



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

February 13, 2004

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. 031057-EI; **Request for Confidential Classification.**

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., is an original and seven copies of its Request for Confidential Classification of the highlighted information in the testimony of Javier Portuondo. 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 Mr. Portuondo's testimony, with the confidential information redacted, was filed and served upon the parties on February 11, 2004.

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 document in Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink that reads 'James A. McGee'.

James A. McGee

JAM/scc
Enclosures

cc: Parties of record

PROGRESS ENERGY FLORIDA

DOCKET NO. 031057-EI

CERTIFICATE OF SERVICE

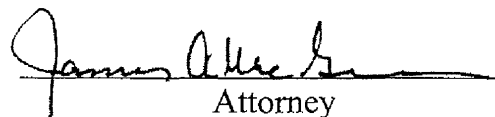
I HEREBY CERTIFY that a true copy of Progress Energy Florida's Request for Confidential Classification has been furnished to the following individuals by overnight delivery this 13th day of February, 2004.

Wm. Cochran Keating, IV, Esquire
Office of the General Counsel
Economic Regulation Section
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Vicki Gordon Kaufman, Esquire
117 S. Gadsden Street
Tallahassee, FL 32301

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

Michael B. Twomey
P. O. Box 5256
Tallahassee, FL 32314-5256


Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Progress Energy
Florida's benchmark for Waterborne
Transportation Transactions with
Progress Fuels.

Docket No. 031057-EI

Submitted for filing:
February 16, 2004.

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Progress Energy Florida, Inc. (Progress Energy or the Company), pursuant to pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of the highlighted information on pages 4 and 6 of the direct testimony of Javier Portuondo, a copy of which is contained in the sealed envelope enclosed with this request. A public version of Mr. Portuondo's testimony, with the confidential information redacted, was filed in this docket and served upon the parties on February 11, 2004. In support hereof, Progress Energy states as follows.

Justification for Confidential Classification

1. 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 the Interrogatory Responses and POD Documents 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 highlighted information in Mr. Portuondo's testimony identifies Progress Energy's proposed waterborne coal transportation market proxy prices for 2004. Disclosure of these waterborne transportation prices can be used to calculate past and future waterborne transportation prices which, coupled with publicly available delivered prices of waterborne coal, could then be readily used to determine the FOB mine price of the coal purchased by PFC. This would give existing and potential coal suppliers a significant competitive advantage in bidding for PFC's future coal purchases by allowing them to avoid bidding their lowest price and instead simply undercut PFC's existing price. As a result, PFC, Progress Energy, and ultimately the Company's customers would incur higher fuel costs than if PFC's suppliers were not forearmed with this sensitive and competitively valuable information.

3. The highlighted market proxy prices proposed in Mr. Portuondo's testimony provides the same or substantially similar price information as that contained (a) in Progress Energy's Form 423 monthly filings in Docket No. 030001-EI, the predecessor of this proceeding, which are consistently accorded

confidential classification by the Commission, (b) in document DN 04144-03 for which confidential classification was granted by Order No. PSC-03-1298-CFO-EI, issued November 13, 2003 in Docket No. 030001-EI, and (c) in document DN 10626-03 for which confidential classification is pending pursuant to Progress Energy's request filed November 19, 2003 in Docket No. 030001-EI.

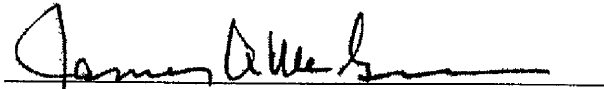
4. The designated information for which confidential classification is sought by this Request is intended to be and is treated by the Company as private and has not been publicly disclosed.

Duration of Confidential Classification

5. 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 confidential version of Mr. Portuondo's testimony containing the highlighted information 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 direct testimony of Javier Portuondo enclosed with this request be accorded confidential classification for the reasons set forth above.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James A. McGee", is written over a horizontal line.

James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5519
Email: james.mcgee@pgnmail.com

Attorney for
PROGRESS ENERGY FLORIDA, INC.