## **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: NUCLEAR POWER PLANT COST **RECOVERY CLAUSE** 

Docket No. 100009-EI Submitted for Filing: June 14, 2010

# NOTICE OF FILING AFFIDAVIT IN SUPPORT OF **PEF'S EIGHTH REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING RESPONSES TO CITIZEN'S THIRD SET OF INTERROGATGORIES (NOS. 34-63)** AND THIRD REQUEST FOR PRODUCTION (NOS. 54-73)

Notice is hereby given, through the undersigned counsel, on behalf of Progress Energy Florida, Inc. ("PEF") of filing the affidavits of Sue Hardison and Jon Franke in support of Progress Energy Florida's Eighth Request for Confidential Classification Regarding PEF's Responses to Citizen's Third Set of Interrogatories (Nos. 34-63) and Citizen's Third Request for Production of Documents (Nos. 54-73).

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 1/14 day of June, 2010.

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#### **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Nuclear Power Plant Cost Recovery Clause Docket No. 100009-EI Submitted for Filing: June 14, 2010

## AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA'S EIGHTH REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF FLORIDA

COUNTY OF CITRUS

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

1. My name is Jon Franke. 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 Eighth Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I serve as the Vice President – Crystal River Nuclear Plant. As such, I am responsible for the safe operation of the nuclear generating station. Additionally, I have indirect responsibilities in oversight of major project activities at the station including the Crystal River 3 ("CR3") nuclear plant power uprate project ("CR3 Uprate"). Through my management team I have about 490 employees that perform the daily work required to operate the station and provide engineering training and support to the station.

3. PEF is seeking confidential classification of portions of the documents produced in response to the Office of Public Counsel's ("OPC") Third Request for Production of Documents (Nos. 54-73), specifically numbers 54, 56, 57, 58, 60, 61, 62, 63, 64 and 73, and portions of the responses to OPC's Third Set of Interrogatories to Progress Energy Florida (Nos. 16980725.1 34-63), specifically numbers 51, 53, 54, 61 and 62. A detailed description of the confidential information at issue is contained in confidential Attachment A to PEF's Request and is outlined in PEF's Justification Matrix that is attached to PEF's Request as Appendix C.

4. Public disclosure of these documents would allow other parties to discover how the Company analyzes risk options, scheduling, and cost, and would thus impair PEF's ability to contract for such goods and services on competitive and favorable terms. If this information was disclosed to the public, it could adversely impact PEF's competitive interests. Portions of these documents reflect the Company's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to PEF's competitors and/or other potential suppliers, PEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets.

5. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time since developing or entering the contracts in question has PEF publicly disclosed the contracts' confidential terms; PEF has treated and continues to treat the information contained in the subject contracts as confidential. Indeed, many of the documents have been previously produced by PEF and at all times the Company has taken the appropriate steps to protect against public disclosure of this confidential information.

6. This concludes my affidavit.

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Further affiant sayeth not.

Dated this 10 day of June, 2010.

(Signature)

Jon Franke Vice President -Crystal River Nuclear Plant 15760 W. Powerline St. Crystal River, Florida 34428

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this //2 day of June, 2010 by Jon Franke. He is personally known to me, or has produced his driver's license, or his as identification.

as identification. (Signature tinann HTO (Printed Name) NOTARY PUBLIC, STATE OF

(AFFIX NOTARIAL SEAL)



(Serial Number, If Any)

# **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Nuclear Power Plant Cost Recovery Clause

Docket No. 100009-EI Submitting for filing: June 14, 2010

# AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA'S EIGHTH REQUEST FOR CONFIDENTIAL CLASSIFICATION

# STATE OF NORTH CAROLINA

## COUNTY OF WAKE

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

1. My name is Sue Hardison. I am over the age of 18 years 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 "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. As General Manager - Corporate Development Group Business Services, I am responsible for financial services for the Corporate Development Group, including budgeting, capital planning and cost management. I am also responsible for project controls and contract administration for the Corporate Development Group.

3. PEF is seeking confidential classification of portions of the documents produced in response to the Office of Public Counsel's ("OPC") Third Request for Production of Documents (Nos. 54-73), specifically numbers 54, 56, 57, 58, 60, 61, 62, 63, 64 and 73, and portions of the responses to OPC's Third Set of Interrogatories to Progress Energy Florida (Nos. 34-63), specifically numbers 51, 53, 54, 61 and 62. A detailed description of the confidential information at issue is contained in confidential Attachment A to PEF's Request and is outlined in PEF's Justification Matrix that is attached to PEF's Request as Appendix C.

4. The Company is requesting confidential classification of this information because the documents and information sought contain and include proprietary and confidential information that would impair PEF's competitive business interests if publicly disclosed, as well as information concerning contractual data, the disclosure of which would impair the Company's ability to contract on favorable terms and, in many cases, the information constitutes trade secrets of the Company and its contract partners. In many instances, the disclosure of this information would violate contractual confidentiality provisions.

5. In addition, public disclosure of these documents would allow other parties to discover how the Company analyzes risk options, scheduling, and cost, and would thus impair PEF's ability to contract for such goods and services on competitive and favorable terms. If this information was disclosed to the public, it could adversely impact PEF's competitive interests. Portions of these documents reflect the Company's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to PEF's competitors and/or other potential suppliers, PEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets.

6. PEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. Indeed, as discussed above, some of the contracts at issue, including the Engineering, Procurement and Construction Agreement ("EPC

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Agreement"), contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of goods and services, and payment milestones and other contractual terms, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer less competitive contractual terms in future contractual negotiations. Without the Company's measures to maintain the confidentiality of sensitive terms in contracts with these nuclear contractors, the Company's efforts to obtain competitive contracts could be undermined to the detriment of PEF and its ratepayers.

7. Upon receipt of all this confidential information, 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. At no time since negotiating and receiving the contracts and performing the analyses in question has the Company publicly disclosed the information or the terms of the contracts at issue. The Company has treated and continues to treat the information at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this  $\mathbf{NO}$  day of June, 2010.

Signature)

Sue Hardison General Manager – Corporate Development Group Business Services

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THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 10 day of June, 2010 by Sue Hardison. She is personally known to me, or has produced her

MA In Wake County

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driver's license, or her	as identification.
Signature)	
(Signature)	
(Printed Name)	

(AFFIX NOTARIAL SEAL)

DAWN M. BISSON Notary Public, North Carolina Wake County My Commission Expires May 03, 2011

NOTARY	PUBLIC,	STATE	OF	NC
<b>C</b>				

(Commission Expiration Date)

(Serial Number, If Any)

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