



Florida Power & Light Company
9250 W. Flagler Street
Miami, FL 33174

ORIGINAL

(305) 552-3922

June 15, 1998

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

VIA FEDERAL EXPRESS

Re: Docket No. 980001-EI

Dear Ms. Bayó:

Enclosed for filing with the Commission in Docket No. 980001-EI are the original and fifteen copies of FPL's Request for Confidential Classification regarding certain information reported on the Commission's Form 423-1(a) for the month of April 1998. The original is accompanied by Attachments A, B and C. Please note that Attachment A is an unedited Form 423-1(a) and therefore needs to be treated as confidential. The fifteen copies are accompanied by Attachments B and C.

If you have any questions regarding this transmittal or the information filed herewith, you may contact me at (305) 552-3922.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

Very truly yours,

Joaquin E. Leon
Senior Attorney

JEL:arl

Enclosures

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchased Power)	
Cost Recovery Clause and Generating)	Docket No. 980001-EI
Performance Incentive Factor)	
)	

REQUEST FOR CONFIDENTIAL CLASSIFICATION

Pursuant to §366.093, Fla.Stat. (1997) and Fla.Admin.Code R. 25-22.006, Florida Power & Light Company ("FPL") hereby files with the Florida Public Service Commission ("Commission") this "Request for Confidential Classification" ("Request") regarding certain information reported on FPL's April, 1998 423-1(a) Fuel Report as delineated below. In support of this Request, FPL states:

1. FPL seeks classification of the information specified as proprietary confidential business information pursuant to §366.093, Fla.Stat. (1997), which provides in pertinent part, as follows:

(1) *** Upon request of the public utility or other person, any records received by the commission which are shown and found by the commission to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1)

* * *

(3) *** Proprietary confidential business information includes, but is not limited to:

* * *

(d) 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.

2. In applying the statutory standards delineated above in paragraph 1, the Commission is not required to weigh the merits of public disclosure relative to the interests of utility customers. The issue presented to the Commission, by this FPL Request, is whether the information sought to be protected fits within the statutory definitions of proprietary confidential business information, as set forth in §366.093, Fla.Stat. (1997). If the information is found by the Commission to fit within the statutory definitions, then it should be classified as confidential, be treated in accordance with Fla.Admin.Code R. 25-22.006, and be exempt from §119.07(1), Fla.Stat. (1997). To establish that material is proprietary confidential business information under §366.093(3)(d), Fla.Stat. (1997), a utility must demonstrate that (1) the information is contractual data, and (2) the disclosure of the data would impair the efforts of the utility to contract for goods or services on favorable terms.

3. Attached to this Request and incorporated herein by reference are the following documents:

- | | |
|--------------|--|
| Attachment A | A copy of FPL's April 1998 Form 423-1(a) with the information for which FPL seeks confidential classification highlighted. This document is to be treated as confidential. |
| Attachment B | An edited copy of FPL's April 1998 Form 423-1(a) with the information |

for which FPL seeks confidential classification edited out. This document may be made public.

Attachment C

A line-by-line justification matrix identifying each item on FPL's Form 423-1(a) for which confidential classification is sought, along with a written explanation demonstrating that (1) the information is contractual data, and (2) the disclosure of such data would impair the efforts of FPL to contract for goods or services on favorable terms.

4. FPL requests that the Commission make two findings with respect to the No. 6 fuel oil information identified as confidential on Attachments A and C:

- (a) That the No. 6 fuel oil data identified is contractual data; and
- (b) That FPL's ability to procure No. 6 fuel oil, terminaling and transportation services, and petroleum inspection services is reasonably likely to be impaired by the disclosure of the information identified because:
 - (1) The markets in which FPL, as a buyer, must procure No. 6 fuel oil, terminaling and transportation services, and fuel inspection services are oligopolistic; and
 - (2) Pursuant to economic theory, a substantial buyer in an oligopolistic market can obtain price concessions not available to other buyers, but the disclosure of such concessions would end them, resulting in higher prices to that purchaser.

5. Although FPL normally requests that the Commission make findings with respect to No. 2 and No. 3 fuel oil information identified as confidential on Attachments A and C, FPL made no purchases through a bidding process of No. 2 or No. 3 fuel oil during April 1998 and, therefore, no such information is requested confidentiality on Attachments A and C to this Request.

6. FPL requests that the information for which FPL seeks confidential classification not be declassified until the dates specified on Attachment C. The time

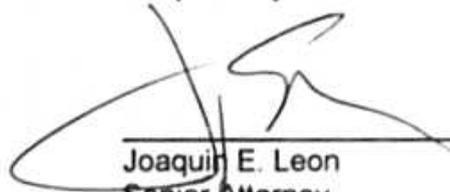
periods requested are necessary to allow FPL to utilize its market presence in negotiating future contracts. Disclosure prior to the identified dates of declassification would impair FPL's ability to negotiate future contracts.

7. The material identified as confidential information on Attachments A and C is intended to be and is treated by FPL as private, and has not, to the best of FPL's knowledge and belief, otherwise been publicly disclosed.

WHEREFORE, FPL respectfully requests that the Commission grant FPL's Request for Confidential Classification as permitted by Fla.Admin.Code R. 25-22.006, and classify as confidential the information identified on Attachments A and C.

Dated June 16th, 1998

Respectfully submitted,



Joaquin E. Leon
Senior Attorney
Florida Power & Light Company
9250 W. Flagler Street, #6467
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Florida Bar No. 230197

EDITED COPY

Page 1 of 2

MONTHLY REPORT OF COST AND QUALITY OF FUEL OIL FOR ELECTRIC PLANTS
DETAIL OF INVOICE AND TRANSPORTATION CHARGES

FPSC FORM NO. 423-1 (a)

1. REPORTING MONTH: APR YEAR: 1998

3. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
SUBMITTED ON THIS FORM: S. J. ADAMS, REGULATORY AFFAIRS, (305) - 552-3488

2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY

4. SIGNATURE OF OFFICIAL SUBMITTING REPORT: 

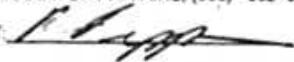
5. DATE COMPLETED: 6/11/98

(A) LINE NO.	(B) PLANT	(C) SUPPLIER	(D) DELIVERY LOCATION	(E) DELIVERY DATE	(F) TYPE OIL	(G) VOLUME (BBLs)	(H) INVOICE PRICE (\$/BBL)	(I) INVOICE AMOUNT (\$)	(J) DISCOUNT (\$)	(K) NET AMOUNT (\$)	(L) NET PRICE (\$/BBL)	(M) QUALITY ADJUST. (\$/BBL)	(N) EFFECTIVE PUR PRICE (\$/BBL)	(O) TRANSP TO TERM (\$/BBL)	(P) ADDITIONAL TRANS CHGS (\$/BBL)	(Q) OTHER CHGS (\$/BBL)	(R) DELIVERED PRICE (\$/BBL)
1	CAPE CANAVERAL	COASTAL	PORT CANAVERAL	04/22/98	FO6	75209								0.0000			15.4270
2	MANATEE	COASTAL	PORT MANATEE	04/06/98	FO6	279249								0.0000			14.1643
3	PT. EVERGLADES	COASTAL	PORT EVERGLADES	04/19/98	FO6	150275								0.0000			15.5215
4	TURKEY POINT	COASTAL	FISHER ISLAND	04/20/98	FO6	51877								0.0000			16.0865
5	CAPE CANAVERAL	NOVARCO	PORT CANAVERAL	04/17/98	FO6	252622								0.0000			15.0890
6	SANFORD	NOVARCO	JACKSONVILLE	04/10/98	FO6	212120								0.0000			14.8803
7	SANFORD	NOVARCO	JACKSONVILLE	04/21/98	FO6	88918								0.0000			15.2013
8	SANFORD	NOVARCO	JACKSONVILLE	04/25/98	FO6	224329								0.0000			15.0533
9	FT MYERS	KOCH	BOCA GRANDE	04/13/98	FO6	118116								0.0000			13.8324
10	MARTIN	KOCH	PALM BEACH	04/26/98	FO6	27743								0.0000			15.1442
11	PT EVERGLADES	RIO	PORT EVERGLADES	04/15/98	FO6	191253								0.0000			13.7715
12	TURKEY POINT	RIO	FISHER ISLAND	04/16/98	FO6	157486								0.0000			14.3365
13	MANATEE	RIO	PORT MANATEE	04/24/98	FO6	300793								0.0000			14.3493
14	SANFORD	STEUART	JACKSONVILLE	04/06/98	FO6	25991								0.0000			13.1433
15	FT MYERS	TEXACO	BOCA GRANDE	04/04/98	FO6	90375								0.0000			9.7874
16	FT MYERS	TEXACO	BOCA GRANDE	04/14/98	FO6	110096								0.0000			10.8214
17	FT MYERS	TEXACO	BOCA GRANDE	04/17/98	FO6	91253								0.0000			10.7534
18	RIVIERA	TEXACO	RIVIERA	04/22/98	FO6	116769								0.0000			13.4439
19	RIVIERA	TEXACO	RIVIERA	04/05/98	FO6	115403								0.0000			10.6399
20	RIVIERA	TEXACO	RIVIERA	04/28/98	FO6	117213								0.0000			13.8559
21	MARTIN	COASTAL		04/02/98	FO2	884	21.0300	18.591	0	18.591	21.0300	0.0000	21.0300	0.0000	0.2122	0.1820	21.4242
22	PT EVERGLADES	AMERIGAS		04/22/98	PRO	11	35.5400	391	0	391	35.5400	0.0000	35.5400	0.0000	0.0000	0.0000	35.5400
23	RIVIERA	AMERIGAS		04/02/98	PRO	5	33.4000	167	0	167	33.4000	0.0000	33.4000	0.0000	0.0000	0.0000	33.4000
24	RIVIERA	AMERIGAS		04/17/98	PRO	5	34.4000	172	0	172	34.4000	0.0000	34.4000	0.0000	0.0000	0.0000	34.4000
25	RIVIERA	AMERIGAS		04/30/98	PRO	5	36.0000	180	0	180	36.0000	0.0000	36.0000	0.0000	0.0000	0.0000	36.0000
26	MARTIN	INDIANTOWN		04/21/98	PRO	12	32.2500	387	0	387	32.2500	0.0000	32.2500	0.0000	0.0000	0.0000	32.2500
27	MARTIN	INDIANTOWN		04/07/98	PRO	13	31.6700	412	0	412	31.6700	0.0000	31.6700	0.0000	0.0000	0.0000	31.6700
28	MANATEE	SUBURBAN		04/01/98	PRO	7	29.5700	207	0	207	29.5700	0.0000	29.5700	0.0000	0.0000	0.0000	29.5700
29	MANATEE	SUBURBAN		04/20/98	PRO	12	30.0000	360	0	360	30.0000	0.0000	30.0000	0.0000	0.0000	0.0000	30.0000
30	SANFORD	SUBURBAN		04/23/98	PRO	12	34.4100	413	0	413	34.4100	0.0000	34.4100	0.0000	0.0000	0.0000	34.4100

FPSC FORM NO 423-1 (a) (04/1998)

MONTHLY REPORT OF COST AND QUALITY OF FUEL OIL FOR ELECTRIC PLANTS
 DETAIL OF INVOICE AND TRANSPORTATION CHARGES

1. REPORTING MONTH: APR YEAR 1998
 2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY

3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM S. J. ADAMS, REGULATORY AFFAIRS, (305) - 552-3488
 4. SIGNATURE OF OFFICIAL SUBMITTING REPORT: 
 5. DATE COMPLETED: 6/11/98

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
LINE NO.	PLANT	SUPPLIER	DELIVERY LOCATION	DELIVERY DATE	TYPE OIL	VOLUME (BBL)	INVOICE PRICE (\$/BBL)	INVOICE AMOUNT (\$)	DISCOUNT (\$)	NET AMOUNT (\$)	NET PRICE (\$/BBL)	QUALITY ADJUST (\$/BBL)	EFFECTIVE PUR PRICE (\$/BBL)	TRANSP TO TERM (\$/BBL)	ADDITIONAL TRANS CHGS (\$/BBL)	OTHER CHGS (\$/BBL)	DELIVERED PRICE (\$/BBL)
31	CAPE CANAVERAL			04/03/98	PRO	7	34.6800	243	0	243	34.6800	0.0000	34.6800	0.0000	0.0000	0.0000	34.6800

ATTACHMENT C

Docket No. 980001-EI
April 1998

Justification for Confidentiality for April 1998 Report:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>RATIONALE</u>
423-1(a)	1 - 20	H	(1)
423-1(a)	1 - 20	I	(2)
423-1(a)	1 - 20	J	(2), (3)
423-1(a)	1 - 20	K	(2)
423-1(a)	1 - 20	L	(2)
423-1(a)	1 - 20	M	(2), (4)
423-1(a)	1 - 20	N	(2), (5)
423-1(a)	1 - 20	P	(6), (7)
423-1(a)	1 - 20	Q	(6), (7)

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. (1997). The information delineates the price FPL has paid for No. 6 fuel oil per barrel 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 each others' prices (i.e., contract formulas) among No. 6 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 use its market presence to gain price concessions from any one supplier. The end result is reasonably likely to be increased No. 6 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) Some 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. In 1987, FPL was only able to find eight qualified parties with an interest in bidding either or both of these services. Of these, four responded with transportation proposals and six with terminaling proposals. Due to the small demand in Florida for both of these services, market entry is difficult. 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.

Date of Declassification:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>DATE</u>
423-1(a)	1-8	H - N, P&Q	03/30/00
423-1(a)	9-20	H - N, P&Q	10/31/98

Rationale:

FPL requests that the confidential information identified above not be disclosed until the identified date of declassification. The date of declassification is determined by adding six months to the last day of the contract period under which the goods or services identified on Form 423-1(a) or 423-1(b) were purchased.

Disclosure of pricing information during the contract period or prior to the negotiation of a new contract is reasonably likely to impair FPL's ability to negotiate future contracts as described above.

FPL typically renegotiates its No. 6 fuel oil contracts and fuel-related services contracts prior to the end of such contracts. However, on occasion, some contracts are not renegotiated until after the end of the current contract period. In those instances, the contracts are typically renegotiated within six months. Consequently, it is necessary to maintain the confidentiality of the information identified as confidential on FPL's Form 423-1(a) or 423-1(b) for six months after the end of the individual contract period to which the information relates.

With respect to No. 6 fuel oil price information on the Form 423-1(a) or 423-1(b) for oil that was not purchased pursuant to an already existing contract, and the terms of the

agreement under which it is purchased are fulfilled upon delivery, FPL requests the price information identified as confidential be kept confidential for a period of six months after the delivery. A six-month period is the minimum amount of time necessary for confidentiality of these types of purchases to allow FPL to utilize its market presence in gaining price concessions during seasonal fluctuations in the demand for No. 6 fuel oil. Disclosure of this information any sooner than six months after completion of the transaction is reasonably likely to impair FPL's ability to negotiate such purchases.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's "Request for Confidential Classification" regarding certain information reported on the Commission's Form 423-1(a) for April 1998 was forwarded to the Florida Public Service Commission via Federal Express, and copies of the Request and Petition without Attachment A were mailed to the individuals listed below, all on this 16th day of June, 1998.

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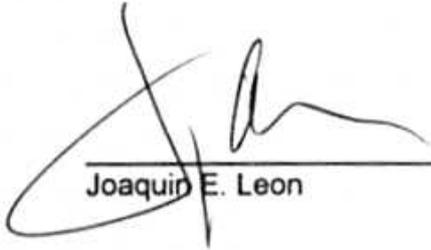
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Joaquin E. Leon