

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Review of Florida Power
Corporation's Earnings, Including Effects
of Proposed Acquisition of Florida Power
Corporation by Carolina Power & Light**

DOCKET NO. 000824-EI

Submitted for Filing:
February 8, 2002

COMMISSION
CLERK

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**FLORIDA POWER CORPORATION'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
OF CERTAIN PORTIONS OF THE TESTIMONY OF SHEREE L. BROWN**

Florida Power Corporation ("Florida Power" or "the Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, F.A.C., requests confidential classification of the highlighted portions of the testimony of Sheree L. Brown contained in the sealed envelope attached to this request ("the Documents"). Also attached is a Justification Matrix supporting Florida Power's request for confidential classification on a page-by-page, line-by-line basis, and the Affidavit of Mark Myers confirming the basis for this request and the confidential nature of the highlighted information. Fifteen public copies of the Documents, with the confidential information redacted, have been filed with this request. In further support of this request, Florida Power states as follows:

Introduction

On January 18, 2002, Publix Super Markets, Inc. (hereinafter "Publix"), pre-filed the testimony of Sheree L. Brown. On the same date, Publix filed a Notice of Intent to Seek

AUS _____
CAF _____ Confidential Classification of certain portions of the testimony of Sheree L. Brown. In
CMP _____
COM _____
CTR _____ conjunction with this Notice, Publix filed a copy of the testimony with certain information
ECR _____
GCL _____ highlighted. In the Notice, Publix requested that the highlighted information be afforded
OPC _____
MMS _____
SEC _____
OTH _____

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

confidential treatment pending the filing of a Request for Confidential Classification to be filed by Florida Power and a decision by the Commission on such request. Florida Power has reviewed Ms. Brown's testimony, narrowed the information to be requested as confidential and attached a copy of the information to this request in a sealed envelope. Some of the information referenced by Ms. Brown in her testimony was obtained from confidential documents provided to Publix pursuant to a confidentiality agreement. Although the actual documents referenced in Ms. Brown's testimony are not attached as exhibits to her testimony, Florida Power reaffirms that nothing in this request shall constitute a waiver of the confidentiality of the documents referenced in Ms. Brown's testimony.

The information for which confidential classification is sought has not been made public and is sensitive internal financial information regarding projected future earnings, the disclosure of which could encourage market speculation and directly affect the Company's credit rating and cost of capital. The confidentiality of this information is protected by Section 366.093, Florida Statutes, and Rule 25-22.006, F. A. C. The statute generally defines "proprietary confidential business information" to include information that, if disclosed, "would cause harm to the ratepayers or the...company's business operations...." § 366.093(3), *Fla. Stat.* Without limiting this broad definition, the statute specifically protects against disclosure of "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." § 366.093(3)(e), *Fla. Stat.* All of the information highlighted on the Documents falls into one or both of these categories and thus constitutes "proprietary confidential business information" that is protected from public disclosure.

Internal Financial Projections

The Documents contain projections of future financial performance prepared in connection with and in anticipation of the merger and statements by Ms. Brown in reliance upon the Company's financial projections. The financial projections were prepared solely for internal use by management (both CP&L and Florida Power) in analyzing the potential impacts of the merger and the potential performance of the consolidated company under various scenarios. The projections have been kept strictly confidential.

Because these projections have not been publicly disclosed, they likely would be closely scrutinized by financial analysts and could encourage market speculation about the Company's future financial performance. This could impact the Company's credit rating, which in turn would directly affect the Company's cost of capital, thus harming both the Company and its ratepayers.

Moreover, financial projections are necessarily based on a host of assumptions that change over time. If an assumption proves to be inaccurate in any material respect, the projection is likewise inaccurate. The projections at issue here were intended solely for internal use by Company management who understand the limitations of financial forecasting. The projections were never intended to be disseminated to the public, where the Company has no ability to explain the underlying assumptions and how they may have changed since the forecasts were prepared. Further, the Company has an obligation to provide consistent information to the public, and any perceived inconsistency could fuel speculation and risk confusion in the public market.

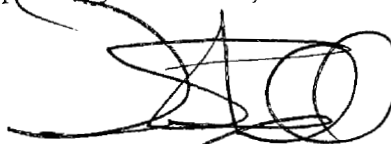
Disclosure of confidential internal financial information also raises serious questions regarding compliance with the SEC fair disclosure requirements imposed by "Regulation FD."

See 17 CFR §243.100. The information contained in the financial projections has been kept confidential, and if it is made public in this proceeding, the Company may have an obligation to take steps to ensure that there can be no claim of selective disclosure. If the Company is required to affirmatively publicize the forecasts, it would give the incorrect impression that they were intended for public dissemination, when they in fact were never intended to be used by the public to evaluate the Company's future financial performance. The resulting potential for market confusion and speculation would be very damaging to the Company and its ratepayers. For all of these reasons, forecasts of future financial performance and testimony based upon these forecasts should be classified as confidential.

Conclusion

For the reasons set forth above and in the attached Justification Matrix, Florida Power respectfully requests confidential classification of the highlighted portions of the documents contained in the sealed envelope attached to this request.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via hand delivery
(where indicated by *) and via U.S. Mail to the following this 8th day of February, 2002.

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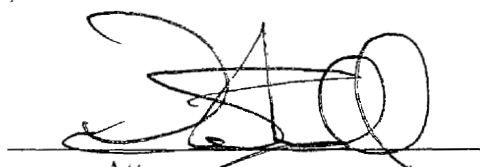
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JUSTIFICATION MATRIX

Page Number of Testimony	Line(s)	Justification for Request For Confidential Classification of Sheree L. Brown's Testimony filed on behalf of Publix
9	193-194	Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. Also, this statement may not be consistent with other information released to the public and the Company must avoid any misunderstandings of management perspectives on financial projections that could disturb public market and create volatility of company stock. <i>See</i> § 366.093(3) (harm to the Company's business operations).
10	201-206	Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. Also, this statement may not be consistent with other information released to the public and the Company must avoid any misunderstandings of management perspectives on financial projections that could disturb public market and create volatility of company stock. <i>See</i> § 366.093(3) (harm to the Company's business operations).
11	226-229	Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. Also, this statement may not be consistent with other information released to the public and the Company must avoid any misunderstandings of management perspectives on financial projections that could disturb public market and create volatility of company stock. <i>See</i> § 366.093(3) (harm to the Company's business operations).

13	293-294	Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. Also, this statement may not be consistent with other information released to the public and the Company must avoid any misunderstandings of management perspectives on financial projections that could disturb public market and create volatility of company stock. Further, there is no specific breakdown of what the numerical value represents, and thus, as this number may not be correct and/or may change over time, releasing this number could create confusion and volatility in the public market. <i>See § 366.093(3) (harm to the Company's business operations).</i>
14	313-314	Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. Also, this financial projection may be outdated, and it may not be correct or consistent with other information released to the public. Thus, the Company must avoid any misunderstandings of management perspectives on financial projections that could disturb public market and create volatility of company stock. <i>See § 366.093(3) (harm to the Company's business operations).</i>
32	700-702	Disclosure of internal financial projections would harm the Company and its ratepayers by encouraging market speculation about the Company's future performance, which in turn could destabilize the Company's credit rating and cost of capital. Disclosure of this confidential information also raises questions concerning compliance with Regulation FD. Also, this financial projection may be outdated, and it may not be correct or consistent with other information released to the public. Thus, the Company must avoid any misunderstandings of management perspectives on financial projections that could disturb public market and create volatility of company stock. <i>See § 366.093(3) (harm to the Company's business operations).</i>

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February 8, 2002

AFFIDAVIT OF MARK A. MYERS

**STATE OF FLORIDA
COUNTY OF PINELLAS**

I, Mark A. Myers, having first been duly sworn, do hereby state as follows:

1. My name is Mark A. Myers. I am employed by Florida Power Corporation ("Florida Power" or "the Company") as Vice President of Finance. The facts stated in this affidavit are based upon my personal knowledge.

2. I have reviewed the confidential portions of the testimony of Sheree L. Brown ("the Documents"). I have also reviewed the Request for Confidential Classification to which this affidavit is attached and the Justification Matrix attached to the request. The confidential information identified in the Justification Matrix is intended to be confidential and is treated by Florida Power and its related companies as confidential. None of the confidential information has been publicly disclosed.

3. Public disclosure of the confidential information would harm the Company and its ratepayers and would impair the Company's competitive interests. The Request for Confidential Classification and the Justification Matrix accurately describe the harm to the Company and its ratepayers that would be caused by public disclosure of the confidential information.

4. The Documents contain projections of future financial performance prepared in connection with and in anticipation of the merger and comments based upon these projections. This projections were prepared solely for internal use by management (both CP&L and Florida Power) in analyzing the potential impacts of the merger and the potential performance of the consolidated company under various scenarios. The projections have been kept strictly confidential.

5. Projections for future time periods have not been publicly disclosed and would likely be closely scrutinized by financial analysts, which could encourage market speculation about the Company's future financial performance. This could impact the Company's credit rating, which in turn would directly affect the Company's cost of capital, thus harming both the Company and its ratepayers.

6. In addition, financial projections are necessarily based on a host of assumptions that change over time. If an assumption proves to be inaccurate in any material respect, the projection is likewise inaccurate. The projections at issue here were intended solely for internal use by Company management who understand the limitations of financial forecasting. The projections were never intended to be disseminated to the public, where the Company has no ability to explain the underlying assumptions and how they may have changed since the forecasts were prepared.

7. Disclosure of confidential internal financial information also raises serious questions regarding compliance with the fair disclosure requirements imposed by "Regulation FD." *See* 17 CFR §243.100. The information contained in the financial projections has been kept confidential, and if it is made public in this proceeding, the Company may have an obligation to take steps to ensure that there can be no claim of selective disclosure. If the Company is

required to affirmatively publicize the forecasts, it would give the incorrect impression that they were intended for public dissemination, when they in fact were never intended to be used by the public to evaluate the Company's future financial performance. The resulting potential for market confusion and speculation would be very damaging to the Company and its ratepayers.

8. For all of these reasons, the information should be kept confidential to avoid harm to the Company and its ratepayers.

This concludes my affidavit.

MARK A. MYERS

Sworn to and subscribed before me this 8th day of February, 2002, by Mark A. Myers, who is personally known to me or who has produced _____ as identification.

NOTARY PUBLIC

Type or Print Name

My Commission Expires: _____