

Hopping Green & Sams

Attorneys and Counselors

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

October 15, 2007

BY HAND DELIVERY

Ms. Ann Cole
Director Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED-FPSC
07 OCT 15 PM 4:38
COMMISSION
CLERK

Re: Docket No. 070007-EI
Request for Confidential Classification and Motion for Protective Order
CONFIDENTIAL MATERIALS ENCLOSED

Dear Ms. Cole:

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, including Exhibit A which provides an explanation of the basis for PEF's confidentiality request;

(2) A package containing Exhibit B, which includes two redacted copies of the confidential documents; and

(3) A CONFIDENTIAL package containing Exhibit C which includes one copy of the documents on which the confidential material has been highlighted.

CMP _____

COM _____

CTR _____

ECR _____

GCL 1

OPC _____

RCA 1

SCR _____

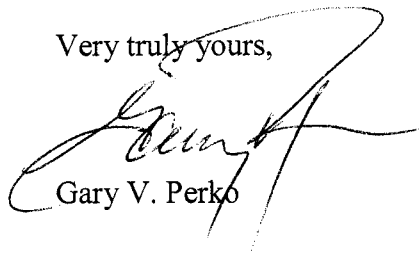
SGA _____

SEC Enclosures

OTH cc: certificate of service

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

DOCUMENT NUMBER-DATE

09423 OCT 15 2007

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to all counsel of record and interested parties as listed below by hand-delivery (*) or regular U.S. mail to the following this 15th day of October, 2007.

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Office of General Counsel
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Tallahassee, FL 32399-0850

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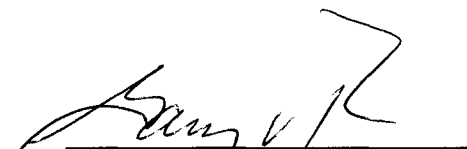
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Attorney

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause.

DOCKET NO. 070007-EI

FILED: OCTOBER 15, 2007

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CLERK

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**PROGRESS ENERGY FLORIDA INC.'S REQUEST FOR CONFIDENTIAL
CLASSIFICATION REGARDING RESPONSES TO STAFF'S
FIRST SET OF INTERROGATORIES (NOS. 1-25)**

Progress Energy Florida, Inc., ("PEF" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code, submits this Request for Confidential Classification of information included in PEF's responses to Staff's First Set of Interrogatories (Nos. 1-25). In support of this request, Progress Energy states:

1. Contemporaneously with this request, PEF is submitting its responses to Staff's First Set of Interrogatories (Nos. 1-25). As explained in Exhibit A to this Request, PEF's responses to Staff Interrogatory Nos. 3, 5 and 22 contain confidential 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 information also relates to PEF's competitive interests, the disclosure of which would impair PEF's competitive business. § 366.093(3)(e), F.S. As such, all of the information identified in Exhibit A constitutes "proprietary confidential business information" as that term is defined in Section 366.093, Florida Statutes, and is therefore exempt from disclosure under the Public Records Act.

5. The following exhibits are included with this request:

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

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(b) Composite Exhibit B is a package containing two copies of redacted versions of each document for which the Company requests confidential classification. In the redacted versions, the confidential information has been blackened out by opaque marker or other means.

(c) Composite Exhibit C is a package containing unredacted copies of the documents for which Progress Energy seeks confidential treatment. Exhibit C is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the confidential information has been highlighted in yellow.

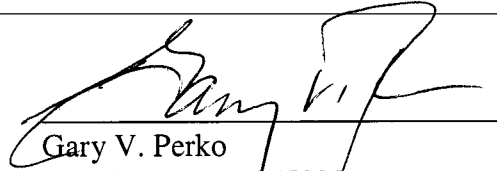
6. The information identified in Exhibit A and provided in Composite Exhibit C is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public.

7. PEF requests that the information provided in Composite Exhibit C 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, Inc., respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this ¹⁷~~5~~ day of October, 2007.

HOPPING GREEN & SAMS, P.A.



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Attorneys for PROGRESS ENERGY FLORIDA

EXHIBIT "A"
 PROGRESS ENERGY FLORIDA
 REQUEST FOR CONFIDENTIAL CLASSIFICATION

Document	Page(s)	Line No(s).	Justification (see legend below)
Response to Staff Interrogatory No. 3	All	All	A
Response to Staff Interrogatory No. 5	1,2	All	A, B
Response to Staff Interrogatory No. 22	9	1-8	C

LEGEND

- A PROJECT IN-SERVICE DATES** – This information includes detailed cost component information underlying a Table 1 from PEF’s Integrated Clean Air Compliance Plan for which the Commission has granted confidential classification in Order No. PSC-07-0676-CFO-EI. Either by itself or in conjunction with information previously provided in this docket, the redacted information could be used to identify in-service dates of certain pollution control projects or provides other information from which such in-service dates can be determined. Together with the allowance purchase information discussed below, this information could be used to determine when PEF intends to purchase emission allowances and how many purchases PEF projects to make. The compliance requirements under CAIR require a new annual compliance period. This will be a new market that will begin trading. To date, the new annual NO_x market has not become active and is considered very illiquid. As a result, allowance prices for annual NO_x purchases could be very volatile especially during the first years of compliance under CAIR. Additionally, in later years, there could be volatility in the SO₂ markets as a result of the more stringent SO₂ compliance requirements associated with CAIR. For these reasons, disclosure of the redacted information concerning allowance market positions could put PEF at a competitive disadvantage in purchasing emission allowances on the market which could further contribute to price volatility to the detriment of PEF and its customers. As such, the redacted information constitutes confidential 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.
- B ALLOWANCE INFORMATION** – The redacted information includes data underlying Figures 1, 2, and 3 of PEF’s Integrated Clean Air Compliance Plan for which the Commission previously granted confidential classification in Order No. PSC-07-0676-CFO-EI. Specifically, the information relates to emission projections, the timing of planned allowance purchases and/or the number of allowances projected to be purchased. Either alone or together with the project in-service date information discussed below, this information could be used to determine when PEF intends to purchase emission allowances and how many purchases PEF projects to make. CAIR imposes a new annual compliance period. This will be a new market that will begin trading and to date this new market has not become active and is considered very illiquid. As a result, allowance prices for annual NO_x purchases could be

EXHIBIT "A"
PROGRESS ENERGY FLORIDA
REQUEST FOR CONFIDENTIAL CLASSIFICATION

very volatile especially during the first years of compliance under CAIR. Additionally, in later years, there could be volatility in the SO₂ markets as a result of the more stringent SO₂ compliance requirements associated with CAIR. For these reasons, disclosure of the redacted information concerning allowance market positions could put PEF at a competitive disadvantage in purchasing emission allowances on the market which could further contribute to price volatility to the detriment of PEF and its customers. As such, the redacted information constitutes confidential 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.

- C CONTRACTUAL INFORMATION – The information redacted from PEF's response to Interrogatory No. 22 includes final pricing information included in PEF's contracts for various projects included in the Company's Integrated Clean Air Compliance Plan. Disclosure of this information would provide potential future contractors with knowledge of prices that PEF has proposed and negotiated. This knowledge would give potential providers significant competitive advantage in future negotiations because they would no longer need to make their best offers to ensure the competitiveness of their rates and other contractual terms. Furthermore, without assurances that the confidential terms of contracts will not be publicly disclosed, potential providers may be unwilling to contract with PEF. In either case, the efforts of Progress Energy and its affiliates to contract for goods and services on favorable terms would be impaired by disclosure of the information. *See* § 366.093(3)(d), F.S. Furthermore, the information in the contracts relates to the competitive interests of PFC and its contractors, 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 under the Public Records Act pursuant to Section 366.093(1), F.S.

STATE OF FLORIDA

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
MATTHEW M. CARTER II
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

CONFIDENTIAL

Public Service Commission

ACKNOWLEDGEMENT

DATE: October 15, 2007

TO: G. Perko/Hopping Law Firm

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 070007-EI or, if filed in an undocketed matter, concerning information in response to staff's 1st set of interrogatories, and filed on behalf of Progress Energy. 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.

DOCUMENT NUMBER-DAY
09424 OCT 15
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