

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 060001-EI

Dated: April 25, 2006

AFFIDAVIT OF EDWARD D. McCLUSKEY 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 Edward D. McCluskey, who being first duly sworn, on oath deposes and says that:

1. My name is Edward D. McCluskey. I am over the age of 18 years old and I have been authorized by Progress Energy Florida (hereinafter "PEF" or the "Company")

CMP _____ to give this affidavit in the above-styled proceeding on PEF's behalf and in support of COM _____ PEF's Request for Confidential Classification. The facts attested to in my affidavit are ECR | _____ based upon my personal knowledge. GCL | _____

OPC _____ 2. I am the Senior Gas Trader of PEF's Gas and Oil Trading section in the RCA _____ Regulated Fuels Department. This section is responsible for natural gas and fuel oil SCR _____ acquisition for both PEF and Progress Energy Carolina ("PEC") systems. SGA _____

SEC | _____ 3. As the Senior Gas Trader of PEF's Gas and Oil Trading section, I am OTH | _____ responsible, along with the other members of the section, for the procurement of residual fuel oil, distillate oil, and natural gas for PEC's and PEF's electrical power generation

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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. 2-5). 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.

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, 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 25 day of April, 2006.

Edward D. McCluskey

(Signature)

Edward D. McCluskey
Senior Gas Trader
Regulated Fuels Department
Progress Energy Carolinas
Post Office Box 1551
Raleigh, NC. 27602

^{25th} THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 25th day of April, 2006 by Edward D. McCluskey. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

Sheila R. Sheppard

(Signature)

Sheila R. Sheppard

(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF NC

Aug 10, 2010

(Commission Expiration Date)

(Serial Number, If Any)