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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In Re: Nuclear Cost Recovery )  
Clause )  
claim of confidentiality )

Docket No. 120009-EI  
Filed: August 6, 2012

notice of intent  
 request for confidential  
filed by OPC

**PROGRESS ENERGY FLORIDA'S EIGHTH REQUEST FOR  
CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS  
OF PROGRESS ENERGY FLORIDA, INC.'S PREHEARING STATEMENT**

For DN 05352-12, which  
is in locked storage. You must be  
authorized to view this document.

Progress Energy Florida, Inc. ("PEF" or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code, files this Request for Confidential Classification regarding portions of PEF's Prehearing Statement. PEF's Prehearing Statement contains confidential and proprietary capital cost contractual information and numbers, the disclosure of which would impair PEF's ability to contract for necessary goods and services, as well as other information the disclosure of which would harm the Company's competitive business interests. The information in the Prehearing Statement meets the definition of proprietary confidential business information per section 366.093(3), Florida Statutes. The unredacted Prehearing Statement is being filed under seal with the Commission on a confidential basis to keep the competitive business information in the Document confidential.

**BASIS FOR CONFIDENTIAL CLASSIFICATION**

Section 366.093(1), Florida Statutes, provides that "any records received by the Commission which are shown and found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records

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Act]." § 366.093(1), Fla. Stat. Proprietary confidential business information means information that is (i) intended to be and is treated as private confidential information by the Company, (ii) because disclosure of the information would cause harm, (iii) either to the Company's customers or the Company's business operation, and (iv) the information has not been voluntarily disclosed

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to the public. § 366.093(3), Fla. Stat. Specifically, “information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms” is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stat. Additionally, section 366.093(3)(e) defines “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information,” as proprietary confidential business information.

Portions of the aforementioned Prehearing Statement should be afforded confidential classification for the reasons set forth in the Affidavit of John Elnitsky filed in support of PEF’s Request for Confidential Classification, and for the following reasons.

The Prehearing Statement contains sensitive proprietary and confidential information, including capital cost information, related to and derived from contractual agreements necessary to complete the Levy Nuclear Project (“LNP”). Specifically, the Prehearing Statement contains information related to the actual, estimated, and projected capital costs of the LNP. PEF considers this information to be highly confidential and proprietary in nature, and continues to take steps to protect against its public disclosure, including limiting the personnel who have access to this information. Affidavit of Elnitsky, ¶ 4. Public release of this information would harm the Company’s ability to contract for necessary goods and services by signaling to the parties with whom PEF attempts to contract that the Company will not be able to maintain the confidentiality of the parties’ contractual agreements, and in many instances, the disclosure of this information would violate contractual confidentiality provisions. See id. at ¶ 4. .

Further, the Company has established and follows strict procedures to maintain the confidentiality of the terms of all of the confidential documents and information at issue,

including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Elnitsky, ¶ 5.

At no time has the Company publicly disclosed the confidential information at issue; PEF has treated and continues to treat the information at issue as confidential. See Affidavit of Elnitsky, ¶ 5.

PEF requests this information be granted confidential treatment by the Commission.

### **Conclusion**

The competitive, confidential information at issue in this Request fits the statutory definition of proprietary confidential business information under Section 366.093, Florida Statutes, and Rule 25-22.006, F.A.C., and therefore that information should be afforded confidential classification. In support of this motion, PEF has enclosed the following:

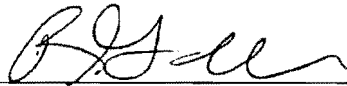
(1) A separate, sealed envelope containing one copy of the confidential Appendix A to PEF's Request for which PEF intends to request confidential classification with the appropriate section, pages, or lines containing the confidential information highlighted. **This information should be accorded confidential treatment pending a decision on PEF's Request by the Commission;**

(2) Two copies of the documents with the information for which PEF intends to request confidential classification redacted by section, pages, or lines where appropriate as Appendix B; and,

(3) A justification matrix of the confidential information contained in Appendix A supporting PEF's Request, as Appendix C.

WHEREFORE, PEF respectfully requests that the redacted portions of the Prehearing Statement be classified as confidential for the reasons set forth above.

Respectfully submitted,

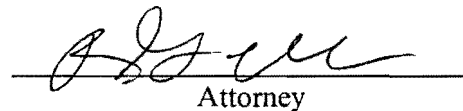


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**CERTIFICATE OF SERVICE**

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 6<sup>th</sup> day of August, 2012.



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**PROGRESS ENERGY FLORIDA**  
**In re: Nuclear Cost Recovery Clause**  
**Docket 120009-EI**  
**Eighth Request for Confidential Classification**

Exhibit B

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specifically Schedules T-1 through T-7B, in support of PEF's actual costs for 2011. In addition, PEF filed testimony regarding the LNP costs and the Company's project management policies and procedures. PEF then filed, on April 30, 2012, a petition, additional testimony, and NFR schedules AE-1 through AE-7B and P-1 through P-8 and Appendices, for years 2012 and 2013, respectively, in support of PEF's actual/estimated and projected costs, and schedules TOR-1 through TOR-7, which reflect total project estimated costs.

PEF developed and utilized prudent project management policies and procedures to carry out the LNP. These procedures are designed to ensure timely and cost-effective completion of the project. PEF also developed and utilized prudent accounting and cost oversight controls. Pursuant to these policies, PEF developed its actual 2011 costs and 2012 and 2013 cost estimates based on the best information available to the Company. PEF requests that the Commission find that its project management, contracting, accounting and cost oversight controls for 2011 were prudent.

PEF reasonably and prudently incurred capital preconstruction, construction carrying costs, and CCRC recoverable O&M expenses for the LNP in the amount of [REDACTED] for 2011. The prudence of all costs incurred in 2011 is supported by PEF's testimony and exhibits filed in this proceeding. Accordingly, PEF requests that the Commission approve the prudence of these actual 2011 costs.

PEF has also reasonably estimated and projected its capital preconstruction and construction LNP costs for 2012 and 2013. The actual/estimated 2012 and projected 2013 LNP costs reflect the Company's decision regarding extending the partial suspension and shifting the in-service dates for Levy Units 1 and 2 to 2024 and 2025.

Pursuant to Rule 25-6.0423(5)(c)5, F.A.C., PEF demonstrated the long-term feasibility of completing the LNP. The Company employed a two-step process to determine if the LNP is feasible. First, the Company employed a qualitative analysis of the technical and regulatory capability of completing the plants, the risks, and the costs and benefits of completing the Levy nuclear power plants. The second step was an updated, quantitative CPVRR economic analysis that includes comparisons to the cost-effectiveness CPVRR analysis in the Company's need determination proceeding for the LNP described in Order No. PSC-08-0518-FOF-EI. The updated CPVRR indicates that the LNP is economically viable and has the potential to provide PEF and its customers with fuel and environmental cost savings over the life of the project. The LNP is also feasible from a regulatory and technical perspective. PEF has, therefore, demonstrated the long-term feasibility of completing the LNP.

No Intervenor or Staff witness disputes the prudence of any cost incurred by PEF on the LNP in 2011 or the reasonableness of any actual/estimated cost and projected cost that PEF has incurred or expects to incur on the LNP in 2012 and 2013. Further, no witness filed testimony in this proceeding disputing PEF's analysis of the long-term feasibility of completing the LNP. Finally, no witness filed testimony in this proceeding disputing the prudence of PEF's LNP project management, contracting, accounting, and cost oversight controls for 2011.

and procedures reviewed and previously determined to be prudent by the Commission. (Garrett, O’Cain, Elnitsky).

**Issue 9:** What system and jurisdictional amounts should the Commission approve as PEF’s final 2011 prudently incurred costs and final true-up amounts for the Levy Units 1 & 2 project?

**REDACTED**

**PEF Position:**

Capital Costs (System) [REDACTED]; (Jurisdictional) \$67,092,100.  
O&M Costs (System) \$1,258,687; (Jurisdictional) \$1,154,469.  
Carrying Costs \$48,658,064.

The over-recovery of \$12,649,655 should be included in setting the allowed 2013 NCRC recovery.

The 2011 variance is the sum of over-projection preconstruction costs of \$12,675,090, plus an over-projection of O&M expenses of \$260,104 plus an under-projection of carrying costs of \$285,540. (Garrett, O’Cain).

**Issue 10:** What system and jurisdictional amounts should the Commission approve as reasonably estimated 2012 costs and estimated true-up amounts for PEF’s Levy Units 1 & 2 project?

**REDACTED**

**PEF Position:**

Capital Costs (System) [REDACTED]; (Jurisdictional) \$21,391,932.  
O&M Costs (System) \$1,010,929; (Jurisdictional) \$927,458.  
Carrying Costs \$48,548,055.

The Commission should also approve an estimated 2012 LNP project true-up over-recovery amount of \$13,013,480 to be included in setting the allowed 2013 NCRC recovery.

The 2012 variance is the sum of an over-projection of Preconstruction costs of \$ 12,617,788, plus an over-projection of O&M expenses of \$477,616 plus an under-projection of carrying charges of \$81,924. (Foster, Elnitsky).



**Issue 11:** What system and jurisdictional amounts should the Commission approve as reasonably projected 2013 costs for PEF's Levy Units 1 & 2 project?

**REDACTED**

**PEF Position:**

**Capital Costs (System) [REDACTED]; (Jurisdictional) \$95,888,097.  
O&M Costs (System) \$1,106,148; (Jurisdictional) \$1,025,100.  
Carrying Charges \$22,089,049.**

**For the LNP, an amount necessary to achieve the rates included in Exhibit 5 (\$3.45/1,000kWh on the residential bill) of the Settlement Agreement approved in Order No. PSC-12-104-FOF-EI page 147 should be included in establishing PEF's 2013 CCRC. (Foster, Elnitsky).**

**Crystal River Unit 3 (CR3) Uprate Project.**

**Issue 12:** Should the Commission approve what PEF has submitted as its 2012 annual detailed analyses of the long-term feasibility of completing the Crystal River Unit 3 Uprate project, as provided for in Rule 25-6.0423, F.A.C? If not, what action, if any, should the Commission take?

**PEF Position:**

**Yes, the Commission should approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the CR3 Uprate. With the testimony and exhibits of Mr. Jon Franke, PEF submitted a detailed analysis setting forth the long-term feasibility of completing the CR3 Uprate, consistent with the requirements of Rule 25-6.0423 and the analysis this Commission approved as reasonable in Order No. PSC-11-0095-FOF-EI.**

**First, the Company employed a qualitative analysis of the technical and regulatory capability of completing the EPU, the risks, and the costs and benefits of completing the CR3 Uprate. As part of this analysis, the Company demonstrated that the CR3 Uprate is feasible from a regulatory and technical perspective. The CR3 Uprate is technically feasible. The first two phases of the CR3 Uprate project were successful when all equipment and other modifications were installed in a timely manner with no significant issues. PEF's ongoing technical analysis and reviews confirm that the EPU phase work can be successfully completed and the full power uprate achieved. From a regulatory perspective the CR3 Uprate project is feasible. All licenses and permits for the CR3 Uprate project can be obtained. There**

**PROGRESS ENERGY FLORIDA DOCKET 120009-EI**  
**Eighth Request for Confidential Classification**  
**Confidentiality Justification Matrix**  
**ATTACHMENT C**

<b>DOCUMENT</b>	<b>PAGE/LINE/ COLUMN</b>	<b>JUSTIFICATION</b>
Progress Energy Florida's Prehearing Statement	Page 8, 3 <sup>rd</sup> paragraph, 2 <sup>nd</sup> line, 2 <sup>nd</sup> word from last; Page 16, Issue 9, 1 <sup>st</sup> Position Paragraph, 1 <sup>st</sup> line, fourth word, Issue 10, 1 <sup>st</sup> Position paragraph, 4 <sup>th</sup> word; Page 17, Issue 11, 1 <sup>st</sup> Position paragraph, 1 <sup>st</sup> line, fourth word	<p>§366.093(3)(d), Fla. Stat.  The document in question contains confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>