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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

11 JUL 15 AM 11:18

IN RE: NUCLEAR POWER PLANT
COST RECOVERY CLAUSE

Docket No. 110009-EI
Submitted for Filing: July 15, 2011

COMMISSION
CLERK

PROGRESS ENERGY FLORIDA, INC.'S NOTICE OF FILING

Progress Energy Florida, Inc. ("PEF" or the "Company"), hereby gives notice of filing of the verified Affidavit of Jon Franke in support of Progress Energy Florida, Inc.'s Tenth Request for Confidential Classification Regarding Portions of the Review of Progress Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects Audit Report No. PA-11-01-001.

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 15th day of July, 2011.



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RECEIVED--FPSC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

11 JUL 15 AM 11:20

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 110009-EI 15
Submitted for Filing: July 1, 2011

COMMISSION
CLERK

**AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA, INC.'S
TENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS
OF THE REVIEW OF PROGRESS ENERGY FLORIDA, INC.'S PROJECT MANAGEMENT
INTERNAL CONTROLS FOR NUCLEAR PLANT UPRATE AND CONSTRUCTION
PROJECTS AUDIT REPORT NO. PA-11-01-001**

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 Tenth Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. PEF is seeking confidential classification of portions of the Review of Progress Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Up-rate and Construction Project Audit Report No. PA-11-01-001 (the "Audit Report"). 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.

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3. PEF is requesting confidential classification of portions of the Audit Report because it contains confidential contractual information and numbers, the disclosure of which would impair PEF's competitive business interests and violate PEF's confidentiality agreements with third parties and vendors; information gleaned from internal audit controls and reports; contract and change order financial information; and other information the disclosure of which would impair the Company's competitive business interests.

4. The Company is requesting confidential classification of this information because the Audit Report contains 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 or is the result of recent negotiations with PEF vendors or ongoing contracts with vendors. Portions of these documents reflect the Company's internal strategies for evaluating projects. The information contains sensitive information concerning the Crystal River Unit 3 ("CR3") Extended Power Uprate ("EPU") Project ("CR3 Uprate"). Information regarding the CR3 Uprate includes highly confidential and proprietary competitive business information and numbers, the release of which would place PEF's competitors at a relative competitive advantage, thereby harming the Company's and its customer's interests.

5. Furthermore, portions of the information in the Audit Report were taken from internal audit reports which are highly confidential. If the Company were to know that its internal auditing controls and process were subject to public disclosure, it would likely compromise the level of cooperation needed to efficiently conduct audits.

6. PEF considers this information to confidential and proprietary and continues to take steps to protect against its public disclosure, including limiting the personnel who have

access to this information. 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. 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 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 and other documents as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this 6th day of JULY, 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 6th day of JULY, 2011 by Jon Franke. He is personally known to me, or has produced his N/A driver's license, or his N/A as identification.



(Signature)

SHERYL M. MCCULLOUGH

(Printed Name)

NOTARY PUBLIC, STATE OF FL


07/25/14

(Commission Expiration Date)

EE011293

(Serial Number, if Any)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC-STATE OF FLORIDA
 Sheryl M. McCullough
Commission # EE011293
Expires: JULY 25, 2014
BONDING CO. OF ATLANTIC BONDING CO., INC.