

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 060001-EI

Dated: February 27, 2006

**AFFIDAVIT OF ALBERT W. PITCHER IN SUPPORT OF  
PROGRESS ENERGY FLORIDA'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF FLORIDA

COUNTY OF PINELLAS

BEFORE ME, the undersigned authority duly authorized to administer oaths,  
personally appeared Albert W. Pitcher, who being first duly sworn, on oath deposes and  
says that:

1. My name is Albert W. Pitcher. I am over the age of 18 years old and I  
have been authorized by Progress Energy Florida (hereinafter "PEF" or the "Company")  
to give this affidavit in the above-styled proceeding on PEF's behalf and in support of  
PEF's Request for Confidential Classification. The facts attested to in my affidavit are  
based upon my personal knowledge.

2. I am a consultant for PEF. I recently retired as Vice President of Coal  
Procurement for Progress Fuels Corporation.

3. Formerly as Vice President of Coal Procurement for Progress Fuels  
Corporation, I was responsible for procurement and transportation of over six million  
tons of coal delivered annually to PEF's Crystal River plant site.

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4. PEF is seeking confidential classification for portions of my direct testimony and Exhibit AWP-1. A detailed description of the confidential information at issue is contained in confidential Exhibit A to PEF's Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's Request for Confidential Classification as Exhibit C. PEF is requesting confidential classification of this information because it contains competitive confidential business information that contains pricing of transportation companies that PEF has contracts with.

5. The information on page 6, lines 5, 6, 8, 17-20 of my testimony includes pricing information for "delivered cash costs" and "commodity costs" for coal purchases by Progress Fuels Corporation ("PFC"). Disclosure of this information would provide coal suppliers with knowledge of prices that PFC has recently paid for coal. This knowledge would give suppliers a significant competitive advantage in future negotiations because they would no longer need to make their best offers to ensure the competitiveness of their rates against the disclosed prices. Instead, suppliers could simply offer the highest rates that would allow them to maintain a marginally competitive position against the disclosed prices or forecasts. Disclosure of the information would impair the efforts of the Company to contract for goods or services on favorable terms.

The information on page 12, lines 8 -10, 13, 18, 23 and page 13, lines 1 and 3 of my testimony includes "cash costs" and "delivered costs" which are the results of PFC's evaluation of bids received in response to PFC's solicitation in August/September 2004. For the same reasons discussed above, disclosure of this information would impair the efforts of the Company to contract for goods or services on favorable terms.

Finally, the information on page 1 of Exhibit No. \_\_\_\_ (AWP-1) includes bid data related to coal costs. This information, either alone or in combination with the other

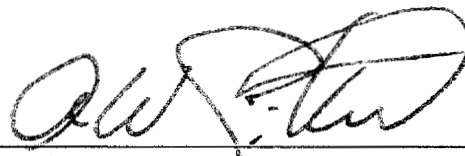
confidential information referenced herein, would provide suppliers with direct knowledge of the costs with which they must compete. Armed with this information, suppliers could tailor their costs to remain marginally competitive without offering their best price. As such, disclosure of this information would impair the efforts of the Company to contract for goods or services on favorable terms.

6. Strict procedures are established and followed to maintain the confidentiality of the pricing and confidential terms of the documents and information at issue, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information and documents. At no time since receiving the documents and information in question has the Company publicly disclosed that information or documents. The Company has treated and continues to treat the information and documents at issue as confidential.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated the 27<sup>th</sup> day of February, 2006.



(Signature)

Albert W. Pitcher  
Consultant for Progress Energy Florida  
1715 Georgia Avenue NE  
St. Petersburg, FL 33703

27<sup>th</sup> THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of February, 2006 by Albert W. Pitcher. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.

(AFFIX NOTARIAL SEAL)

Sandra Cope  
(Signature)

Sandra Cope  
(Printed Name)

NOTARY PUBLIC, STATE OF FL

3/8/06  
(Commission Expiration Date)

\_\_\_\_\_  
(Serial Number, If Any)

