

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial No.
(850) 425-2328

October 25, 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

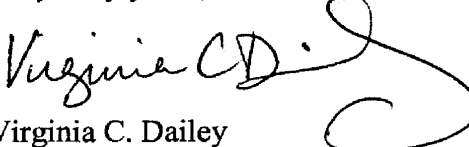
Dear Ms. Bayó:

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

10360 OCT 25 05

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 25th day of October, 2005.

Adrienne Vining, Esq. (*)

Jennifer Rodan, Esq.

Florida Public Service Commission

2540 Shumard Oak Blvd.

Tallahassee, FL 32399-0850

Florida Power & Light Co.

R. Wade Litchfield, Esq.

700 Universe Blvd.

Juno Beach, FL 33408-0420

John T. Butler, Esq.

Squire, Sanders & Dempsey, L.L.P.

200 S. Biscayne Bay Blvd, Suite 4000

Miami, FL 33131-2398

Florida Power & Light Co.

Bill Walker

215 S. Monroe Street, Suite 810

Tallahassee, FL 32301

Lee L. Willis, Esq.

James D. Beasley, Esq.

Ausley & McMullen

P.O. Box 391

Tallahassee, FL 32302

Gulf Power Company

Susan Ritenour

One Energy Place

Pensacola, FL 32520-0780

Joseph McGlothlin, Esq.

Office of Public Counsel

111 West Madison Street, Rm. 812

Tallahassee, FL 32399

Tampa Electric Company

Angela Llewellyn

Regulatory Affairs

P.O. Box 111

Tampa, FL 33601-0111

Jeffrey A. Stone, Esq.

Russell A. Badders, Esq.

Beggs and Lane

P.O. Box 12950

Pensacola, FL 32576

Messer Law Firm

Norman Horton, Jr.

P.O. Box 1876

Tallahassee, FL 32302-1876

Florida Industrial Power Users Group

c/o John W. McWhirter, Jr.

McWhirter Reeves

400 North Tampa Street, Suite 2450

Tampa, FL 33602

Florida Public Utilities Company

Ms. Cheryl Martin

P. O. Box 3395

West Palm Beach, FL 33402-3395

Timothy J. Perry, Esq.

McWhirter Reeves, et al.

117 South Gadsden Street

Tallahassee, FL 32301

CSX Transportation, Inc.

Mark Hoffman

500 Water St., 14th Floor

Jacksonville, FL 32202

Moyle Law Firm
Jon C. Moyle, Jr.
The Perkins House
118 North Gadsden Street
Tallahassee, FL 32301

R. Alexander Glenn
Deputy General Counsel - Florida
Progress Energy Service Company, LLC
P.O. Box 14042
St. Petersburg, FL 33733

Landers Law Firm
Robert Scheffel Wright/John LaVia, III
P.O. Box 271
Tallahassee, FL 32302

Michael B. Twomey
Post Office Box 5256
Tallahassee, FL 32314-5256

Major Craig Paulson
AFCEA/ULT
139 Barnes Drive
Tyndall Air Force Base, FL 32403


Attorney

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 25, 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 a chart which was created by Commission auditors using confidential information provided by PEF to the 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 information to the Staff containing "proprietary business information" under Section 366.093(3), F.S. The Staff's audit exit letter of October 5, 2005 informed PEF that the Staff will maintain this information and that PEF has twenty-one days after the date of the letter to file a request for confidential classification. 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 redacted versions 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

10360 OCT 25 05

FPSC-COMMISSION CLERK

PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
DOCKET NO. 050001-EI
PAGE 2

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

3. The document at issue in this request is a chart prepared by Commission auditors based on confidential information provided by PEF to Commission auditors regarding rates for waterborne coal transportation services. The Commission has previously granted PEF's request for confidential classification of information relating to rates for waterborne coal transportation services. See Order No. 04-0705-CFO-EI, issued in Docket No. 031057-EI (July 20, 2004).

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." § 366.093(3)(d), F.S. The designated information concerning rates for waterborne coal transportation service falls within this statutory category and, thus, constitutes propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006, F.A.C.

5. The highlighted information, on Columns S, U, and Y (Lines 1-8), Columns A-Z (Lines 10-16), and Columns A and B (Lines 18-24), 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 could give the supplier of rail transportation services a significant competitive

advantage in future 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 could 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 auditor's chart would be contrary to 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. This would give existing and potential coal suppliers a major competitive advantage in bidding for 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 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 auditor's chart would also be detrimental to the best interests of the Company's customers.

PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
DOCKET NO. 050001-EI
PAGE 4

7. The highlighted waterborne transportation rates on the auditor's chart 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 materials in a previous proceeding. See Order No. 04-0705-CFO-EI, issued in Docket No. 031057-EI (July 20, 2004).

8. Rule 25-6.0151(1)(f), F.A.C., provides that documents created by Commission auditors "shall also be given confidential status" where they relate to information for which the company has asserted confidential status. Thus, the auditor's chart which was created using confidential information from PEF regarding waterborne coal transportation services shall be given confidential status.

9. 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.

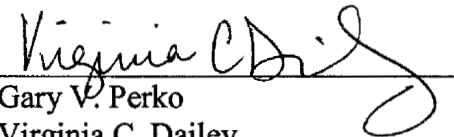
10. Progress Energy requests an 18-month confidentiality period, consistent with Rule 25-22.006(9)(a), F.A.C.

PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
DOCKET NO. 050001-EI
PAGE 5

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

RESPECTFULLY SUBMITTED this 25th day of October, 2005.

HOPPING GREEN & SAMS, P.A.

By: 
Gary V. Perko
Virginia C. Dailey
123 S. Calhoun Street (32301)
Post Office Box 6526
Tallahassee, FL 32314
Telephone: 805-425-2359
Facsimile: 805-224-8551

#231236

Attorneys for PROGRESS ENERGY FLORIDA, INC.