



Public Service Commission  
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COMMISSION  
CLERK

-M-E-M-O-R-A-N-D-U-M-

**DATE:** March 2, 2011

**TO:** Office of Commission Clerk (McLean)  
Office of General Counsel (Young)

**FROM:** Office of Auditing and Performance Analysis (Freeman, Deamer, Prestwood) *F 20 CAP*

**RE:** Docket 110009, Nuclear Cost Recovery, Disposition of Confidential Documents pertaining to Progress Energy Florida, Document Nos. 06905-08, 06907-08 – Exhibit VF 1, and 07777-08

Document No. 06905-08 was returned to Progress Energy Florida.

Document 06907-08, Exhibit VF 1, should be retained. Document 06907-08, Exhibit VF 1, presents staff's only copy of this sensitive information and the information is needed to conduct future audits and research.

Document 07777-08 was returned to Progress Energy. This document was originally filed as part of the company's request for confidentiality for staff documents 06905-08 and 06907-08.

BACKGROUND

August 6, 2008, staff auditor Small filed written testimony pertaining to 3 financial audits concerning Progress Energy Florida's 2007 Nuclear Cost Recovery Clause. His testimony included copies of the sensitive portions of one audit report which was identified as Document No. 06905-08.

On August 6, 2008, staff management auditors Vinson and Fisher also filed written testimony concerning a Progress Energy Florida performance audit they conducted. The audit was titled "Progress Energy Florida Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects – August 2008." The sensitive portions of this audit were filed within Document No. 06907-08, as Exhibit VF-1. The staff filing is the original and only copy of this staff work product.

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FPSC-COMMISSION CLERK

Progress Energy Florida  
Staff's Confidential Testimony  
March 2, 2011

On August 29, 2008, Progress Energy Florida requested that portions of the financial audit and portions of the management audit reports be granted a confidential classification. The utility's request contained a confidential copy of the information with the sensitive portions highlighted (Document No. 07777-08).

On September 3, 2008, Staff (Breman) recommended that the sensitive portions of Documents 06905-08, 06907-08, VF-1, and 07777-08 be granted a confidential classification. (See Document No. 08363-08). The Commission has not yet taken up this staff recommendation.

All matters pertaining to staff's confidential testimony concerning these 2 audits within this docket have been resolved; however, since the sensitive portions Document 06907-08, VF-1, is the only copy of staff's management audit, Document 06907-08, VF-1, should be retained by the Commission.

The utility's September 3, 2008, request for confidentiality for this management audit should be considered still pending.

#### Disposition of Documents

Pursuant to Rule 25-22.006(9)(b), Florida Administrative Code, the Commission may return sensitive information to the source once the information is no longer needed.

Document 06905-08 was returned to Progress Energy Florida.

Document 06907-08, Exhibit VF-1, presents staff's only copy of this management report so the matter of its confidentiality is still pending. Thus, Document 06907-08 should continue to be held in a temporary confidential status awaiting resolution.

Document 07777-08 is Progress Energy Florida's copy of the sensitive information filed with its request for confidential classification of this material. Document 07777-08 has been returned to the utility at the request of the Division of Economic Regulation. This request of Progress Energy remains pending. We have brought this matter to the attention of the responsible staff members.

CC: Office of Auditing and Performance Analysis (Small)(Vinson)  
Division of Economic Regulation (Breman)