

Hopping Green & Sams

Attorneys and Counselors

February 20, 2009

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BY HAND-DELIVERY

Ann Cole
Director, Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 090007-EI

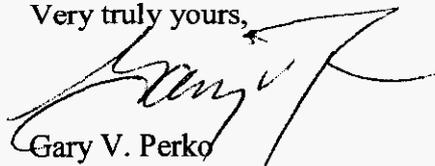
Dear Ms. Cole:

On behalf of Progress Energy Florida, Inc. (PEF), I enclose for filing in the above docket:

- The original and fifteen (15) copies of PEF's First Request for Extension of Confidential Classification, including Exhibit A, which identifies by page and line the information for which PEF seeks confidential treatment.
- A package containing Composite Exhibit B, which includes two redacted copies of the confidential documents; and
- A CONFIDENTIAL package containing Composite Exhibit C, which includes one copy of the Pre-filed Direct Testimony of Thomas Cornell, along with Composite Exhibit No. __ (TC-3, TC-4, TC-5) and Exhibit No. __ (TC-6, TC-7, TC-8); and Pre-filed Direct Testimony of Samuel Waters, along with portions of Exhibit No. __ (SSW-1, SSW-2, SSW-3). The confidential material has been highlighted in yellow.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning it to me. If you have any questions regarding this filing, please give one of us a call at 222-7500.

Very truly yours,



Gary V. Perko

Attorneys for PROGRESS ENERGY FLORIDA, INC.

DOCUMENT NUMBER-DATE
01446 FEB 20 09
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COM _____
ECR _____
 GCL _____
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 RCP _____
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cc: Certificate of Service

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of PEF's First Request for Extension of Confidential Classification has been furnished to all counsel of record and interested parties as listed below by hand-delivery (*) or regular U.S. mail this 20th day of February, 2009.

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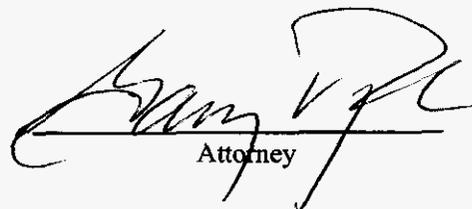
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Attorney

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause.

DOCKET NO. 090007-EI

FILED: FEBRUARY 20, 2009

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**PROGRESS ENERGY FLORIDA INC.'S
FIRST REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

NOW, BEFORE THE COMMISSION, through undersigned counsel, comes Progress Energy Florida, Inc., ("PEF" or "Company") and, pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code, hereby submits its First Request For Extension of Confidential Classification of certain material provided to the Florida Public Service Commission ("FPSC" or "Commission") staff ("Staff") pursuant to information included in testimony and exhibits submitted with its Petition for Approval of its Integrated Clean Air Compliance Plan and Associated Crystal River Clean Air Contracts in docket 070007-EI. In support of this Request, PEF states as follows:

1. On June 1, 2007, PEF filed a request for confidential classification of information included with its Petition for Approval of its Integrated Clean Air Compliance Plan and Associated Crystal River Clean Air Contracts, along with the pre-filed testimony and exhibits of Mr. Thomas Cornell and Mr. Samuel Waters. As exhibits to Mr. Cornell's testimony, PEF provided copies of various confidential contracts and associated work authorizations for pollution control projects at its Crystal River Plant. Exhibit No. ___ (SSW-1) to Mr. Waters' testimony which also includes summaries of the confidential contracts. In addition, Mr. Cornell's testimony, as well as Mr. Water's testimony and Exhibit No. ___ (SSW-1), include several references to in-service dates for the pollution control projects, emission projections, and/or projected allowance purchases.

DOCUMENT NUMBER-DATE

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2. PEF's June 1, 2007 Request was granted by Order No. PSC-07-0676-CFO-EI. The period for confidential treatment granted by that order will soon expire. All the information that was subject of the June 1, 2007 Request warrants continued treatment as proprietary and confidential business information with the meaning of Section 366.093(3), Florida Statutes. Accordingly, PEF is hereby filing its First Request for Extension of Confidential Classification.

3. The following exhibits are included herewith and made a part of this request:

(a) Exhibit A is a table which identifies by page and line the information for which Progress Energy seeks confidential classification and the specific statutory bases for seeking confidential treatment.

(b) Composite Exhibit B is a package containing two copies of redacted versions of the documents for which the Company requests confidential classification. The specific information for which confidential treatment is requested has been blocked out by opaque marker or other means. Because the contracts and associated work authorizations are confidential in their entirety, Composite Exhibit B includes a single page for each contract indicating that the contract and associated work authorizations have been redacted in full.

(c) Composite Exhibit C is a package containing unredacted copies of all the documents for which Progress Energy seeks confidential treatment. Composite Exhibit C is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted in yellow. The documents that have been redacted in their entirety are copied on yellow paper.

4. PEF submits that the information identified in Exhibit "A" and included in Composite Exhibit C to the June 1, 2007 Request continues to be proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This

information is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public. Pursuant to Section 366.093, such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the public records law.

5. Nothing has changed since the issuance of Order No. PSC-07-0676-CFO-EI to render the information stale or public, such that continued confidential treatment would not be appropriate. Upon a finding by the Commission that this information continues to be "proprietary confidential business information" it should continue to be treated as such for an additional period of at least 18 months, and should be returned to PEF as soon as the information is no longer necessary for the Commission to conduct its business. *See* §366.093(4), Fla. Stats.

WHEREFORE, for the foregoing reasons, Progress Energy Florida, Inc., respectfully requests that this First Request for Extension of Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 20th day of February, 2009.

HOPPING GREEN & SAMS, P.A.



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Attorneys for PROGRESS ENERGY FLORIDA

EXHIBIT A
To Progress Energy Florida's
Request for Confidential Classification
Docket No. 070007-EI

Document	Page(s)	Line No(s).	Justification (see legend below)
Pre-filed Direct Testimony of Samuel S. Waters	6	14	A
Exhibit No. __ (SSW-1) - Integrated Clean Air Compliance Plan	5	1, 2, 3	A
	11	1, 2	A
	11	3, 4, 5	B
	12	1 - 10	B
	12	11, 12	A
	18	1 - 5	A
	19	1	C
	20	1- 11	A
	21	1 (Table 1)	A
	22	1 - 4 (including Figure 1)	B
	23	1 - 7 (including Figure 2)	B
	24	1 - 5 (including Figure 3)	B
	35	1, 2	C
	36	1 - 14	C
	37	1 - 12	C
	38	1 - 25	C
	39	1 - 8	C
	40	1 - 27	C
	41	1 - 17	C
	42	1 - 20	C
44	1 - 18	C	
45	1 - 5	C	
46	1 - 2	C	
47	1 - 11	C	
48	1 - 15	C	
Exhibit No. __ (SSW-2) - Summary of Alternative Compliance Plans - 2006	All	All	A
Exhibit No. __ (SSW-3) - Summary of Alternative Compliance Plans - 2007	All	All	A

EXHIBIT A
To Progress Energy Florida's
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Docket No. 070007-EI

Pre-filed Direct Testimony of Thomas Cornell	5	5, 7, 9, 11, 12, 13, 21, 23, 24	A
	6	1, 2, 5, 6, 8, 9, 10, 11, 16	A
	11	7	C
	12	23	C
	14	11, 16, 17	C
	15	12	C
	18	11	C
	19	11	C
	21	2	C
Composite Exhibit No. __ (TC-3) - Letter of Intent (LOI) to enter an Engineering, Procurement and Construction contract with Environmental Projects Crystal River ("EPCR"), along with four amendments to the LOI.	All	All	C
Composite Exhibit No. __ (TC-4) - Contract with The Babcock and Wilcox Company (and associated work authorizations) for design, engineering, equipment, and other work associated with the Crystal River SCR & FGD projects	All	All	C
Composite Exhibit No. __ (TC-5) - Contract with Worley Parsons (and associated work authorizations) for preliminary design, engineering and other work associated with the Crystal River SCR and FGD projects.	All	All	C
Exhibit No. __ (TC-6) - Contract No. 298909 Between Progress Energy Florida, Inc. and The Stebbins Engineering and Manufacturing Company for Crystal River Scrubber Towers Units 4 & 5	All	All	C
Exhibit No. __ (TC-7) -Purchase Order Agreement for SCR Catalyst for the Crystal River Power Station Units 4 and 5 - Progress Energy Florida, Inc.	All	All	C
Exhibit No. __ (TC-8) -Contract No. 300611 Between Progress Energy Florida, Inc. and Commonwealth Dynamics, Inc. for Crystal River Plant Chimney	All	All	C

EXHIBIT A
To Progress Energy Florida's
Request for Confidential Classification
Docket No. 070007-EI

LEGEND

- A PROJECT IN-SERVICE DATES** – The redacted information identifies in-service dates of certain pollution control projects or provides other information from which such in-service dates can be determined. Together with the allowance purchase information discussed below, this information could be used to determine when PEF intends to purchase emission allowances and how many purchases PEF projects to make. The compliance requirements under CAIR require a new annual compliance period. This will be a new market that will begin trading. To date, the new annual NO_x market has not become active and is considered very illiquid. As a result, allowance prices for annual NO_x purchases could be very volatile especially during the first years of compliance under CAIR. Additionally, in later years, there could be volatility in the SO₂ markets as a result of the more stringent SO₂ compliance requirements associated with CAIR. For these reasons, disclosure of the redacted information concerning allowance market positions could put PEF at a competitive disadvantage in purchasing emission allowances on the market which could further contribute to price volatility to the detriment of PEF and its customers. As such, the redacted information constitutes confidential 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.” § 366.093(3)(d), F.S.
- B ALLOWANCE INFORMATION** – The redacted information relates to emission projections, the timing of planned allowance purchases and/or the number of allowances projected to be purchased. Either alone or together with the project in-service date information discussed below, this information could be used to determine when PEF intends to purchase emission allowances and how many purchases PEF projects to make. As discussed above, CAIR imposes a new annual compliance period. This will be a new market that will begin trading and to date this new market has not become active and is considered very illiquid. As a result, allowance prices for annual NO_x purchases could be very volatile especially during the first years of compliance under CAIR. Additionally, in later years, there could be volatility in the SO₂ markets as a result of the more stringent SO₂ compliance requirements associated with CAIR. For these reasons, disclosure of the redacted information concerning allowance market positions could put PEF at a competitive disadvantage in purchasing emission allowances on the market which could further contribute to price volatility to the detriment of PEF and its customers. As such, the redacted information constitutes confidential 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.” § 366.093(3)(d), F.S.
- C CONTRACTUAL INFORMATION** – The redacted information includes contractual data, such as costs, performance specifications and other contractual terms related to design, engineering, equipment procurement and/or construction contract for air pollution control projects at Progress Energy's Crystal River Plant Units 4 and 5. PEF negotiates with design, engineering and construction companies to obtain competitive contracts for the design and construction of major projects at its facilities, including the air pollution control projects. In order to obtain such contracts, PEF must be able to assure such companies that sensitive

EXHIBIT A
To Progress Energy Florida's
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business information, such as the terms of their contracts, will be kept confidential. Absent such measures, the companies would run the risk that sensitive business information that they provided in their contracts with PEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, persons or companies who otherwise would contract with PEF might decide not to do so if PEF did not keep those terms of their contracts confidential. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and design, engineering and construction companies, the Company's efforts to obtain competitive design and construction contracts could be undermined. The contracts and purchase agreement identified above contain provisions which specifically require the parties to keep the terms of the contracts, any amendments and work authorizations confidential. Accordingly the redacted information constitutes confidential 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." § 366.093(3)(d), F.S.

Additionally, the disclosure of confidential information in PEF's design, engineering and construction contracts could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive design and construction options that provide economic value to both PEF and its ratepayers could be compromised by PEF's competitors changing their negotiating behavior within the relevant markets. Accordingly, the redacted information relates to PEF's competitive interests, the disclosure of which would impair PEF's competitive business. § 366.093(3)(e), F.S.

For all of these reasons, this information constitutes "proprietary confidential business information" which is exempt from the public records act pursuant to § 366.093(1), F.S.

STATE OF FLORIDA

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

Public Service Commission

ACKNOWLEDGEMENT

DATE: February 20, 2009

TO: Gary Perko, Hopping Law Firm

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 090007 or, if filed in an undocketed matter, concerning Prefiled Direct testimony of Thomas Cornell, along with composite exhibits TC-3, 4, 5, 6, 7, and TC-8, and filed on behalf of Progress Energy. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

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PSC Website: <http://www.floridapsc.com>

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COMMISSIONERS:
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STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
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Public Service Commission

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