

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to allow transportation fuel surcharge hedging by Progress Energy Florida, Inc.

Docket No. 080649

Dated: March 6, 2009

COMMISSION CLERK

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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 power trading, economy purchases and sales, and 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 power trading, economy purchases and sales, the

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management of the gas and oil procurement, transportation, hedging activities and administration of gas, oil and power trading contracts with various suppliers for PEF's and PEC's electrical power generation facilities.

4. PEF is seeking confidential classification for certain information provided in response to Staff's Data Request dated February 20, 2009. 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 transportation services on favorable terms.

5. PEF negotiates with potential fuel transportation suppliers to obtain competitive contracts for transportation options that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure fuel transportation suppliers that sensitive business information, such as contracts, transportation costs, percentages, volumes and terms, will be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed confidential terms such as contracts, transportation costs, percentages, volumes and terms. Absent such measures, transportation 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 those terms of their contracts

confidential. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and fuel transportation suppliers, the Company's efforts to obtain competitive fuel transportation contracts could be undermined.

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

7. Upon receipt of confidential information from fuel transportation 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 5th day of March, 2009.

Joseph McCallister
(Signature)

Joseph McCallister
Director – Gas, Oil and Power
Fuels & Power Optimization Department
Progress Energy Carolinas
Post Office Box 1551
Raleigh, NC. 27602

5th THE FOREGOING INSTRUMENT was sworn to and subscribed before me this
5th day of March, 2009 by Joseph McCallister. He is personally known to me, or has
produced his _____ driver's license, or his _____
as identification.

Sheila K. Sheppard
(Signature)

Sheila K. Sheppard
(Printed Name)

NOTARY PUBLIC, STATE OF NC

Aug 10, 2010
(Commission Expiration Date)

(AFFIX NOTARIAL SEAL)

(Serial Number, If Any)