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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost  
recovery clause with generating  
performance incentive factor.

Docket No. 120001-EI

Dated: August 31, 2012

**AFFIDAVIT OF JOSEPH McCALLISTER IN SUPPORT OF  
PROGRESS ENERGY FLORIDA'S  
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Joseph McCallister. 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 responsible for Natural Gas, Oil and Emissions in the Fuel  
Procurement Section of Fuels and Systems Optimization Department for Duke Energy.

This unit is responsible for any natural gas and emission allowance acquisition for Duke  
Energy Indiana (DEI), Duke Energy Kentucky (DEK), Duke Energy Carolinas (DEC),  
PEF and Progress Energy Carolinas ("PEC") systems. In addition, this position is  
responsible for the fuel oil acquisition for the PEF and PEC systems.

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3. In this position, I am responsible, along with the other members of the section, for the management of the gas transportation, hedging activities, administration of gas contracts with various suppliers for DEI, DEK, DEC, PEF and PEC's electrical power generation facilities.

4. PEF is seeking confidential classification for certain pages of the testimony of Joseph McCallister dated August 31, 2012. 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 sensitive business information, the disclosure of which would impair the Company's efforts to contract for goods or services on favorable terms.

5. PEF negotiates with potential fuel suppliers to obtain competitive contracts for fuel options that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, sensitive business information, such as forecasted hedging percentages, must be kept confidential. With respect to the information at issue in this Request, PEF has kept confidential and has not publicly disclosed the confidential forecasted hedging percentages. Without PEF's measures to maintain the confidentiality of sensitive terms, the Company's efforts to obtain competitive fuel supply contracts could be undermined, because potential fuel suppliers could simply offer the highest prices that would allow them to maintain a marginally competitive position against the disclosed percentages.

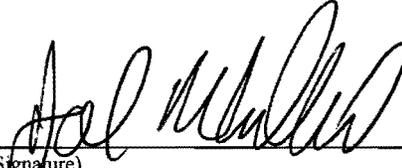
6. Additionally, the disclosure of confidential information in PEF's forecasted hedging percentages, could adversely impact PEF's competitive business interests. If such information was disclosed to PEF's competitors, PEF's efforts to obtain competitive fuel supply options that provide economic value 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 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 information 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.

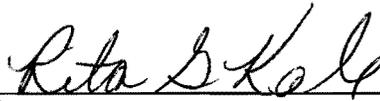
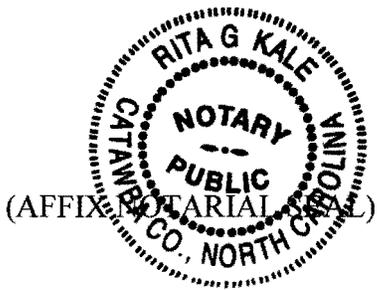
Dated the 27<sup>th</sup> day of August, 2012.



(Signature)

Joseph McCallister  
Fuel Procurement – Natural Gas, Oil, Emissions  
Fuels and Systems Optimization Department  
Duke Energy  
526 South Church Street ECO1X  
Charlotte, NC. 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 27th day of August, 2012 by Joseph McCallister. He is personally known to me, or has produced his North Carolina driver's license, or his \_\_\_\_\_ as identification.



(Signature)

Rita G. Kale

(Printed Name)

NOTARY PUBLIC, STATE OF NC

6/17/2017

(Commission Expiration Date)

\_\_\_\_\_  
(Serial Number, If Any)