

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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: October 1, 2007

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AFFIDAVIT OF KEVIN MURRAY 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 Kevin Murray, who being first duly sworn, on oath deposes and says that:

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

- CMP _____
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3. As the Director of Project Engineering, I am responsible, along with the other members of the section, for the 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 for the documents in response to Staff's Information Requests on September 10, 2007 and September 18, 2007. 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 documents because they contain competitive confidential business information of both PEF and third-party companies.

5. PEF negotiates with third party companies to obtain competitive construction rate information that provides economic value to PEF and its ratepayers. In order to obtain construction rate information, however, PEF must be able to assure third party companies that sensitive business information, such as contractual rate information, will be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed the confidential rate information related to Hines 4 construction costs and rate information. Absent such measures, third party 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 do business with PEF might decide not to do so if PEF did not keep the rate information confidential. Without PEF's measures to maintain the confidentiality of

sensitive terms between PEF and third party construction companies, the Company's efforts to obtain competitive construction contracts could be undermined.

6. Additionally, the disclosure of confidential information in PEF's Hines 4 contractual rate information could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive options that provide 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 third party companies, 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 or contracts. 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 1st day of October, 2007.

Kevin Murray

(Signature)
Kevin Murray
Director
Project Engineering
Plant Construction Department
Progress Energy Carolinas
Post Office Box 1551
Raleigh, NC. 27602

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 1st day of October, 2007 by Kevin Murray. (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

12-1-2007

(Commission Expiration Date)

None

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

