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October 24, 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 Exhibit A, which includes two redacted copies of the confidential documents; and
- (3) A CONFIDENTIAL package containing 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,


Virginia C. Dailey

VCD/dg
Enclosures
cc: certificate of service

DOCUMENT NUMBER-DATE

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY, on behalf of Progress Energy Florida's Request for Confidential Classification in Docket No. 050001-EI has been furnished by hand-delivery (*) or by regular U.S. mail to the following this 24th day of October, 2005.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re Fuel and purchase power cost)
recovery clause with generating)
performance incentive factor)
_____)

Docket No. 050001-EI

Filed: October 24, 2005

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

Progress Energy Florida, Inc., ("PEF" or the "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 certain confidential information provided in its response to Interrogatory Nos. 38, 39 and 42 of Staff's Fifth Set of Interrogatories. PEF filed a Notice of Intent to Request Confidential Classification for this information on October 4, 2005 pursuant to Rule 25-22.006, F.A.C. This Request for Confidential Classification is filed pursuant to that Notice of Intent. In support of this Request, PEF states:

1. On October 4, 2005, PEF filed with the Commission confidential information in response to Interrogatory Nos. 38, 39, and 42 of Staff's Fifth Set of Interrogatories. As further explained below, this information contains details that are "proprietary business information" under Section 366.093(3), F.S.

2. The following exhibits are included with this request:

(a) Exhibit A is a package containing two copies of redacted versions of the documents for which the Company 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 information for which Progress seeks confidential treatment. Exhibit B is being submitted separately in a sealed

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

3. The information in PEF's response to Staff's Interrogatory Nos. 38 (lines 1-4 on page 12), 39 (lines 1-13 on page 13), 42 (14-20 on page 13), and 42 (lines 1-4 on page 14), includes data related to confidential natural gas and fuel oil contracts. Specifically, the highlighted information provides PEF's forward hedging volumes on a monthly basis for the remainder of 2005 and for 2006 as well as PEF's hedging strategy for natural gas and fuel oil. In combination with other non-confidential cost data provided in this docket, this information could be used to determine PEF's current monthly position of forward hedged volumes of natural gas and fuel oil. Disclosure of this information would enable PEF's suppliers to determine the quantity and volume PEF needs for hedging forward natural gas and fuel oil, which would likely result in greater leverage for suppliers in future negotiations. Suppliers would no longer need to make their best offers to ensure the competitiveness of their prices or volumes. Instead, suppliers could simply offer the highest prices or volumes that would allow them to maintain a marginally competitive position against the disclosed prices or volumes. As such, disclosure of the information would impair the Company's efforts to contract for goods or services on favorable terms. *See* § 366.093(3)(d), F.S. Additionally, disclosure of PEF's hedging strategy and monthly hedging volumes would provide an unfair advantage to competitors pursuing such hedging contracts. As such, the information relates to the competitive interests of Progress Energy and its affiliates, the disclosure of which would impair their competitive businesses. *Id.*

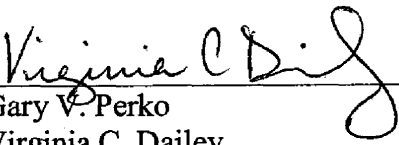
§ 366.093(3)(e). Accordingly, the information constitutes “proprietary confidential business information” which is exempt from disclosure pursuant to Section 366.093(1), F.S.¹

4. The information for which PEF seeks confidential classified is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public.

5. PEF requests that the information identified above be classified as “proprietary confidential business information” within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4), F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

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

RESPECTFULLY SUBMITTED this 24th day of October, 2005.



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Attorneys for PROGRESS ENERGY FLORIDA

#231228

¹ The Commission has previously granted confidential classification of information relating to hedging contracts in previous dockets. *See, e.g.*, Order No. PSC-04-0630-CFO-EI (June 28, 2004).