

Florida Power
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

October 16, 2000

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 000824-EI;
Request Confidential Classification.

Dear Ms. Bayó:

Enclosed for filing in the subject docket is Florida Power Corporation's Request for Confidential Classification of highlighted portions of a five-page document enclosed with Florida Power's Notice of Intent to Request Confidential Classification filed on September 26, 2000

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

- APP _____
 - CAF _____
 - OMP _____
 - COM _____
 - CTR _____
 - ECR _____
 - LEG _____
 - OPC _____
 - PAI _____
 - RGO _____
 - SEC _____
 - SER _____
 - OTH _____
- JAM/kbd
Enclosures
cc: Parties of record

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

x-ref.
11990-00

DOCUMENT NUMBER - DATE
13098 OCT 16 8
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light.

Docket No. 000824-EI

Submitted for filing:
October 16, 2000

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Florida Power Corporation (Florida Power or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of highlighted portions of a five-page document (the Document) enclosed with Florida Power's Notice of Intent to Request Confidential Classification filed in the above-captioned matter on September 26, 2000. The Document was submitted in response to a request from Staff following its review of certain confidential material at the Company's offices. In support of its request, Florida Power states as follows:

1. The Document contains a summary of approximately 200 discrete integration initiatives to be undertaken upon completion of the pending acquisition of Florida Power (and its parent, Florida Progress Corporation) by CPL Energy, Inc. (CPL). These integration initiatives are intended to capture and maximize the benefits made available from consolidated operations of the two organizations. Of particular concern, the Document identifies and describes each individual initiative and provides an estimate of the annual savings and "costs to achieve" for each initiative over the first three years of consolidated operations (2001 through 2003). This is the information that has been highlighted to designate confidentiality and is the subject matter of this request.

DOCUMENT NUMBER-DATE

13098 OCT 16 8

2. For the reasons described below, the designated information is of a highly sensitive nature that justifies its protection from disclosure. Subsection 366.093(1) provides that any records “found by the commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [otherwise requiring disclosure under the Public Records Act].” Subsection 366.093(3) states, in pertinent part, that

“Propriety confidential business information means information, regardless of form or characteristics, which ... is intended to be and is treated by the person or company as private in that *the disclosure of the information would cause harm to the ratepayers or the person’s or company’s business operations ...* .

Propriety confidential business information includes, but is not limited to:

- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.
- (f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.” (Emphasis added.)

As explained below, the designated portions of the Document fall within this statutory category and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

3. The following explanations of the harm that would result from disclosure of the Document’s highlighted information provides the justification for this request for confidential classification:

- (A) The majority of the integration initiatives and associated descriptions refer to combined, consolidated, reduced or eliminated activities, outsourcing, or staff reductions, all of which indicate the potential for loss

of employment, relocations, or other job-related disruptions to the personnel employed in the affected areas. The three-year annual savings estimates indicate the magnitude and timing for each initiative. Premature disclosure of this information before the initiatives have been finalized and properly communicated would (1) cause undue consternation and confusion among employees, many of whom will not ultimately be affected by the initiatives, (2) harm employee morale and overall workforce effectiveness, and (3) adversely affect the orderly transition to consolidated operations and the cost savings to be realized therefrom.

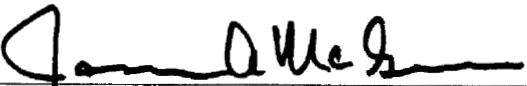
- (B) Certain integration initiatives involve revised dealings with vendors and service providers, the outsourcing of activities, and the adoption of best practices. Premature disclosure of this information before the initiatives have been finalized would harm the combined company's competitive business interests by giving current and potential vendors, suppliers, and competitors valuable intelligence regarding the company's procurement and strategic business plans.
- (C) The savings associated with the integration initiatives shown in the Document are preliminary estimates, subject to potentially significant revision as the planning of the initiatives progresses. Premature disclosure of these preliminary savings estimates before the initiatives have been finalized would adversely affect the consolidated company's standing and credibility with the investment community and business media in the event the magnitude or timing of the estimated savings are not fully realized.

4. The designated information for which confidential classification is sought is intended to be and is treated by the Company as private and has not been publicly disclosed.

WHEREFORE, Florida Power respectfully requests that the highlighted information in the Document previously submitted with its Notice of Intent be classified as confidential for the reasons set forth above.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

James A. McGee
Post Office Box 14042
St. Petersburg, FL 33733-4042
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Facsimile: (727) 820-5519

**NOTICE OF INTENT TO REQUEST
CONFIDENTIAL CLASSIFICATION**

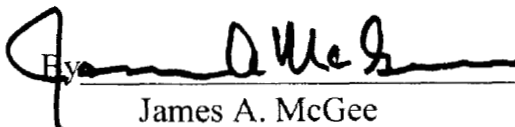
Florida Power Corporation (Florida Power), pursuant to Rule 25-22.006, Florida Administrative Code, hereby files this notice of its intent to request Confidential Classification of the highlighted portions of the enclosed five-page document. The document is submitted in response to a request from Staff following its review of certain confidential documents at Florida Power's offices. Accordingly, Florida Power hereby submits the following:

1. A separate, sealed envelope, containing one copy of the document requested by Staff, with the information for which FPC intends to request confidential classification highlighted. **This information should be accorded confidential treatment pending the filing of FPC's request and a decision thereon by the Commission.**

2. Two copies of the document requested by Staff, with the information for which FPC intends to request confidential classification redacted.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

James A. McGee
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
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ATTACHMENT A

**Justification Matrix for Confidential Information Contained in
Response to Staff's Supplemental Information Request**

| Page | Rows | Columns | Justification |
|-------------|---|----------------|--|
| 8 | all | 3-6 | Individual unit performance data is highly sensitive competitive information. Disclosure of outage and availability factors would allow competitors to determine average system capacity availability and predict FPC's ability to make sales or its need to make purchases. Disclosure of heat rate data would allow competitors to determine FPC's cost of generation using readily available fuel prices. |
| 18 | 1999-2008 | 4-7 | Disclosure of the energy prices of QF and non-QF firm purchases would allow competitors to determine the cost of a major component of FPC's capacity resources against which they must compete and would allow potential energy suppliers to know the price they must undercut. |
| 19 | Debt, Preferred, Equity, Discount Rate | 1 | Disclosure of capitalization ratios and discount rate would allow competitors and potential capacity suppliers to determine FPC's capital costs to construct new generation against which they must compete. |
| 21 | 1999-2008 | 2, 4, 5, 7 | Disclosure of isolated and assisted LOLP results and the corresponding unserved energy would allow competitors to assess the reliability of service against which they must compete. |
| 39 | 1999 2000-2009 | 2, 4 2-4 | Disclosure of variations in the timing and type of future capacity additions and the effect of each addition on the CPWRR and LOLP associated with FPC's high and low demand forecasts would allow competitors and potential power suppliers to determine the cost and reliability impact of these additions and their sensitivity to demand fluctuations and thus be able to adjust their prices accordingly. |
| 41 | 1999-2009 | 2-4 | Disclosure of variations in the timing and type of future capacity additions and the effect of each addition on the CPWRR and LOLP associated with FPC's base case would allow competitors and potential power suppliers to determine the cost and reliability impact of these additions and thus be able to adjust their prices accordingly. |
| 42-45 | 1999-2009 | 2-3 | Disclosure of variations in the timing and type of future capacity additions and the effect of each addition on the CPWRR associated with FPC's alternative technology expansion plans would allow competitors and potential power suppliers to determine the cost and reliability impact of these additions and thus be able to adjust their prices accordingly. |

| Page | Rows | Columns | Justification |
|-------------|-------------|----------------|--|
| 47 | 1999-2008 | 1 | Disclosure of SO ₂ emissions would allow competitors and potential power suppliers to determine FPC's Clean Air Act compliance status, and allow participants in the SO ₂ emissions credit market to determine FPC's position. |
| 47 | 1999-2008 | 2-6 | Disclosure of these emissions would allow competitors to determine FPC's status with respect to emerging environmental constraints and requirements. |
| 60 | 1999-2008 | 1, 3 | Disclosure of FPC's forecasted nominal and real average retail prices would allow competitors to determine FPC's expected future generation costs. |
| 73 | 1999-2008 | 3-5 | Disclosure of these non-tariff natural gas transportation rates would allow competitors to know sensitive contractual information and enable the determination of FPC's fuel cost of gas-fired generation. |
| 83 | all | 1999-2008 | Disclosure of forecasted nature gas and distillate oil consumption by each of these units would allow competitors to determine FPC's expect unit specific costs and operational levels. |