Response prepared by: Roland J. Floyel

Date: 11/13/03

- cc: GCL EXT
 CMP CCA
 ECR AUS
 MMS

PSC/CCA 15 (Rev 11/02)



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

June 4, 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. Also enclosed is a sealed envelope containing the document subject to the Request, with the confidential information highlighted. **This document should be held as Confidential Information in accordance with Rule 25-22.006, F.A.C.** A public copy of the document in which the confidential information has been redacted is attached to the Request.

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,

A handwritten signature in black ink, appearing to read "James A. McGee".

James A. McGee

JAM/scc
Enclosures

cc: Parties of record

DOCUMENT NUMBER-DATE

04992 JUN-5 8

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 4th day of June, 2003:

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

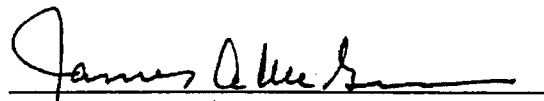
Robert Vandiver, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

Lee L. Willis, Esquire
James D. Beasley, Esquire
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Tallahassee, FL 32302

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Jeffrey A. Stone, Esquire
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, et al.
117 S. Gadsden Street
Tallahassee, FL 32301



Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 030001-EI

Submitted for filing:
June 5, 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 on Attachment 16 to Progress Energy's response to Staff's Second Set of Interrogatories propounded in the subject docket, which is contained in the sealed envelope enclosed with this request. In support of this request for confidential classification, Progress Energy states as follows:

Background

1. Interrogatory No. 16 of Staff's Second Set of Interrogatories to Progress Energy requests detailed actual information for two years, including the most current data for 2002, regarding the costs incurred by the Company's affiliated coal supplier, Progress Fuels Corporation (PFC), for each of the components of PFC's waterborne transportation system. To ensure that Staff has sufficient information to conduct its review of PFC's waterborne transportation costs, Progress Energy provided an attachment to its response to Interrogatory No. 16 (Attachment 16) that contained a more detail breakdown of PFC's costs for each year than requested in the template

Staff included with the interrogatory. Because the current cost data for 2002 is highly sensitive competitive information, Progress Energy submits this request in order to protect the confidentiality of the highlighted information on Attachment 16 contained in the enclosed envelope. A public version of Attachment 16, with the confidential information redacted, is attached to each filed copy of this Request.

Justification for Confidential Classification

2. Subsection 366.093(1), F.S., provides that any records "found by the commission to be proprietary 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" (subsection 366.093(3)(d)), and "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information" (subsection 366.093(3)(e)). The designated portions of Attachment 16 fall within these statutory categories and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

3. Specifically, the highlighted information on Attachment 16 identifies the rate per ton paid by PFC in 2002 for waterborne coal transportation, by component detail and in aggregate. Disclosure of this information would provide PFC's existing and potential waterborne transportation suppliers with a significant competitive advantage in bidding or negotiating for PFC's future waterborne transportation

services. In addition, disclosure of this information, coupled with publicly available total delivered coal costs contained in the Company's monthly filings of FPSC Form 423, would allow existing and potential coal suppliers to calculate PFC's FOB mine price of its coal purchases by simple subtraction, thus providing these suppliers with a competitive advantage in bidding on PFC's future coal purchases. Because of this competitive advantage, suppliers of both coal and transportation services would be able to avoid offering their lowest price and instead simply undercut PFC's existing price. As a result, PFC, Progress Energy, and ultimately its customers would incur higher fuel costs than if PFC's suppliers were not forearmed with this competitively sensitive and valuable information.

4. This sensitive coal supply and transportation information and the justification for according it confidential treatment are virtually identical to that routinely provided by Progress Energy and approved by the Commission in the Company's Request For Confidential Classification of the monthly FPSC Form 423.

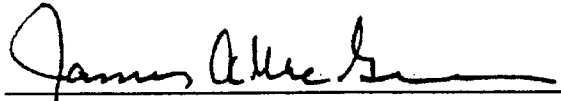
5. The designated information for which confidential classification is sought by this Request is intended to be and is treated by the Company as private and has not been publicly disclosed.

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 Attachment 16 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 Attachment 16 enclosed herewith be accorded confidential classification for the reasons set forth above.

Respectfully submitted,



James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Attorney for
PROGRESS ENERGY FLORIDA, INC.

**Progress Fuels Corporation
Response to Interrogatory No. 16**

Line		Notes	Contract Rates per Ton		Notes
			1992	2002	
	UP-RIVER COST				
1	Rail				1
2	TTI				
3	EKI		\$6.19		
4	EKI		\$6.51		
5	CVI		\$6.40		
6	CVII		\$7.05		
7	BSI		\$5.99		
8	BSII		\$6.14		
9	BSIII		\$6.24		
10	Clean Coal				
11	EKI		\$6.00		
12	EKI		\$6.40		
13	CVI		\$6.20		
14	CVII		\$6.60		
15	BSI		\$6.58		
16	BSII		\$6.70		
17	BSIII		\$6.80		
18	Oglebay Norton				
19	EKI		\$6.75		
20	EKI		\$7.15		
21	CVI		\$6.95		
22	CVII		\$7.35		
23	BSI		\$6.97		
24	BSII		\$7.07		
25	BSIII		\$7.47		
26					
27	Truck & Transloading				
28	Elk Run to KRT Kanawha River Docks				
29	Martin County to KRT Big Sandy River Dock		\$4.60		
30	Kentucky May Dock - Massey		\$6.85		
31					
32	Up-River Rate		\$4.12		
33					
34	RIVER BARGE COST				
35	Valley Line (ACBL)				
36	Ceredo Dock		\$7.60		
37	TTI		\$7.14		
38	Cleancoal		\$6.58		
39	Jefferson Riverport		\$6.45		
40	Big Sandy		\$7.70		
41	Kanawha River Terminal		\$8.96		
42	Licking River		\$6.82		
43					
44	MEMCO				
45	Ceredo Dock		\$7.55		
46	TTI		\$7.08		
47	Cleancoal		\$6.52		
48	Jefferson Riverport		\$6.40		
49	Big Sandy		\$7.64		3
50	Kanawha River Terminal		\$8.93		3
51	Ohio River (Licking River)		\$6.76		3
52	Demurrage	2			
53					
54	River Barge Rate		\$7.32		3
55					
56	GULF TERMINAL COST (IMT)				
57	Storage		\$3.98		
58	Direct				
59	Import of Foreign Coal:				
60	Terminal crane discharge through storage including barge charges				
61	Terminal crane discharge through storage excluding barge charges				
62	Terminal crane discharge through CBU direct to gulf barge/inc.all charges				
63	Full service package for vessel crane discharge through storage				
64	Terminal crane discharge through CBU direct to gulf barge/exc. Barges				
65	Vessel crane discharge through storage				
66	Vessel crane discharge through CBU direct to gulf barge				
67	Vessel conveyor discharge through inbound hopper through storage				
68	Harbor Fee	2			
69	Additional Charges:				
70	Demurrage	2			
71	Line Handling	2			
72	Port Fees		\$0.01		
73	Dockage	2			
74					
75	Gulf Terminal Rate		\$4.04		

