

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION
CLERK

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

Docket No. 130001-EI

Dated: March 6, 2013

**AFFIDAVIT OF BRETT PHIPPS IN SUPPORT OF
PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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 Fuel Procurement in the Fuels and Power
Optimization Department. This section is responsible for fuel acquisition for the Duke
Energy Indiana ("DEI"), Duke Energy Kentucky ("DEK"), Duke Energy Carolina
("DEC"), PEF and Progress Energy Carolinas ("PEC") systems.

3. As the Director of Fuel Procurement, I participate in all aspects of the
overall strategic direction and commercial management of the purchase, delivery and

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storage of fossil fuels that the Duke Energy regulated utilities use for the generation of electricity. As part of this activity, I monitor and provide guidance in the various areas of fuel markets, including feedback regarding supply and demand, price, quality, availability, economics and deliverability. These fuel reviews cover both existing and potential future supply sources. I also supervise the Company's fuel procurement activity, including the negotiation and administration of long-term and spot purchase contracts. In addition to fuels, I also supervise procurement of reagents (products used by environmental control systems), optimization emission allowances, commercial strategy for coal combustion products and byproducts, and the overall fuel inventories for the regulated fossil generation fleet.

4. PEF is seeking confidential classification for certain responses to Staff's Second Set of Interrogatories (Nos. 13-23), specifically Questions 15, 18, 19, Attachments B & D, and to Staff's First Request for Production of Documents (No. 1) submitted on March 6, 2013. 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 bid evaluations and coal supply 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 information pertaining to the 2012 coal supply contracts. 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. 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 coal 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.

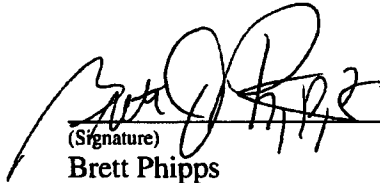
7. Upon receipt of confidential information from fuel suppliers, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the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

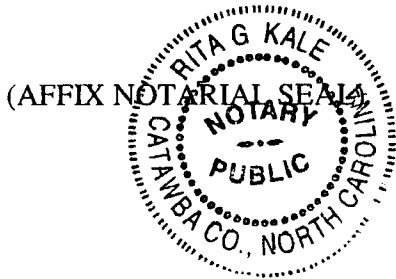
Dated the 25 day of February, 2013.

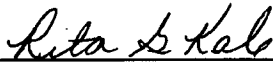


(Signature)

Brett Phipps
Director - Coal
Fuels and Power Optimization Department
Duke Energy
526 South Church Street
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 25 day of February, 2013 by Brett Phipps. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.





(Signature)

RITA G KALE

(Printed Name)

NOTARY PUBLIC, STATE OF NC

June 17 2017

(Commission Expiration Date)

(Serial Number, If Any)