BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: NUCLEAR POWER PLANT COST RECOVERY CLAUSE

Docket No. 100009-EI

Submitted for Filing: April 30, 2010

NOTICE OF FILING AFFIDAVITS IN SUPPORT OF PEF'S FIFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION

Notice is hereby given, through the undersigned counsel, on behalf of Progress Energy Florida, Inc. ("PEF") of filing the following affidavits in support of Progress Energy Florida's Fifth Request for Confidential Classification:

- 1. Affidavit of Sue Hardison in Support of Progress Energy Florida's Fifth Request for Confidential Classification;
- 2. Affidavit of John Elnitsky in Support of Progress Energy Florida's Fifth Request for Confidential Classification; and
- 3. Affidavit of Jon Franke in Support of Progress Energy Florida's Fifth Request for Confidential Classification.

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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 30^{40} day of April, 2010.

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REFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:

Nuclear Power Plant Cost

Recovery Clause

Docket No. 100009-EI

Submitting for filing: April 30, 2010

AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA'S FIFTH 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 testimony and exhibits thereto of Jeffrey Lyash, John Elnitsky and Thomas G. Foster (NFRs), as well as portions of the testimony of Sue Hardison, Kenneth Karp, and Dr. Patricia D. Galloway (collectively discussed herein as the "Testimony"). 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 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 28 day of April, 2010.

(Signature)

Sue Hardison

General Manager - Corporate Development Group

Business Services

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THE FOREGOING INSTRU	JMENT was sworn to and subs	scribed before me this 28 day
of April, 2010 by Sue Hardison. She	e is personally known to me, or	r has produced her
driver's lic	ense, or her <u>N/F</u>	as identification.
Wate County.	Dawn M Biss	.on
(AFFIX NOTARIAL SEAL)	(Printed Name) NOTARY PUBLIC, S	STATE OF USAN Carolina
DAWN M. BISSON Notary Public, North Carolina Wake County My Commission Expires May 03, 2011	(Commission Expiration Date) (Serial Number, If Any)	

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:

Nuclear Power Plant Cost

Recovery Clause

Docket No. 100009-EI

Submitted for Filing: April 30, 2010

AFFIDAVIT OF JOHN ELNITSKY IN SUPPORT OF PROGRESS ENERGY FLORIDA'S FIFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION

STATE OF FLORIDA

COUNTY OF PINELLAS

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

- 1. My name is John Elnitsky. 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 Vice President of the Nuclear Plant Development ("NPD") department, I am responsible for the licensing and construction of the Levy Nuclear Project ("LNP"), including the direct management of the Engineering, Procurement, and Construction Agreement ("EPC Agreement") with Westinghouse and Shaw, Stone, & Webster (the "Consortium"). The Company reorganized the NPD in May 2009 to focus the NPD on overall program management of the LNP including the associated base load transmission projects. The revised NPD Program Management Team ("PMT") included the nuclear plant licensing, engineering, construction, operational readiness, and base load transmission sections and matrixed support from

representatives of project controls, business and financial services, and contract management and administration.

- 3. PEF is seeking confidential classification of portions of the testimony, and exhibits thereto, of Jeffrey Lyash, John Elnitsky and Thomas G. Foster (NFRs), as well as portions of the testimony of Sue Hardison, Kenneth Karp, and Dr. Patricia D. Galloway (collectively discussed herein as "the Testimony"). 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 include proprietary and confidential information that would impair PEF's competitive business interests if publicly disclosed. The information sought also includes contractual data and trade secrets of the Company and its contract partners, the disclosure of which would impair the Company's ability to contact on favorable terms in the future. In many instances, the disclosure of this information would violate contractual confidentiality provisions.
- 5. The public disclosure of these documents would allow other parties to discover how the Company analyzes risk options, scheduling, and cost, and would impair PEF's ability to contract for such goods and services on competitive and favorable terms. 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

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behavior within the relevant markets.

- 6. Certain portions of this Testimony includes information related to the Company's analysis of different options for proceeding with the LNP, including strategies and reasoning behind the decision to enter into the amendment to the EPC Agreement with the Consortium. This information is considered highly confidential by the Company because it provides valuable insights into the Company's analysis of risk and its overall strategy concerning the LNP. Additionally, the Testimony includes detailed discussions of specific contractual provisions of the EPC Agreement this information is subject to the confidentiality provisions of that agreement and is considered confidential and proprietary by both PEF and the Consortium.
- 7. PEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. Additionally, as discussed above, some of the contracts at issue contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. The information at issue relates to competitively negotiated contractual data, such as quantity and pricing of goods and services, 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.
- 8. Upon receipt of all this 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 que	stion has the Company publicly d	isclosed the information	n or the terms of the contracts at
issue.	e. The Company has treated and continues to treat the information at issue as confidential.		
	9. This concludes my affida	ıvit.	
	Further affiant sayeth not.		
	Dated this 26 day of April, 2	010.	
	As De	evelopment	dent of the Nuclear Plant
	THE FOREGOING INSTRUM	ENT was sworn to and	subscribed before me this 🔏 day
of Ap	ril, 2010 by John Elnitsky. He is j	personally known to me	or has produced his
driver's license, or h		e, or his	as identification.
(AFF)	IX NOTARIAL SEAL)	(Printed Name) (Printed Name) NOTARY PUBL	Eileen M. Clark Commission # DD593488 Expires September 10, 2010 CC, STATE OF S00-335-7018
		(Commission Expiration I	Date)

(Serial Number, If Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:

Nuclear Power Plant Cost

Recovery Clause

Docket No. 100009-EI

Submitted for Filing: April 30, 2010

AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA'S FIFTH 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 Fifth 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 testimony and exhibits thereto of Jeffrey Lyash, John Elnitsky and Thomas G. Foster (including the Nuclear Filing Requirements or "NFRs"), as well as portions of the testimony of Sue Hardison, Kenneth Karp, and Dr. Patricia D. Galloway (collectively discussed herein as the "Testimony"). 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. Specifically, PEF is requesting confidential classification of the Exhibits to Mr. Foster's Testimony, the NFRs, which contain confidential contractual information regarding the purchase of goods and services necessary to complete the CR3 Uprate, the disclosure of which would compromise PEF's competitive business interests.

- 4. Certain portions of these NFRs contain information regarding contractual pricing arrangements between PEF and providers of various equipment and services required for the CR3 Uprate 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, duration, 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. 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 and vendors, the Company's efforts to obtain competitive contracts for the CR3 Uprate would be undermined.
- 5. 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

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information regarding what the Company is willing to pay for necessary services and 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 from public disclosure.

- 6. 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.
 - 7. This concludes my affidavit.

Further affiant sayeth not.

Dated this 28 day of April, 2010.

(Signature)

Jon Franke

Vice President -

Crystal River Nuclear Plant

15760 W. Powerline St.

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Crystal River, Florida 34442

THE FOREGOING INSTRUMEN of April, 2010 by Jon Franke. He is perso	NT was sworn to and subscribed before me this 22 day
driver's license,	
	Cardya Erochman
	(Signature) CAVOLYN E PORTMANN
(AFFIX NOTARIAL SEAL)	(Printed Name) NOTARY PUBLIC, STATE OF 76
CAROLYN E. PORTMANN Commission # DD 937553	(Commission Expiration Date)
Expires March 1, 2014 Bonded Thru Troy Fein Insurence 800-385-7019	(Commission Explication Date)
	(Serial Number, If Any)