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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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COMMISSION
CLERK

In re: Progress Energy Florida, Inc.'s)
petition for approval of long-term fuel)
supply and transportation contracts for)
Hines Unit 4 and additional system)
supply and transportation.)

Docket No.: 041414-ET

Submitted for Filing: December 20, 2004

**PROGRESS ENERGY FLORIDA'S FIRST REQUEST
FOR CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida ("PEF" or the "Company"), pursuant Section 366.093, Fla. Stats., and Rule 25-22.006, F.A.C., requests confidential classification of the redacted portions of the direct testimony of Pamela R. Murphy, portions of Exhibits PRM-1, -2 and -3, and PRM-5 and -6 to that testimony, which contain competitive confidential business information of both PEF and third-party fuel supply and transportation contractors that PEF has contracts with. The unredacted testimony and exhibits discussed above are being filed under seal with the Commission on a confidential basis to keep the competitive business information in those documents confidential.

A separate sealed envelope containing one copy of the confidential testimony and exhibits for which PEF intends to request confidential classification with the appropriate section,

CMP _____

COM _____ pages, or lines containing the confidential information highlighted is enclosed herewith as

CTR _____ Attachment "A." **This information should be accorded confidential treatment pending a**

ECR 1 **decision on PEF's request by the Florida Public Service Commission.**

GCL 1 Additionally, fifteen copies of the confidential testimony and exhibits with the

OPC _____ information that PEF intends to request confidential classification redacted by section page, or

MMS _____
RCA _____
SCR _____ lines, are also included herewith as Attachment "B."

SEC 1

OTH 1 *central records*
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The Confidentiality of the Testimony and Exhibits at Issue

Section 366.093(1), Florida Statutes, provides that “any records received by the Commission which are shown and found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records Act].” § 366.093(1), Fla. Stats. Proprietary confidential business information means information that is (i) intended to be and is treated as private confidential information by the Company, (ii) because disclosure of the information would cause harm, (iii) either to the Company’s ratepayers or the Company’s business operation, and (iv) the information has not been voluntarily disclosed to the public. § 366.093(3), Fla. Stats. Specifically, “information... the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms” is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stats. Additionally, subsection 366.093(3)(e) defines “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information,” as proprietary confidential business information.

Portions of the direct testimony of Pamela R. Murphy and portions of Exhibits PRM-1, -2 and -3, and PRM-5 and -6 should be afforded confidential treatment for the reasons set forth in the Affidavit of Pamela R. Murphy and the Affidavit of David M. Jenkins filed in support of PEF’s First Request for Confidential Classification and for the following reasons. Portions of Ms. Murphy’s direct testimony and the aforementioned exhibits thereto contain confidential competitive business information of both PEF and third-party fuel suppliers and transportation companies with which PEF has contracts. Specifically, portions of that testimony and those

exhibits contain confidential pricing terms, fuel quantities, and sensitive contractual terms that would impair the competitive business of both PEF and its contractors.

Quantity and Pricing Terms

PEF negotiates with potential fuel suppliers and transportation companies to obtain competitive contracts for fuel options that provide economic value to PEF and its ratepayers. Affidavit of Pamela R. Murphy, ¶ 5. In order to obtain such contracts, however, PEF must be able to assure fuel suppliers and transportation companies that sensitive business information, such as the quantity and pricing terms of their contracts, will be kept confidential. Id. PEF has kept confidential and has not publicly disclosed confidential contract terms such as quantity and pricing. Id. Absent such measures, suppliers and transportation companies would run the risk that sensitive business information that they provided in their contracts with PEF would be made available to the public and, as a result, end up in possession of potential competitors. Id. Faced with that risk, persons or companies who otherwise would contract with PEF might decide not to do so if PEF did not keep those terms of their contracts confidential. Id. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and fuel suppliers and transportation contractors, the Company's efforts to obtain competitive fuel supply and transportation contracts would be undermined. Id. Additionally, the disclosure of quantity and pricing information in PEF's fuel supply and transportation contracts would adversely impact PEF's competitive business interests. Id. If such information was disclosed to PEF's competitors or potential fuel suppliers and fuel transportation companies, PEF's efforts to obtain competitive fuel supply and transportation options that provide economic value to both PEF and its ratepayers would be compromised. Id.

Other Confidential Contractual Terms

Along the same line as confidential quantity and pricing terms in fuel supply and transportation contracts with PEF, some third-party contractors specifically request that PEF keep other contract terms confidential where such terms would adversely impact the fuel supplier's competitive business if disclosed to the public. Affidavit of David M. Jenkins, ¶ 4. Exhibit PRM-1 to Pamela R. Murphy's direct testimony in this matter contains sensitive, confidential business information and terms, in addition to fuel price and quantity, that would adversely impact the competitive business interest of BG LNG Services, LLC if that information and those terms were disclosed to the general public. See id. Specifically, BG LNG markets natural gas in a highly competitive environment. The terms at which BG LNG sells natural gas are specifically negotiated for each transaction and depend on the competitive circumstances faced by BG LNG and its customer. See id. If details related to price, quantity, events of default, remedies, force majeure, and credit support were disclosed to BG LNG's competitors or customers, BG LNG would be placed at a disadvantage in future negotiations, which would have an adverse effect on BG LNG. See id.

Protection of Confidential Information

Upon receipt of confidential information from fuel suppliers and transportation companies, strict procedures are established and followed to maintain the confidentiality of the terms of the documents, including restricting access to those persons who need the contract information to assist the Company, and restricting the number of, and access to the contract information and contracts. Affidavit of Pamela R. Murphy at ¶ 6. At no time since receiving the confidential information in the contracts has the Company publicly disclosed that information or

the contracts. Id. The Company has treated and continues to treat the contractual terms at issue as confidential. Id. See also, Affidavit of David M. Jenkins at ¶ 5.

Conclusion

The competitive, confidential contractual terms at issue in this request fit the statutory definition of proprietary confidential business information under Section 366.093 and Rule 25-22.006, F.A.C. Attachment C hereto contains a justification matrix supporting PEF's request for confidential classification of the highlighted information contained in Attachment A.

WHEREFORE, PEF respectfully requests that portions of Pamela R. Murphy's direct testimony, portions of Exhibits PRM-1, -2 and -3, and PRM-5 and -6 be classified as confidential for the reasons set forth above.

Respectfully submitted this 20th day of December, 2004.

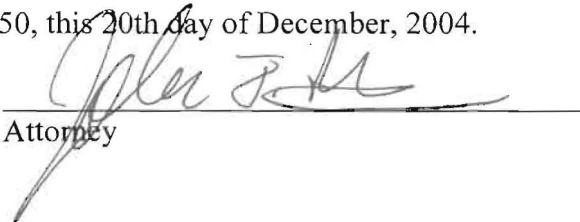
BONNIE E. DAVIS
Deputy General Counsel
Progress Energy Service
Company, LLC
106 East College Avenue
Suite 800
Tallahassee, FL 32301-7740
Telephone: (850) 222-8738
Facsimile: (850) 222-9768



GARY L. SASSO
Florida Bar No. 622575
JAMES MICHAEL WALLS
Florida Bar No. 0706272
JOHN T. BURNETT
Florida Bar No. 173304
CARLTON FIELDS, P.A.
Post Office Box 3239
Tampa, FL 33601-3239
Telephone: (813) 223-7000
Facsimile: (813) 229-4133

CERTIFICATE OF FILING

I HEREBY CERTIFY that a true and correct copy of the foregoing has been filed via electronic mail and via hand delivery with the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, this 20th day of December, 2004.



Attorney

ATTACHMENT A

DOCUMENTS	PAGE/LINE	JUSTIFICATION
<p>Direct Testimony of Pamela R. Murphy.</p>	<p>Page 5, line 7 – 9, 13 – 14, 17 – 18, 20, 25</p> <p>Page 6, line 1, first word.; line 1, last 2 words; line 2, first 9 words</p> <p>Page 7, line 21, word 6 through 9; line 23, last 6 words; line 24, entire line</p> <p>Page 10, line 4, 2nd and 3rd word</p> <p>Page 11, line 10, entire line after (1); line 11, entire line; line 122 first ½ of line before (2); line 13, words 5 through 7; line 16, words 7 through 9.</p> <p>Page 12, line 3, words 5 through 7; line 6, 2nd word.</p> <p>Page 13, line 23; 3rd word from end; line 24, 4th word; line 25, end of line after word “approximately”.</p> <p>Page 14, line 20, 3rd and 4th words; line 21, 3rd word</p> <p>Page 1, last paragraph in its entirety</p> <p>Page 2, 1st, 2nd, 4th and 6th paragraph in their entirety</p> <p>Page 4, 1st and 17th paragraph in their entirety</p> <p>Page 5, 4th, 5th and 7th paragraphs in their entirety</p>	<p>§366.093(3)(d), Fla. Stat.</p> <p>The document in question contains confidential information, the disclosure of which would impair PEF’s efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.</p> <p>The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

	<p>Page 6, Paragraph 3.3., Line 5, 7th word</p> <p>Page 10, last paragraph</p> <p>Pages 11, 1st paragraph and Section 11 in its entirety</p> <p>Page 12, complete page</p> <p>Page 13, Section 12 in its entirety</p> <p>Page 14, Section 12</p> <p>Page 14, Section 13</p> <p>Page 15, Section 13</p> <p>Page 16, Section 15</p> <p>Page 17, Section 16</p> <p>Page 18, Section 16</p> <p>Page 19, Section 16 and Section 17</p>	
<p>Exhibit PRM-1 to Direct Testimony of Pamela R. Murphy.</p>	<p>Page 20, Section 17</p> <p>Pages 26, 27, 28, 29, 30, 31, 32, 33, and 34, Annex A</p> <p>Pages 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, and 38, Annex B</p>	<p>§366.093(3)(d), Fla. Stat.</p> <p>The document in question contains confidential information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p>
<p>Exhibit PRM-2 to Direct Testimony of Pamela R. Murphy.</p>	<p>Page 4, paragraph (d), line 2, 5th word</p> <p>Page 6, paragraph (g), line 2, 8th word</p> <p>Page 14, 1st paragraph, 3rd line, first 3 words</p>	<p>§366.093(3)(e), Fla. Stat.</p> <p>The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive</p>

<p>Exhibit PRM-3 to Direct Testimony of Pamela R. Murphy.</p>	<p>Page 14, paragraph (B), line 5, 5th through 8th word</p> <p>Page 14, paragraph (iii) 2nd line, last word and lines 3, 4 and 5</p> <p>Page 21, first paragraph of 9., line 6, 10th word and line 13, 7th word</p> <p>Exhibit "A", Column TD/MMBtu and Column FGTTD in their entirety</p> <p>Exhibit A to Exhibit "B", all information in Service chart and footnote attached thereto</p> <p>Exhibit B to Exhibit "B", all information in Service chart and footnote attached thereto</p> <p>Exhibit "F" to Exhibit "B", First paragraph, 2nd line, last word; 3rd line 1st seven words; 4th line, all words following "the"; lines 5 and 6 in their entirety; second paragraph, line 2 all words following "be" and line 3 in its entirety</p> <p>December 2, 2004 Discount Rate letter, Page 1, 2nd paragraph, 1st line, all words following "from", 2nd line, 1st word, and all of paragraph 4</p> <p>December 2, 2004 Discount Rate letter, Page 2, 1st paragraph, all information contained in Effective Time Period column and Receipt and Delivery Points column; 4th paragraph, all information contained in Effective Time</p>	<p>business of the provider/owner of the information.</p> <p>§366.093(3)(d), Fla. Stat.</p> <p>The document in question contains confidential information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.</p> <p>The document in question contains confidential information relating to</p>
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<p>Exhibit PRM-5 to Direct Testimony of Pamela R. Murphy.</p>	<p>Period column and Receipt and Delivery Points column</p> <p>Attachment A, final-sum, paragraph 2.1, 5th line, word 7 and 8; 6th line, words 1 through 4</p> <p>Attachment A, Page 4, paragraph (a), all words after “follows:”; paragraph (d), 4th line 4th through 8th word; line 6, all words in paragraph following “(i)”</p> <p>Attachment A, Page 5, 1st 4 lines</p> <p>Attachment A, Page 10, paragraph 8.2, last 4 words</p> <p>Attachment Rate Schedule FTS-2, pages 16 through 21 in their entirety</p> <p>Attachment A, final-win, Page 2, paragraph 2.1 line 5 3rd through 5th and 13th through 15th words</p> <p>Attachment A, final-win, Page 4, paragraph (a), all words after “follows” ; paragraph (d) 4th line, 4th through 8th word; line 6, all words in paragraph following “(i)”</p> <p>Attachment A, final-win, Attachment Rate Schedule FTS-2, pages 14 through 19 in their entirety</p> <p>Entire Page</p>	<p>competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p> <p>§366.093(3)(d), Fla. Stat.</p> <p>The document in question contains confidential</p>
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<p>Exhibit PRM-6 to Direct Testimony of Pamela R. Murphy.</p>	<p>Entire Page</p>	<p>information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.</p> <p>The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p> <p>§366.093(3)(d), Fla. Stat.</p> <p>The document in question contains confidential information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.</p> <p>The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
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