

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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COMMISSION  
CLERK

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-EI

Dated: August 27, 2007

**AFFIDAVIT OF GARY O. FURMAN IN SUPPORT OF  
PROGRESS ENERGY FLORIDA'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF FLORIDA

COUNTY OF SEMINOLE

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

1. My name is Gary O. Furman. 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 Transmission Engineering in the Transmission  
Department. As the Manager of Transmission Engineering, I am oversee the design,  
engineering, and construction of PEF's transmission facilities, including the siting,  
design, engineering, land right acquisition, and construction of the Hines-West Lake  
Wales transmission facilities.

CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR 1  
GCL 1  
OPC \_\_\_\_\_  
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SEC \_\_\_\_\_  
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records*  
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3. PEF is seeking confidential classification for portions of its responses to OPC's First Request for Production of Documents (Nos. 1-6). 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 of both PEF and third-party vendors.

4. PEF is seeking confidential classification of portions of the documents provided in response to OPC's Request Numbers 2 and 3, which contain detailed descriptions of the proposals PEF received in response to the Company's RFP issued November 17, 2003, as well as copies of the actual proposals. The disclosure of this information would impair the efforts of the Company to negotiate contracts on favorable terms. In order to obtain such proposals, PEF must be able to assure potential bidders that the terms of their bids will be kept confidential. If such assurances are not provided, and potential bidders know that the terms of their bids are subject to public disclosure, they might withhold sensitive information necessary for the utility to fully understand and accurately assess the costs and benefits of their proposals. Or, persons or companies who otherwise would have submitted bids in response to the utility's RFP might decide not to do so if there is no assurance that their proposals would be protected from disclosure. Furthermore, the information at issue relates to the competitive interests of PEF and the bidding entities, the disclosure of which would impair their competitive business interests.

5. PEF is also seeking confidential classification for portions of the documents provided in response to OPC's Request Number 4, which contain confidential contracts and information regarding confidential contract details. The disclosure of this information would impair the efforts of the Company to negotiate contracts on favorable terms. PEF negotiates with potential third party vendors to obtain competitive contracts for design and construction services that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure these companies that sensitive business information will be kept confidential. PEF has kept confidential and has not publicly disclosed any of its confidential contract terms, including pricing. Absent such measures, these 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.

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 would be compromised.

7. PEF is also requesting confidential classification for portions of the documents responsive to Request Number 5, which contain information and business analysis packages regarding PEF's confidential and proprietary internal strategies and

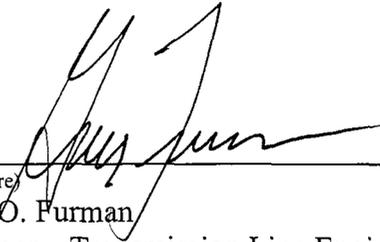
analysis studies of PEF's programs and contracts. PEF is requesting confidential classification of its responses because public disclosure of the documents and information in question would impair PEF's competitive business. Specifically, if PEF's suppliers or competitors were made aware of PEF's internal strategies and analysis studies, they may adjust their behavior in the market place with respect to activity such as pricing and the acquisition and provision of goods, materials, and services.

8. The information identified as Exhibit A is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public, and the Company has treated and continues to treat the as confidential. Upon receipt of the bid proposals and contracts at issue, 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 or generating the bid proposals, contracts, and business analysis packages 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.

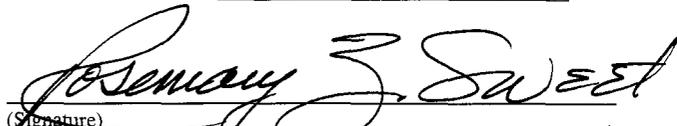
8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 23<sup>rd</sup> day of August, 2007.

  
\_\_\_\_\_  
(Signature)  
Gary O. Furman  
Manager – Transmission Line Engineering  
Transmission Operations & Planning Dept.  
Progress Energy Florida  
3300 Exchange Place  
Lake Mary, FL 32746

23<sup>rd</sup> THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of August, 2007 by Gary O. Furman. He is personally known to me, ~~or has~~ produced his \_\_\_\_\_ ~~driver's license, or his~~ \_\_\_\_\_ as identification.

  
\_\_\_\_\_  
(Signature)  
Rosemary Z. Sweet  
\_\_\_\_\_  
(Printed Name)  
NOTARY PUBLIC, STATE OF Florida  
6-5-10  
\_\_\_\_\_  
(Commission Expiration Date)  
DD558104  
\_\_\_\_\_  
(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)  
NOTARY PUBLIC-STATE OF FLORIDA  
 Rosemary Z. Sweet  
Commission # DD558104  
Expires: JUNE 05, 2010  
BONDED THRU ATLANTIC BONDING CO., INC.