

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 080001-EI

Dated: August 29, 2008

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

Progress Energy Florida, Inc., ("PEF" 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 Exhibit MO-2 to the projection testimony of PEF witness Marcia Olivier dated August 29, 2008, specifically Schedule E12 – Capacity Costs, Part 3, Page 3 of 5 and for certain information provided in the testimony, Exhibit JM-1P and Exhibit JM-1P of PEF witness Joseph McCallister dated August 29, 2008, specifically Pages 3, 4 and 5 of his testimony, Pages 1 and 2 of Exhibit JM-1P, Attachments A through H to Exhibit JM-1P, and Exhibit JM-2P. In support of this Request, PEF states:

1. Exhibit MO-2, Schedule E12 – Capacity Costs, Part 3, Page 3 of 5 to the testimony of Marcia Olivier, Pages 3, 4 and 5 to the testimony of Joseph McCallister, along with Pages 1 and 2 of Exhibit JM-1P (Risk Management Plan), Attachments A through H to Exhibit JM-1P, and Exhibit JM-2P contains information that is "proprietary business information" under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this request:

- COM _____
- ECR 1
- GCL 1 the documents for which PEF seeks confidential treatment. Composite Exhibit A is being submitted separately
- OPC _____
- RCP _____
- SSC _____ in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted by yellow marker.
- SGA _____
- ADM _____
- CLK 1

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(b) Composite Exhibit B 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.

(c) Exhibit C 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.

3. As indicated in Exhibit C, the information for which PEF requests confidential classification is “proprietary confidential business information” within the meaning of Section 366.093(3), F.S. Specifically, in Exhibit MO-2 – Schedule E12, Part 3, Page 3 of 5, the highlighted information provides the number of megawatts for each purchase or sale. In combination with other non-confidential cost data provided in the exhibit, this information could be used to determine the capacity charges for each contract. Affidavit of Marcia Olivier at ¶ 5. Disclosure of this information would enable wholesale providers to determine the prices of their competitors, which could result in greater price convergence in future negotiations. Affidavit of Marcia Olivier at ¶ 5. Suppliers would no longer need to make their best offers to ensure the competitiveness of their prices against the disclosed prices. Affidavit of Marcia Olivier at ¶ 5. Instead, suppliers could simply offer the highest prices that would allow them to maintain a marginally competitive position against the disclosed prices. Affidavit of Marcia Olivier at ¶ 5. 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.; Affidavit of Marcia Olivier at ¶ 5. Additionally, if the information at issue was disclosed to PEF’s competitors, PEF’s efforts to obtain competitive energy supply that provides economic value to both PEF and its ratepayers could be compromised by PEF’s competitors changing their consumption or purchasing behavior within the relevant markets. *Id.* § 366.093(3)(e); Affidavit of Marcia Olivier at ¶ 6. 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. In addition, specifically, on Pages 3, 4 and 5 of the testimony of Joseph McCallister, Pages 1 and 2 of Exhibit JM-1P (Risk Management Plan), Attachments A through H to Exhibit JM-1P, and Exhibit JM-2P, the highlighted information provides forecasted costs, hedging volumes, hedging percentages, internal policies and guidelines, collateral summaries and unrealized forecasted hedge values. Affidavit of Joseph McCallister at ¶ 5. Disclosure of this information would enable fuel suppliers to have insight to PEF's internal risk management guidelines and to obtain competitive information, which could result in greater price convergence in future negotiations. Affidavit of Joseph McCallister at ¶ 5. Fuel suppliers would no longer need to make their best offers to ensure the competitiveness of their prices against the disclosed prices. Affidavit of Joseph McCallister at ¶ 5. Instead, fuel suppliers could simply offer the highest prices that would allow them to maintain a marginally competitive position against the disclosed forecasted costs and percentages. Affidavit of Joseph McCallister at ¶ 5. 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.; Affidavit of Joseph McCallister at ¶ 5. Additionally, if the information at issue was disclosed, PEF's efforts to obtain competitive energy supply that provides economic value to both PEF and its ratepayers could be compromised by PEF's competitors changing their purchasing behavior within the relevant markets. *Id.* § 366.093(3)(e); Affidavit of Joseph McCallister at ¶ 6. 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.

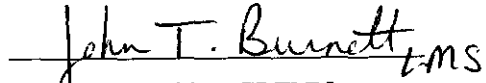
5. The information identified as Exhibit "A" is intended to be and is treated as confidential by the Company. Affidavits of Marcia Olivier and Joseph McCallister at ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information and contracts at issue as confidential. Affidavits of Marcia Olivier and Joseph McCallister at ¶ 7.

6. PEF 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, PEF respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 24th day of August, 2008.

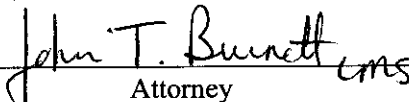
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Attorneys for
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s Request for Confidential Classification in Docket No. 080001-EI has been furnished by regular U.S. mail (* via hand delivery) to the following this 29th day of August, 2008.



Attorney

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COMMISSIONERS:
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STATE OF FLORIDA



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Public Service Commission

ACKNOWLEDGEMENT

DATE: August 29, 2008

TO: John T. Burnett, Esquire/Progress Energy Service Company, LLC

FROM: Marguerite H. McLean, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 080001-EI (DN 07903-08) or, if filed in an undocketed matter, concerning information provided in Exh MO-2 (Sch E12 - capacity costs, part 3, page 3 of 5) to projection testimony of Marcia Olivier and for information provided in testimony (Pgs 3, 4, and 5), Exhs JM-1P (Pgs 1-2 and Atts A-H), and Exh JM-2P of Jospeh McCallister., and filed on behalf of Progress Energy Florida, Inc. The document will be maintained in locked storage.

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