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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In Re: Petition on behalf of Citizens of the State of Florida to require Progress Energy Florida, Inc. to refund to customers \$143 million

DOCKET NO. 060658-EI

AFFIDAVIT OF DONNA M. DAVIS IN SUPPORT OF PROGRESS ENERGY FLORIDA'S <u>REQUEST FOR CONFIDENTIAL CLASSIFICATION</u>

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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

1. My name is Donna M. Davis. 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.

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 2. I am currently employed by Industrial Staffing through Comensura as a

 GCL
 Mines Controller for Progress Fuels Corp. ("PFC") in Raleigh, North Carolina. I recently

 OPC
 retired as Director of Regulatory and Administrative Services for PFC.

3. Formerly as Director of Regulatory and Administrative Services for PFC, I was responsible for the accounting and reporting of PFC's regulated business and

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the reporting of fuel costs to the Florida Public Service Commission and FERC. In 2004 I also became responsible for the accounting of PFC's non-regulated coal activities.

4. PEF is seeking confidential classification for portions of my direct testimony. 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 confidential information contained in proprietary business operating agreements with third parties.

5. The information on page 50, lines 2, 4 through 6, and line 12 of my testimony concern confidential information contained in proprietary business operating agreements with third parties. PEF has contractual requirements with these third parties to not disclose the proprietary business information contained in the operating agreements and, thereby, public disclosure of the information in question would be contrary to such confidentiality provisions and may impair PEF's efforts to contract favorably in future negotiations. Specifically, PEF may not be able to favorably contract for the services offered by these third parties if such parties are not assured that all the information provided in connection with the agreements is kept confidential.

6. Upon receipt of confidential information from coal suppliers and transportation 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, contracts and operating agreements. At no time since receiving the contracts, information, and operating agreements in question has the Company publicly disclosed that information, contracts, or operating agreements. The Company has treated and continues to treat the information, operating agreements, and contracts at issue as confidential.

7. This concludes my affidavit.

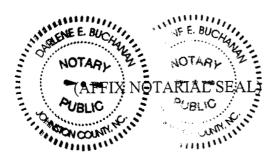
Further affiant sayeth not.

Dated the <u>II</u> day of January, 2007.

NNO) M. Dave

^(Signature) Donna M. Davis Mines Controller Progress Fuels Corp. 100 East Davie Street Raleigh, North Carolina 27601

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this // day of December, 2006 by Donna M. Davis. He is personally known to me, or has produced his ______ driver's license, or his ______



(Signature)

norlone (Printed Name)

NOTARY PUBLIC, STATE OF

pt 2004 6 (Commission Expiration Date)

(Serial Number, If Any)