

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial No.
(850) 425-2359

July 28, 2005

BY HAND DELIVERY

Blanca Bayó
Director Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 050316-EI – Request for Confidential Classification

Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida (PEF) are the following:

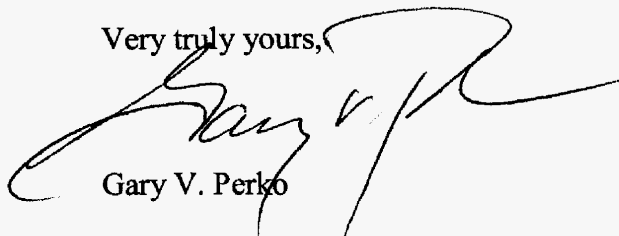
(1) The original and seven copies of its Request for Confidential Classification, including Exhibit A, which identifies by page and line the information for which PEF seeks confidential treatment. A diskette containing the Request in Word format is being submitted contemporaneously with the Petition identified above.

(2) An envelope containing Composite Exhibit B, which includes two redacted copies of the confidential documents; and

(3) A CONFIDENTIAL envelope containing Composite Exhibit C which includes one copy of the documents on which the confidential material has been highlighted.

Please stamp and return the enclosed extra copy of this filing. If you have any question regarding this filing, please contact the undersigned.

Very truly yours,



Gary V. Perko

Enclosures
cc: Marlene Stern

DOCUMENT NUMBER-DATE

07278 JUL 28 '05

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy Florida, Inc., for approval of integrated Clean Air Regulatory Compliance Program for cost recovery through the Environmental Cost Recovery Clause.

DOCKET NO. 050316-EI

FILED: July 28, 2005

**PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., ("Progress Energy" or "PEF"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code, submits this Request For Confidential Classification of certain information included in Exhibits submitted into the record of this proceeding. In support of this Request, Progress Energy states:

1. In response to Staff's request for additional information in this docket, Progress Energy is providing a copy of a study prepared by Parsons E&C Corporation under contract to PEF concerning the potential air pollution control alternatives for PEF's Crystal River steam generating units (hereinafter "Parsons Study"). As further discussed below the Parsons Study includes "proprietary confidential business information" as that term is used in Section 366.093, Florida Statutes. Accordingly, PEF hereby requests confidential classification of the document pursuant to Rule 25-22.006(3)(a), Florida Administrative Code.

2. The following exhibits are included with this request:

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

(b) Exhibit B provides two redacted copies of the document for which confidential treatment is requested. The information for which PEF requests confidential

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

treatment is blacked out by opaque marker or otherwise labeled "REDACTED" where an entire page is confidential.

(c) Exhibit C is a package containing an unredacted copy of all the documents for which Progress seeks confidential treatment. Exhibit C is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." The information for which PEF requests confidential treatment is highlighted in yellow or copied on yellow paper when an entire page includes confidential information.

3. The Parsons Study was prepared on a confidential basis under contract with PEF to analyze potential pollution control alternatives for PEF's Crystal River steam generating units based on confidential information developed by PEF and information provided by potential vendors on a confidential basis. As further discussed in Exhibit A, the report includes information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms under 366.093(3)(d), F.S., and/or impair the competitive businesses of the provider of the information under Section 366.093(3)(e), F.S. As such, the information identified in Exhibit A constitutes "proprietary confidential business information" which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

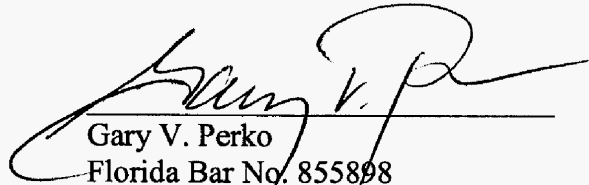
4. The information for which PEF seeks confidential classification is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public.

5. Progress Energy requests that the information specified in Exhibit A be classified as "proprietary confidential business information" within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in

section 366.093(4), F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

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

RESPECTFULLY SUBMITTED this 28th day of July, 2005.



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Attorney for PROGRESS ENERGY FLORIDA

EXHIBIT A

**PROGRESS ENERGY FLORIDA
Confidentiality Justification**

Document Description	Page No(s).	Line No(s).	Column(s)	Justification
1.0 Executive Summary	1	1-6	A-E	A
	1	7-12	N/A	A
	2	1-2	N/A	A
	2	3-16	N/A	B
	3	1-9	A-D	A
	4	1-5	N/A	A
	5	1-18	A-D	A
2.0 Study Description	6	1-2	N/A	C
3.0 Design Basis	8	1-2	A-D	B,C
	8	3-5	A-D	B
	8	6-24	A-D	A
	9	1-23	A-D	A
	10	1-10	A-E	A
	10	11-34	N/A	A
4.1 Summary Description of Major Equipment and Systems	11	1-2	N/A	C
	12	1-5	N/A	A
	12	6-8	N/A	C
	12	9-10	N/A	A
	14	1-5	N/A	A
	15	1-6	N/A	A
	16	1	N/A	A
	20	1-2	N/A	A
	21	1-2	N/A	A
	21	3-5	N/A	C
	22	1-2	N/A	A
	23	1-5	N/A	A
4.2 Major Equipment	26	1-2	N/A	A
	27	1	N/A	C
	27	2-4	N/A	B
	27	6-21	N/A	A
	28-63	ALL	N/A	A
4.3 Controls Equipment	64	1-2	N/A	A
	64	3-8	A-I	A
	65	1-6	A-I	A
	65	7-12	N/A	A
	66	ALL	N/A	A
	67	1-2	N/A	A
	68	1-2	N/A	A
	69-70	ALL	N/A	A
4.7 Limestone Supply	111	1-10	N/A	A, C
4.8 Level 1 Project Schedule	112	1-3	N/A	C
	112	4-14	N/A	B
	113	1	N/A	B
5.1 Capital Costs	114	1-3	N/A	C
	114	4-8	N/A	A
	115	1-4	N/A	A

EXHIBIT A

	115	5-9	A-D	A
	116	1	B-G	A
	116	2-3	A-E	A
	116	4-5	A-G	A
	116	6-9	A-F	A
5.2 Operating and Maintenance Costs and EESY Analysis	118	1-3	A-B	A
	118	4	B	A
	118	5-9	A	A
	118	10	B	A
	118	11-12	A	A
	118	13-16	A-B	A
	118	17	A	A
	118	18	A-B	A
	118	19	B	A
	118	20	A	A
	118	21	N/A	B
	119	1-9	A-C	A
	119	10-14	N/A	A
	120	1	A	A
	120	2-18	A-D	A
6.0 Conclusions and Recommendations	121	1-5	A-D	A
	121	6-11	N/A	A
	122	1-2	N/A	A
	122	3-5	N/A	C
	122	6-13	N/A	B
	123	1	N/A	B
	123	2-10	A-C	A
	124	1-5	N/A	A
	125	1	A	A
	125	2-18	A-D	A
	126	1-7	N/A	C
	127	1-5	N/A	C
	130	1	N/A	A
	131	1-6	N/A	A
Appendix A PE-Florida Input	2	1	N/A	C
	3	ALL	N/A	C
	4	1-6	N/A	B
	7	1	N/A	B
	7	2-3	N/A	C
Appendix CPE&C Cost Estimates	1-22	ALL	N/A	A
Appendix D O&M	1-25	ALL	N/A	A
Appendix E Vendor Input	1-34	ALL	N/A	A, C
Appendix E FGD System	1-17	ALL	N/A	A
Appendix E SCR SCR System	1-40	ALL	N/A	A
Appendix E Control System	1-14	ALL	N/A	A
Appendix E Air Heater Upgrades	1-30	ALL	N/A	A
Appendix F Material Balances	1-37	ALL	N/A	B, C
Appendix G Level One Schedules	1-7	ALL	N/A	B

EXHIBIT A

Legend

- A This information includes preliminary design information and cost estimates based on information developed by PEF and derived from proposals submitted by various air pollution control vendors on a confidential basis, as well as the proposals themselves. If disclosed, this information would provide other potential vendors with information that could be used to their competitive advantage in future contract negotiations with PEF. Rather than make their best offers to ensure the competitiveness of their proposals, potential vendors could simply offer proposals that would allow them to maintain a marginally competitive position against the proposals submitted in connection with the Parsons Study and the cost-estimates developed by Parsons. Furthermore, without assurances that their proposals will remain confidential, vendors may choose not to submit proposals or withhold sensitive information needed to evaluate their proposals. In either case, disclosure of the information would impair PEF's efforts to contract for goods or services on favorable terms. *See* § 366.093(3)(d), F.S. In addition, such information relates to the competitive interests of the vendors who provided information used in the Study. If disclosed, such information could impair the contributing vendors' competitive businesses because other vendors could use the information to undercut them in future bidding for pollution control projects. *See*, Section 366.093(3)(e), F.S.
- B This information includes unit-specific information regarding scheduled outages, as well as individual unit performance data, such as capacity factor projections and heat rate projections for specific units. Disclosure of the outage and capacity information would allow competitors to predict PEF's ability to make wholesale sales or its need to make purchases. In addition, disclosure of projected heat rate data would allow competitors to determine PEF's cost of generation using readily available fuel prices. Knowledge of this information would impair PEF's efforts to contract for goods or services (i.e., power purchases) on favorable terms because potential power providers would no longer need to make their best offers to ensure the competitiveness of their rates. Instead, suppliers could simply offer the highest rates that would allow them to maintain a marginally competitive position against the Company's cost of generation. As such, disclosure of the information would impair the Company's efforts to contract for goods or services on favorable terms. *See* § 366.093(3)(d), F.S. Furthermore, the information relates to the competitive interests of Progress Energy and its affiliates. Knowledge of PEF's cost of generation would impair PEF's competitive business by providing competing wholesale power providers a significant advantage in developing marketing strategies to target PEF's existing and potential power sale customers. *See id.* § 366.093(3)(e).
- C This information reflects PEF's strategic business planning efforts, including potential fuel strategies and analysis of potential sources of raw materials and potential marketing of byproducts following installation of pollution control projects. If disclosed, this information would impair PEF's competitive business under Section 366.093(e), F.S., by allowing others insight into PEF's strategic planning efforts, as well as valuable data and analysis developed at PEF's expense. Disclosure of the information also would impair PEF's efforts to contract for goods or services on favorable terms under Section 366.093(3)(d), F.S., because the information could be used by potential fuel and raw material vendors or byproduct customers in future negotiations with the Company. Accordingly, the information constitutes "proprietary confidential business information" which is exempt from disclosure under the Public Records Act pursuant to Sections 366.093(1), F.S.