

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition on behalf of Citizens of
the State of Florida to require
Progress Energy Florida, Inc. to
refund to customers \$143 million

DOCKET NO. 060658-EI

Dated: January ^{7~~th~~} 11, 2007

**AFFIDAVIT OF ALEXANDER WEINTRAUB 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 Alexander Weintraub, who being first duly sworn, on oath deposes
and says that:

1. My name is Alexander Weintraub. 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 Coal section in the Regulated Fuels
Department. This section is responsible for coal acquisition for both PEF and Progress
Energy Carolinas ("PEC") systems.

AMP _____
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OTH _____

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3. As the director of PEF's Coal section, I am responsible, along with the other members of the section, for the procurement of coal for PEC's and PEF's electrical power generation facilities, and the administration of PEC's and PEF's coal contracts with various suppliers.

4. PEF is seeking confidential classification for portions of my direct testimony and Exhibits SAWP-4, SAW-7, SAW-8, SAW-9, SAW-12, SAW-13, SAW-14, SAW-15, and SAW-16. 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 proprietary confidential business information of PEF as well as competitive confidential business information of both PEF and third-party fuel supply and transportation companies that PEF has contracts with.

5. The information on page 10, lines 3, 4, and 5 of my testimony, pages 3, 4, and 5 of Exhibit SAW-4 of my testimony, and pages 4, 5, and 6 of Exhibit SAW-7 of my testimony, include confidential PEF hedging status guidelines. PEF negotiates with potential fuel suppliers to obtain competitive hedging pricing for fuel that provides 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 hedging terms, volumes, and prices, will be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed confidential company information such as hedging terms, volumes and prices. Absent such measures, PEF and potential fuel suppliers would run the risk that sensitive

business information 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 hedging contracts could be undermined.

6. Additionally, the disclosure of confidential information in PEF's fuel hedging contracts and strategies could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive hedging contracts that provide economic value to both PEF and its ratepayers could be compromised by PEF's competitors changing their 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 or contracts. The Company has treated and continues to treat the information and contracts at issue as confidential.

8. The information on page 12, line 1 of my testimony, page 14, lines 5 through 10 of my testimony, and page 5 of Exhibit SAW-16 of my testimony, include competitive confidential business information of both PEF and third-party coal supply

and transportation companies that PEF has contracts with. PEF negotiates with potential coal suppliers and transportation companies to obtain competitive contracts for coal options that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure coal suppliers and transportation companies that sensitive business information, such as the 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 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 coal suppliers and transportation contractors, the Company's efforts to obtain competitive coal supply and transportation contracts could be undermined.

9. Additionally, the disclosure of confidential information in PEF's coal 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 coal 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.

10. Upon receipt of confidential information from coal 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.

11. The information on page 13, lines 13 and 14 of my testimony includes proprietary confidential business information of PEF, specifically compliance coal strategies for the years 2007, 2008, and 2009. PEF negotiates with potential coal suppliers and transportation companies to obtain competitive contracts for coal options that provide economic value to PEF and its ratepayers. The disclosure of PEF's projected coal supply contractual needs could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive coal 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.

12. Strict procedures are established and followed to maintain the confidentiality of these coal supply projections, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. At no time since projecting these goals has the Company

publicly disclosed that information. The Company has treated and continues to treat the information at issue as confidential.

13. The information on page 29, lines 3 and 4 of my testimony contains a contractual expiration date that is deemed as competitive confidential business information of both PEF and third-party terminal companies that PEF has contracts with. PEF negotiates with potential terminal companies to obtain competitive contracts for coal transloading services that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure coal terminal companies 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 such as pricing, and similar competitive information. Absent such measures, terminal 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 coal terminal contractors, the Company's efforts to obtain competitive coal transloading contracts could be undermined.

14. Additionally, the disclosure of confidential information in PEF's coal transloading 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 coal transloading options that provide

economic value to both PEF and its ratepayers could be compromised by PEF's competitors changing their coal transloading behavior within the relevant markets.

15. Strict procedures are established and followed to maintain the confidentiality of these coal transloading contracts, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. 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.

16. The information on page 12 and 13 of Exhibit SAW-8 of my testimony, page 6 of Exhibit SAW-9 of my testimony, page 5 of Exhibit SAW-12 of my testimony, pages 5, 6, 7, and 8 of Exhibit SAW-13 of my testimony, and page 1 of Exhibit SAW-15 of my testimony, contain PEF's cost/benefit analysis and comparison studies conducted regarding specific blends of PRB coal together with projected transportation costs. If PEF's suppliers or competitors were made aware of PEF's business analyses, strategies, and coal comparisons, they may adjust their behavior in the market place with respect to activity such as pricing and the acquisition or provision of goods, materials, and services. Such suppliers and providers may decrease supply of such goods and services, and/or increase the cost and prices of goods and services related to the considered coals and methods of transportation. Additionally, PEF's competitors may adjust their consumption behavior in the market, thereby potentially making goods and services less available and more expensive to PEF.

17. Strict procedures are established and followed to maintain the confidentiality of these coal procurement strategies, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. At no time since creating these business strategies has the Company publicly disclosed that information. The Company has treated and continues to treat the information at issue as confidential.

18. Pages 4 through 6 and 22 through 30 of Exhibit SAW-14 of my testimony contain PEF's cost/benefit analysis and studies conducted regarding specific plant modifications deemed necessary to either test burn or permanently burn PRB coal together with projected spending on equipment or materials associated with the modifications as well as internal analyses and business strategies. If PEF's suppliers or competitors were made aware of PEF's business analyses, strategies, costs for the modifications, or the modifications themselves, they may adjust their behavior in the market place with respect to activity such as pricing and the acquisition or provision of goods, materials, and services. Such suppliers and providers may decrease supply of such goods and services, and/or increase the cost and prices of goods and services related to the modifications. Additionally, PEF's competitors may adjust their consumption behavior in the market, thereby potentially making goods and services less available and more expensive to PEF.

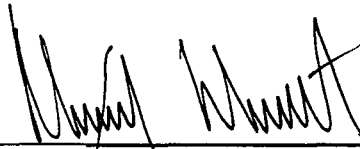
19. Strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. At no 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.

20. This concludes my affidavit.

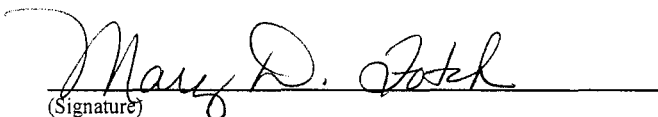
Further affiant sayeth not.

Dated the 11th day of January, 2007.



(Signature)
Alexander Weintraub
Director - Coal
Regulated Fuels Department
Progress Energy Carolinas
Post Office Box 1551
Raleigh, NC. 27602

10th THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of January, 2007 by Alexander Weintraub. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



(Signature)
Mary D. Fotch
(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF NC
December 16, 2011
(Commission Expiration Date)

MARY D. FOTCH
NOTARY PUBLIC
JOHNSTON COUNTY, N.C.
My Commission Expires 12-16-2011.

(Serial Number, If Any)