

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Petition of Progress Energy Florida to increase base rates to recover the full revenue requirements of the Hines Unit 2 and Unit 4 power plants pursuant to Commission Order No. PSC-05-0945-S-EI

Docket No. 070290-ET

Dated: April 30, 2007

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COMMISSION CLERK

AFFIDAVIT OF THOMAS CORNELL 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 Thomas Cornell, who being first duly sworn, on oath deposes and says that:

1. My name is Thomas Cornell. 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 General Manager of Project Development and Engineering in the Plant Construction Department. This section is responsible for the development and engineering of new fossil fuel power plants and the modifications to existing plants for both PEF and Progress Energy Carolinas ("PEC") systems.

- CMP _____
- COM _____
- CTR _____
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- RCA _____
- SCR _____
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- SEC _____
- OTH _____

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3. As the General Manager of Project Development and Engineering, I am responsible, along with the other members of the section, for the development, engineering, and the procurement of major equipment for new fossil fuel power plants, including major modifications to existing plants for both PEF and PEC.

4. PEF is seeking confidential classification of Exhibits KM-1 and KM-2 attached to the direct testimony of Kevin Murray dated April 30, 2007 and filed in conjunction with its Request for Confidential Classification. 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 these exhibits because they contain competitive confidential business information of both PEF and third-party design and construction companies that PEF has contracts with.

5. PEF negotiates with design and construction companies to obtain competitive contracts for the design and construction of its power plants. In order to obtain such contracts, however, PEF must be able to assure design and construction 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 for the design and construction of Hines 3 and Hines 4 Power Blocks. Absent such measures, design and construction 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 design and construction companies, the Company's efforts to obtain competitive design and construction contracts could be undermined.

6. Additionally, the disclosure of confidential information in PEF's design and construction contracts could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive design and construction options that provide economic value to both PEF and its ratepayers could be compromised by PEF's competitors changing their negotiating behavior within the relevant markets.

7. Upon receipt of confidential information from design and construction 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 has the Company publicly disclosed those contracts. The Company has treated and continues to treat the contracts at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 30th day of April, 2007.

Thomas Cornell

(Signature)

Thomas Cornell
General Manager
Project Development and Engineering
Plant Construction Department
Progress Energy Carolinas
Post Office Box 1551
Raleigh, NC. 27602

30th THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of April, 2007 by Thomas Cornell. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

P D Edmiston

(Signature)

P D Edmiston

(Printed Name)

NOTARY PUBLIC, STATE OF NC

12-01-2007

(Commission Expiration Date)

N/A

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

