

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 070001-EI

Dated: September 4, 2007

AFFIDAVIT OF LORI CROSS IN SUPPORT OF PROGRESS ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF FLORIDA

COUNTY OF PINELLAS

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COMMISSION CLERK

BEFORE ME, the undersigned authority duly authorized to administer oaths, personally appeared Lori Cross, who being first duly sworn, on oath deposes and says that:

1. My name is Lori Cross. 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 Manager of Regulatory Planning for Progress Energy Florida.

3. As the Manager of Regulatory Planning, I am responsible, along with the other members of the section, for the regulatory strategy, compliance and planning functions of the Florida electric utility.

4. PEF is seeking confidential classification for portions of its responses to Exhibit LC-1P to the projection testimony of Lori Cross, specifically Schedule E12 -

DOCUMENT NUMBER-DATE

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Capacity Costs, Section C, Page 3 of 5. 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 competitive confidential 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 energy suppliers to obtain competitive contracts for energy options that provide economic value to PEF and its ratepayers. With respect to the information at issue in this Request, PEF has kept confidential the number of megawatts for each purchase or sale. In combination with other non-confidential cost data provided in the exhibit, this information could be used to determine the capacity charges for each contract. Disclosure of this information would enable wholesale providers to determine the prices of their competitors, which could result in greater price convergence in future negotiations. Suppliers would no longer need to make their best offers to ensure the competitiveness of their prices against the disclosed prices. Instead, suppliers could simply offer the highest prices that would allow them to maintain a marginally competitive position against the disclosed prices. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and energy suppliers, the Company's efforts to obtain competitive contracts could be undermined.

6. Additionally, if the information at issue was disclosed to PEF's competitors, PEF's efforts to obtain competitive energy supply that provides 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 contracting counterparties, 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 information in question has the Company publicly disclosed that information. The Company has treated and continues to treat the information at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 29th day of August, 2007.

Lori Cross

(Signature)

Lori Cross

Manager

Regulatory Planning

Progress Energy Service Company, LLC.

299 First Avenue North

St. Petersburg, FL 33701

29th THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of August, 2007 by Lori Cross. She is personally known to me, or has produced her _____ driver's license, or her _____ as identification.

Suzanne H. Miller

(Signature)

SUZANNE H. MILLER

(Printed Name)

NOTARY PUBLIC, STATE OF Florida

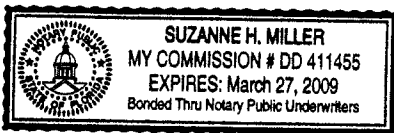
3/27/2009

(Commission Expiration Date)

DD 411455

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)



(Pinellas County)