

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 070001

Dated: April 2, 2007

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COMMISSION
CLERK

**AFFIDAVIT OF JOSEPH McCALLISTER IN SUPPORT OF
PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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

1. My name is Joseph McCallister. 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 the Director of Gas and Oil Trading in the Regulated Fuels
Department. This section is responsible for natural gas and fuel oil acquisition for both
PEF and Progress Energy Carolinas ("PEC") systems.

3. As the Director of Gas and Oil Trading, I am responsible, along with the
other members of the section, for the management of the gas and oil procurement,

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transportation, hedging activities and administration of gas and oil contracts with various suppliers for PEF's and PEC's electrical power generation facilities.

4. PEF is seeking confidential classification for portions of Exhibit No. ____ (JM-1T) to the direct testimony of Joseph McCallister dated April 2, 2007. 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 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 fuel suppliers to obtain competitive contracts for fuel options that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure fuel suppliers that sensitive business information, such as volumes, length of time and the costs, 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 volumes, length of time, and hedging costs. Absent such measures, suppliers 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 fuel suppliers, the Company's efforts to obtain competitive fuel supply contracts could be undermined.

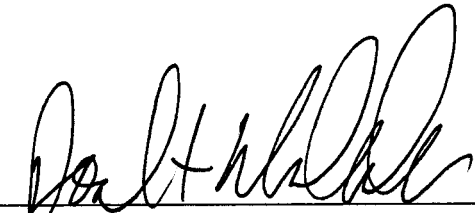
6. Additionally, the disclosure of confidential information in PEF's fuel supply contracts, could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive fuel supply options that provide economic value to both 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 fuel suppliers, 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 and contracts at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

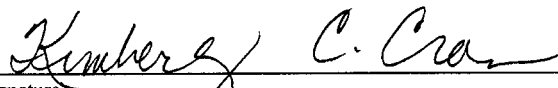
Dated the 23rd day of March, 2007.



(Signature)

Joseph McCallister
Director - Gas and Oil Trading
Regulated Fuels Department
Progress Energy Carolinas
Post Office Box 1551
Raleigh, NC. 27602

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 23rd day of March, 2007 by Joseph McCallister. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



(Signature)

Kimberley C. Cross

(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF N.C.

Oct 25, 2007

(Commission Expiration Date)

(Serial Number, If Any)