

COMMISSION  
CLERK

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

Docket No. 100001-EI

Dated: January 5, 2011

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

1. My name is Joseph 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.

2. I am the Director of Gas, Oil and Power in the Fuels and Power  
Optimization 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, Oil and Power, 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 its response to Staff Data Request No. 3 dated December 17, 2010 in Docket No. 100001-EI. 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 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 hedging costs, will be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed confidential information such as the hedging savings/costs. Absent such measures, 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 specific information 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 supply contracts could be undermined.

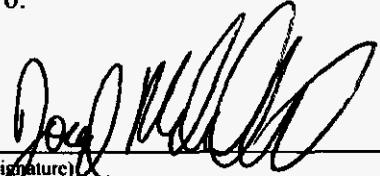
6. Additionally, the disclosure of confidential information in PEF's fuel supply contracts, could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive fuel supply options that provide economic value to both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

8. This concludes my affidavit.

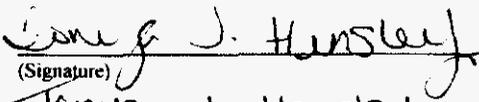
Further affiant sayeth not.

Dated the 29<sup>th</sup> day of December, 2010.

  
\_\_\_\_\_  
(Signature)  
Joseph McCallister  
Director – Gas, Oil and Power  
Fuels and Power Optimization Department  
Progress Energy Carolinas  
100 E. Davie Street, TPP 9A  
Raleigh, NC. 27601

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 29<sup>th</sup> day of December, 2010 by Joseph McCallister. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.



  
\_\_\_\_\_  
(Signature)  
Tonya J. Hensley  
\_\_\_\_\_  
(Printed Name)  
NOTARY PUBLIC, STATE OF NC  
\_\_\_\_\_  
January 29, 2013  
\_\_\_\_\_  
(Commission Expiration Date)  
\_\_\_\_\_  
(Serial Number, If Any)