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Attorneys and Counselors

Writer's Direct Dial No.
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October 4, 2005

BY HAND DELIVERY

Blanca Bayó
Director Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 050001-EI
Request for Confidential Classification
CONFIDENTIAL MATERIALS ENCLOSED

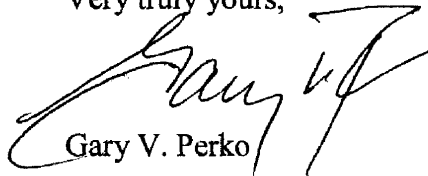
Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida, Inc., (PEF) are the following:

- (1) The original and seven copies of PEF's Request for Confidential Classification;
- (2) A package containing Composite Exhibit A, which includes two redacted copies of the confidential documents; and
- (3) A CONFIDENTIAL package containing Composite Exhibit B which includes one copy of the documents on which the confidential material has been highlighted.

Please stamp and return the enclosed extra copy of this filing. If you have any question regarding this filing, please contact the undersigned.

Very truly yours,



Gary V. Perko

Enclosures

cc: certificate of service

DOCUMENT NUMBER-DATE

09456 OCT-4 05

CERTIFICATE OF SERVICE

I HEREBY CERTIFY, on behalf of Progress Energy Florida, Inc.'s Request for Confidential Classification in Docket No. 050001-EI have been furnished by hand-delivery (*) or regular U.S. mail to the following this 4th day of October, 2005.

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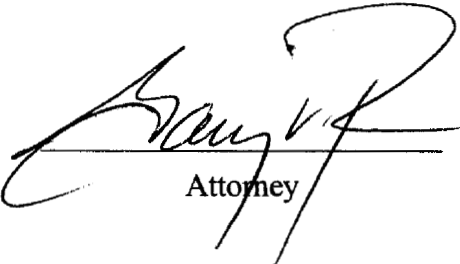
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

Docket No. 050001-EI

Dated: October 4, 2005

**PROGRESS ENERGY FLORIDA INC.'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., ("Progress Energy" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Request For Confidential Classification of the document described below which was provided to Commission auditors at their request during an audit associated with this proceeding. In support of this request for Confidential Classification, PEF states as follows:

1. In connection with Staff's audit in this docket, PEF provided a document to the Staff containing "proprietary business information" under Section 366.093(3), Florida Statutes. The Staff's written request for the information states that PEF has 21 days after the audit exit conference to file a request for confidential classification. To date, no audit exit conference has been conducted. Accordingly this request for confidential classification is timely.

2. The following exhibits are included with this request:

(a) Exhibit A is a package containing two copies of a redacted version of the document for which PEF requests confidential classification. The specific information for which confidential treatment is requested has been blocked out by opaque marker or other means.

(b) Exhibit B is a package containing unredacted copies of the document for which PEF seeks confidential treatment. Exhibit B is being submitted separately in a sealed

DOCUMENT NUMBER DATE

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envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted in yellow.

3. The document at issue in this request is a partially executed stipulation and settlement in Docket No. 031057-EI, which includes confidential information regarding rates for waterborne coal transportation services. The Commission previously granted PEF's request for confidential classification of the same information included in the final executed version of the stipulated settlement. See Order No. 034-0705-CFO-EI, issued in Docket No. 031057-EI (July 20, 2004). Accordingly, this request is being submitted as a preventative measure to ensure that the confidential information is not disclosed whether in the finally executed version addressed in Order No. 034-0705-CFO-EI or in the partially executed version provided with this request.

4. 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." Paragraph 366.093(3)(d), F.S. The designated portions of the Stipulation and Settlement fall within this statutory category and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006, F.A.C.

5. The highlighted information in the stipulation and settlement identifies the rates for the transportation of waterborne coal deliveries to PEF by Progress Fuels Corporation (PFC) in 2004. Disclosure of these waterborne transportation rates would provide a supplier of alternative rail transportation services direct knowledge of the transportation rates against which

it must compete. This knowledge would give the supplier of rail transportation services a significant competitive advantage in upcoming contract renewal negotiations because the supplier would no longer need to make its best offer to ensure the competitiveness of its rates against the unknown rates of alternative transportation available to PFC. Instead, the supplier would simply offer the highest rates that allowed it to maintain a marginally competitive position against the known rates of PFC's alternative transportation. As a result, PFC and PEF would incur higher fuel costs than if PFC's rail transportation supplier was not forearmed with this sensitive and competitively damaging information. Because these higher fuel costs would ultimately be borne by customers of PEF through the fuel charge on their electric bills, disclosure of the waterborne transportation rates contained in the parties' Stipulation and Settlement would be contrary to, and in serious disregard of, the best interests of PEF's customers.

6. In addition, disclosure of these waterborne transportation rates, coupled with publicly available delivered prices of waterborne coal, could be used to calculate by simple subtraction the commodity price of the coal purchased for PEF by PFC. This would give existing and potential coal suppliers a major competitive advantage in bidding for PFC's future coal purchases similar to the harmful advantage described above that disclosure would give a rail transportation supplier. Specifically, knowledge of the commodity price paid by PFC would allow these coal suppliers to avoid bidding their lowest price and, instead, simply undercut PFC's existing price. As a result, the customers of PEF would pay higher fuel charges on their electric bills than if PFC's coal suppliers were not given the advantage of this sensitive and competitively valuable information. For this reason as well, disclosure of the waterborne transportation rates in the parties' Stipulation and Settlement would also be detrimental to the best interests of the Company's customers.

7. The highlighted waterborne transportation rates on page 1 of the stipulation and settlement provide the same or substantially similar competitively sensitive information as that contained in PEF's Form 423 monthly filings in the ongoing Fuel and Purchased Power Cost Recovery proceedings, which are consistently accorded confidential classification by the Commission. See e.g., Order No. PSC-03-1298-CFO-EI, issued in Docket No. 030001-EI (Nov. 13, 2003). Moreover, as discussed above, the Commission already has granted confidential classification to the same information included in the final executed version of the stipulation and settlement. See Order No. 034-0705-CFO-EI, issued in Docket No. 031057-EI (July 20, 2004).

8. 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.

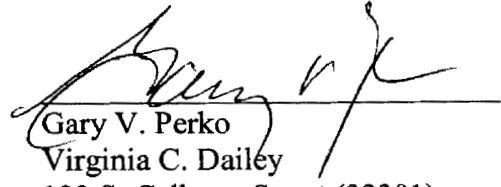
9. Progress Energy requests an 18-month confidentiality period, consistent with Rule 25-22.006(9)(a), F.A.C. In addition, Progress Energy asks that the confidential version of the Stipulation and Settlement containing the highlighted information be returned to the Company when the Commission no longer needs the information to conduct its business, in accordance with Rule 25-22.006(9)(b), F.A.C.

WHEREFORE, for the foregoing reasons, Progress Energy Florida, Inc., respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 14th day of October, 2005.

HOPPING GREEN & SAMS, P.A.

By:



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