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Docket No. 080008-EI
Dated: October 9, 2008

In re: FPSC Audit Control No. 08-221-2-1
regarding 2008 January through July
Hedging Activities.

**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 contained in Staff's audit work papers pertaining to the FPSC January - July 2008 Hedging Audit (Control No. 08-221-2-1). In support of this Request, PEF states:

1. The Staff audit work papers at issue contain "proprietary business information" under Section 366.093(3), Florida Statutes.
2. The following exhibits are included with this request:
 - (a) Sealed Composite Exhibit A is a package containing an unredacted copy of all the audit work papers for which PEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted version, the information asserted to be confidential is highlighted by yellow marker.

- (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

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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.

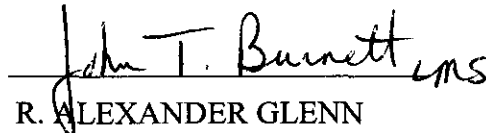
3. As indicated in Exhibit C, the information for which PEF requests confidential classification is “proprietary confidential business information” within the meaning of Section 366.093(3), F.S. Specifically, the audit work papers contain information that relates to sensitive business information, such as internal hedging practices and procedures, hedging volumes and transactions, journal entries, hedging forecasts, hedging agreements, percentages, hedging gains/losses, credit risk limits, pricing information and certain information contained in the Risk Management Plans, the disclosure of which would impair the efforts of the Company to negotiate fuel supply contracts and fuel hedges on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of Joseph McCallister at ¶ 5. Furthermore, the information at issue relates to the competitive interests of PEF, the disclosure of which would impair PEF’s competitive business. *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.

4. The information identified as Exhibit “A” is intended to be and is treated as confidential by the Company. *See* Affidavit of Joseph McCallister at ¶ 7. The information contained in the audit work papers have not been disclosed to the public, and the Company has treated and continues to treat the information at issue as confidential. *See* Affidavit of Joseph McCallister at ¶ 7.

5. 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 9th day of October, 2008.


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Public Service Commission

CONFIDENTIAL

ACKNOWLEDGEMENT

DATE: October 9, 2008

TO: John Burnett, Alexander Glenn, Progress Energy

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 080000 or, if filed in an undocketed matter, concerning information contained in staff's audit work papers pertaining to Jan-July 08 Hedging Audit Control No. 08-221-2-1, 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.

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