



RECEIVED FPSC

10 MAY 25 PM 12: 04

COMMISSION
CLERK

May 24, 2010

Via U.S. Mail

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

Re: Docket No. 100001-EI; Request for Specified Confidential Treatment of 423 Forms

Dear Ms. Cole:

Please find enclosed for filing, Progress Energy Florida, Inc.'s ("PEF") Request for Confidential Classification for PEF's 423 Forms for April, 2010. The confidential 423 Form information is attached in a sealed envelope.

Thank you for your assistance in this matter. Please feel free to call me at (727)820-5184 should you have any questions.

Sincerely,

John Burnett
Associate General Counsel

JB/emc
Enclosures
cc: Parties of record

COM _____
APA _____
ECR 5 _____
GCL 1 _____
RAD _____
SSC _____
ADM _____
QPC _____
CLK 1 _____

299 1st Avenue North, St. Petersburg, FL 33701 ☎ P.O. Box 14042, St. Petersburg, FL 33733
Phone: 727.820.5184 ☎ Fax: 727.820.5249 ☎ Email: john.burnett@pgnmail.com

DOCUMENT NUMBER-DATE

04403 MAY 25 01

FPSC-COMMUNICATIONS DIVISION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost
Recovery Clause and Generating
Performance Incentive Factor.

Docket No. 100001-EI

Submitted for filing:
May 24, 2009

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Progress Energy Florida, Inc. (Progress Energy or the Company), pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., hereby requests confidential classification of the highlighted information on its FPSC Form 423 Fuel Report for the reporting month of April, 2010 (the 423 Report), which is contained in the sealed envelope enclosed with this Request as Attachment C. A public version of the 423 Report, with the confidential information redacted, is attached to each filed copy of this Request. In support hereof, Progress Energy states as follows.

1. Subsection 366.093(1), F.S., provides that any records “found by the commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1) [requiring disclosure under the Public Records Act].” Proprietary confidential business information includes, but is not limited to, “[i]nformation 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” (paragraph 366.093(3)(d)). The designated

DOCUMENT NO. DATE
04403-10 5/25/09
FPSC - COMMISSION CLERK

portions of the 423 Report fall within this statutory category and, thus, constitute propriety confidential business information entitled to protection under Section 366.093 and Rule 25-22.006.

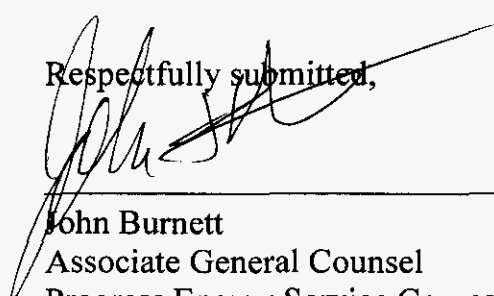
2. Attachment A to this Request is a matrix providing justification and support for confidential classification of the highlighted information in each section of the 423 Report (Forms 423-1A, 2, 2A, 2B and 2C) on a line-by-line, column-by-column basis.

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

4. Progress Energy requests that the confidential information contained in the 423 Report be protected from disclosure for a period of 24 months. For the reasons explained in Attachment B to this Request, this is the minimum time necessary to ensure that purposes for which confidential classification is granted are not contravened and frustrated by a premature subsequent disclosure. In addition, Progress Energy asks that the version of the 423 Report containing the highlighted information be returned to the Company when the Commission no longer needs the information to conduct its business, in accordance with Rule 25-22.006 (9)(b), F.A.C.

WHEREFORE, Progress Energy requests that the highlighted information in its 423 Report enclosed with this Request be accorded confidential classification for the reasons set forth in Attachment A, and that such confidential classification be maintained for a duration of 24 months for the reasons set forth in Attachment B.

Respectfully submitted,



John 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

Attorney for
PROGRESS ENERGY FLORIDA, INC.

Justification Matrix

Reporting Month: April 2010

FORM 423-1A		
Line No.	Column	Justification
1-3	H	(1) §366.093(3)(d) The information under "Invoice Price", identifies the basic component of the contract pricing mechanism. Disclosure of the invoice price, particularly if in conjunction with information under other columns discussed below, would enable suppliers to determine the pricing mechanisms of their competitors. The likely result would be greater price convergence in future bidding. Disclosure would also result in a reduced ability on the part of a major purchaser such as PEF to bargain for price concessions, since suppliers would be reluctant or unwilling to grant concessions that other potential purchasers would then expect.
1-3	I	(2) §366.093(3)(d) Disclosure of the Invoice Amount, when divided by the Volume figure available from column G, would also disclose the Invoice Price in column.
1-3	J	(3) §366.093(3)(d) Disclosure of the Discount, in conjunction with other information under columns K, L, M or N, could also disclose the Invoice Price shown in column H by mathematical deduction. In addition, disclosure of discounts resulting from bargaining concessions would impair the ability of PEF to obtain such concessions in the future for the reasons discussed in item (1) above.
1-3	K	(4) §366.093(3)(d) See item (3) above.
1-3	L	(5) §366.093(3)(d) See item (3) above.
1-3	M	(6) §366.093(3)(d) See item (3) above.
1-3	N	(7) §366.093(3)(d) See item (3) above. This column is particularly sensitive because it is usually the same as or only slightly different from the Invoice Price in column H.
1-3	O	(8) §366.093(3)(d) Disclosure of the Transportation to Terminal Charges, in conjunction with the information under column P, would also disclose the Effective Purchase Price in column N by subtracting them from the Delivered Price available in column Q.
1-3	P	(9) §366.093(3)(d) See item (8) above.

FORM 423-2

Plant Name, Line No.	Column	Justification
Crystal River, 1-14 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-5	H	(10) §366.093(3)(d) The Effective Purchase Price is also found on Form 423-2A, column L, and on Form 423-2B, column G. In nearly every case it is the same as the FOB Mine Price found under column F on Form 423-2A, which is the current contract price of coal purchased from each supplier PEF, adjusted for quality. Disclosure of this information would enable suppliers to determine the prices of their competitors, which would likely result in greater price convergence in future bidding. Disclosure would also result in a reduced ability on the part of a major purchaser such as PEF to bargain for price concessions since suppliers would be reluctant or unwilling to grant concessions that other potential purchasers would then expect. In addition, disclosure of the Effective Purchase Price would also disclose the Total Transportation Cost in column H by subtracting column G from the FOB Plant Price in column I.
Crystal River, 1-14 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-5	I	(11) §366.093(3)(d) See item (25) below. In addition, disclosure of the Total Transportation Cost would also disclose the Effective Purchase Price in column G when subtracted from the FOB Plant Price in column I.

FORM 423-2A

Plant Name, Lines	Column	Justification
Associated Terminals – 1-6 Crystal River , 1-10 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-4	F	(12) §366.093(3)(d) The FOB Mine Price is the current contract price of coal purchased from each supplier by PEF. Disclosure of this information would enable suppliers to determine the prices of their competitors, which would likely result in greater price convergence in future bidding. Disclosure would also result in a reduced ability on the part of a major purchaser such as PEF to bargain for price concessions since suppliers would be reluctant or unwilling to grant concessions that other potential purchasers would then expect.
Associated Terminals – 1-6 Crystal River , 1-10 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-4	H	(13) §366.093(3)(d) The Original Invoice Price is the same as the FOB Mine Price in column F, except in rare instances when the supplier is willing and able to disclose its short haul and loading costs (column G), if any, included in the contract price of coal. Disclosure would therefore be detrimental for the reasons identified in item (12) above.
Associated Terminals – 1-6 Crystal River , 1-10 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-4	J	(14) §366.093(3)(d) The Base Price is the same as the Original Invoice Price in column H, since retroactive price adjustments (column I) are normally received well after the reporting month and are included on Form 423-2C at that time. Disclosure would therefore be detrimental for the reasons identified in item (12) above.
Associated Terminals – 1-6 Crystal River , 1-10 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-4	K	(15) §366.093(3)(d) These adjustments are based on variations in coal quality characteristics (usually BTU content) between contract specifications and actual deliveries. Disclosure of this information would allow the FOB mine price to be calculated using the associated tonnage and available contract BTU specifications.
Associated Terminals – 1-6 Crystal River , 1-10 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-4	L	(16) §366.093(3)(d) The Effective Purchase Price is the Base Price in column J adjusted by Quality Adjustments reported in column K. Disclosure would therefore be detrimental for the reasons identified in item (12) above.

FORM 423-2B

Plant Name, Lines	Column	Justification
Crystal River, 1-13 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-5	G	(17) §366.093(3)(d) See item (16) above.
Crystal River, 1-13 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-5	I	(18) §366.093(3)(d) The information under Rail Rate is a function of PEF's contract rate with the railroad and the distance between each coal supplier and Crystal River. Since these distances are readily available, disclosure of the Rail Rate would effectively disclose the contract rate. This would impair the ability of a high volume user such as PEF to obtain rate concessions, since railroads would be reluctant to grant concessions that other rail users would then expect.
Crystal River, 1-13 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-5	J	(19) §366.093(3)(d) Other Charges Incurred consist of PEF's railcar ownership cost. This cost is internal information which is not available to any party with whom PEF contracts, railroads or otherwise. If this information were disclosed to the railroad, their existing knowledge of PEF's rail rates would allow them to determine PEF's total rail cost and be better able to evaluate PEF's opportunity to economically use competing transportation alternatives.
Crystal River, 1-13 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-5	K	(20) §366.093(3)(d) The figures under River Barge Rate are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current river barge transportation rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.
Crystal River, 1-13 Transfer Facility – IMT, 1-8 Transfer Facility – UBT, 1-5	L	(21) §366.093(3)(d) The figures under Transloading Rate are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.

<p>Crystal River, 1-13 Transfer Facility – IMT, 1-8</p> <p>Transfer Facility – UBT, 1-5</p>	M	<p>(22) §366.093(3)(d) The figures under Ocean Barge Rate are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.</p>
<p>Crystal River, 1-13 Transfer Facility – IMT, 1-8</p> <p>Transfer Facility – UBT, 1-5</p>	N	<p>(23) §366.093(3)(d) The figures under Other Charges Incurred are a portion of the total cost reported in the Transportation Charges under column P on Form 423-2B. See item (24) below. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.</p>
<p>Crystal River, 1-13 Transfer Facility – IMT, 1-8</p> <p>Transfer Facility – UBT, 1-5</p>	O	<p>(24) §366.093(3)(d) The figures under Total Transportation Charges are the total cost reported as transportation charges. In the case of waterborne deliveries to the Crystal River Plants, the figures represent PEF's current transloading rate. Disclosure of these transportation rates would enable coal suppliers to bid a FOB mine price calculated to produce a delivered plant price at or marginally below PEF's current delivered price, which is available on Form 423-2, column I. Without this opportunity to calculate a perceived maximum acceptable price, suppliers would be more likely to bid their best price.</p>

**Explanation of the Need to Maintain
Confidential Classification for a 24-Month Duration**

The majority of the fuel and transportation contracts from which the costs in the 423 Report are derived contain annual price adjustment provisions. If existing or potential fuel and transportation suppliers were to obtain confidential contract pricing information for a prior reporting month within the currently effective 12-month adjustment period, current pricing information would be disclosed. In addition, if contractual pricing information for a reporting month in the previous 12-month adjustment period were to be obtained, the information would be only one adjustment removed from the current price. Suppliers knowledgeable in the recent escalation experience of their market could readily calculate a reasonably precise estimate of the current price.

To guard against providing suppliers with such a competitive advantage, confidential information must be protected from disclosure for the initial 12-month period in which it could remain current, and for the following 12-month period in which it can be readily converted into essentially current information. For example, if information for the first month under an adjusted contract price is reported in May of Year 1, the information will remain current through April of Year 2. Thereafter, the initial May, Year 1 information will be only one escalation adjustment removed from the current information reported each month through April, Year 3. If confidential classification of the May, Year 1 information were to expire after 18 months, suppliers would be able to accurately estimate current prices in October, Year 2 using information that had been current only six months earlier.

An 18-month confidentiality period would effectively waste the protection given in the first six months of the second 12-month pricing period (months 13 through 18) by disclosing information of the same vintage in the last six months of the pricing period. The information disclosed in months 19 through 24 would be equally as detrimental in terms of revealing the current price as the information protected from disclosure during the preceding six months. To make the protection provided in months 13 through 18 meaningful, it must be extended through month 24.

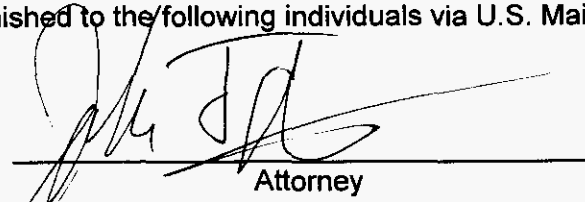
Extending the confidentiality period by six months would mean that the information will be one additional price adjustment further removed from the current price at the time of disclosure. Simply put, a six-month extension provides an additional 12 months of protection.

Progress Energy Florida, Inc.

CERTIFICATE OF SERVICE

Docket No. 100001-EI

I HEREBY CERTIFY that a true copy of Progress Energy Florida, Inc.'s foregoing Request for Confidential Classification has been furnished to the following individuals via U.S. Mail on this 21st day of May, 2010.



Attorney

<p>Lisa Bennett, Esq. Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850</p>	<p>Florida Public Utilities Company Curtis Young P.O. Box 3395 West Palm Beach, FL 33402-3395</p>
<p>Ausley & McMullen Law Firm James D. Beasley, Esq./J. Jeffrey Wahlen, Esq. P.O. Box 391 Tallahassee, FL 32302</p>	<p>Gulf Power Company Ms. Susan D. Ritenour One Energy Place Pensacola, FL 32520-0780</p>
<p>Beggs & Lane Law Firm Jeffrey A. Stone, Esq./Russell A. Badders, Esq. Steven R. Griffin P.O. Box 12950 Pensacola, FL 32591</p>	<p>Ackerman Senterfitt Beth Keating, Esquire 106 E. College Avenue, Suite 1200 Tallahassee FL 32301</p>
<p>Brickfield Law Firm James W. Brew, Esq. 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007</p>	<p>Keefe Law Firm Vicki Gordon Kaufman/Jon Moyle 118 N. Gadsden Street Tallahassee, FL 32301</p>
<p>Florida Industrial Power Users Group John McWhirter, Jr. McWhirter Law Firm P.O. Box 3350 Tampa, FL 33601-3350</p>	<p>Young van Assenderp, P.A. Robert Scheffel Wright/John T. LaVia, III 225 S. Adams Street, Suite 200 Tallahassee, FL 32301</p>
<p>Florida Power & Light Co. John T. Butler, Esq. 700 Universe Boulevard Juno Beach, FL 33408</p>	<p>Federal Executive Agencies Shayla McNeill, Capt. USAF c/o AFLSA/JACL-ULT 139 Barnes Drive, suite 1 Tyndall AFB, FL 32403-5319</p>
<p>Florida Power & Light Co. Natalie F. Smith/R. Wade Litchfield, Esq. 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859</p>	<p>Florida Retail Federation John Rogers 100 East Jefferson Street Tallahassee, FL 32301</p>

Tampa Electric Company
Paula K. Brown
P.O. Box 111
Tampa, FL 33601

Office of Public Counsel
J.R. Kelly/Patricia Christensen
Charles Beck/Joseph A. McGlothlin
The Florida Legislature
111 West Madison Street, #812
Tallahassee, FL 32399

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

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 25, 2010
TO: John Burnett, 299 1st Avenue North St. Petersburg FL 33701
FROM: Diamond M. Williams, Office of Commission Clerk
RE: Acknowledgement of Confidential Filing in Docket Number 100001-EI

This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in the above-referenced docket.

Document Number 04404-10 has been assigned to this filing, which 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.