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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 060001-

Dated: September 14, 2006

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COMMISSION
CLERK

**AFFIDAVIT OF JOSEPH F. 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 F. McCallister, who being first duly sworn, on oath deposes and says that:

1. My name is Joseph F. 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.

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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-1P) to the direct testimony of Joseph F. McCallister dated September 1, 2006. A detailed description of the confidential information at issue 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 the 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. Absent such measures, fuel 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 contracts could be undermined.

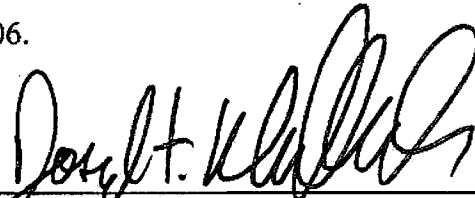
6. Additionally, the disclosure of confidential information in PEF's fuel contracts could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive fuel supply options that provide economic value to both PEF and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

8. This concludes my affidavit.

Further affiant sayeth not.


Dated the 12th day of September, 2006.



(Signature)

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

12th THE FOREGOING INSTRUMENT was sworn to and subscribed before me this
12th day of September, 2006 by Joseph F. McCallister. He is personally known to me, or
has produced his _____ driver's license, or his _____
as identification.

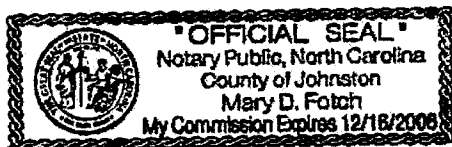


(Signature)

Mary D. Fetch

(Printed Name)

(AFFIX NOTARIAL SEAL)



NOTARY PUBLIC, STATE OF NC
December 16, 2006

(Commission Expiration Date)

(Serial Number, If Any)