

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 090001-EI

Dated: August 4, 2009

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**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-1 to the direct testimony of PEF witness Marcia Olivier dated August 4, 2009, specifically Schedule E12, Part 2 – Capacity Cost Recovery Calculations for 2009, Page 2 of 2 and for certain information contained in PEF's 2010 Risk Management Plan, specifically Pages 1 through 3 and Attachments A through G. In support of this Request, PEF states:

1. Exhibit MO-1, Schedule E12, Part 2 – Capacity Cost Recovery Calculations for 2009, Page 2 of 2 and certain information in PEF's Risk Management Plan contains information that is "proprietary business information" under Section 366.093(3), Florida Statutes.
2. The following exhibits are included with this request:
 - (a) Composite Exhibit A is a package containing unredacted copies of all

the documents for which PEF seeks confidential treatment. Composite Exhibit A 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.

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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, the highlighted information in Exhibit MO-1 provides the number of megawatts for specific purchases or sales. 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, specific information contained in PEF's 2010 Risk Management Plan, specifically Pages 1 through 3 and Attachments A through G provides "proprietary confidential business information" within the meaning of Section 366.093(3), F.S. Specifically, the highlighted information in PEF's Risk Management Plan 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 consumption or purchasing behavior within the relevant markets. *Id.* § 366.093(3)(e); Affidavit of Joseph McCallister at ¶ 6. Accordingly, such

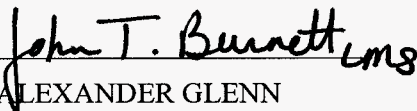
information constitutes “proprietary confidential business information” which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

5. The information identified as Exhibit “A” is intended to be and is treated as confidential by the Company. Affidavit 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. Affidavit 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.

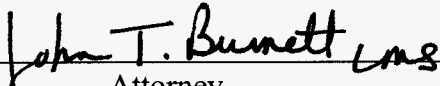
RESPECTFULLY SUBMITTED this 4th day of August, 2009.


R. ALEXANDER GLENN
General Counsel - Florida
JOHN T. BURNETT
Associate General Counsel - Florida
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5249
Email: john.burnett@pgnmail.com

Attorneys for
PROGRESS ENERGY FLORIDA, INC.

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. 090001-EI has been furnished via U.S. mail (* via hand delivery) to the following this 4th day of August, 2009.



Attorney

<p>Lisa Bennett, Esq. * Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850</p> <p>James D. Beasley, Esq. Lee L. Willis, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302</p> <p>Joseph A. McGlothlin, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, #812 Tallahassee, FL 32399</p> <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591</p> <p>Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601</p> <p>Ms. Susan D. Ritenour Gulf Power Company One Energy Place Pensacola, FL 32520-0780</p> <p>Natalie F. Smith Florida Power & Light 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859</p>	<p>Florida Industrial Power Users Group c/o John W. McWhirter, Jr. McWhirter Reeves & Davidson, P.A. P.O. Box 3350 Tampa, FL 33601-3350</p> <p>Norman H. Horton, Jr. Messer, Caparello & Self, P.A. P.O. Box 15579 Tallahassee, FL 32317</p> <p>John T. Butler, Esq. R. Wade Litchfield, Esq. Florida Power & Light Co. 700 Universe Boulevard Juno Beach, FL 33408</p> <p>Robert Scheffel Wright John T. LaVia, III Young van Assenderp, P.A. 225 S. Adams Street, Suite 200 Tallahassee, FL 32301</p> <p>Mehrdad Khojasteh Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395</p> <p>Mr. James W. Brew, Esq. c/o Brickfield Law Firm 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007</p> <p>AARP c/o Mike Twomey P.O. Box 5256 Tallahassee, FL 32314-5256</p>
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Exhibit A

“CONFIDENTIAL”

Exhibit B

REDACTED

**PROGRESS ENERGY FLORIDA
Confidentiality Justification Matrix**

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>Exhibit MO-1: Schedule E12, Part 2 – Capacity Cost Recovery Calculations for 2009</p>	<p>Page 2 of 2, Lines 1-5; Purchased MWs</p>	<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>
<p>PEF Risk Management Plan</p>	<p>Page 1: volume of coal.</p> <p>Page 2: volumes of oil, natural gas & economy power purchases.</p> <p>Page 3: hedging %’s</p> <p>Attachment A – “Fuel & Power Optimization Risk Management Guidelines” (entire document): internal guidelines.</p> <p>Attachment B – “Regulated Fuels Hedging Portfolio”: forecasted hedging amounts & contract</p>	

	<p>term limits.</p> <p>Attachment C – “Collateral Summary” (entire document).</p> <p>Attachment D – “Risk Management Policy” (entire document): internal guidelines.</p> <p>Attachment E – “Risk Management Committee Guidelines” (entire document): internal guidelines.</p> <p>Attachment F – “Credit Risk Management Guidelines” (entire document): internal guidelines.</p> <p>Attachment G: last column titled “Document purpose”: internal procedures.</p>	
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STATE OF FLORIDA

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



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ANN COLE
COMMISSION CLERK
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Public Service Commission

ACKNOWLEDGEMENT

DATE: August 5, 2009

TO: James Michael Walls, Matthew R. Bernier/Carlton Fields

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 090001 or, if filed in an undocketed matter, concerning certain information provided in Exhibit MO-1 to Direct testimony of Marcia Oliver, specifically Schedule E12, Part 2, Page 2 of 2, 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 - DATE
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Internet E-mail: contact@psc.state.fl.us