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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CLERK

In re: Progress Energy Florida, Inc.'s )
petition for approval of long-term fuel ) Docket No.: 041414-EI
supply and transportation contracts for )
Hines Unit 4 and additional system )
supply and transportation. ) Submitted for Filing: March 1, 2005

AFFIDAVIT OF PAMELA R. MURPHY IN SUPPORT OF
PROGRESS ENERGY FLORIDA'S
THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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

1. My name is Pamela R. Murphy. 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 Third Request
for Confidential Classification. The facts attested to in my affidavit are based upon my personal
knowledge.

2. I am the director of PEF's Gas and Oil Trading Section in the Regulated Fuels
Department. This department is responsible for fuel acquisition for both PEF and Progress
Energy Carolinas ("PEC") systems.

3. As the director of PEF's Gas and Oil Trading Section in the Regulated Fuels
Department, I am responsible, along with the other members of the department, for the
procurement of residual fuel oil, distillate oil, and natural gas for PEC's and PEF's electrical

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FPSC-COMMISSION CLERK

power generation facilities, and the administration of PEC's and PEF's gas and oil contracts with various suppliers.

4. PEF is seeking confidential classification for portions of its responses to Staff's Second Request for Production of Documents (Nos. 5-6). A detailed description of the confidential information at issue is contained in confidential Appendix A to PEF's Third Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's Third Request for Confidential Classification as Appendix C. PEF is requesting confidential classification of this information because it contains competitive confidential business information of both PEF and third-party fuel supply and transportation companies that PEF has contracts with.

5. PEF negotiates with potential fuel suppliers and transportation companies 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 and transportation companies that sensitive business information, such as the quantity and pricing terms of their contracts, will be kept confidential. In fact, the two contracts at issue in this request contain specific confidentiality clauses regarding the terms and provisions of those contracts. PEF has kept confidential and has not publicly disclosed the confidential contract terms or provisions. Absent such measures, suppliers and transportation companies 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 and transportation contractors, the Company's efforts to obtain competitive fuel supply and transportation contracts would be undermined.

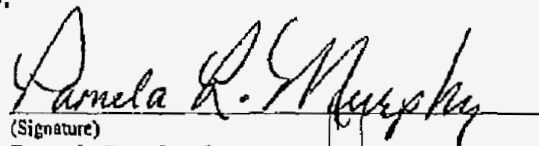
6. Additionally, the disclosure of confidential information in PEF's fuel supply and transportation contracts would adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive fuel supply and transportation options that provide economic value to both PEF and its ratepayers would be compromised.

7. Upon receipt of confidential information from fuel suppliers and transportation companies, 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 1st day of March, 2005.



(Signature)  
Pamela R. Murphy  
Director  
Gas & Oil Trading Section  
Regulated Fuels Department  
Progress Energy Carolinas  
Post Office Box 1551  
Raleigh, NC, 27602

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 1<sup>st</sup> day of March, 2005 by Pamela R. Murphy. She is personally known to me, or has produced her driver's license, or her as identification.

Sheila R. Sheppard  
(Signature)

Sheila R. Sheppard  
(Printed Name)

NOTARY PUBLIC, STATE OF NC

8-10-05  
(Commission Expiration Date)

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

(AFFIX NOTARIAL SEAL)