

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSIONER  
CLERK

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

Docket No. 060001-EI

Dated: September 14, 2006

**AFFIDAVIT OF JAVIER PORTUONDO 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 Javier Portuondo, who being first duly sworn, on oath deposes and  
says that:

1. My name is Javier Portuondo. 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.

CMP \_\_\_\_\_  
COM 5  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GOL \_\_\_\_\_  
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SOR \_\_\_\_\_  
SGA \_\_\_\_\_  
SEC 1  
OTH Kim P.

2. I am the Director of Regulatory Planning for Progress Energy Service  
Company, LLC.

3. As the Director of Regulatory Planning, I am responsible, along with the  
other members of the section, for the regulatory strategy, compliance and planning  
functions of both the Florida and Carolina electric utilities.

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4. PEF is seeking confidential classification for portions of Exhibit No. \_\_\_ (JP-1P) to the direct testimony of Javier Portuondo dated September 1, 2006. A detailed description of the confidential information at issue 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 sensitive business information, the disclosure of which would impair the Company's efforts to contract for goods or services on favorable terms.

5. PEF negotiates with potential energy suppliers to obtain competitive contracts for energy options that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure such suppliers that sensitive business information, such as the terms of their contracts, will be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential the number of megawatts for each purchase or sale. In combination with other non-confidential cost data provided in the exhibit, this information could be used to determine the capacity charges for each contract. Disclosure of this information would enable wholesale providers to determine the prices of their competitors, which could result in greater price convergence in future negotiations. Suppliers would no longer need to make their best offers to ensure the competitiveness of their prices against the disclosed prices. Instead suppliers could simply offer the highest prices that would allow them to maintain a marginally competitive position against the disclosed prices. 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 energy suppliers, the Company's efforts to obtain competitive fuel contracts could be undermined.

6. Additionally, the disclosure of confidential information in the contracts at issue could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, 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.

7. Upon receipt of confidential information from contracting counterparties, 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. The Company has treated and continues to treat the information at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 13<sup>th</sup> day of September, 2006.



(Signature)  
Javier Portuondo  
Director – Regulatory Planning  
Progress Energy Service Company, LLC  
100 Central Avenue  
St. Petersburg, FL 33701

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 13<sup>th</sup> day of September, 2006 by Javier Portuondo. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.



(Signature)  
KATRINA CLEAVER COCHRAN

(Printed Name)  
NOTARY PUBLIC, STATE OF FLORIDA

(AFFIX NOTARIAL SEAL)

2-2-2010  
(Commission Expiration Date)

DD497902  
(Serial Number, If Any)



Katrina Cleaver-Cochran  
Commission # DD497902  
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