



99 AUG 14 PM 12:39

RECORDS AND
REPORTING

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

August 14, 1998

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. 980001-EI**

Dear Ms. Bayó:

I enclose and hand you herewith for filing in the above-referenced matter, the original and fifteen (15) copies of Florida Power & Light Company's ("FPL") Request for Confidential Classification. The original includes Attachments A, B, and C. The fifteen 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.

RECEIVED & FILED

FPSC - BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08669 AUG 14 98

BHL TR4

an FPL Group company

FPSC - RECORDS/REPORTING

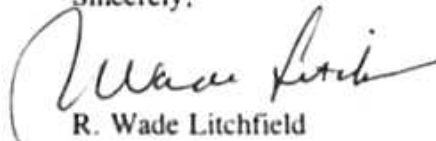
Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
August 14, 1998
Page 2

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 6.1)

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

Sincerely,



R. Wade Litchfield
Senior Attorney
Florida Authorized House Counsel

RWL/bjw
Enclosures

cc: Service List (w/out Attachment A)

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchased Power)	DOCKET NO. 980001-EI
Cost Recovery Clause and Generating)	
Performance Incentive Factor)	FILED: August 14, 1998

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. 980001-EI. In support of its Request, FPL states as follows:

1. Petitioner's name and address are:

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
212 South Monroe Street
Suite 810
Tallahassee, FL 32301-1859
(850) 224-7517

R. Wade Litchfield
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420
(561) 691-7101

2. The following attachments are included herewith and made a part hereof:

a. Attachment A is the complete and unedited version of FPL's June 1998 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. 6 fuel oil information identified as confidential on Attachments A and C:

- (a) The No. 6 fuel oil data identified are contractual data; and
- (b) FPL's ability to procure 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. 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 typically seeks confidential treatment of No. 2 and No. 3 fuel oil information; however, because FPL made no purchases through a bidding process of No. 2 or No. 3 fuel oil during June 1998, no such request is necessary with respect to the June 1998 Form 423-1(a).

6. 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.

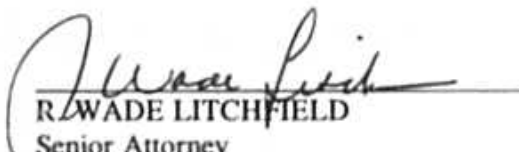
7. The statutory bases and support for FPL's assertion of confidentiality with regard to specific items or types of information are set forth in Attachment C. The information for which confidential classification is sought is intended to be and is

treated by FPL as confidential and, to the best of FPL's knowledge and belief, has not been publicly disclosed.

8. 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 for 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,



R. WADE LITCHFIELD
Senior Attorney
Florida Authorized Counsel
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 14th day of August, 1998:

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

C. 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

Nancy McCann
Office of Environmental Coordinator
306 East Jackson Street, 5th Floor
Tampa, FL 33602

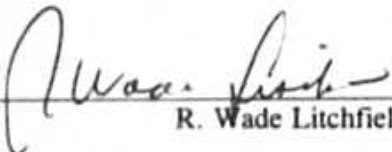
Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin,
Davidson, etc.
117 S. Gadsden Street
Tallahassee, FL 32301

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

NON-CONFIDENTIAL

ATTACHMENT B

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

June 1998

EDITED COPY

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

FPSC FORM NO 423-1 (a)

1. REPORTING MONTH: JUN YEAR: 1998
 2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY

3. NAME, TITLE TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA
 SUBMITTED ON THIS FORM: S. J. ADAMS, REGULATORY AFFAIRS, (305) - 552-3488

4. SIGNATURE OF OFFICIAL SUBMITTING REPORT: 

5. DATE COMPLETED: 7/21/98

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
LINE NO.	PLANT	SUPPLIER	DELIVERY LOCATION	DELIVERY DATE	TYPE OIL	VOLUME (BBL)	INVOICE PRICE (\$/BBL)	INVOICE AMOUNT (\$)	DISCOUNT (\$)	NET AMOUNT (\$)	NET PRICE (\$/BBL)	QUALITY ADJUST. (\$/BBL)	EFFECTIVE PUR PRICE (\$/BBL)	TRANSP TO TERM (\$/BBL)	ADDITIONAL TRANS CHGS (\$/BBL)	OTHER CHGS (\$/BBL)	DELIVERED PRICE (\$/BBL)
1	MANATEE	COASTAL	PORT MANATEE	06/20/98	FO8	264830								0.0000			13.8491
2	PT. EVERGLADES	COASTAL	PORT EVERGLADES	06/28/98	FO8	185768								0.0000			14.5205
3	TURKEY POINT	COASTAL	FISHER ISLAND	06/29/98	FO8	94213								0.0000			15.0135
4	MANATEE	COASTAL	PORT MANATEE	06/04/98	FO8	248848								0.0000			14.1391
5	CAPE CANAVERAL	NOVARCO	PORT CANAVERAL	06/03/98	FO8	131824								0.0000			14.3270
6	CAPE CANAVERAL	NOVARCO	PORT CANAVERA ¹¹	06/13/98	FO8	221741								0.0000			13.6030
7	SANFORD	NOVARCO	JACKSONVILLE	06/02/98	FO8	83928								0.0000			14.1381
8	PT. EVERGLADES	BP	PORT EVERGLADES	06/21/98	FO8	251135								0.0000			14.1731
9	TURKEY POINT	BP	FISHER ISLAND	06/22/98	FO8	51621								0.0000			14.8561
10	MARTIN	COASTAL	PALM BEACH	06/25/98	FO8	128248								0.0000			14.4882
11	MANATEE	COASTAL	PORT MANATEE	06/07/98	FO8	400578								0.0000			14.0841
12	MANATEE	COASTAL	PORT MANATEE	06/10/98	FO8	88335								0.0000			13.9841
13	CAPE CANAVERAL	ENRON	PORT CANAVERAL	06/27/98	FO8	242951								0.0000			14.5330
14	MANATEE	ENRON	PORT MANATEE	06/23/98	FO8	131383								0.0000			13.8401
15	PT. EVERGLADES	ENRON	PORT EVERGLADES	06/18/98	FO8	128945								0.0000			13.3655
16	TURKEY POINT	ENRON	FISHER ISLAND	06/19/98	FO8	118750								0.0000			13.8215
17	FT. MYERS	KOCH	BOCA GRANDE	06/12/98	FO8	118874								0.0000			13.2657
18	PT. EVERGLADES	KOCH	PORT EVERGLADES	06/08/98	FO8	201115								0.0000			13.8605
19	TURKEY POINT	KOCH	FISHER ISLAND	06/07/98	FO8	80042								0.0000			14.1205
20	MARTIN	NOVARCO	PALM BEACH	06/03/98	FO8	121133								0.0000			14.7442
21	MARTIN	NOVARCO	PALM BEACH	06/14/98	FO8	123811								0.0000			14.3032
22	MARTIN	NOVARCO	PALM BEACH	06/23/98	FO8	124025								0.0000			15.0782
23	SANFORD	STEUART	JACKSONVILLE	06/04/98	FO8	74891								0.0000			13.4261
24	SANFORD	STEUART	JACKSONVILLE	06/14/98	FO8	211779								0.0000			13.8211
25	FT. MYERS	TEXACO	BOCA GRANDE	06/07/98	FO8	89124								0.0000			12.9447
26	FT. MYERS	TEXACO	BOCA GRANDE	06/13/98	FO8	115026								0.0000			12.2687
27	RIVIERA	TEXACO	RIVIERA	06/23/98	FO8	116450								0.0000			12.0899
28	RIVIERA	TEXACO	RIVIERA	06/02/98	FO8	115576								0.0000			13.0589
29	RIVIERA	TEXACO	RIVIERA	06/04/98	FO8	116597								0.0000			12.7709
30	RIVIERA	TEXACO	RIVIERA	06/12/98	FO8	118078								0.0000			13.0209

EDITED COPY

FPSC : ORM NO. 423-1 (a)

1. REPORTING MONTH: JUN YEAR 1998

2. REPORTING COMPANY: FLORIDA POWER LIGHT COMPANY

3. NAME, TITLE, TELEPHONE NUMBER OF CONTACT PERSON CONCERNING DATA SUBMITTED ON THIS FORM: S. J. ADAMS, REGULATORY AFFAIRS, (905) - 552-3488

4. SIGNATURE OF OFFICIAL SUBMITTING REPORT: *[Signature]*

5. DATE COMPLETED: 7/21/98

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

LINE NO	PLANT	SUPPLIER	DELIVERY LOCATION	DELIVERY DATE	TYPE OIL	VOLUME (BBL)	INVOICE PRICE (\$/BBL)	INVOICE AMOUNT (\$)	DISCOUNT (\$)	NET PRICE (\$/BBL)	NET AMOUNT (\$)	QUALITY ADJUST (\$/BBL)	EFFECTIVE PUR PRICE (\$/BBL)	TRANSP TO TERM (\$/BBL)	ADDITIONAL TRANS CHGS (\$/BBL)	OTHER CHGS (\$/BBL)	DELIVERED PRICE (\$/BBL)
31	RIVERA	TEXACO	RIVERA	06/22/98	FO8	116288								0.0000			11.9848
32	RIVERA	AMERIGAS	RIVERA	06/23/98	PRO	84145								0.0000			12.0889
34	TURKEY POINT	AMERIGAS		06/23/98	PRO	7	34.3500	208	0	34.3500	208	0.0000	34.3500	0.0000	0.0000	0.0000	34.3500
35	RIVERA	AMERIGAS		06/23/98	PRO	7	34.4180	241	0	34.4180	241	0.0000	34.4180	0.0000	0.0000	0.0000	34.4180
36	PT. EVERGLADES	AMERIGAS		06/11/98	PRO	5	34.3250	172	0	34.3250	172	0.0000	34.3250	0.0000	0.0000	0.0000	34.3250
37	SANFORD	AMERIGAS		06/18/98	PRO	10	34.3400	343	0	34.3400	343	0.0000	34.3400	0.0000	0.0000	0.0000	34.3400
38	MAVATEE	SUBURBAN		06/03/98	PRO	11	33.8500	370	0	33.8500	370	0.0000	33.8500	0.0000	0.0000	0.0000	33.8500
39	MAVATEE	SUBURBAN		06/10/98	PRO	14	31.2280	437	0	31.2280	437	0.0000	31.2280	0.0000	0.0000	0.0000	31.2280
39	MAVATEE	SUBURBAN		06/23/98	PRO	8	30.7500	248	0	30.7500	248	0.0000	30.7500	0.0000	0.0000	0.0000	30.7500

ATTACHMENT C

Docket No. 980001-EI

JUNE 1998

Page 2 of 4

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 No. 6 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 that is as important as the price itself and therefore is 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.

ATTACHMENT C

Docket No. 980001-EI

JUNE 1998

Page 3 of 4

- (7) Terminaling and transportation services in Florida tend to have the same, if not more severe, oligopolistic attributes that characterize 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.

Date of Declassification:

<u>FORM</u>	<u>LINE(S)</u>	<u>COLUMN</u>	<u>DATE</u>
423-1(a)	1 - 4	H - N, P & Q	03/30/00
423-1(a)	5 - 71	H - N, P & Q	03/30/00
423-1(a)	8-32	<u>H - N, P & Q</u>	<u>12/31/98</u>

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.

ATTACHMENT C

Docket No. 980001-EI

JUNE 1998

Page 4 of 4

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 typically are 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 existing contract, and the terms of the agreement under which it is purchased are fulfilled upon delivery, FPL requests that 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 obtain 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.