

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: NUCLEAR POWER PLANT  
COST RECOVERY CLAUSE

Docket No. 110009-EI  
Submitted for Filing: May 2, 2011

**PROGRESS ENERGY FLORIDA, INC.'S NOTICE OF FILING**

Progress Energy Florida, Inc. ("PEF" or the "Company"), hereby gives notice of filing the Affidavits of Jon Franke and Sue Hardison in support of Progress Energy Florida, Inc.'s Third Request for Confidential Classification regarding portions of the testimonies and exhibits filed as part of the Company's May 2, 2011 Petition for Approval of Costs to be Recovered.

Respectfully submitted,



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COM \_\_\_\_\_  
APA \_\_\_\_\_  
ECR 4 \_\_\_\_\_  
GCL \_\_\_\_\_  
RAD \_\_\_\_\_  
SSC \_\_\_\_\_  
ADM \_\_\_\_\_  
OPC \_\_\_\_\_  
CLK \_\_\_\_\_

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 2<sup>nd</sup> day of May, 2011.

  
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Nuclear Power Plant Cost  
Recovery Clause

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Docket No. 110009-EI  
Submitted for Filing: May 2, 2011

**AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA, INC.'S  
THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING  
PORTIONS OF THE TESTIMONIES AND EXHIBITS FILED AS PART OF THE  
COMPANY'S MAY 2, 2011 PETITION FOR APPROVAL OF COSTS TO BE RECOVERED**

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 employed by Progress Energy Florida, Inc. ("PEF" or the "Company") in the Nuclear Generation Group and serve as Vice President – Crystal River Nuclear Plant. I am over the age of 18 years old and I have been authorized by PEF to give this affidavit in the above-styled proceeding on PEF's behalf and in support of PEF's Request for Confidential Classification Regarding Portions of the Testimonies and Exhibits filed as part of the Company's May 2, 2011 Petition for Approval of Costs to be Recovered (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. Specifically, PEF is seeking confidential classification of the following materials filed with the Florida Public Service Commission ("FPSC" or the "Commission"): (1) portions of the testimony and the exhibits, the Nuclear Filing Requirements ("NFRs"), of Thomas G. Foster; (2) portions of the testimony of Sue Hardison; (3) portions of the testimony and exhibits of John Elnitsky; and (4) portions of my testimony and exhibits filed in this docket.

3. An unredacted version of the testimonies and exhibits at issue are contained in confidential Appendix A to PEF's Request and the confidential portions thereof are outlined in PEF's Justification Matrix that is attached to PEF's Request as Appendix C.

4. PEF is requesting confidential classification of the portions of my testimony and Exhibit Nos. JF-2 and JF-3, and portions of the Crystal River 3 ("CR3") Extended Power Uprate ("EPU") project ("CR3 Uprate") NFR Schedules, attached to Geoff Mr. Foster's testimony as Exhibit Nos. TGF-3, TGF-4, and TGF-5, which contain confidential contractual information regarding the purchase of goods and services necessary to complete the CR3 Uprate project. The disclosure of this information would compromise PEF's competitive business interests and in certain instances violate contractual confidentiality provisions with PEF's vendors.

5. Certain portions of the testimonies and exhibits contain contractual quantities, durations, and pricing arrangements between PEF and providers of various equipment and services required for the CR3 Uprate project that would adversely impact PEF's competitive business interests if disclosed to the public. The Company must be able to assure these vendors that sensitive business information, such as the pricing and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue 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 other contractual terms such as the agreements' duration, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the CR3 Uprate project would be undermined. In addition, my

testimony contains information regarding the Company's confidential settlement negotiations with its vendor Siemens regarding its contract for installation of the Low Pressure Turbines ("LPTs") during the R17 outage.

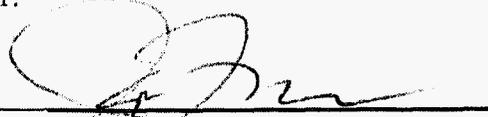
6. As stated above, most of the contracts at issue contain confidentiality provisions; therefore, PEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality agreements between PEF and the other parties. PEF has kept confidential and has not publicly disclosed the proprietary contract terms and provisions at issue here. Absent such measures, PEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods and supplies would be made available to the public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of PEF. In addition, by the terms of these contracts, all parties thereto – including PEF – have agreed to protect proprietary and confidential information, which is defined to include the pricing provisions, from public disclosure.

7. 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' terms; PEF has treated and continues to treat the information contained in the subject contracts as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this 26 day of April, 2011.



(Signature)

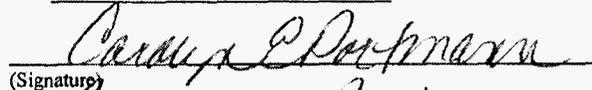
Jon Franke

Vice President - Crystal River Nuclear Plant

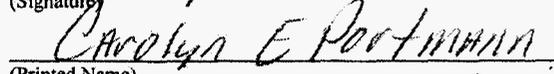
15760 W. Powerline St.

Crystal River, Florida 34442

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 26 day of April, 2011 by Jon Franke. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.



(Signature)



(Printed Name)

NOTARY PUBLIC, STATE OF Florida

(AFFIX NOTARIAL SEAL)

\_\_\_\_\_  
(Commission Expiration Date)

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



**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Nuclear Power Plant Cost  
Recovery Clause

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Docket No. 110009-EI  
Submitted for Filing: May 2, 2011

**AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA,  
INC.'S THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING  
PORTIONS OF THE TESTIMONIES AND EXHIBITS FILED AS PART OF THE  
COMPANY'S MAY 2, 2011 PETITION FOR APPROVAL OF COSTS TO BE RECOVERED**

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 currently employed by Progress Energy Carolinas ("PEC") in the capacity of General Manager – EnergyWise Program Office. In 2010, I was the General Manager-Corporate Development Group ("CDG") Business Services. In this role I was accountable for the financial reporting, business, and project controls for CDIG-managed major projects, including the Levy Nuclear Project ("LNP"). I continue to provide support as needed for the LNP in 2011. I am over the age of 18 years old and I have been authorized by Progress Energy Florida, Inc. ("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 Regarding Portions of the Testimonies and Exhibits filed as part of the Company's May 2, 2011 Petition for Approval of Costs to be Recovered (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. Specifically, PEF is seeking confidential classification of the following materials filed with the Florida Public Service Commission ("FPSC" or the "Commission"): (1) portions

of the testimony and the exhibits, the Nuclear Filing Requirements (“NFRs”), of Thomas G. Foster; (2) portions of the testimony and exhibits of Jon Franke; (3) portions of the testimony and exhibits of John Elnitsky; and (4) portions of my testimony filed in this docket.

3. An unredacted version of the testimonies and exhibits at issue are contained in confidential Appendix A to PEF’s Request and the confidential portions thereof are outlined in PEF’s Justification Matrix that is attached to PEF’s Request as Appendix C.

4. PEF is requesting confidential classification of the portions of my testimony and John Elnitsky’s testimony and exhibits and portions of the LNP NFR Schedules, attached to Mr. Foster’s testimony as Exhibit No. TGF-1, TGF-2, TGF-3, and TGF-4, which contain confidential contractual information regarding the purchase of goods and services necessary to complete the LNP. The disclosure of this information would compromise PEF’s competitive business interests and in certain instances violate contractual confidentiality provisions with PEF’s vendors under the Company’s Engineering, Procurement, and Construction Agreement (the “EPC Agreement”) with Westinghouse, Shaw, Stone & Webster (the “Consortium”) as well as cost numbers and information relating to on-going negotiations with the Consortium and its vendors and preliminary decisions regarding disposition of items of Long Lead Equipment (“LLE”) for the LNP.

5. Certain portions of these exhibits and these testimonies contain contractual descriptions, durations, quantities, obligations and pricing arrangements between PEF and providers of equipment and services required for the LNP would adversely impact PEF’s competitive business interests and impede on-going negotiations if disclosed to the public. The Company must be able to assure these vendors that sensitive business information, such as the pricing, payment and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue contain confidentiality provisions that prohibit disclosure of contractual terms to third parties. Specifically, the information at issue relates to competitively negotiated

contractual data, such as quantity, pricing of goods and services and payments made and other contractual terms and obligations, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the Project would be undermined.

6. PEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality agreements between PEF and other parties. PEF has kept confidential and has not publicly disclosed the proprietary contract terms and provisions at issue here. Absent such measures, PEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods, supplies and real property would be made available to the public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of PEF. In addition, by the terms of these contracts, all parties thereto – including PEF – have agreed to protect proprietary and confidential information, which is defined to include the pricing provisions, from public disclosure.

7. 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 the developing or entering the contracts in question has PEF publicly disclosed the contracts' terms; PEF has treated and continues to treat the information contained in the subject contracts as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this 26 day of April, 2011.

Sue Hardison  
(Signature)  
Sue Hardison  
General Manager – EnergyWise Program Office

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this \_\_\_ day of \_\_\_\_\_, 2011 by Sue Hardison. She is personally known to me, or has produced her \_\_\_\_\_ driver's license, or her \_\_\_\_\_ as identification.

Donna J. Sears  
(Signature)  
DONNA J. SEARS  
(Printed Name)  
NOTARY PUBLIC, STATE OF NC  
AUGUST 23, 2014  
(Commission Expiration Date)  
\_\_\_\_\_  
(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

**DONNA J. SEARS  
NOTARY PUBLIC  
Wake County  
North Carolina  
My Commission Expires Aug. 23, 2014**