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October 13, 2010

### **VIA HAND DELIVERY**

Ms. Ann Cole Commission Clerk Florida Public Service Commission Betty Easley Conference Center 2540 Shumard Oak Boulevard, Room 110 Tallahassee, FL 32399-0850

Re:

Docket No. 100001-EI

Dear Ms. Cole:

COM

CLAIM OF CONFIDENTIALITY
NOTICE OF INTENT
REQUEST FOR CONFIDENTIALITY
FILED BY OPC

FOR DN <u>08565-10</u>, WHICH IS IN LOCKED STORAGE, YOU MUST BE AUTHORIZED TO VIEW THIS DN. - CLK

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are an original and seven (7) copies of FPL's Request for Confidential Classification of Materials Provided Pursuant to Audit No. 10-130-4-1. The original includes Exhibits A through D. The copies include Exhibits C and D only.

Exhibit A consists of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C consists of a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains five affidavits in support of FPL's Request for Confidential Classification. Also included in this filing is a compact disc containing FPL's Request for Confidential Classification and Exhibit C only, in Microsoft Word format.

| COM | Please contact me if you or your Staff has any questions regarding this filing. |                               |
|-----|---|-------------------------------|
| APA | , , , , , , , , , , , , , , , , , , ,   | 2 0 0                         |
| ECR | 3+ ICD containing regular, and<br>Lexhibit C, also Forwarded                    | 3                             |
| GCL | I exhibit Calso Forwarder   | Sincerely/                    |
| RAD |   | HT.                           |
| SSC |   | 1100                          |
| ADM | <del></del>   | Ilan G. Kaufer                |
|     | **************************************  | Attorney for                  |
| OPC | 7   | Florida Power & Light Company |
| CLK | <u>Len</u> ce   |                               |
|     | Enclosures  |                               |
|     | cc: parties of record, w/out exhibits   |                               |

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#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| Fuel and Purchase Power Cost Recovery | ) | Docket No. 100001-EI |
|---------------------------------------|---|----------------------|
| Clause with Generating Performance    | Ć |                      |
| Incentive Factor                      | ) | October 13, 2010     |
|                                       | ) |                      |

# FLORIDA POWER & LIGHT COMPANY'S REQUEST FOR CONFIDENTIAL CLASSIFICATION OF MATERIALS PROVIDED PURSUANT TO AUDIT NO. 10-130-4-1

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain material provided to the Staff of the Florida Public Service Commission ("Staff") pursuant to Audit Control No. 10-130-4-1 ("the Audit"). In support of its request, FPL states as follows:

- 1. During the Audit, Staff was provided with various confidential audit work papers. By letter dated September 22, 2010, Staff indicated its intent to retain certain audit work papers. Pursuant to Rule 25-22.006(3)(a), F.A..C, FPL is filing this Request for Confidential Classification.
  - 2. The following exhibits are included with and made a part of this request:
- a. Exhibit A includes a copy the confidential documents on which all information that is entitled to confidential treatment under Florida law has been highlighted.
- b. Exhibit B consists of a copy of the confidential documents on which all information that is entitled to confidential treatment has been redacted.
- c. Exhibit C is a table containing the specific line and page references to the confidential materials for which confidential treatment is sought, and references to the specific

DOCUMENT NUMBER DATE

statutory basis or bases for the claim of confidentiality and to the affidavit in support of the requested classification.

- d. Exhibit D includes the affidavits of Antonio Maceo, H. Antonio Cuba, Gerard J. Yupp, Martin A. Garmendia and Gary A. McBean.
- 3. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), F.S. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, F.S., such information is entitled to confidential treatment and it is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.
- 4. As the affidavits included in Exhibit D indicate, the information provided by FPL contains or constitutes trade secrets of FPL, which allow FPL to hedge its fuel purchases on favorable terms for FPL and its customers. The disclosure of this trade secret information would provide other market participants insight into FPL's marketing and trading practices, as well as internal policy and procedures that would allow them to anticipate FPL's marking and trading decision, and/or impair FPL's ability to negotiate, to the detriment of FPL and its customers. Such information is protected by Section 366.093(3)(a), F.S.
- 5. The materials provided by FPL also contain information related to internal auditing controls and reports of internal auditors. Specifically, the materials contain internal auditing controls and reports of internal auditors, or information relating to internal auditing reports issued in 2009. The materials also contain auditing controls and reports of external

auditors, or related information, which the external auditors consider to be proprietary and confidential. Such information is protected from public disclosure pursuant to Section 366.093(3)(b), F.S.

- 6. The materials provided by FPL also contain contractual information, the disclosure of which would impair FPL's ability to contract for goods and services on favorable terms in the future. Much of the information is also competitively sensitive, and could impair the competitive interests of the provider of the information. Specifically, the materials contain information on natural gas prices, including contractual data, the public disclosure of which would violate nondisclosure terms of FPL's contracts with certain vendors. The materials also contain information regarding physical and financial details related to FPL's annual hedging program for natural gas and fuel oil, monthly realized values for FPL's hedge positions and the resulting impact on the cost of natural gas and fuel oil. Such information is protected pursuant to Section 366.093(3)(d) and (e), F.S.
- 7. Additionally, the materials contain the names of financial counterparties with which FPL executes heavy fuel oil hedging transactions. Due to the extremely limited population of potential counterparties that participate in this market, the disclosure of the names of certain financial counterparties would reveal transaction frequency and volume between FPL and those financial counterparties. This would harm FPL's efforts to contract with those financial counterparties on favorable terms in the future, to the detriment of FPL and its customers, and would place FPL at a competitive disadvantage when coupled with other information that is publicly available. Such information is protected pursuant to Sections 366.093(3)(d) and (e), F.S.
- 7. The materials also contain competitively sensitive information related to certain employees' compensation. Public disclosure of compensation information would enable

competing employers to meet or beat the compensation offered by FPL, resulting in the loss of talented employees, or conversely, the need to increase the level of compensation already paid in order to retain these employees and attract new talent. The quality of service and the cost of service implications would be detrimental to FPL and its customers. Such information is protected by Section 366.093(3)(e), Florida Statutes.

8. Upon a finding by the Commission that the information highlighted in Exhibit A, and referenced in Exhibit C, is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. See § 366.093(4), F.S.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,

R. Wade Litchfield, Vice President and General Counsel John T. Butler, Esq., Managing Attorney Ilan G. Kaufer, Esq. Attorney for Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408

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Ilan G. Kaufer

Fla. Bar No. 0065394

By:

## CERTIFICATE OF SERVICE DOCKET NO. 100001-EI

I HEREBY CERTIFY that a true and correct copy of this Request for Confidential Classification was served via hand delivery\* or by U.S. Mail this 13th day of October, 2010, to the following:

| Lisa Bennett, Esq.*                             | J. R. Kelly, Esq.  |
|---|--|
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By:

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#### State of Florida



# Public Service Commission

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Re: Acknowledgement of Confidential Filing in Docket No. 100001-El

This will acknowledge receipt by the Florida Public Service Commission,

Office of Commission Clerk, of a CONFIDENTIAL DOCUMENT filed on October 13,

2010, in the above-referenced docket.

Document Number 08555-10 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.