

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 070001-EI

Dated: October 22, 2007

COMMISSION
CLERK

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

Progress Energy Florida, Inc., ("PEF," "Progress Energy," or "Company"), pursuant to Section 366.093, Fla. Stats., and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Request for Confidential Classification of confidential portions of the Office of Public Counsel ("OPC") expert witness, Robert L. Sansom's pre-filed testimony and exhibits contain various sets of sensitive, confidential business information, some of which have previously been produced in discovery by PEF and for which PEF has previously requested confidential classification. For the reasons stated in those prior requests for confidential classification and for the reasons that will be set forth in PEF's justification matrix in support of its request, PEF will seek confidential classification for the information at issue in Mr.

CMP Sansom's pre-filed testimony and exhibits. In support of this Request, PEF states:

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Basis for Confidential Classification

ECR Subsection 366.093(1), Florida Statutes, provides that "any records received by the

GCL Commission which are shown and found by the Commission to be proprietary confidential

OPC RCA business information shall be kept confidential and shall be exempt from [the Public Records

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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. Stats. Specifically, "information relating to competitive interests" is defined as proprietary confidential business information if the disclosure of such information "would impair the competitive business of the provider of the information." §366.093(3)(e), Fla. Stats. Section 366.093(3)(d) further defines proprietary confidential business information as "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." §366.093(3)(d), Fla. Stats.

The aforementioned written testimony and exhibits attached thereto should be afforded confidential treatment because portions of the testimony and the attached exhibits contain proprietary confidential business information relating to PEF's contractual arrangements and PEF's competitive interests. Public disclosure of the information in question would compromise PEF's competitive business interests by disclosing sensitive information and would undermine PEF's efforts to contract for goods and services on favorable terms.

Portions of Robert L. Sansom's Written Testimony

Portions of Robert L. Sansom's written testimony should be afforded confidential treatment for the reasons set forth in the Affidavit of Sasha Weintraub filed in support of PEF's Request for Confidential Classification and for the following reasons.

A portion of Robert L. Sansom's testimony, specifically line 23 on page 18, lines 1, 2, 4 and 6 on page 19, lines 4 through 6 and lines 20 through 21 on page 20, lines 1, 2, 3, 8, 10, 11, 14, 15, and 21 on page 21, lines 17 through 19 on page 23, lines 2 and 3 on page 24, lines 11, 12, 16, 17, and 18 on page 25, line 20 on page 26, and lines 9, 11, 12, and 18 on page 27 contain contractual quantities and pricing arrangements between PEF and third parties (fuel suppliers & transportation providers) that would adversely impact PEF's competitive business interests if disclosed to the public. See Affidavit of Sasha Weintraub at ¶ 8. These pages of testimony also contain PEF's cost impact value. This cost impact value is derived from PEF's analysis of bids in response to an RFP. PEF must be able to assure coal suppliers and transportation companies that sensitive business information, such as the pricing terms of their contracts, will be kept confidential. See Affidavit of Sasha Weintraub at ¶ 7. With respect to the issue in this testimony, PEF has kept confidential and has not publicly disclosed confidential contract terms such as pricing, and similar competitive information. See Affidavit of Sasha Weintraub at ¶ 9. Absent such measures, suppliers and transportation companies would run the risk that sensitive business information that they provided in their contracts with PEF would be made available to the public and, as a result, end up in the possession of potential competitors. See Affidavit of Sasha Weintraub at ¶ 7. Additionally, the disclosure of confidential information in PEF's coal supply and transportation contracts, proposals, and other such documents could adversely impact PEF's competitive business interests. See Affidavit of Sasha Weintraub at ¶ 8.

Portions of Exhibit RLS-3 to Robert L. Sansom's Written Testimony

Pages 3, 4, 5, 6, 8, 17, 18, 19, 24, 25, 26, 28, 29, 30, 31 and 32 of Exhibit RLS-3 to Robert L. Sansom's testimony, as indicated in the Justification Matrix, attached as Exhibit C to this filing, contains contractual pricing arrangements between PEF and third parties (coal suppliers and transportation companies) that would adversely impact PEF's competitive business interests if disclosed to the public. The information for which Progress Energy requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), Fla. Stats. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of fuel, and other contractual terms, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate coal supply contracts and transportation contracts on favorable terms. See § 366.093(3)(d), Fla. Stats.; Affidavit of Sasha Weintraub at ¶ 7. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. See Affidavit of Sasha Weintraub at ¶ 8.

Strict procedures are established and followed to maintain the confidentiality of the terms of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Sasha Weintraub at ¶ 9. At no time has the Company publicly disclosed the confidential information or documents at issue. Id. The Company has treated and continues to treat the information and documents at issue as confidential. Id. PEF requests this information be granted confidential treatment by the Commission.

The Company further notes that the information requested to be classified as confidential in this exhibit was previously produced in response to an OPC Request for Production of Documents and that PEF originally requested confidential classification as to this information on March 31, 2006. Order No. PSC-06-0640-CFO-EI was entered granting PEF's request on July 28, 2006.

Portions of Exhibit RLS-6 to Robert L. Sansom's Written Testimony

Pages 98, 99, 104, 105, 106 and 107 of Exhibit RLS-6 to Robert L. Sansom's testimony, as indicated in the Justification Matrix, attached as Exhibit C to this filing, contains contractual pricing arrangements between PEF and third parties (coal suppliers and transportation companies) that would adversely impact PEF's competitive business interests if disclosed to the public. The information for which Progress Energy requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), Fla. Stats. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of fuel, and other contractual terms, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate coal supply contracts and transportation contracts on favorable terms. See § 366.093(3)(d), Fla. Stats.; Affidavit of Sasha Weintraub at ¶ 7. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. See Affidavit of Sasha Weintraub at ¶ 8.

Strict procedures are established and followed to maintain the confidentiality of the terms of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Sasha Weintraub at ¶ 9. At no time has the Company publicly disclosed the confidential information or documents at issue. Id. The Company has treated and continues to treat the information and documents at issue as confidential. Id. PEF requests this information be granted confidential treatment by the Commission.

The Company further notes that the information requested to be classified as confidential in this exhibit was previously produced in response to an OPC Request for Production of Documents and that PEF originally requested confidential classification as to this information on March 31, 2006. Order No. PSC-06-0640-CFO-EI was entered granting PEF's request on July 28, 2006.

Portions of Exhibit RLS-10 to Robert L. Sansom's Written Testimony

Exhibit RLS-10 to Robert L. Sansom's testimony, as indicated in the Justification Matrix, attached as Exhibit C to this filing, contains contractual pricing arrangements between PEF and third parties (coal suppliers and transportation companies) that would adversely impact PEF's competitive business interests if disclosed to the public. The information for which Progress Energy requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), Fla. Stats. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of fuel, and other contractual terms, the disclosure of which would impair the efforts

of the Company or its affiliates to negotiate coal supply contracts and transportation contracts on favorable terms. See § 366.093(3)(d), Fla. Stats.; Affidavit of Sasha Weintraub at ¶ 7. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. See Affidavit of Sasha Weintraub at ¶ 8.

Strict procedures are established and followed to maintain the confidentiality of the terms of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Sasha Weintraub at ¶ 9. At no time has the Company publicly disclosed the confidential information or documents at issue. Id. The Company has treated and continues to treat the information and documents at issue as confidential. Id. PEF requests this information be granted confidential treatment by the Commission.

The Company further notes that PEF has filed FERC Form 423 Fuel Reports for the months of January through December 2006. Portions of the FERC Form 423 Fuel Reports contain proprietary confidential business information concerning 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. PEF has requested appropriate confidential protection of these documents by means of a Request for Confidential Classification. PEF originally requested confidential classification as to pages 1 through 19 of RLS-10 on April 24, 2006. Order No. PSC-07-0404-CFO-EI was entered granting PEF's request on May 9, 2007. PEF originally requested confidential classification as to pages 20 through 36 of RLS-10 on April

24, 2006. To date, the Commission has not entered an order concerning this request. PEF originally requested confidential classification as to pages 37 through 53 of RLS-10 on May 26, 2006. Order No. PSC-06-0882-CFO-EI was entered granting PEF's request on October 25, 2006. PEF originally requested confidential classification as to pages 54 through 70 of RLS-10 on June 22, 2006. Order No. PSC-06-0883-CFO-EI was entered granting PEF's request on October 25, 2006. PEF originally requested confidential classification as to pages 71 through 89 of RLS-10 on July 28, 2006. Order No. PSC-06-0881-CFO-EI was entered granting PEF's request on October 25, 2006. PEF originally requested confidential classification as to pages 90 through 106 of RLS-10 on August 22, 2006. Order No. PSC-07-0407-CFO-EI was entered granting PEF's request on May 9, 2007. PEF originally requested confidential classification as to pages 107 through 123 of RLS-10 on September 20, 2006. Order No. PSC-07-0350-CFO-EI was entered granting PEF's request on April 25, 2007. PEF originally requested confidential classification as to pages 124 through 139 of RLS-10 on October 20, 2006. Order No. PSC-07-0406-CFO-EI was entered granting PEF's request on May 9, 2007. PEF originally requested confidential classification as to pages 140 through 156 of RLS-10 on December 1, 2006. Order No. PSC-07-0405-CFO-EI was entered granting PEF's request on May 9, 2007. PEF originally requested confidential classification as to pages 157 through 173 of RLS-10 on December 21, 2006. To date, the Commission has not entered an order concerning this request. PEF originally requested confidential classification as to pages 174 through 189 of RLS-10 on January 22, 2007. Order No. PSC-07-0409-CFO-EI was entered granting PEF's request on May 9, 2007. PEF originally requested confidential

classification as to pages 190 through 206 of RLS-10 on February 27, 2007. Order No. PSC-07-0408-CFO-EI was entered granting PEF's request on May 9, 2007.

Portions of Exhibit RLS-12 to Robert L. Sansom's Written Testimony

Exhibit RLS-12 to Robert L. Sansom's testimony, as indicated in the Justification Matrix, attached as Exhibit C to this filing, contains contractual pricing arrangements between PEF and third parties (coal suppliers and transportation companies) that would adversely impact PEF's competitive business interests if disclosed to the public. The information for which Progress Energy requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), Fla. Stats. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of fuel, and other contractual terms, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate coal supply contracts and transportation contracts on favorable terms. See § 366.093(3)(d), Fla. Stats.; Affidavit of Sasha Weintraub at ¶ 7. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. See Affidavit of Sasha Weintraub at ¶ 8.

Strict procedures are established and followed to maintain the confidentiality of the terms of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Sasha Weintraub at ¶ 9. At no time has the Company publicly disclosed the confidential information or documents at issue. Id. The Company has treated and continues to treat the

information and documents at issue as confidential. Id. PEF requests this information be granted confidential treatment by the Commission.

The Company further notes that Mr. Sansom created this exhibit from PEF's FERC Form 423 Fuel Reports for the months of January through December 2006. Portions of the FERC Form 423 Fuel Reports contain proprietary confidential business information concerning 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. PEF has requested appropriate confidential protection of these documents by means of a Request for Confidential Classification. The FERC Form 423 Fuel Reports are contained in Exhibit RLS-10 and the Commission orders granting confidentiality of the reports are referenced above.

Portions of Exhibit RLS-13 to Robert L. Sansom's Written Testimony

Exhibit RLS-13 to Robert L. Sansom's testimony, as indicated in the Justification Matrix, attached as Exhibit C to this filing, contains contractual pricing arrangements between PEF and third parties (coal suppliers and transportation companies) that would adversely impact PEF's competitive business interests if disclosed to the public. The information for which Progress Energy requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), Fla. Stats. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of fuel, and other contractual terms, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate coal supply contracts and transportation contracts on favorable terms. See § 366.093(3)(d), Fla. Stats.; Affidavit of Sasha Weintraub at ¶ 7. If

other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. See Affidavit of Sasha Weintraub at ¶ 8.

Strict procedures are established and followed to maintain the confidentiality of the terms of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Sasha Weintraub at ¶ 9. At no time has the Company publicly disclosed the confidential information or documents at issue. Id. The Company has treated and continues to treat the information and documents at issue as confidential. Id. PEF requests this information be granted confidential treatment by the Commission.

The Company further notes that Mr. Sansom created this exhibit from PEF's confidential contractual information together with FERC Form 423 Fuel Reports for the months of January through December 2006. Portions of the KRT coal contract and FERC Form 423 Fuel Reports contain proprietary confidential business information concerning 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. PEF has requested appropriate confidential protection of these documents by means of a Request for Confidential Classification. A portion of the information requested to be classified as confidential in this exhibit was previously produced in response to an OPC Request for Production of Documents. PEF requested confidential classification as to this information on March 31, 2006. On July 28, 2006 the Commission granted PEF's request for confidentiality for 18 months in Order

No. PSC-06-0640-CFO-EI. The FERC Form 423 Fuel Reports are contained in Exhibit RLS-10 and the Commission orders granting confidentiality of the reports are referenced above.

Portions of Exhibit RLS-14 to Robert L. Sansom's Written Testimony

Exhibit RLS-14 to Robert L. Sansom's testimony, as indicated in the Justification Matrix, attached as Exhibit C to this filing, contains contractual pricing arrangements between PEF and third parties (coal suppliers and transportation companies) that would adversely impact PEF's competitive business interests if disclosed to the public. The information for which Progress Energy requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), Fla. Stats. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of fuel, and other contractual terms, the disclosure of which would impair the efforts of the Company or its affiliates to negotiate coal supply contracts and transportation contracts on favorable terms. See § 366.093(3)(d), Fla. Stats.; Affidavit of Sasha Weintraub at ¶ 7. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. See Affidavit of Sasha Weintraub at ¶ 8.

Strict procedures are established and followed to maintain the confidentiality of the terms of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Sasha Weintraub at ¶ 9. At no time has the Company publicly disclosed the confidential information or documents at issue. Id. The Company has treated and continues to treat the

information and documents at issue as confidential. Id. PEF requests this information be granted confidential treatment by the Commission.

The Company further notes that Mr. Sansom created this exhibit from portions of PEF's FERC Form 423 Fuel Reports for the months of January through December 2006. Portions of the FERC Form 423 Fuel Reports contain proprietary confidential business information concerning 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. PEF has requested appropriate confidential protection of these documents by means of a Request for Confidential Classification. The FERC Form 423 Fuel Reports are contained in Mr. Sansom's Exhibit RLS-10 and the Commission orders granting confidentiality of the reports are referenced above.

Conclusion

Certain portions of the Office of Public Counsel ("OPC") expert witness, Robert L. Sansom's pre-filed testimony and exhibits contain sensitive confidential business information and fit the statutory definition of proprietary confidential business information under Section 366.093 Fla. Stats. and Rule 25-22.006, F.A.C., and that information should be afforded confidential classification. In support of this motion, PEF has enclosed the following:

(1). A separate sealed envelope labeled "Exhibit A" is a package containing unredacted copies of all the documents for which PEF seeks confidential treatment. 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.

(2). 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.

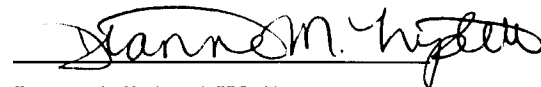
(3). Exhibit C is a justification matrix which identifies by page and line the information for which PEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

WHEREFORE, PEF respectfully requests that the information described specifically in Exhibit C, 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..

RESPECTFULLY SUBMITTED this 22nd day of October, 2007.

R. Alexander Glenn
Deputy General Counsel
John T. Burnett
Associate General Counsel
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.

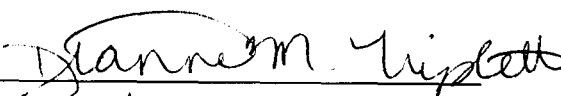


James Michael Walls
Florida Bar No. 0706242
Dianne M. Triplett
Florida Bar No. 0872431
Carlton Fields, P.A.
4421 Boy Scout Blvd.
Suite 1000 (33607)
P.O. Box 3239
Tampa, FL 33601-3239
Telephone: (813) 223-7000

Facsimile: (813) 229-4133

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. 070001-EI has been furnished by regular U.S. mail to the following this 22nd day of October, 2007.



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>Mr. Bill Walker Florida Power & Light 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859</p> <p>Ms. Susan D. Ritenour Gulf Power Company One Energy Place Pensacola, FL 32520-0780</p> <p>PCS Phosphate - White Springs James W. Brew, c/o Brickfield Law Firm 1025 Thomas Jefferson St., NW Eight Floor, West Tower Washington, DC 20007</p>	<p>Florida Industrial Power Users Group c/o John McWhirter, Jr. McWhirter Reeves Law Firm 400 N. Tampa Street, Ste. 2450 Tampa, FL 33602</p> <p>Norman H. Horton, Jr. Messer, Caparello & Self, P.A. P.O. Box 15579 Tallahassee, FL 32317</p> <p>John T. Butler, 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>AARP c/o Mike Twomey P.O. Box 5256 Tallahassee, FL 32314-5256</p> <p>R. Wade Litchfield, Esq. Florida Power & Light 700 Universe Boulevard Juno Beach, FL 33408-0420</p> <p>Ms. Cheryl Martin Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395</p>
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CONFIDENTIAL

Public Service Commission

ACKNOWLEDGEMENT

DATE: October 22, 2007

TO: J. Michael Walls/Progress / Tripett ^{DM}

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 070001-EI or, if filed in an undocketed matter, concerning portions of OPCs expert witness R. L. Sansom prefiled testimony and exhibits, and filed on behalf of Progress. 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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PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us