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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 Inc.'s Request for Confidential Classification in Docket No. 050001-EI have been furnished by hand-delivery (*) or by regular U.S. mail to the following this 24~~th~~ day of October, 2005.

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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

FILED: October 24, 2005

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

Progress Energy Florida, Inc., ("Progress Energy" or "PEF"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code, submits this Request For Confidential Classification of certain information responsive to discovery requests of the Commission Staff ("Staff") in answers responsive to Staff's Seventh Set of Interrogatories, No. 76. In support of this Request, Progress Energy states:

1. In response to Interrogatory No. 76 of Staff's Seventh Set of Interrogatories (Nos. 76-82), PEF is providing information that includes "proprietary confidential business information" as that term is used in Section 366.093, Florida Statutes. Accordingly, PEF hereby requests confidential classification of the document pursuant to Rule 25-22.006(3)(a), Florida Administrative Code.

2. The following exhibits are included with this request:

(b) Exhibit A consists of two redacted copies of the document for which confidential treatment is requested. The information for which PEF requests confidential treatment is blacked out by opaque marker or otherwise labeled "REDACTED" where an entire page is confidential.

(c) Exhibit B is a package containing an unredacted copy of all the documents for which Progress seeks confidential treatment. Exhibit B is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." The information for which

DOCUMENT NUMBER DATE

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PEF requests confidential treatment is highlighted in yellow or copied on yellow paper when an entire page includes confidential information.

3. Lines 1-3 of columns E and F on page 2 of PEF's Response to No. 76 included in Staff's Seventh Interrogatories (No. 76) includes contractual information regarding PEF's natural gas supply contracts. PEF is requesting confidential classification of its response because public disclosure of the information in question would violate the confidentiality provisions contained in certain of PEF's contracts and would impair PEF's ability to contract for services such as fuel supply on competitive and favorable terms.

4. 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. 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. In fact, the contract at issue in this request contains specific confidentiality clauses regarding the terms and provisions of the contract. PEF has kept confidential and has not publicly disclosed the confidential contract terms or provisions. 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. 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. 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.

5. Additionally, if the information were disclosed to PEF's competitors, PEF's efforts to obtain competitive fuel supply and transportation options that provide economic value to both PEF and its ratepayers would be compromised. Disclosure of this information would enable potential fuel suppliers to determine the costs PEF currently pays for natural gas, which would likely result in an increase in the prices offered by such potential suppliers. Potential suppliers would no longer need to make their best offers to ensure the competitiveness of their prices. Instead, they could simply offer the prices that would allow them to remain within PEF's disclosed costs.

6. For the reasons stated above, disclosure of this information would impair PEF's efforts to contract for goods or services on favorable terms under 366.093(3)(d), F.S., and/or impair the competitive businesses of the provider of the information under Section 366.093(3)(e), F.S. Therefore, the information identified constitutes "proprietary confidential business information" which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

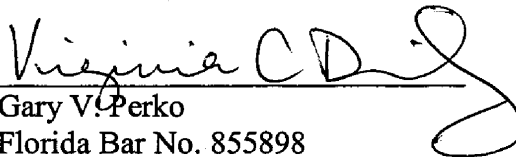
7. Upon receipt of confidential information from fuel suppliers and transportation companies, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricted access to those persons who need the information to assist the Company, and restricting the number of, and access to, the information and contract. At no time since receiving the contract and information in question has the Company publicly disclosed that information or contract. The Company has treated and continues to treat the information and contract at issue as confidential.

8. Furthermore, in PSC Docket No. 041414-EI, the Commission granted confidential classification for the contract from which the information provided in Response No. 76, to Staff's Seventh Interrogatories (Nos. 76-82), is derived. See PSC Order No. PSC-050456-CFO-EI (April 28, 2005).

9. Progress Energy requests that the information described above in PEF's Response to Interrogatory No. 76 of Staff's Seventh Set of Interrogatories (Nos. 76-82), 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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