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DATE: December 11, 2008
TO: Lisa C. Bennett, Senior Attorney, Office of the General Counsel
FROM: *CV* Carl S. Vinson, Public Utilities Supervisor, Division of Regulatory Compliance
RE: PEF Request for Confidential Classification, Document No. 06892-08,
Docket No. 080000

On August 6, 2008 Progress Energy-Florida (PEF) filed a Request for Confidential Classification regarding documents provided and created during staff's management audit of internal controls for PEF's nuclear plant uprate and construction projects. This filing was comprised of Documents Number 06892-08 (Exhibit A – Confidential documents), 06893-08 (Exhibit B – Redacted copies) and 06893-08 (Exhibit C – Justification matrix).

The documents in question fall into three categories. The largest group are PEF documents provided in response to staff's audit data requests. A smaller group of documents are audit work papers created by staff during the course of the audit from the potentially-confidential documents provided by PEF. Finally, a third category addressed in PEF's filing is comprised of selected passages of staff's final audit report entitled *Review of Progress Energy-Florida's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects*.

In my opinion, PEF correctly asserts that the documents provided in response to staff's audit data requests do contain confidential information relating to competitive business interests, the disclosure of which would either impair the competitive business of the provider/owner of the information, or would impair PEF's efforts to contract for goods or services on favorable terms. Additionally, some of the documents contain information from PEF internal audit reports or their equivalent.

Therefore I agree that these documents should be deemed confidential. However, I propose that these be returned to PEF per our bureau's normal practice, making moot the need for a determination. This is our process in audits that are not connected with docketed proceedings. Upon receiving them, PEF has agreed to make these documents available again should the need for future access arise.

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- In the case of the work papers created by audit staff that were based in part upon these PEF-provided materials, they should be deemed confidential for the reasons cited above and filed with and retained by the Clerk's office. Similarly, the unredacted version of staff's final report

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should be filed with and retained by the Clerk's office. The report had already been published with the requested passages redacted, pending resolution of PEF's filing.

CC: Beth Salak
Lisa Harvey
Brenda Merritt