

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. 110001-EI

Dated: May 23, 2011

**AFFIDAVIT OF BRETT PHIPPS 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 Brett Phipps, who being first duly sworn, on oath deposes and says that:

1. My name is Brett Phipps. 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 Coal in the Fuels and Power Optimization Department. This section is responsible for coal acquisition for both PEF and Progress Energy Carolinas ("PEC") systems.

3. As the Director of Coal, I am responsible, along with the other members of the section, for the management of the coal procurement, transportation, byproducts

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FPSC-COMMISSION CLERK

and reagents and the administration of contracts associated with these responsibilities with various suppliers for PEF's and PEC's electrical power generation facilities.

4. PEF is seeking confidential classification for certain responses to Staff's First Request for Production of Documents (Nos. 1-13) submitted on May 23, 2011, specifically Production of Document Nos. 2, 3, 4, 6 and 13. 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 the contracts, RFP bid evaluations, pricing, and quantities of fuel, 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 pertaining to the 2010 RFP bid evaluations, pricing, coal and transportation-related contracts and quantities for coal. Absent such measures, suppliers would run the risk that sensitive business information that they provided in their bids/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.

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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 the RFP evaluations, 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.

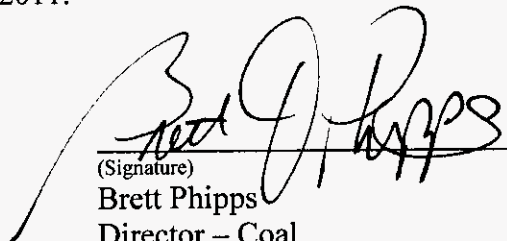
7. Upon receipt of confidential information from fuel suppliers, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information. At no time since receiving the bid/contract 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.

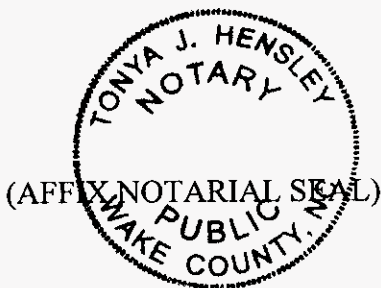
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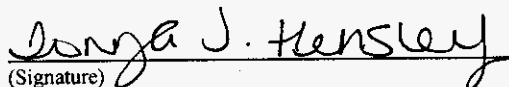
Dated the 18<sup>th</sup> day of May, 2011.



(Signature)  
Brett Phipps  
Director – Coal  
Fuels and Power Optimization Department  
Progress Energy Carolinas  
Post Office Box 1551  
Raleigh, NC. 27602

18<sup>th</sup> THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of May, 2011 by Brett Phipps. 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)