

Florida Power & Light Company, 215 S. Monroe St., Suite 810, Tallahassee, FL 32301 John T. Butler Senior Attorney Regulatory Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 (561) 304-5639

January 16, 2008

(561) 691-7135 (Facsimile)

VIA HAND DELIVERY

Ms. Ann Cole, Director Division of the Commission Clerk and Administrative Services Florida Public Service Commission Betty Easley Conference Center, Room 110 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Docket No. 080001-EI – Notice of Correction to Attachment C

Dear Ms. Cole:

Enclosed herewith for filing is an original plus five (5) copies of Florida Power & Light Company's (FPL) Notice of Correction to Attachment C of FPL's Request for Confidential Classification. (COMf. DN O9316-07)

Should you have any questions regarding this filing, please contact me at (561) 304-5639.

Thank you for your attention to this matter, I remain,

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Sincerely. Hipin A. Mem

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BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor DOCKET NO. 080001-EI

FILED: January 16, 2008

NOTICE OF CORRECTION TO ATTACHMENT C OF FLORIDA POWER & LIGHT COMPANY'S REQUEST FOR CONFIDENTIAL <u>CLASSIFICATION</u>

NOW, BEFORE THIS COMMISSION, through undersigned counsel, comes Florida Power & Light Company ("FPL") and hereby files this Notice of Correction to Attachment C of its Request for Confidential Classification filed October 11, 2007 in Docket Number 070001-EI. FPL inadvertently erred in its request for confidential classification on its 423-1(a) filing for June, 2007 by stating that its request for confidentiality applied to lines 1-19. FPL's request for confidential treatment actually applies for lines 1-20.

FPL is hereby filing a corrected Attachment C that properly identifies its confidentiality request as it applies for lines 1-20.

Respectfully submitted,

JOHN X. BUTLER

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CERTIFICATE OF SERVICE

I, THE UNDERSIGNED COUNSEL, HEREBY CERTIFY that a copy of Florida Power & Light Company's Notice of Correction to Attachment A of it's Request for Confidential Classification has been served via first class mail, postage prepaid to the parties listed below, this 16th day of January, 2008:

Lisa Bennett, Esq. Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

Lee L. Willis, Esq. James D. Beasley, Esq. Ausley & McMullen Attorneys for Tampa Electric P.O. Box 391 Tallahassee, Florida 32302

John W. McWhirter, Jr., Esq. McWhirter Reeves Attorneys for FIPUG 400 North Tampa Street, Suite 2450 117 South Gadsden Street Tampa, Florida 33602

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Federal Executive Agencies Maj. D. Williams c/o AFCESA/JACL-ULT 139 Barnes Dr., Suite 1 Tyndall AFB, FL 32403-5319

Charles J. Beck, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, Florida 32399

John T. Burnett, Esq. Progress Energy Service Company, LLC P.O. Box 14042 St. Petersburg, Florida 33733-4042

Norman H. Horton, Jr., Esq. Floyd R. Self, Esq. Messer, Caparello & Self Attorneys for FPUC P.O. Box 1876 Tallahassee, Florida 32302-1876

Michael B. Twomey, Esq. Attorney for AARP Post Office Box 5256 Tallahassee, Florida 32314-5256

Office of Attorney General Bill McCollum/Cecilia Bradley The Capitol – PL01 Tallahassee, FL 32399-1050

John T. Butler

Attachment C Docket No. 070001-EI June 2007

ATTACHMENT C

Docket No. 070001-EI June, 2007

Justification for Confidentiality of June 2007 Report:

FORM	LINE(S)	<u>COLUMN</u>	RATIONALE
423-1(a)	1 -20	Н	(1)
423-1(a)	1 -20	Ι	(2)
423-1(a)	1 – 20	J	(2), (3)
423-1(a)	1 – 20	К	(2)
423-1(a)	1 - 20	L	(2)
423-1(a)	1 - 20	М	(2), (4)
423-1(a)	1 – 20	Ν	(2), (5)
423-1(a)	1 - 20	Р	(6), (7), (8)
423-1(a)	1 – 20	Q	(6), (7), (8)

Rationale for confidentiality:

(1) This information is contractual information which, if made public, "would impair the efforts of [FPL] to contract for goods or services on favorable terms." Section 366.093(3)(d), Fla. Stat. The information delineates the price per barrel FPL has paid for fuel oil for specific shipments from specific suppliers. This information would allow suppliers to compare an individual supplier's price with the market quote for that date of delivery and thereby determine the contract pricing formula between FPL and that supplier.

Contract pricing formulas generally contain two components, which are: (1) a markup in the market quoted price for that day; and (2) a transportation charge for delivery at an FPL chosen port of delivery. Discounts and quality adjustment components of fuel price contract formulas are discussed in paragraphs 3 and 4. Disclosure of the invoice price would allow suppliers to determine the contract price formula of their competitors. The knowledge of

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others' prices (*i.e.*, contract formulas) among fuel oil suppliers is reasonably likely to cause the suppliers to converge on a target price, or to follow a price leader, effectively eliminating any opportunity for a major buyer like FPL to obtain price concessions from any one supplier. The end result is reasonably likely to be increased fuel oil prices and therefore increased electric rates.

- (2) The contract data found in Columns I through N are an algebraic function of Column H. That is, the publication of these Columns together, or independently, could allow a supplier to derive the invoice price of oil.
- (3) If FPL fuel contracts provide for an early payment incentive in the form of a discount from the invoice price, the existence and amount of such discount is confidential for the reasons stated in paragraph (1) relative to price concessions.
- (4) For fuel that does not meet contract requirements, FPL may reject the shipment, or accept the shipment and apply a quality adjustment. This is, in effect, a pricing term which is as important as the price itself and is therefore confidential for the reasons stated in paragraph (1) relative to price concessions.
- (5) Column N is as important as H from a confidentiality standpoint because of the relatively few times that there are quality or discount adjustments. That is, Column N will equal Column H most of the time. Consequently, Column N needs to be protected for the same reasons as set forth in paragraph (1).
- (6) Column R is used to mask the delivered price of fuel such that the invoice or effective price of fuel cannot be determined. Columns P and Q are algebraic variables of Column R. Consequently, disclosure of Columns P and Q would allow a supplier to calculate the invoice or effective purchase price of oil (Columns H and N) by subtracting these columnar variables from Column R.
- (7) Terminaling and transportation services in Florida tend to have the same, if not more severe, oligopolistic attributes of fuel oil suppliers. Due to the small demand in Florida for both of these services, market entry is difficult. In instances in which FPL has attempted to determine the level of interest in bidding either or both of these services, FPL has found only a very few qualified parties with such an interest. Consequently, disclosure of these contract data is reasonably likely to result in increased prices for terminaling and transportation services.

Petroleum inspection services also have the market characteristics of an oligopoly. Due to the limited number of fuel terminal operations, there are correspondingly few requirements for fuel inspection services. In FPL's last bidding process for petroleum inspection services, only six qualified bidders were found for FPL's bid solicitations. Consequently, disclosure of these contract data is reasonably likely to result in increased prices for petroleum inspection services.

Justification for Confidentiality of June 2007 Report:

FORM	<u>LINES</u>	<u>COLUMNS</u>	RATIONALE
423-2	1-3	G, H	(1)
423-2	1-3	Н	(2)

Rationale for Confidentiality:

- (1) Disclosure of the effective purchase price "would impair the efforts of [JEA, acting on its own behalf and as agent for FPL] to contract for goods or services [at the St. Johns River Power Park (SJRPP)] on favorable terms." Section 366.093(3)(d), Fla. Stat. The data informs other potential coal suppliers as to the price SJRPP is paying for coal. Disclosure of this information, which is particularly sensitive given SJRPP's reliance on long term contracts with fixed price provisions or short term spot transactions, could adversely affect FPL's interests in subsequent solicitations for coal and/or in negotiating coal supply agreements. JEA maintains this information as confidential pursuant to section 163.01(15)(m), Fla. Stat. Additionally, providing the purchase price would enable one to ascertain the total transportation charges in Column H by subtracting the effective purchase price from the delivered price at the transfer facility, shown in Column I.
- (2) Disclosure of the total transportation cost "would impair the efforts of [JEA acting on its own behalf and as agent for FPL] to contract for goods or services [at SJRPP] on favorable terms." Section 366.093(3)(d), Fla Stat. Moreover, the service provider itself typically designates the transportation costs in the contract as confidential. JEA maintains this information as confidential pursuant to section 163.01(15)(m), Fla. Stat. Further, disclosure of this information would enable potential coal suppliers to calculate Column G which FPL seeks to protect by subtracting Column H from Column I.

<u>FORM</u>	LINE(S)	<u>COLUMN</u>	RATIONALE
423-2(a)	1-3	F	(1)
423-2(a)	1-3	Н	(1)
423-2(a)	1-3	J	(1)
423-2(a)	1-3	L	(2)

Justification for Confidentiality of June 2007 Report:

Attachment C Docket No. 070001-EI June 2007

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Rationale for Confidentiality:

- (1) The information presented in these columns are algebraic derivations of the information in column L that FPL seeks to protect.
- (2) Disclosure of the effective purchase price "would impair the efforts of [JEA, acting on its own behalf and as agent for FPL] to contract for goods or services [at the St. Johns River Power Park (SJRPP)] on favorable terms." Section 366.093(3)(d), Fla. Stat. The data informs other potential coal suppliers as to the price SJRPP is paying for coal. Disclosure of this information could adversely affect FPL's interests in subsequent solicitations for coal and/or in negotiating coal supply agreements. JEA maintains this information as confidential pursuant to section 163.01(15)(m), Fla. Stat. Additionally, providing the purchase price would enable one to ascertain the total transportation charges in Column H on Form 423-2, which FPL seeks to protect, by subtracting the effective purchase price from the delivered price at the transfer facility shown in Column I on Form 423-2.

Justification for Confidentiality of June 2007 Report:

FORM	LINE(S)	COLUMN	RATIONALE
423-2(b)	1-3	G	(1)
423-2(b)	1-3	Ι	(2)
423-2(b)	1-3	Р	(2)

Rationale for Confidentiality:

(1) Disclosure of the effective purchase price "would impair the efforts of [JEA, acting on its own behalf and as agent for FPL] to contract for goods or services [at the St. Johns River Power Park (SJRPP)] on favorable terms." Section 366.093(3)(d), Fla. Stat. The data informs other potential coal suppliers as to the price SJRPP is paying for coal. Disclosure of this information, which is particularly sensitive given SJRPP's reliance on long term contracts with fixed price provisions or short term spot transactions, could adversely affect FPL's interests in subsequent solicitations for coal and/or in negotiating coal supply agreements. JEA maintains this information as confidential pursuant to section 163.01(15)(m), Fla. Stat. Additionally, providing the purchase price would enable one to ascertain the total transportation charges in Column P, which FPL seeks to protect, by subtracting the effective purchase price from the delivered price at the transfer facility shown in Column Q.

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(2) Disclosure of the total transportation cost "would impair the efforts of [JEA acting on its own behalf and as agent for FPL] to contract for goods or services [at SJRPP] on favorable terms." Section 366.093(3)(d), Fla Stat. Moreover, the service provider itself typically designates the transportation costs in the contract as confidential. JEA maintains this information as confidential pursuant to section 163.01(15)(m), Fla. Stat. Further, disclosure of this information would enable potential coal suppliers to calculate Column G which FPL seeks to protect, by subtracting Column P from Column Q.