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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION
CLERK

In re: Request for approval of contract with a qualifying facility for purchase of firm capacity and energy between Progress Energy Florida, Inc. and Florida Biomass Energy Group, LLC.

Docket No. 060387-EQ

Dated: August 8, 2006

**AFFIDAVIT OF DAVID W. GAMMON 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 David W. Gammon, who being first duly sworn, on oath deposes and says that:

1. My name is David W. Gammon. 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 Cogeneration Manager in PEF's Account Management, Origination and Cogeneration section of Progress Energy's Regulated Commercial Operations Department. This section is responsible for PEF's long-term wholesale purchases and sales, including purchases from Qualifying Facilities.

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3. As a Cogeneration Manager, I am responsible, along with the other members of the section, for the administration of PEF's Qualifying Facility contracts with various suppliers.

4. PEF is seeking confidential classification for certain information provided to Staff pursuant to an informal Staff request received July 27, 2006. 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 of both PEF and purchase power companies that PEF has contracts with.

5. PEF negotiates with potential purchase power companies to obtain competitive Qualifying Facility contracts for capacity and energy that provides economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure potential Qualifying Facility owners that sensitive business information, such as capacity pricing terms of their contracts, will be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed confidential contract terms such as capacity factors, capacity prices, payment amounts, energy costs, and similar competitive information. Absent such measures, potential Qualifying Facility owners would run the risk that sensitive business information that they provided in their contracts with PEF would be made available to the public and, as a result, end up in possession of potential competitors. Faced with that risk, persons or companies who otherwise would contract with PEF might decide not to

do so if PEF did not keep those terms of their contracts confidential. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and Qualifying Facility contractors, the Company's efforts to obtain competitive Qualifying Facility contracts could be undermined.

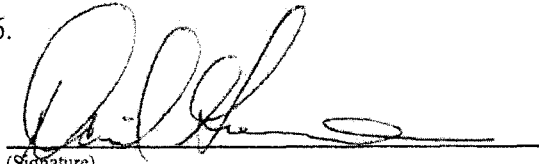
6. Additionally, the disclosure of confidential information in contracts between PEF and Qualifying Facility contractors could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive purchased power options that provide economic value to both PEF and its ratepayers could be compromised by PEF's competitors changing their purchasing behavior within the relevant markets.

7. Upon receipt of confidential information from Qualifying Facilities, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, 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 contracts. At no time since receiving the contracts and information in question has the Company publicly disclosed that information or contracts. The Company has treated and continues to treat the information and contracts at issue as confidential.

8. This concludes my affidavit.

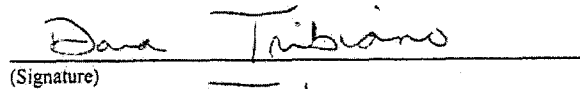
Further affiant sayeth not.

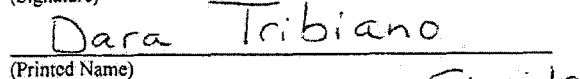
Dated the 7 day of August, 2006.



(Signature)
David W. Gammon
Cogeneration Manager
Account Management, Origination and
Cogeneration
Regulated Commercial Operations
Progress Energy Florida
100 Central Avenue
St. Petersburg, FL 33701

^{7th} THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of August, 2006 by David W. Gammon. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



(Signature)


(Printed Name)
NOTARY PUBLIC, STATE OF Florida

(AFFIX NOTARIAL SEAL)

(Commission Expiration Date)

(Serial Number, If Any)

