

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of negotiated Purchase power contract for purchase of Firm capacity and energy with BG&E of Florida, LLC by Progress Energy Florida.

Docket No. 070726-EI

Dated: February 4, 2008

AFFIDAVIT OF DAVID W. GAMMON IN SUPPORT OF PROGRESS ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL CLASSIFICATION

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STATE OF FLORIDA

COUNTY OF PINELLAS

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

1. My name is David W. Gammon. 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

CMP _____ based upon my personal knowledge.

COM _____

CTR _____ 2. I am a Cogeneration Manager in PEF's Account Management, Origination

ECR 1 and Cogeneration section of Progress Energy's Regulated Commercial Operations

GCL 1 Department. This section is responsible for PEF's long-term wholesale purchases and

OPC _____ sales, including purchases from Qualifying Facilities.

SCR _____

SGA _____

SEC _____

OTH _____

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3. As a Cogeneration Manager, I am responsible, along with the other members of the section, for the administration of PEF's Qualifying Facility contracts with various suppliers.

4. PEF is seeking confidential classification for certain information contained in PEF's responses to Staff's Data Request. 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.

5. PEF negotiates with potential purchase power companies to obtain competitive contracts for capacity and energy that provides economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure counterparties that sensitive business information, such as capacity pricing terms of their contracts, will be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed confidential contract terms such as the NPV values, capacity prices, and energy costs. Absent such measures, potential contracting counterparties 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 qualifying facilities, the Company's efforts to obtain competitive contracts could be undermined.

6. Additionally, the disclosure of confidential information in contracts between PEF and qualifying facilities could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors and to other potential suppliers, PEF's efforts to obtain competitive purchased power options that provide economic value to both PEF and its ratepayers could be compromised by PEF's competitors and other suppliers changing their 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 contract and information in question has the Company publicly disclosed that information or contract. The Company has treated and continues to treat the information and contract at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the _____ day of January, 2008.

(Signature)

David W. Gammon
Cogeneration Manager
Account Management, Origination and
Cogeneration
Regulated Commercial Operations
Progress Energy Florida
299 First Avenue North
St. Petersburg, FL 33701

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this
29th day of January, 2008 by David W. Gammon. He is personally known to me, or has
produced his _____ driver's license, or his _____
as identification.

(Signature)

Dara Tribiano

(Printed Name)

Dara Tribiano

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF Florida

(Commission Expiration Date)

(Serial Number, If Any)



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