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October 27, 2009

VIA OVERNIGHT DELIVERY

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: *Environmental Conservation Cost Recovery; Docket No. 090002-EG*

Dear Ms. Cole:

Please find enclosed for filing in the above-referenced docket an original and seven (7) copies of Progress Energy Florida, Inc.'s Request for Confidential Classification.

Thank you for your assistance in this matter. Should you have any questions concerning this filing, please call me at (727) 820-5184.

Sincerely,

John T. Burnett

JTB/at
Enclosure

cc: Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost recovery
clause.

Docket No. 090002-EG

Submitted for Filing: October 27, 2009

**PROGRESS ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL
CLASSIFICATION REGARDING THE DOCUMENTS PRODUCED IN RESPONSE TO
FIPUG'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-3)**

Progress Energy Florida, Inc. ("PEF" or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code, requests confidential classification of the documents produced in response to Florida Industrial Power Users Group's ("FIPUG") First Request for Production of Documents (Nos. 1-3), specifically request numbers 2 and 3. The information provided in response to these requests contain confidential contractual information, as well as other confidential information relating to the Company's competitive interests, the release of which would harm the Company's competitive business interests, as well as violate contractual confidentiality provisions. PEF considers this information proprietary and confidential, does not share it with the public, and has at all times maintained its confidentiality.

With respect to the confidential information at issue, PEF filed its Notice of Intent to Request Confidential Classification on October 6, 2009. Therefore, pursuant to Rule 25-22.006(3), Florida Administrative Code, this request is timely. PEF hereby submits the following in support of its confidentiality request:

BASIS FOR CONFIDENTIAL CLASSIFICATION

Section 366.093(1), Florida Statutes, provides that "any records received by the Commission which are shown and found by the Commission to be proprietary confidential

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business information shall be kept confidential and shall be exempt from [the Public Records Act].” § 366.093(1), Fla. Stat. Proprietary confidential business information means information that is (i) intended to be and is treated as private confidential information by the Company, (ii) because disclosure of the information would cause harm, (iii) either to the Company’s ratepayers or the Company’s business operation, and (iv) the information has not been voluntarily disclosed to the public. § 366.093(3), Fla. Stat. Specifically, “information concerning bids or other 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” is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stat. Additionally, section 366.093(3)(e) defines “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information,” as proprietary confidential business information.

The documents in question, as explained below and in the supporting affidavits of Bruce Barkley, Michael Rib, Nancy Holdstein and Jon Franke, contain confidential competitive business information regarding, *inter alia*, the Company’s forecasted Spot and Hedge process for Natural Gas and Oil, Coal Cost forecasts, CT Maintenance Plans, Peaking Unit Variable Operation Costs, Steam Unit Operating and Management Rates, workpapers supporting projected costs for PEF’s interruptible and curtailable programs, as well as the Nuclear Outage Schedule for Crystal River Unit 3 (“CR3”). The disclosure of this information would impair PEF’s efforts to contract for goods and services on favorable terms and otherwise damage the Company’s competitive business interests or the competitive business interests of PEF customers. Specifically, if third parties, such as suppliers and/or competitors, were aware of PEF’s forecasted prices for certain commodities, they would be able to artificially inflate their

prices to reach the upper bounds of such forecasts. See Affidavit of Barkley, ¶4. Furthermore, certain documents being produced include contractually agreed to pricing arrangements, the disclosure of which would violate contractual confidentiality provisions. These documents also contain input information the Company collects from various sources in order to perform the necessary planning functions. See Affidavit of Rib, ¶ 4. Additionally, the documents include information regarding the scheduled CR3 generator outage during which the Extended Power Uprate will occur. During this outage, the Company will be required to purchase the power necessary to serve its customers. If other parties were made aware of the timing and expected length of this outage, they would be in a position to take advantage of that information to the detriment of the Company and its ratepayers. For example, they may offer PEF less competitive contractual terms in future contractual negotiations or be in position to negotiate contracts less favorable to the Company and its customers. See Affidavit of Franke, ¶4. Also, certain documents being produced include customer billing information pertaining to interruptible service kWh usage. These documents contain detailed customer billing determinants (KW, KWH, on/off peak, Load Factor) that could disadvantage PEF's industrial and commercial customers. Electric costs are a significant component of commercial and industrial customers total costs and releasing this information could give a customer's competitors an advantage if they knew what their competitors electric costs were. See Affidavit of Holdstein, ¶4. If other parties were made aware of a customer's specific electric usage data, they would be in a position to take advantage of that information to the detriment of the customer. Accordingly, these documents containing customer specific data should be accorded confidential treatment pursuant to section 366.093(3)(d) and (e), Florida Statutes.

PEF has kept confidential and has not publicly disclosed the confidential information and documents at issue here. See Affidavit of Franke, ¶5; Affidavit of Barkley, ¶5; Affidavit of Rib, ¶5, and Affidavit of Holdstein, ¶5. Absent such measures, PEF would run the risk that sensitive business information regarding the CR3 EPU and LNP EPC would be made to available to the public and, as a result, other parties could change their position in future negotiations with PEF. PEF would also run the risk that sensitive business information regarding specific commercial and industrial customer electric usage would be made to available to the public and, as a result, other parties could change their position in future business negotiations with that commercial or industrial customer. Without PEF's measures to maintain the confidentiality of sensitive information described herein, the Company's efforts to obtain competitive contracts and to obtain competitively priced goods and services would be undermined. See Affidavit of Franke, ¶5; Affidavit of Barkley, ¶5; Affidavit of Rib, ¶5 and Affidavit of Holdstein, ¶5.

Upon receipt of this confidential information, strict procedures are established and followed to maintain the confidentiality of the information provided, including restricting access to those persons who need the information to assist the Company. At no time since receiving the information in question has the Company publicly disclosed that information; the Company has treated and continues to treat the information at issue as confidential. See Affidavit of Franke, ¶5; Affidavit of Barkley, ¶5; Affidavit of Rib, ¶5, and Affidavit of Holdstein, ¶5.

CONCLUSION

The competitive, confidential information at issue in this request fits the statutory definition of proprietary confidential business information under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, and that information should be afforded confidential classification. In support of this motion, PEF has enclosed the following:

(1) A separate, sealed envelope containing a CD including the confidential documents as Attachment A to PEF's Request for Confidential Classification for which PEF has requested confidential classification with the appropriate section, pages, or lines containing the confidential information highlighted. **This information should be accorded confidential treatment pending a decision on PEF's request by the Florida Public Service Commission;**

(2) Two copies of the documents with the information for which PEF has requested confidential classification redacted by section, page or lines, where appropriate, as Attachment B; and,

(3) A justification matrix supporting PEF's Request for Confidential Classification of the highlighted information contained in confidential Attachment A, as Attachment C.

WHEREFORE, PEF respectfully requests that the highlighted portions of the documents produced in response to FIPUG's First Request for Production of Documents (Nos. 1-3), specifically request numbers 2 and 3, be classified as confidential for the reasons set forth above.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served via electronic and U.S. Mail to the following counsel of record as indicated below on this 27 day of October, 2009.


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Public Service Commission

ACKNOWLEDGEMENT

DATE: October 27, 2009

TO: John Burnett, 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 090002 or, if filed in an undocketed matter, concerning response to FIPUG's 1st Request for PODs, Nos. 1-3, 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 Kim Peña, Records Management Assistant, at (850) 413-6393.

DOCUMENT NO. DATE

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