

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Fuel and purchased power cost
recovery clause with generating performance
incentive factor.

Docket No. 100001-EI

Dated: November 19, 2010

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

Progress Energy Florida, Inc., ("PEF" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Request for Confidential Classification for certain information provided in PEF's Responses to Staff's Hedging Data Request submitted on November 19, 2010. In support of this Request, PEF states:

1. PEF's Response to Staff's Hedging Data Request, specifically general Question 4, contains information that is "proprietary business information" under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this request:

(a) Composite Exhibit A is a package containing unredacted copies of all the documents for which PEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted by yellow marker.

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APA 1
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(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

_____ claim of confidentiality
_____ notice of intent
 request for confidentiality
_____ filed by OPC

For DN 09541-10, which is in locked storage. You must be authorized to view this DN.-CLK

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information for which confidential treatment is requested has been blocked out by opaque marker or other means.

(c) Exhibit C 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.

3. As indicated in Exhibit C, the information for which PEF requests confidential classification is “proprietary confidential business information” within the meaning of Section 366.093(3), F.S. Specifically, the highlighted information in response Staff’s Hedging Data Request, general Question 4, provides hedging prices. Affidavit of Joseph McCallister at ¶ 5. Disclosure of this information would enable fuel suppliers to have insight to PEF’s hedging transactions, which could result in greater price convergence in future negotiations. Affidavit of Joseph McCallister at ¶ 5. Fuel suppliers would no longer need to make their best offers to ensure the competitiveness of their prices against the disclosed prices. Affidavit of Joseph McCallister at ¶ 5. Instead, fuel suppliers could simply offer the highest prices that would allow them to maintain a marginally competitive position against the disclosed forecasted costs and percentages. Affidavit of Joseph McCallister at ¶ 5. 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.; Affidavit of Joseph McCallister at ¶ 5. Additionally, if the information at issue was disclosed, PEF’s efforts to obtain competitive energy supply that provides economic value to both PEF and its ratepayers could be compromised by PEF’s competitors changing their consumption or purchasing behavior within the relevant markets. *Id.* § 366.093(3)(e); Affidavit of Joseph McCallister at ¶ 6. Accordingly, such

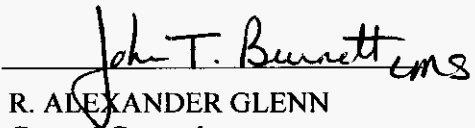
information constitutes “proprietary confidential business information” which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

4. The information identified as Exhibit “A” is intended to be and is treated as confidential by the Company. Affidavit of Joseph McCallister at ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information and contracts at issue as confidential. Affidavit of Joseph McCallister at ¶ 7.

6. PEF requests that the information identified 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, PEF respectfully requests that this Request for Confidential Classification be granted.

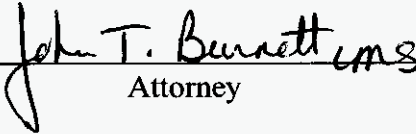
RESPECTFULLY SUBMITTED this 19th day of November, 2010.


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PROGRESS ENERGY FLORIDA, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s Request for Confidential Classification in Docket No. 100001-EI has been furnished via electronic mail to the following this 19th day of November, 2010.



Attorney

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Exhibit B

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needed to remain within targeted hedge percentage ranges. PEF established hedge percentage ranges provide a minimum volume of forecasted burns and exposures to be hedged over time with an emphasis on natural gas as it represents the largest fuel cost component. These ranges were established with some degree of flexibility and recognition that forecasted fuel burns can change over time due to deviations in forecasted burns caused by dynamic factors including, but not limited to, fuel price relationships, load variability and forecasted plant operations. As such, PEF has established targeted hedging percentages with established hedging ranges. PEF believes its plan, with the forward rolling 36 month period for natural gas, allows for some flexibility to hedge within its ranges. However, the current approved plan does not allow PEF the flexibility to hedge for periods beyond a forward rolling 36 month time period.

Per its Plan, PEF continues to layer transactions in the current lower market price environment as it works towards its targeted hedging percentages. For illustration of some recent hedging activities, PEF has executed the following hedging transactions:

- On November 3, 2010, PEF executed a hedge transaction for the period of April through October 2011 at \$[REDACTED] per MMBtu.
- On November 12, 2010, PEF executed a hedge transaction for the months of January through March 2011 at \$[REDACTED] per MMBtu.
- On November 15, 2010, PEF executed a hedging transaction for December 2010 at [REDACTED] per MMBtu.

These transactions were not executed because PEF believed or perceived natural gas prices are low; they were executed as part of PEF's on-going execution of its hedging plan.

Q5. Do you believe it would be appropriate for a utility to deviate from an approved hedging plan in order to take advantage of low market prices at any given time? Explain.

Response: PEF believes that the answer to this question is dependent on particular facts and circumstances. As a general matter, and under typical conditions, it is not likely that PEF would seek to deviate from an approved plan. However, if certain facts and circumstances led PEF to believe that a deviation would be appropriate, PEF would make a formal request for review and approval to the Commission.

Q6. Does Order No. PSC-08-0667-PAA-EI address a utility's ability to deviate from approved plans in order to take advantage of low market prices at any given time? Explain.

Response: In PEF's interpretation, Order number PSC-08-0667-PPA-EI on Exhibit 1 Section IV, requires the utilities to file exceptions or modifications to the approved Plan would need to be filed and approved by the Commission. As noted in general response

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**PROGRESS ENERGY FLORIDA
Confidentiality Justification Matrix**

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
PEF Responses to Staff's Hedging Data Request	General Question 4; Hedging prices.	<p>§366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

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State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

**JOHN T BURNETT
PROGRESS ENERGY SERVICE COMPANY LLC
PO BOX 14042
ST PETERSBURG FL 33733-4042**

Re: Acknowledgement of Confidential Filing in Docket No. 100001-EI

This will acknowledge receipt by the Florida Public Service Commission, Office of Commission Clerk, of a **CONFIDENTIAL DOCUMENTS** filed on 11/19/10 in the above-referenced docket.

Document Number 09541-10 has been assigned to this filing, which will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.