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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

COMMISSION CLERK

Docket No. 060001-EI

Dated: August 29, 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.

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.

- CMP _____
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- JPC _____
- KCA _____
- KR _____
- GA _____
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4. PEF is seeking confidential classification for portions of its responses to Exhibit JP-1R to the direct testimony of Javier Portuondo, specifically Schedule E12. 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, 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 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 contracts could be undermined.

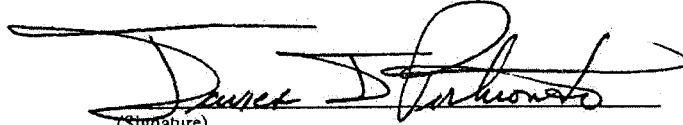
6. Additionally, the disclosure of confidential information in the contracts at issue could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive energy supply that provides economic value to both PEF and its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

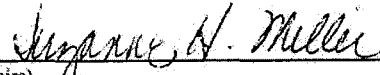
Further affiant sayeth not.

Dated the 25 day of August, 2006.



(Signature)
Javier Portuondo
Director
Regulatory Planning
Progress Energy Service Company, LLC.
Post Office Box 1551
Raleigh, NC. 27602

25th THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of August, 2006 by Javier Portuondo. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



(Signature)

Suzanne H. Miller

(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF Florida

3/27/09

(Commission Expiration Date)

DD 411455

(Serial Number, If Any)

