

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 21, 2006

**AFFIDAVIT OF PAMELA R. MURPHY 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 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 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 section is responsible for natural gas and fuel oil acquisition for  
both PEF and Progress Energy Carolinas ("PEC") systems.

3. As the director of PEF's Gas and Oil Trading section, I am responsible,  
along with the other members of the section, for the procurement of residual fuel oil,

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distillate oil, and natural gas for PEC's and PEF's electrical 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 First Request for Production of Documents (No. 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 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. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed confidential contract terms such as quantity, pricing, and similar competitive information. 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 could be undermined. In fact, some of the documents responsive to Staff's request for production have contractual confidentiality provisions that require the parties to those documents to keep their terms confidential.

6. Additionally, the disclosure of confidential information in PEF's fuel supply and transportation contracts, proposals, and other such documents 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 and transportation 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 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. 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 21<sup>st</sup> day of February, 2006.

Pamela R. Murphy  
(Signature)

Pamela R. Murphy  
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 21<sup>st</sup> day of February, 2006 by Pamela R. Murphy. She is personally known to me, or has produced her \_\_\_\_\_ driver's license, or her \_\_\_\_\_ as identification.

Mary D. Fitch  
(Signature)

Mary D. Fitch  
(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF NC

December 16, 2006  
(Commission Expiration Date)

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