

Writer's Direct Dial: (561) 691-7101

R. Wade Litchfield Senior Attorney Florida Authorized House Counsel Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 (561) 691-7135 (Facsimile)



September 27, 2000

### VIA HAND DELIVERY

Ms. Blanca S. Bayó Director Division of Records and Reporting Florida Public Service Commission Betty Easley Conference Center 2540 Shumard Oak Boulevard Room 110 Tallahassee, FL 32399-0850

Re:

Florida Power & Light Company's Request for

Confidential Classification of Certain Material

Provided in Connection with the Monthly Fuel Filings;

Docket No. 000001-EI

Dear Ms. Bayó:

I enclose and hand you herewith for filing in the above-referenced matter, the original and five (5) copies of Florida Power & Light Company's ("FPL") Request for Confidential Classification. The original includes Attachments A, B, and C. The five copies include only Attachments B and C.

Attachment A contains the confidential information that is the subject of FPL's Request for Confidential Classification. Attachment A is submitted for filing in a separate, sealed folder or carton marked "ATTACHMENT A - CONFIDENTIAL. Attachment B is an edited version of Attachment A, in which the information FPL asserts is confidential has been blocked out. Attachment C contains FPL's justification for its request for confidential classification.

In accordance with Rule 25-22.006(3)(d), FPL requests confidential treatment of the information in Attachment A pending disposition of FPL's request for Confidential Classification.

Also included herewith is a computer diskette containing FPL's Request for Confidential Classification and Attachment C, in Word Perfect version 6/7/8.

DOCUMENT NUMBER-DATE

12207 SEP 278

Blanca S. Bayó, Director Division of Records and Reporting Florida Public Service Commission September 27, 2000 Page 2

Please do not hesitate to contact me should you or your Staff have any questions regarding this filing.

Sincerely,

R. Wade Litchfield

RWL/jsb Enclosures

cc: Service List (w/out Attachment A)

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### **BEFORE THE**

### FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power	)	DOCKET NO. 000001-EI
Cost Recovery Clause and Generating	)	
Performance Incentive Factor	)	FILED: September 27, 2000

### REQUEST FOR CONFIDENTIAL CLASSIFICATION

NOW, BEFORE THIS COMMISSION, through undersigned counsel, comes

Florida Power & Light Company ("FPL") and, pursuant to section 25-22.006 of the Florida

Administrative Code and section 366.093 of the Florida Statutes, hereby requests confidential

classification of certain information on Florida Public Service Commission ("FPSC" or

"Commission") Form 423-1(a) submitted in Docket No. 000001-EI. In support of its

Request, FPL states as follows:

1. Petitioner's principal business address is as follows:

Florida Power & Light Company P.O. Box 029100 Miami, Florida 33102-9100

Orders, notices, or other pleadings related to this request should be served on:

William G. Walker, III Vice President Florida Power & Light Company 215 South Monroe Street Suite 810 Tallahassee, FL 32301-1859 (850) 224-7595 (850) 224-7197 (telecopier) R. Wade Litchfield Senior Attorney Florida Power & Light Company 700 Universe Boulevard Juno Beach, Florida 33408-0420 (561) 691-7101 (561) 691-7135 (telecopier)

DOCUMENT N' MBER DATE

- 2. The following attachments are included herewith and made a part hereof:
  - a. Attachment A is the complete and unedited version of FPL's July 2000 Form 423-1(a) which contains certain information that FPL asserts should be accorded confidential treatment. The information in Attachment A for which FPL seeks confidential classification has been highlighted. Attachment A is submitted separately in a sealed envelope marked "CONFIDENTIAL."
  - b. Attachment B is the edited version of Attachment A. All information that FPL asserts is entitled to confidential treatment has been blocked out in Attachment B.
  - c. Attachment C identifies information for which confidential treatment is sought and, with regard to each item or type of information, contains a brief statement that explains the need for confidentiality and refers to the specific statutory basis or bases for the request.
- 3. Pursuant to section 366.093, FPL seeks confidential protection for the information highlighted in Attachment A. FPL submits that such information is proprietary confidential business information within the meaning of section 366.093(3). Pursuant to section 366.093, such materials are entitled to confidential treatment and are 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. FPL requests that the Commission make the following findings with respect to the No. 2, No. 3 and No. 6 fuel oil information identified as confidential on Attachments A and C:
  - The No. 2, No. 3 and No. 6 fuel oil data identified are contractual data; and FPL's ability to procure No. 2, No. 3 and 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. 2, No. 3 and No. 6 fuel oil, terminaling and transportation services, and fuel inspection services are oligopolistic;
- (2) FPL, as a substantial buyer in an oligopolistic market may obtain price concessions not available to other buyers; and
- (3) the disclosure of such concessions likely would end them, resulting in higher prices to FPL.
- 5. FPL requests that the information for which FPL seeks confidential classification not be declassified until the dates specified on Attachment C in order to allow FPL a reasonable period of time within which to negotiate future contracts. Disclosure prior to the requested dates for declassification would impair FPL's ability to negotiate future contracts.
- 6. The statutory bases and support for FPL's assertion of confidentiality with regard to specific items or types of information are set forth in Attachment C. The information for which confidential classification is sought is intended to be and is treated by FPL as confidential and, to the best of FPL's knowledge and belief, has not been publicly disclosed.
- 7. Upon a finding by the Commission that the material in Attachment A for which FPL seeks confidential treatment is proprietary confidential business information within the meaning of section 366.093(3), pursuant to section 366.093(4) such materials should not be declassified until the end of the protective period set by the Commission.

Further, the materials should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business.

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

Respectfully submitted,

Florida Authorized House Counsel

Attorney for

Florida Power & Light Company 700 Universe Boulevard

Juno Beach, Florida 33408-0420

(561) 691-7101

### CERTIFICATE OF SERVICE

I, THE UNDERSIGNED COUNSEL, HEREBY CERTIFY that a copy of Florida Power & Light Company's Request for Confidential Classification, without Attachment A, has been served via first class mail, postage prepaid to the parties listed below, this 27th day of September, 2000:

Bob Elias, Chief Bureau of Electric & Gas Division of Legal Services Florida Public Service Commission Gerald L. Gunter Building - Third Floor 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

G. Edison Holland, Esquire Beggs & Lane P.O. Box 12950 Pensacola, FL 32576

Major Gary A. Enders United States Air Force HQ USAF/ULT, STOP 21 Tyndall AFB, FL 32403-6001

Kenneth Hoffman, Esquire Rutledge, Ecenia, Underwood Purnell & Hoffman, P.A. P.O. Box 551 Tallahassee, FL 32301-0551

Occidental Chemical Corporation Energy Group P.O. Box 809050 Dallas, TX 75380-9050 Joseph A. McGlothlin, Esquire Vicki Gordon Kaufman, Esquire McWhirter, Reeves, McGlothlin, Davidson, Etc. 117 S. Gadsden Street Tallahassee, FL 32301

Jack Shreve, Esquire Office of Public Counsel 111 W. Madison Street Room 812 Tallahassee, FL 32399-1400

Lee L. Wills, Esquire
James D. Beasley, Esquire
Ausley, McMullen, McGehee,
Carothers & Proctor
P.O. Box 391
Tallahassee, FL 32302

Lee G. Schmudde, Esquire Reedy Creek Utilities, Inc. P.O. Box 40 Lake Buena Vista, FL 32830

James A. McGee, Esquire P.O. Box 14042 St. Petersburg, FL 33733

R. Wade Litchfield

# **CONFIDENTIAL**

## **ATTACHMENT A**

FPSC FORM NO. 423-1(a)

September 2000

FILED SEPARATELY

## NON-CONFIDENTIAL

### **ATTACHMENT B**

FPSC FORM NO. 423-1(a) (Edited)

September 2000

# EDITED COPY

#### Page 1 of 2

FPSC FORM NO. 423-1 (a)

1. REPORTING MONTH: JUL. YEAR: 2000

2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY

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

3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA SUBMITTED ON THIS FORM: RITA MCLELLAN, REGULATORY AFFAIRS, (306) 552 - 4069

4. SIGNATURE OF OFFICIAL SUBMITTING REPORT:

5. DATE COMPLETED: 09/20/2000

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(1)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
			<b>5.5</b> 1 m				INVOICE	INVOICE		NET	NET				ADDITIONAL		DELIVERED
LINE NO.	PLANT	SUPPLIER	DELIVERY LOCATION	DELIVERY	OIL	VOLUME (BBLS)	PRICE	AMOUNT:	DISCOUNT		PRICE (\$/BBL)	ADJUST. (\$/BBL)	PUR PRICE (\$/BBL)	(\$/BBL)	TRANS CHGS (\$/BBL)	CHGS (\$/BBL)	PRICE (\$/BBL)
4 1441	NATEE	COASTAL	PORT MANATEE	DATE 07/06/200	F06	275342	(\$/RBL)	<del></del>	(\$)								30.4357
	VATEE	COASTAL	PORT MANATEE	07/13/200	F06	273643											29.0887
	EVERGLADES	COASTAL	PORT EVERGLADES	07/21/200	F06	275778											28.1192
	MYERS	FAMM	BOCA GRANDE	07/21/200	F06	98455											30.6658
	MYERS	FAMM	BOCA GRANDE	07/08/200	F06	97966											30.1658
	MYERS	FAMM	BOCA GRANDE	07/16/200	F06	98068											28.6328
	MYEAS	FAMM	BOCA GRANDE	07/22/200	F06	97598											26.6538
	MYERS	FAMM	BOCA GRANDE	07/26/200	F06	97731											25.3368
	E CANAVERAL		PORT CANAVERAL	07/01/200	F06	228034											30.7335
	E CANAVERAL		PORT CANAVERAL	07/12/200	F06	158243											29.7365
11 SAN		NOVARCO	JACKSONVILLE	07/11/200	F06	68033											30,4471
12 MAN			PORT MANATEE	07/24/200	F06	233994											25.3977
13 MAN		COASTAL	PORT MANATEE	07/08/200	F06	126547											30.2907
14 MAN		COASTAL	PORT MANATEE	07/29/200	F06	126207											26.7357
	KEY POINT	COASTAL	FISHER ISLAND	07/05/200	F06	101052											31.2329
	KEY POINT	COASTAL	FISHER ISLAND	07/22/200	F06	128074											28.0479
17 MA		COASTAL	PORT MANATEE	07/16/200	F06	126486											28.4207
18 MAF		GLENCORE	PALM BEACH	07/21/200	F06	117667											27.7299
	EVERGLADES	GLENCORE	PORT EVERGLADES	07/03/200	F06	322769											29.4982
20 PT,	EVERGLADES	GLENCORE	PORT EVERGLADES	07/12/200	F06	318925											28.1072
21 TUR	KEY POINT	GLENCORE	FISHER ISLAND	07/11/200	F06	118773											30.0579
22 TUR	KEY POINT	GLENCORE	FISHER ISLAND	07/30/200	F06	117691											26.1749
23 MAF	RTIN	NOVARCO	PALM BEACH	07/09/200	F06	144604											30.3529
24 MAF	RTIN	NOVARCO	PALM BEACH	07/23/200	F06	143544											26.8529
25 PT.	EVERGLADES	NOVARCO	PORT EVERGLADES	07/28/200	F06	271229											24.2852
26 RIVI	ERA	NOVARCO	RIVIERA	07/04/200	F06	116654											30.6070
27 RIVI	ERA	NOVARCO	RIVIERA	07/14/200	F06	118421											28.4990
28 RIVI	ERA	NOVARCO	RIVIERA	07/27/200	F06	117200											23.1080
29 SAN	FORD	STEUART	JACKSONVILLE	07/03/200	F06	161030											31,1841
30 SAN	FORD	STEUART	JACKSONVILLE	07/16/200	F06	188116											29.2251
FPSC	FORM NO. 423-	1 (a) (07/2000)															

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FPSC FORM NO. 423-1 (a)

1. REPORTING MONTH: JUL YEAR: 2000

2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY

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

3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA SUBMITTED ON THIS FORM: RITA MCLELLAN, REGULATORY AFFAIRS, (305) 552 - 4069

4. SIGNATURE OF OFFICIAL SUBMITTING REPORT:\_

5. DATE COMPLETED: 09/20/2000

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(1)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
LINE NO.	PLANT	SUPPLIER	DELIVERY LOCATION	DELIVERY	TYPE OIL	VOLUME (BBLS)	PRICE (\$/BBL)	INVOICE AMOUNT ( (\$)	DISCOUNT	NET AMOUNT (\$)	PRICE (\$/BBL)	QUALITY ADJUST. (\$/BBL)	EFFECTIVE PUR PRICE (\$/BBL)	TRANSP TO TERM (\$/BBL)	ADDITIONAL TRANS CHGS (\$/BBL)	OTHER CHGS (\$/BBL)	DELIVERED PRICE (\$/BBL)
31 SANF	ORD	STEUART	JACKSONVILLE	07/22/200	F06	48039		_									29.2251
32 SANF	ORD	STEUART	JACKSONVILLE	07/25/200	F06	39855											29.2251
33 TURK	(EY POINT	COASTAL		07/08/200	FO2	174											37.2000
34 TURK	KEY POINT	STREICHER		07/24/200	FO2	83											43.3000
35 FT. M	IYERS	COASTAL		07/04/200	FQ3	88872											36.3720
36 FT. M	IYERS	AMERIAGAS		07/27/200	PRO	6	52.0000	312	0	312	52.0000	0.0000	52.0000	0.0000	0.0000	0.0000	52.0000
37 RIVIE	RA	AMERIGAS		07/07/200	PRO	7	90.9800	637	0	637	90.9800	0.0000	90.9800	0.0000	0.0000	0.0000	90.9800
38 PT. E	VERGLADES	AMERIGAS		07/05/200	PRO	8	46.8600	375	0	375	46.8600	0.0000	46.8600	0.0000	0.0000	0.0000	46.8600
39 PT. E	VERGLADES	AMERIGAS		07/20/200	PRO	4	46.2400	185	0	185	46.2400	0.0000	46.2400	0.0000	0.0000	0.0000	46.2400
40 RIVIE	:RA	AMERIGAS		07/21/200	PRO	91	6.9300	631	0	631	6.9300	0.0000	6.9300	0.0000	0.0000	0.0000	6.9300
41 TURK	CEY POINT	AMERIGAS		07/24/200	PRO	5	46.1400	231	0	231	46.1400	0.0000	46.1400	0.0000	0.0000	0.0000	46.1400
42 MAR	TIN	INDIANTOWN		07/27/200	PRO	12	38.2200	459	0	459	38.2200	0.0000	38.2200	0.0000	0.0000	0.0000	38.2200
43 MAN/	ATEE	SUBURBAN		07/07/200	PRO	5	44.7700	224	0	224	44.7700	0.0000	44.7700	0.0000	0.0000	0.0000	44.7700
44 MANA	ATEE	SUBURBAN		07/21/200	PRO	3	45.4200	136	0	136	45.4200	0.0000	45.4200	0.0000	0.0000	0.0000	45.4200
45 SANF	ORD	SUBURBAN		07/03/200	PRO	45	10.3300	465	0	465	10.3300	0.0000	10.3300	0.0000	0.0000	0.0000	10.3300
46 SANF	ORD	SUBURBAN		07/15/200	PRO	9	45.0700	406	0	406	45.0700	0.0000	45.0700	0.0000	0.0000	0.0000	45.0700
47 CAPE	CANAVERAL	SUBURBAN		07/11/200	PRO	7	45.0700	315	0	315	45.0700	0.0000	45.0700	0.0000	0.0000	0.0000	45.0700

### ATTACHMENT C

Docket No. 000001-EI September 2000

### Justification for Confidentiality for July 2000 Report:

<u>FORM</u>	LINE(S)	COLUMN	RATIONALE
423-1(a)	1 – 35	Н	(1)
423-1(a)	1 - 35	I	(2)
423-1(a)	1 – 35	J	(2), (3)
423-1(a)	1 – 35	K	(2)
423-1(a)	1 – 35	L	(2)
423-1(a)	1 – 35	М	(2), (4)
423-1(a)	1 – 35	N	(2), (5)
423-1(a)	1 – 35	P	(6), (7)
423-1(a)	1 – 35	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. (1995). The information delineates the price per barrel FPL has paid for fuel oil 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 others' prices (*i.e.*, contract formulas) among 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 obtain 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.

This information is contractual information which, if made public, "would impair the (8) efforts of (FPL) to contract for goods or services on favorable terms." Section 366.093(3)(d), F.S. (1995). The information delineates the price FPL has paid for No. 2 fuel oil per barrel for specific shipments from specific suppliers. No. 2 fuel oil is purchased through a bidding process. At the request of the No. 2 fuel oil suppliers, FPL has agreed to not publicly disclose any supplier's bid. This nondisclosure agreement protects both FPL's ratepayers and the bidding suppliers. As to FPL's ratepayers, the non-public bidding procedure provides FPL with a greater variation in the range of bids that would otherwise not be available if the bids, or the winning bid by itself, were publicly disclosed. With public disclosure of the No. 2 fuel oil prices found on FPL's Form 423-1(a), the bids would narrow to a closer range around the last winning bid, eliminating the possibility that one supplier might, based on his economic situation, come in substantially lower than the other suppliers. Nondisclosure likewise protects the supplies from divulging any economic advantage that supplier may have which the others have not discovered.

### Date of Declassification:

FORM	LINE(S)	<u>COLUMN</u>	<b>DATE</b>
423-1(a)	1-3	H - N, P & Q	07/31/02
423-1(a)	4-8	H - N, P & Q	12/31/00
423-1(a)	9-12	H - N, P & Q	08/31/02
423-1(a)	13-17	H - N, P & Q	01/31/01
423-1(a)	18-22	H - N, P & Q	01/31/01
423-1(a)	23-28	H - N, P & Q	01/31/01

423-1(a)	29-32	H – N, P & Q	01/31/01
423-1(a)	33	H – N, P & Q	01/31/01
423-1(a) 423-1(a)	34 35	H – N, P & Q H – N, P & Q	01/31/01 01/31/01

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.