

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REDACTED

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

Docket No. 070001-EI

Dated: Sept. __, 2007

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COMMISSION CLERK

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

Progress Energy Florida, Inc., ("PEF," "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 for certain information provided in response to OPC's First Set of Interrogatories (Nos. 1-8) propounded on PEF. In support of this Request, PEF states:

1. In response to OPC's First Set of Interrogatories, PEF will provide responses containing information that is "proprietary business information" under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this request:

CMP _____

COM _____

CTR _____

ECR 1

GCL 1

OPC _____

RCA _____

SCR _____

SGA _____

SEC _____

OTH 1 conf records

(a) Exhibit A is a table which identifies by page and line the information for which PEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

(b) Composite Exhibit B is a package containing two copies of redacted

DOCUMENT NUMBER-DATE

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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.

(c) Sealed composite Exhibit C is a package containing unredacted copies of all the documents for which PEF seeks confidential treatment. Composite Exhibit C is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted by yellow marker.

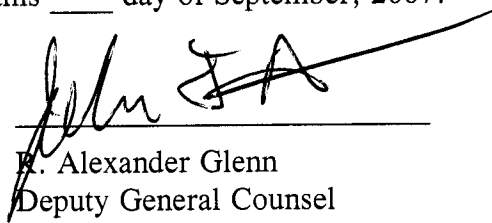
3. As indicated in Exhibit A, the information for which Progress Energy requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), F.S. Specifically, the information at issue relates to competitively negotiated contractual data, such as pricing of fuel, transportation, and other contractual terms, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate fuel supply contracts and transportation contracts on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of Sasha Weintraub at ¶ 5. Furthermore, the information at issue relates to the competitive interests of PEF and its fuel suppliers and transportation providers, the disclosure of which would impair their competitive businesses. *Id.* § 366.093(3)(e); Affidavit of Sasha Weintraub at ¶ 5. Accordingly, such information constitutes "proprietary confidential business information" which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

4. The information identified as Exhibit "A" is intended to be and is treated as confidential by the Company; affidavit of Sasha Weintraub at ¶ 6. The information has not been disclosed to the public, and the company has treated and continues to treat the information and contracts at issue as confidential. *See* affidavit of Sasha Weintraub at ¶ 6.

5. Progress Energy requests that the information identified in Exhibit A 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 respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 14th day of September, 2007.

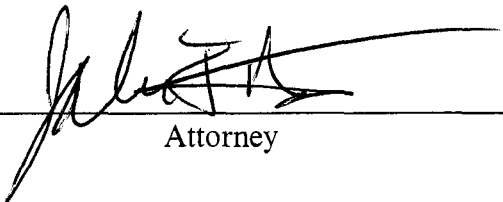


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s request for Confidential Classification in Docket No. 070001-EI has been furnished by regular U.S. mail to the following this 14th day of September, 2007.



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EXHIBIT A

**PROGRESS ENERGY FLORIDA
Confidentiality Justification**

| DOCUMENT/RESPONSES | PAGE/LINE | JUSTIFICATION |
|---|---|---|
| PEF's Response to OPC's First Set of Interrogatories, Question No. 4. | Tonnage, transportation costs, and contract price of coal listed in the first two paragraphs of PEF's answer. | <p>§366.093(3)(d), F.S. 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), F.S. 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> |
| PEF's Response to OPC's First Set of Interrogatories, Question No. 5. | Contract price of coal listed in the last line of PEF's answer. | <p>§366.093(3)(d), F.S. 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), F.S. 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> |

| DOCUMENT/RESPONSES | PAGE/LINE | JUSTIFICATION |
|---|--|---|
| PEF's Response to OPC's First Set of Interrogatories, Question No. 6. | Tons of coal remaining under contract to be delivered in 2007 listed in the second sentence of PEF's answer. | <p>§366.093(3)(d), F.S. 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), F.S. 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> |

4. The January 2007 423-2 Form shows that CR 4 & 5 received approximately 45,000 tons of 0.41% low sulfur coal from an unidentified Transfer Facility with a BTU content of 11,437, and that it received in the same month an additional 138,000 tons from an unidentified Transfer Facility at a higher cost per ton. Please state for each transfer facility the name of the transfer facility, the source of the coal, the cost of the coal at the mine, the river transportation cost of the coal if applicable, the terminal cost, if applicable, the Gulf transportation cost, if applicable, the reasons for the additional cost per ton for the 138,000 ton shipment and what plans the company has to avoid such penalties in the future, if any. If the reason for the price differential is BTU content, please state the actual \$MMBTU for each of the separate sources.

ANSWER: The transfer facility for the [REDACTED] tons was the Bulk Material Handling Plant, a facility of the Alabama State Port Authority in Mobile, Alabama. The received coal was coal under the Interocean Coal Sales contract. This contract has a base price of \$ [REDACTED] per ton based on 11,700 BTU coal. This coal was purchased FOB Barge at Mobile and, as such, the FOB Barge price includes all transportation and terminal fees up to the delivery point of the coal. Gulf barge and other transportation costs were \$ [REDACTED] per ton.

The transfer facility for the [REDACTED] tons was IMT. Coal inventory is maintained at IMT so it is not possible to track the [REDACTED] tons of coal to specific suppliers; however, details of all coal purchased into IMT are shown on the form 423-2 on the pages for the Plant Name – Transfer Facility – IMT. Gulf barge and other water transportation costs were \$ [REDACTED] per ton.

No penalty was incurred by PEF. The price difference is not primarily driven by BTU differences, but by differences in market prices when the coal purchase contracts were signed. All coal, including coal received from Mobile, Alabama and IMT, was purchased utilizing a competitive RFP process which evaluates total delivered price for the coal.



5. The January 2007 423-2 Form shows that PEF purchased 29,475 tons of 0.45% low sulfur coal with a BTU content of 11,342 at the delivered price stated therein. With regard to the delivered price of McDuffie Coal, what portion is comprised of terminal and Gulf transportation costs?

ANSWER: Coal delivered from Mobile, Alabama in January 2007 was purchased from Interocean Coal Sales. Since this coal was purchased FOB Barge, the terminal costs are included in the purchase price for the coal. The Gulf barge and other water charges from deliveries from Mobile, Alabama were \$ [REDACTED] per ton for January 2007.

6. In view of the price paid for low sulfur coal for CR4 and 5 in January 2007, please discuss the potential for utilizing greater percentages of the 0.45% low sulfur, low BTU coal purchased from Interocean at McDuffie terminal.

ANSWER: The 0.45% low sulfur, low BTU coal purchased from Interocean is from a contract negotiated in 2004. The remaining tonnage of this contract is [REDACTED] tons that will be delivered in 2007.

4. The January 2007 423-2 Form shows that CR 4 & 5 received approximately 45,000 tons of 0.41% low sulfur coal from an unidentified Transfer Facility with a BTU content of 11,437, and that it received in the same month an additional 138,000 tons from an unidentified Transfer Facility at a higher cost per ton. Please state for each transfer facility the name of the transfer facility, the source of the coal, the cost of the coal at the mine, the river transportation cost of the coal if applicable, the terminal cost, if applicable, the Gulf transportation cost, if applicable, the reasons for the additional cost per ton for the 138,000 ton shipment and what plans the company has to avoid such penalties in the future, if any. If the reason for the price differential is BTU content, please state the actual \$MMBTU for each of the separate sources.

ANSWER: The transfer facility for the [REDACTED] tons was the Bulk Material Handling Plant, a facility of the Alabama State Port Authority in Mobile, Alabama. The received coal was coal under the Interocean Coal Sales contract. This contract has a base price of \$ [REDACTED] per ton based on 11,700 BTU coal. This coal was purchased FOB Barge at Mobile and, as such, the FOB Barge price includes all transportation and terminal fees up to the delivery point of the coal. Gulf barge and other transportation costs were \$ [REDACTED] per ton.

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No penalty was incurred by PEF. The price difference is not primarily driven by BTU differences, but by differences in market prices when the coal purchase contracts were signed. All coal, including coal received from Mobile, Alabama and IMT, was purchased utilizing a competitive RFP process which evaluates total delivered price for the coal.



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ANSWER: Coal delivered from Mobile, Alabama in January 2007 was purchased from Interocean Coal Sales. Since this coal was purchased FOB Barge, the terminal costs are included in the purchase price for the coal. The Gulf barge and other water charges from deliveries from Mobile, Alabama were \$ [REDACTED] per ton for January 2007.

6. In view of the price paid for low sulfur coal for CR4 and 5 in January 2007, please discuss the potential for utilizing greater percentages of the 0.45% low sulfur, low BTU coal purchased from Interocean at McDuffie terminal.

ANSWER: The 0.45% low sulfur, low BTU coal purchased from Interocean is from a contract negotiated in 2004. The remaining tonnage of this contract is [REDACTED] tons that will be delivered in 2007.

STATE OF FLORIDA

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NANCY ARGENZIANO
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ANN COLE
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(850) 413-6770

Public Service Commission

CONFIDENTIAL

ACKNOWLEDGEMENT

DATE: 9/14/07

TO: R. Alexander Glenn

FROM: Ruth Nettles, Office of Commission Clerk

RE: **Acknowledgement of Receipt of Confidential Filing**

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 0700001-EI or, if filed in an undocketed matter, concerning certain information provided in response to OPC's 1st set of Interrogatories, Nos. 1-8, and filed on behalf of Progress.

The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

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