

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition of Progress Energy
Florida, Inc. for approval of negotiated
purchase power contract with Horizon
Energy Group, LLC.

Docket No. 080533
Dated: August 11, 2008

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

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
based upon my personal knowledge.

2. I am a Cogeneration Manager in PEF's Renewables and Wholesale Power
section of Progress Energy's Efficiency and Innovative Technology Department. This
section is responsible for PEF's long-term wholesale purchases and sales, including
purchases from Qualifying Facilities.

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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 the negotiated contract ("the Contract") between PEF and Horizon Energy Group, LLC ("Horizon") filed on August 11, 2008. 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 Horizon.

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 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 insurance limits, credit ratings and amounts, capacity factor percentages, capacity prices, and similar competitive information. 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 contractors, the Company's efforts to obtain competitive contracts could be undermined.

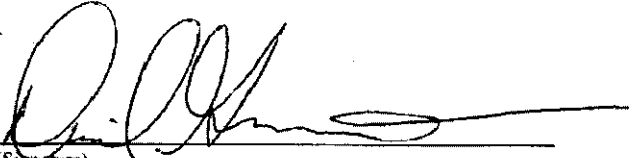
6. Additionally, the disclosure of confidential information in contracts between PEF and such contractors could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors and to other potential suppliers, PEF's efforts to obtain competitive purchased 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.

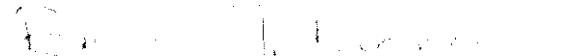
Dated the 11 day of August, 2008.



(Signature)

David W. Gammon
Cogeneration Manager
Renewables and Wholesale Power
Efficiency & Innovative Technology
Progress Energy Florida
299 First Avenue North
St. Petersburg, FL 33701

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



(Signature)

Dana Tribiano

(Printed Name)

NOTARY PUBLIC, STATE OF Florida

(AFFIX NOTARIAL SEAL)

(Commission Expiration Date)

(Serial Number, If Any)

