

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

*In re: Review of Progress Energy Florida's Project
Management Internal Controls for Nuclear Plant
Update and Construction Projects*

Undocketed Matter

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PROGRESS ENERGY FLORIDA'S REQUEST
CONFIDENTIAL CLASSIFICATION
**SUPPLEMENTAL
EXHIBIT B**

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ECR ___
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RCP ✓
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ADM ___
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DOCUMENT NUMBER-DATE

06893 AUG -6 8

FPSC-COMMISSION CLERK

STAFF AUDITOR WORKPAPERS

DOCUMENT NUMBER-DATE

06893 AUG-68

FPSC-COMMISSION CLERK

Danny Roderick Telecon #2 Topics

June 12, 2008

001

1) NGGM-PM-0018 – page 6: putting names to titles and is Danny both the Sponsor and the Project Manager? Steve Huntington

Steve Huntington

REDACTED

2) Work Breakdown Structure (provided in DR 1-1): shows Project Manager Ted Williams – describe position and role

Williams served as PM for MUR, the Steve was hired

3) Can you elaborate some on the sentence from testimony that “The [sole source] decision was made because AREVA had unique access and experience with the requisite safety analysis for CR3.” (In other words, the AREVA history, involvement, ownership of design, etc at CR3.) What continuing role and contracts for CR3 involve AREVA, separate from the uprate?

CR3 is B&W NSSS – B&W bought by AREVA – owns design specs and proprietary docs and analysis of how it works

4) Price terms of the AREVA Framatome contract – Section 7 - contains indexed rates provision, but no total dollar amount.

NSSS licensing safety analysis and work - [REDACTED]

Some is set to Gen Svc agreement rates escal to index in Gen Svcs agreement,

No closure on feas studies issue. At time of contract.

Gave selves option for fixed price later , or bid out to other, will continue to do this.

Fixed is goal

Watch for loss of \$ on another fixed price contract and try to roll it into another contract

5) Are/were there any specific schedule delays or threats to either project known at this time? (E.g. contract completions for Levy, work lagging by any contractors, regulatory delays anticipated on COLA, SCAs, other) How tight are the schedules?

95% confi w CR3 dates – NRC June 09 submittal is the biggie
Fixed price contrats with paymt milestones help ensure cntrators on target.
Tech issues have not been new design situations – still only B&W with 20% uprate

Levy less fixed schedule we submitted Site Cert to DEP 15 mos, timeline to beat it offered by Mike Calpine

July end NRC COLA, meet with NRC staff to understand process, timing

Keep staff in Wash/NRC office to keep updated

Filed Harris COLA in Feb – gets headstart since some is generic

No EPC contract, working some key issues. May be August

Construction – mtgs no obstacles seen.

Detailed consrtc schedule, 3d model

6) Current status of CR3 Phase II and III detailed project schedules.

Level 5 for 2009 outage 5-6000 activities, 300 wbs items

Bottoms up estimate validated costs estimates that are in filing

Level 2 or 3 for 2011

7) Clarification of project status/challenge meetings: name of meeting, participants, purpose/subject matter, regular reports prepared for it, frequency.

CR3

1 All proj daily proj status – his mgrs and their dir reports review deadlines

2 Weekly calls with all off-site vendrs – schedule, costs “issues and restraints”

3 Monthly NP&C mgt review (all his stuff CR3 Levy) cost, manpower, issues, look for trends

4 Qtrly Sr Mgt oversight to Raleigh Sr VPs changes, status, risk matrix items in red or yellow status.

5 Qtrly exec mtgs with major contractors --their Sr. Mgt – interfaces btwn then and PEF

6 CR3 plant staff meetings = weekly interface mtg. Site VP Cr3 , operns mgt

7 Nuclear Safety Review Committee – headed by PES, includes CNO and Robinson/Harris folks, outside consultants - oversight meeting qtrly for safety

Levy

1 Monthly mtg w Sr Mgt – EPC contract,

2 weekly call with Bill Johnson CEO Progress

3 Levy Integ Nuc Committee – headed Lyash/Roderick - Financing mtgs, jt ownership, regulatory, legal political, public issues etc.

8) CH2MHill adverse audit – how did you view that? What does it mean to you? How would that pertain more to the Harris work than Levy?

Documentation is a very big deal to us and nuclear industry as whole

They did early work at Levy, we stopped it till resolved. Involved Sr Mgt including G Miller
Problem not impacting Levy. Asked why not found earlier. Added oversight for good measure.
NRC no findings

9) Succession planning – D. Roderick is key to both projects, is there a succession plan?

Plan in place- candidates ID d for Danny and all mgrs. Helps in employee dvlpmt

10) LEVY and CR3: Cost/Schedule reports and systems – currently light on info.

Primavera is a key scheduling tool. The industry standard?

IT is the standard for construction scheduling.

We use Project View daily online proj mgt tool, it will integ with Passport, but Primavera will not.

But Primavera used so widely that they have to use it, wking to interface Prim with Passport – will either go to Prim or use relational DBs to access it. This is in the works.

Levy interfaces developed from get-go in Prima

What systems/dbases are involved, when developed? Any new ones planned?

Cost reporting – What tools? Are they driven by/tied to GL system? Separate?

Done out if fin tools within the co. – retooling on cost perf indicators - SBI can do

In lg projects need costs perf indicator - need to make sure not overspdng – Interface is in progress now – to be developed by EOY. Eg: hrly time reports will be entered daily for tracking – somewhat manual now (excell feeds into their actg)

11) I have some heavily-redacted CR3 Monthly Business Reviews and Monthly Status reports, but none later than December 31, 2007. These also barely show one line or maybe two due to the redactions. Are there any other cost reports? Perhaps showing total expenditures to date and budget variance for same?

Monthly cost report for CR3 proj and steam generator

Project status report – safty, schedul perfrom, cost perform.

PEF Financial Comm Monthly Bus Reviews

12) On CR3 were there any "reservation payments" or deposits for manufacturer capacity or other purposes? Were there any for Levy, exclusive of EPC area?

Turbines 3 Long Lead items – steel going up and order needed to be place in time

[REDACTED]

[REDACTED]

[REDACTED]

REDACTED

13) Contractor involvement in meetings, steering committees? (CR3 or Levy) Current written status reports by contractors? (I see JVT doing monthlies on COLA and SCA, and some from Shaw – any others currently? or planned?)

Reg mtgs with vndr on problems

14) Aside from the Approved Supplier List, does PEF or Progress Corp maintain a vendor report card or vendor rating system? Does it combine all PEF and PEC experience with the vendor/contractor?

Contractors Rated monthly

Progress has a DB that warns about issues and problems outstanding

15) Which NGGM or other procedure updates the BAP process and defines the IPP process?

In transition in '08

16) Which NGGM or other procedures govern the competitive bidding process?

MCP NGGC 0001

Corpor policy

17) PEF has the option of applying to the NRC for a Levy early site permit, correct? How does this differ from an LWA? Or does the ESP trigger the granting of LWA? If ESP pursued, site prep work would begin when and safety related work would begin when?

- LWA will allow to dig a hole (bathtub of hole) and concrete to finish tub but no permits (environmental) so state has to agree environmentally so you have to have both - asking for so can dig hole in 2010
 - ESP At waterfront may get auth next yr
 -
 - ESP is granted by NRC after DEP is in agreement
 -
-

18) Transmission corridor status brief recap – selection of routes, land acquisition. Both projects

REDACTED

19) Schedule difference/separation between Levy 1 and Levy 2 work. (We discussed briefly at site.) Levy 2 completion date.

Testimony covers – flow of people and equipment, then could demobilize for next stage – 12-18 month window prevents demob

L2 end 2017 COD

L1 mid 2016

Saves 2 bill if built sep

20) *The Evaluation of COLA Preparers* report (date?) speaks to S&L as its top choice - and not the JVT (S&L, CH2MHill, and Worley-Parsons). How did the other two consultants get added and did this PEF evaluation include them? If not, did a later one?

S&L first wide skillset, CH2MHill is lg environmental, W-P is A/E
Got specialists

21) Acreage price comparables for Rayonier and Lybass.

Realty compared prices Lybass was holding on to [redacted] so we decided couldn't get mkt value, so did the Rayonier property which had shallower rock when they drilled, so lower construct cost, less digging. Got price comparable at Rayonier. [redacted]

22) What % complete is COLA (reported in monthlies from JVT but I don't have recent one.

97% now issued in 3 wks.

23) Does Project Plan exist for Levy Construction? (There is a 1 page Integrated Master Plan as App C to the 4/08 BAP) Also I have seen reference to an integrated plan completed and submitted by Westinghouse being under review by PEF – status/process of this.

Project Plan -- the IPP will do this for us, need NEED approval
2700 wbs items now and end of yr

24) Transmission land/ROW acquisition schedule –currently underway? to be done once COLA submitted? (I believe I read the latter somewhere.)

25) Project Assurance Plan

LINC documents =-Maritza doesn't think they are in it.

Corporate auditors provide indep scrut for procedure adherence.

Not the ASD

Under bob bazemore

26) Primary Levy contractor evaluation/oversight by Nuclear Plant Development/Project Controls? What other organizations? Is there a Nuclear Assessment Section equivalent?

QA over Levy reporting to danny

27) Contract for Owners Engineer – when to be awarded, what are duties?

Owners engineer for admin bldg

REDACTED

28) BAP revisions for COLA amount – In 2007 BAP the [REDACTED] million revised to [REDACTED] (p.7), then the 2008 BAP shows [REDACTED] million. (p. 10) But page 8 of 2008 BAP describes additional COLA work and authorization needed.

Orig NPD BAP was both FL and NC – the [REDACTED] is
In 2007 wking on [REDACTED] for both
In 2008 added LOI pmts

29) Golder and Power Engineers sole sourcing – was the original work in each instance performed under sole sourced or competitively bid contracts? Were the prices consistent in each case with the existing master contracts?

30) Golder appears to be [REDACTED] correct? Power Engineering is [REDACTED]

31) JVT contracts – all used Target price structure. Recap briefly to check my understanding (10% base charge = profit, this is subject to loss at beyond 105% of Target)

[REDACTED]
[REDACTED]

FIRM -- 100 yd concrete at \$50 /yd so we agree on Handy Whitman index from that

FIXED – reactor vsl for \$ XXX flat amt period no escal. Unless scope change

Target shared risk/reward

DELAY – delay of heaving forging

- need rejected cancel LOI and 1 yr passes, line would be 6 yrs also based on other utils
getting delivery date

FOLLOWUP INTERVIEW - PES Group

6/5/08

Bob Steele reports to Fulford and he reports to Scirola (Bobs assessment reports go to him)

Richard Watson PES

Steve Barkofski NAS

Most utils have one combined QA: Corporate/Site

We have one at Site reporting to Site VP

We have another that looks at Corporate

Also oversight of the oversight NAS (Dixon)

PE in process of reorganizing all QA groups into one group in late 2008/early 2009 (?)

Same functions but no separate assessment of NAS by Progress

Instead will use Outside group: QA folks from other utils, NIAP (association of nuke utils)

Provides better independence

New org - oversight no longer Dixon to Dale Young in new org, she would report to the Nuclear Oversight VP - Corp who reports to CNO Scirola.

**Bureau of Performance Analysis Work Plan
Progress Energy
Nuclear Uprate and New Construction
Project Controls Review**

Crystal River 3 Uprate Project

Task	Subtask	Audit Notes	Observation
2.1 Project Planning			
How did the company identify the scope of work?	Internal definition of project	Defined targeted operating parameters, developed basic costs assumptions, schedule estimates. Presented in BAP in 2006 for basic approval	Appropriate assessment of risks, costs, benefits
	Detailed feasibility study by AREVA	May 2007 presented to PEF mgt. Identified components for replacement, set basic timetable for 2009 and 2011 refueling outages.	
What regulatory approvals are required for completion of the project?	NRC	License Amendment Request approval required to change authorized limits of operation. Revised two phases became three, but only phase one and three required NRC approval.	Appropriate planning and accomodation of schedule in obtaining regulatory approvals.
	Fla DEP	Provides Site Certification approval for 75MW up additions. Coordinates local, county, etc approvals, examines environ impacts. Must also operate within existing constraints – eg cooling water temps.	
	FPSC	Need Determination approval	
Has the company developed a project plan to meet the desired project completion dates?	Planning phasing of work	Original two phases expanded to three since MUR done in 2007 separately. 2009 work is mostly planning for 2011 major installations. In between years still require continuous planning work.	Appropriate for lead item planning and maintaining planned completion dates.
	Contractor negotiation/lead items	Lead items such as turbine required early selection and contracting. Siemens gave	

		favorable terms, fixed price from early action. This also reduces risk of industry congestion	
Was the company's risk evaluation for the uprate project reasonable?	Consideration of industry/co. experience.	NC uprates not directly comparable (smaller) but industry experience examined through INPO information.	Reasonable – identified range of risks and mitigation strategies. Effort must continue throughout project.
	Process for risk evaluation	Business Assessment Package development included risk identification and assessment. Original BAP in 2006, then revised in 2007 and 2008, with Sr Exec Mgt approval each time. Specific risks examined: cost escalation, delays in key lead items, industry congestion, NRC backlog/delays, reduced fuel savings due to drops in natural gas, coal prices. Most of these addressed by forming central project mgt organization for close control of project. Also contracts pursued to prevent lead item delays and places in manufacturing queues. Cost controls sought through contract structures, risk sharing. Plant site logistics seen as a potential risk. Impact of cooling water on CR2 also a concern, to be addressed through cooling tower study.	
2.2 Project Management and Organization			
Has the company established an appropriate Project Management organization for the uprate project?	Development of Project Management Organization	Created dedicated org to avoid disruption to CR3 operations and give full attention. VP Nuclear Project and Construction is head, long history with CR3. Key mgrs are PM Power Uprate, Project Controls Mgr, Mgr Project Support. Also Nuclear Assessment Section superintendent. Staff will number 140 with 90 on site now.	Structure appropriate, management capable. This group will be key to success.
Has the company established appropriate oversight and accountability over project management?	Sr Mgt Reporting	Meetings held quarterly with Sr Mgt, Financial Committee, Safety Committee (above VP Projects and Construction) . Also weekly, daily meetings with project team	Communications planned are appropriate, too early for assessment of actual use.
	Continuous Examination of Project Viability	Provided by IPP process – reviews called for at key milestone points – each constitutes	

		reauthorization of project.	
2.3 Cost and Schedule Monitoring Controls			
Has the company developed adequate controls for monitoring the uprate schedule and costs?	Project Controls Group	Unit is responsible for checking progress, comparing costs to budget. Schedule tracking tools in place, cost control tools in development	Still early, difficult to assess since only MUR work done.
	Work planning/ Scheduling	Work Breakdown Structure under development, cost reports being produced. Still very early but Dec 2007 status reports show on target.	
2.4 Contractor Selection and Contractor Management			
Has the company reasonably selected uprate contractors and vendors?	Selection methods and procedures	Both sole and competitive bidding selection can be used. Sole source use must be justified by contract originator and approved by level for that dollar amount. Many cases require the use of OEM or designer due to their familiarity and expertise with plant. Largest contract with Siemens was competitively bid. Two with Areva were not due to their owning original safety analysis and design.	Appropriate, considering OEM issue. Internal procedures followed with justification and approvals.
	Recap major contractors	Siemens larged by far - [REDACTED] for turbines and installation. Areva - 3 contracts, one bid and two sole source. Thermal Engineering - MSRs - competitively bid. Yuba - feedwater heater - bid. NuFlo MUR flow meter - sole source master contract. Atlantic MUR labor - sole source master contract.	
Has the company established reasonable project controls for contractor management and evaluation?	Project Team - direct (management)	Direct responsibility for day to day oversight and management of contractor work and quality belongs to Uprate Project Manager. VP expressed specific intentions to stay on top of contractors	Proactive effort required to demand accountability from contractors. Still very early to assess this.
	QA/Audit - indirect (evaluation)	QA and audit function provides indirect evaluation effort including review of contractor operations, manufacturing and onsite quality.	

Has the company established appropriate controls to prevent contractor cost overruns and poor performance?	Contract structure and provisions	Risk sharing in contract structure is goal, either through fixed price, penalty provisions, incentives.	Contracts reflect efforts to gain risk sharing.
	Review of contracts	Provisions are present either standard damages, breach, cancellation clauses or specific performance penalties (or incentives).	

2.5 Auditing and Quality Assurance

Has the company established appropriate auditing and quality assurance controls for the uprate project?	Audit/QA structure	Corporate Audit Services, Nuclear Assessment Section, Performance Evaluation Section, and Project Assurance Group provide multiple levels of independent audit review. Restructuring planned but not complete to combine NAS and PES.	Appropriate coverage. Still very early, little to audit. Increased number of audits needed over time.
	Audits / QA assessments planned or completed	Already completed 12/07 audit, most findings minor but late 2008 reaudit planned to followup. PES performs review of NAS in 2009. NAS will provide continuing vendor reviews and QA program assessments.	

Levy Units Construction Project

Task	Subtask	Audit Notes	Observation
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3.1 Project Planning

Were the company site selection and land purchase decisions reasonable?	Process of making site selection	EPRI siting guide used, detailed study prepared comparing more than 20 sites, considering proximity to load and existing facilities.	Appropriate, in keeping with good business practices
	Thoroughness and adequacy of issues/risks addressed REDACTED	Sites were evaluated according to technical factors, strategic factors, and transmission factors. Five top candidates were identified, then scored. [REDACTED] Levy, [REDACTED] and existing CR plant sites were finalists. Hydrology and geology favored Levy and CR sites, which had best stone support and could use sea rather than river water. Levy site higher above sea level. Concentration of generating assets	

		<p>avored Levy also.</p> <p>Anonymous inquiries by realtor lead to offers from two parcels owners (Lybass and Rayonier). Further negotiations led to reasonable Rayonier offer and eventually Lybass reduction in asking price. PEF had to buy all of the latter or none at all. Condemnation was an option but seen as costly in terms of legal and public relations costs. Site size allows future options for additional generating plants of nuclear or other fuel.</p>	
Was the company technical design selection reasonable?	Industry organizations for exploring design options	PEF participated in APOG (2005) and Nustart (2004) which explored how the US nuclear industry could combine resources to use new NRC COLA process to save time and costs.	Reasonable approach that should allow completion by 2016 to meet projected demand.
	Final selection and design option studies	PE issued RFPs in 2005 to GE, Westinghouse and Areva. Early 2006 selected AP100 (Westinghouse) as preliminary choice. Advantages were NRC design certification achieved, viable completion by 2016, cost reduction, risk reduction. Decision confirmed by Baseload Steering Committee - sr managers, corporate exec mgt. GE's ABWR also studied closely in 2007 but AP1000 remained top choice.	
Was the company approach to negotiating and selecting the EPC provider reasonable?	Decision process for using SS&W / Westinghouse team	<p>Since AP1000 was offered as an EPC combined package of SS&W/Westinghouse, PEF could have signed a contract early on, but continued to weigh option of separate constructor. Some early observations of this team could be done through plants underway in China. PEF opted to continue to negotiate and sign LOI which</p> <p>REDACTED</p> <p>REDACTED</p> <p>REDACTED</p> <p>REDACTED</p>	Reasonable approach, strategically favorable

		[REDACTED]	
Has the company appropriately scheduled required regulatory approvals for the project?	NRC	COL application must be prepared for NRC approval. Generic portions accomplished through Nustart, and Levy-specific portions contracted to Joint Venture Team (Worley Parsons, CH2M Hill and Sargent & Lundy) COLA expected to be complete in mid 2008 and safety related work could start 2012. Work under LWA could start 2010.	Appropriately proceeding on timeline that should accommodate planned completion dates.
	Florida DEP	It Venture Team also working on Site Certification Application for DEP submittal. To be completed in mid 2008 also. Schedule is 15 months but DEP hopes to be quicker.	
	FPSC	Need Determination hearing and approval required.	
Has the company developed a project plan to meet established project completion dates?	Basic regulatory and construction timetable	Mid 2008 COLA submittal, early 2012 NRC approval, construction and testing period of 48 months should allow completion of Unit 1 by end of 2016. Optimal Unit 2 lag is 18 to 24 months to avoid time loss in deploying resources twice – allows shift to Unit 2 instead of expensive stop & restart. Modular construction processes make shorter build time	Reasonable at this early stage.
	Contracting and other preconstruction prep	Long lead items are major determinant for total schedule. [REDACTED] and possible 3Q 2008 contract signing. PEF is positioned ahead of some other utilities pursuing AP1000.	
Did the company reasonably examine potential project risks?	Identification and addressing specific major risks	BAP process for approval of major capital projects includes identification of risks and development of mitigation strategies. 1) First BAP (addressing just COLA phase) in 2006 addressed construction cost escalation, fuel cost escalation, contractor nonperformance and carbon tax legislation risks. Recommended, revisiting analysis at key decision points.	Reasonable risk identification and mitigation strategy development. Risk analysis must continue.

		2) Second BAP 2007 revised COLA submission date and costs. Examined construction cost, fuel cost, and environmental cost risks under different scenario assumptions. Still recommended reevaluation at key points. 3) 2008 BAP addressed interest rate escalation, component cost escalation, construction cost escalation, contractor non-performance, and labor shortage risks. Recommended going beyond COLA phase, and re-evaluation at key decision points.	
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3.2 Project Management and Organization

Has the company established an appropriate Project Management organization for the new project?	Development of Project Management Org	Nuclear Project and Construction's VP is Levy project sponsor. New Project Development has key responsibilities for licensing, plant engineering, project controls and QA.. Current focus us COLA, will shift eventually to actual construction. Staffing and procedure prep are underway.	Appropriately structured and managed at this early point. This group will be a key to success.
Has the company established appropriate oversight and accountability over project management?	Sr. Mgt Reporting	Meetings (qtrly/monthly) allow VP-NP&C to keep PEF CEO, CNO, Finance Committee and other senior mgt informed. Quarterly updates under IPP also allow senior management to re-authorize project or suspend if needed.	Planned communications are appropriate, too early to assess actual use.
	Continuous Examination of Project Viability	IPP provides for this. Periodic re-evaluation of project viability was recommended in all three revisions of BAP to date.	

3.3 Cost and Schedule Monitoring Controls

Has the company developed adequate controls for monitoring the uprate schedule and costs?	Project Controls Group	Group is charged with tracking costs and schedules and related problems as they emerge. Specific reporting tools, reports, etc under development. Current reporting of progress is focused on COLA work. NPD provides monthly Performance Report.	Cost and schedule controls in development. Limited results to assess at this stage.
	Work Planning/Scheduling	Preliminary integrated project schedule by Westinghouse being reviewed. WBS in	

		development.	
3.4 Contractor Selection and Management			
Has the company reasonably selected contractors and vendors?	Selection methods and procedures	Both sole and competitive bidding selection can be used. Sole source use must be justified by contract originator and approved by level for that dollar amount. Several contracts are tied to plant design selection itself – AP1000 necessarily involves Westinghouse and likely SS&W. This selection is qualitative and not appropriate for low bid selection.	Procedures followed, within reasonable business practices.
	Recap Major Contractors CONFIDENTIAL	2 Westinghouse and 4 SS&W contracts sole sourced. [REDACTED] [REDACTED]. 2 Joint Venture Team contracts were bid out for COLA and SCA work. 2 transmission contracts for Golder and Power Engineers were sole sourced due to prior related work already completed under master contracts.	
Has the company established reasonable project controls for contractor management and evaluation?	Project Team –direct (management)	Day to day management and oversight of contractor work is duty of Gen Mgr of Nuclear Plant Development. Project Controls Group reports to him on cost and schedule progress.	Approach appears appropriate. Proactive role is needed to demand accountability from contractors. Still very early to assess this.
	QA/Audit – indirect (evaluation)	QA Program Leader oversees effectiveness of vendor and PEF QA programs. Audit Services and PES also evaluate contractor performance.	
Has the company established appropriate controls to prevent contractor cost overruns and poor performance?	Contract Structure and Provisions	Risk sharing in contracts is goal, either through fixed price, target price, penalty or incentive provisions.	Contracts reflect efforts to gain risk sharing.
	Review of contracts	Provisions are present – standard damages, breach, dismissal, cancellation clauses. Also specific incentives, penalties addressed.	

3.5 Auditing and Quality Assurance

Has the company established appropriate auditing and quality assurance controls for the project?	Audit /QA Function Structure	Corporate Audit Services, NAS, PES and Project Assurance Group provide multiple levels of independent audit review.	Appropriate coverage. Still early, little to audit.
	Audits & QA Assessments Planned or Completed	Audits completed to date of Jt Venture Team (CH2M Hill and Sargent & Lundy) have already made findings of improvements needed in the COLA preparation processes. Planned audit of Levy project management will address cost mgt, project mgt and adherence to authorization procedures. Project Assurance will document decision making processes and ensure procedural adherence. Another 2008 review by PES will evaluate NPD.	Increased number of audits needed over time.

**Bureau of Performance Analysis
Document Summary and Control Log**

Company: Progress
Area: Nuclear Uprate Review
Auditor(s): Vinson/Fisher

Workload Control #:
File Name: I: /// PEF DR1 Summary & Log.doc

Document #: DR-1.1
Date Requested: 3/11 for 3/21
Date Received: 3/18/2008
Comments: (i.e., Confidential)

CONFIDENTIAL

Document Title and Purpose of Review:

- a. Please provide current copies of all project planning documents for the CR3 uprate project.
- b. Please list and describe the planning and design documents and/or systems used to support, develop and maintain the project plan for the CR3 uprate project.

Summary of Contents:

- ✓ Adm - SUB - 00080
- 1a. Major Capital Products - Integrated Project Plan (Revised 01/2008)
 - Crystal River Unit 3 - Power Uprate Project Phase 1: Project Plan (Revised 10/03/2007)
 - Crystal River Unit 3 - Extended Power Uprate: Project Plan (Revised 8/17/2007)
 - Crystal River Unit 3 - Extended Power Uprate Project: Additional Cooling Capacity for the Discharge Canal: Project Plan (Revised 11/07/2007)
 - Appendix A: Work Breakdown Structure (with dictionary) for EPU Project
 - Appendix B: EPU Project Organization Structure
 - Appendix C: EPU Project - Level I Schedule
 - Appendix D: Extended Power Uprate - Project Charter
 - Appendix E: EPU Project Communication Plan
 - Appendix F: EPU Risk Management Plan
 - Appendix G: Action Item Management Guide for EPU Project Personnel
 - Appendix H: Areva NP Document 51-9043794-000
 - 1b. Design Document describing Engineering Change 65627 (Additional documents provided in response to item 6)
 - INPO - Large Project Implementation Strategies (Revised January 2005)

Conclusions:

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

<p>Document #: DR-1.2 Date Requested: 3/11 for 3/21 Date Received: 3/21/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: a. Please provide current copies of all project management documents for the CR3 uprate project. b. Please list and describe the project management documents and/or systems used to track work completion and schedule status for the CR3 uprate project.</p> <p>Summary of Contents: 2a. Policies and Procedures: NGG Program Manual - NGGM-PM-0018 (Project Management) Project Management Body of Knowledge (non-PEF 'textbook' of sorts on project management), third edition 2b. EPU Work Breakdown Structure – Task list for project with response personnel, and percent complete tracking capability. MUR/NIT Interface Schedule – Dated 12/24/2007 16R Outage Milestones – Dated 3/31/2008</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.3.a Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide current copies of all contractor evaluation and quality assurance documents for the CR3 uprate project.</p> <p>Summary of Contents: - CR3 Extended Power Uprate, Secondary Systems Upgrade Bid Proposal Technical Evaluation. - Crystal River Unit 3 Extended Power Uprate Project, Turbine Generator Retrofit Proposal Evaluation. - CR3 Engineering Services for Secondary Systems Upgrade; Request for Proposal No. KS12007</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.3.b Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please list and describe the contractor evaluation and quality assurance documents and/or systems used to assess contract compliance, work completion and quality assurance for the CR3 uprate projects</p> <p>Summary of Contents: Company provided an Approved Supplier List containing: - Vendor Name - Qualifications and technical analysis for each vendor - Vendor safety review</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

<p>Document #: DR-1.4.a Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide an organizational chart of the organizations and work units responsible for completing the CR3 nuclear upgrade projects.</p> <p>Summary of Contents: Company provided the following Organizational Charts: - Power Level Upgrade - Nuclear Projects and Construction (as of 2/1/2008) - Project Controls - Project Support Services - Nuclear Assessment Section – Matrix - Nuclear Plant Development & License Renewal - Nuclear Projects and Construction Organization</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.4.b Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide a description of the primary responsibilities for each group involved in the project's completion.</p> <p>Summary of Contents: Company provided a duty and job description for only a few of the positions in the organization charts listed in 4a.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.4.c Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide the number of employees in each group.</p> <p>Summary of Contents: NPC Labor Allocation of 136 (Chart provided)</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

<p>Document #: DR-1.5 Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide copies of the purchasing, bidding, and contracting procedures applicable to the CR3 uprate project</p> <p>Summary of Contents:</p> <ul style="list-style-type: none"> - NGG Program Manual, NGGM-PM-0020, Revision 5, Vendor Quality Program for Critical Non-safety Equipment - Nuclear Generation Group Standard Procedures <ul style="list-style-type: none"> - MCP-NGGC-001, NGG Contract Initiation, Development and Administration (revision 11) - MCP-NGGC-0401, Material Acquisition (Procurement, Receiving, and Shipping) <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.6 Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide copies of any project management procedures applicable to the CR3 uprate project.</p> <p>Summary of Contents:</p> <ul style="list-style-type: none"> - Economic Evaluation Methodology, Regulated Business Units Only, ACT-SUBS-00263 - Nuclear Generation Group, Standard Procedures <ul style="list-style-type: none"> - ADM-NGGC-0102, Project Review and Authorization and Long Range Planning (revision 5) - ADM-NGGC-0104, Work Management Process (revision 30) - ADM-NGGC-0110, Oversight of Contractors, Shared Resources, Vendors and Technical Representatives (Supplemental Personnel) (revision 3) - EGR-NGGC-0004, Outsource Engineering Services (revision 9) - EGR-NGGC-0005, Engineering Change (revision 27) - EGR-NGGC-0011, Engineering Product Quality (revision 11) - EGR-NGGC-0017, Preparation and Control of Design Analysis and Calculations (revision 5) - EGR-NGGC-0020, Preparation and Control of Specifications (revision 2) - ACT-SUBS-00335, Progress Energy Project Governance Policy (Rev 4, 03/08) - ACT-SUBS-00261, Project Evaluation and Authorization Process - NGG Document Hierarchy, NGGM-PM-0017, (revision 7) <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

<p>Document # DR-1.7.a Date Requested: 3/11 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL Includes both Redacted and Un-redacted copies</p>	<p>Document Title and Purpose of Review: Please list and describe all reporting mechanisms used to provide project status reports and updates to company management, corporate Board of Directors and joint owners.</p> <p>Summary of Contents:</p> <ul style="list-style-type: none"> - Phase Project Authorization Form - CR3 Up-rate Financial View - CR3 Power Uprate: Business Analysis Package - Corporate Capital Committee, Monthly Report <ul style="list-style-type: none"> - March 19, 2007 (redacted) - April 30, 2007 (redacted) - June 30, 2007 (redacted) - August 31, 2007 (redacted) - Financial Plan Overview 2008 – 2012 (redacted) - Monthly Business Review, December 19, 2007: Financial Update (redacted) - PEF Capital Update, MBR December 2007 (redacted) - PEF Capital Oversight Committee, Monthly Status Reports <ul style="list-style-type: none"> - January 16, 2007 (redacted) - March 15, 2007 (redacted) - May 15, 2007 (redacted) - July 17, 2007 (redacted) - August 22, 2007 (redacted) - September 24, 2007 (redacted) - Corporate Capital Report <ul style="list-style-type: none"> - June 2007 (redacted) - July 2007 (redacted) - August 2007 (redacted) - Audit of Crystal River 3 Extended Power Uprate Project, Detailed Audit Report and Action Plans <ul style="list-style-type: none"> - Un-redacted Version - Redacted Version <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.7.b Date Requested: 3/10 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide copies of all Board of Directors meeting minutes that pertain to the CR3 uprate projects.</p> <p>Summary of Contents: Minutes of Meeting of the Board of Directors</p> <ul style="list-style-type: none"> - March 26, 2007 - June 25, 2007 - August 27, 2007 - November 26, 2007 - November 27, 2007 <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

Document # DR-1.8.a Date Requested: 3/10 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Provide a list of all internal or external audits of purchasing or competitive bidding for nuclear unit contracts and components conducted over the period 2005-2007
	Summary of Contents: Provided in response to item 7a, though heavily redacted.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-1.8.b Date Requested: 3/10 for 3/21 Date Received: 3/21/08 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Provide a list of all such audits planned for the period 2008-2010.
	Summary of Contents: Specific Audit plans are for only one year. Future audit scope and plans will be updated as the plans are developed.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:

Division of Competitive Markets and Enforcement
Bureau of Performance Analysis

**Bureau of Performance Analysis
Document Summary and Control Log**

Company: Progress
Area: Nuclear Uprate Review
Auditor(s): Vinson/Fisher

Workload Control #:
File Name: I: /// PEF DR2 Summary & Log.doc

Document #: DR-2.1
Date Requested: 3/13 for 3/24
Date Received: 3/26
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

VOLUME 1

- Progress Energy Crystal River Unit 3 Nuclear Station Replacement Turbine Generator Bid Specification, signed February 15, 2007
- Request for Proposal, Turbine Replacement Parts Projects, dated May 25, 2007
- Crystal River Nuclear Plant Unit 3, Engineering Services for Secondary Systems Upgrade, Request for Proposal No. KS12007, proposal packet and template for bidder, dated June 6, 2007
- Crystal River Nuclear Plant Unit 3, Turbine Generator Replacement and Retrofit, Request for Proposal No. SD22007, proposal packet and template for bidder, dated February 16, 2007
- Contract between PEF and Yuba Heat Transfer, LLC (Contractor) for Crystal River Unit 3 Nuclear Plant, Feedwater Heat Exchange Replacement Project, Contract No. 355217, Contract Requisition No.734756
- Contract between Carolina Power and Light and Florida Power Corp., and Caldon, Inc. Contract Passport No.44867. CR No. 58857. No date.
- Thermal Engineering International (TEI) – A Proposal to Furnish Replacement Moisture Separator Reheater Vessels at the Crystal River Unit 3 Nuclear Plant. Document No.07-248. Proposal No.07-M062. March 2007
- Contract between PEF and TEI for Moisture Separator Reheaters for the Crystal River Unit 3, Electric Power Uprate. Contract No.342253. Contract Requisition No.688663.
- Master Contract No.101659, with attachments A through O, between Progress Energy Service Company, LLC and Framatome ANP, Inc. Signed and dated August 11, 2003 (Progress) and August 28, 2003 (Framatome, ANP, Inc.)
- Contract Passport No.3714, Completely Amended and Restated previous Contract No.XTA9000142 and its amendments 1-4, General Services Agreement, between Carolina Power & Light Company and The Atlantic Group, with attachments A through L.
- Contract No.3714, Amendment No.53, Effective July 15,2007. Acceptance stamp dated August 8, 2007, with attachments 1 through 3.
- (2 copies) Contract No.3714, Amendments Nos.55, 56, & 57 and Attachment E to Amendment 49. Effective October 1,2007
- Contract No.3714, Amendments Nos.58, 59, 60 & 61. Effective January 25, 2008

VOLUME 2

- Contract No.101659; Progress Energy & AREVA NP, Inc. Work Authorization No.093. Effective October 18, 2007.
- AREVA proposal #4161084, dated December 8, 2006. "Engineering Design and Licensing for CR3..."
- Contract No.101659; Progress Energy & AREVA NP, Inc. Work Authorization No.61. Effective September 21, 2006.
- Contract No.101659; Progress Energy & AREVA NP, Inc. Work Authorization No.84. Effective February 27, 2007.
- Proposal, AREVA-07-02246, dated August 10, 2007. Attachments 1-6, resumes, & addendum dated September 4, 2007.

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	<ul style="list-style-type: none"> • Addendum and Response, Seimens; data on fax (2nd page) is February 28,2007. • Contract No.145569; Work Authorization No.50, Effective August 06,2007; Seimens Power Generation, Inc. (Orlando) • Request for proposal to Seimens Power Generator, Inc (Tampa); No. SD22007; dated February 16, 2007. • Master Contract No 145569 between Progress Energy Service Company, LLC, Progress Energy Carolinas, Inc., and Progress Energy, Florida, Inc., and Siemens Power Generation, Inc. Undated. • Siemens' Project Approach with associated subordinate documents (e.g. Project Management, Scope of Work, Exec Summary, Terms & Conditions, Performance Language, Scope of Supply, Compatibility, et al)
	Summary of Contents:
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
Follow-up Required:	
CONFIDENTIAL	Document #:DR-2.2 Date Requested: 3/13 for 3/24 Date Received: 04/02 Comments: (i.e., Confidential)
	Document Title and Purpose of Review: Several documents: <ul style="list-style-type: none"> • CR No. 632934, Contract No. 101659, AREVA NP, Inc., Effective February 15, 2007 • Acceptance, CR No. 297792, Contract No. 297792, Numerical Applications, Inc., effective May 29, 2007 • Master, Contract No. 297792, between Progress Energy Service Co., LLC and Numerical Applications, Inc. • Contract No. 257117, Sargent & Lundy, LLC, effective November 12, 2007 • Amendment No. 1, Contract No. 257117, Sargent & Lundy, LLC, effective November 12, 2007 • Master, Contract No. 257117, Sargent & Lundy, LLC, accepted stamp February 01, 2006 • CR No. 608211, Contract No. 157645, F & H Contractors, effective November 10, 2006 • Contract No. 157546, between Progress Energy Service Co., LLC and F & H Contractors (no date on cover) • Progress Energy Crystal River Unit 3 Nuclear Station Replacement Turbine Generator Bid Specification (unsigned)
	Summary of Contents:
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
Follow-up Required:	
CONFIDENTIAL	Document #: DR- Date Requested: Date Received: Comments: (i.e., Confidential)
	Document Title and Purpose of Review: a
	Summary of Contents:
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
Follow-up Required:	
CONFIDENTIAL	Document #: DR-2.3.b Date Requested: Date Received: Comments: (i.e., Confidential)
	Document Title and Purpose of Review:
	Summary of Contents:
Conclusions:	

**Bureau of Performance Analysis
Document Summary and Control Log**

Company: Progress
Area: Nuclear Uprate Review
Auditor(s): Vinson/Fisher

Workload Control #:
File Name: I: /// PEF DR3 Summary & Log.doc

Document #:DR-3.1
Date Requested: 04/08/08
Date Received: 04/22/08
Comments: (i.e., Confidential)

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Document Title and Purpose of Review:

Levy Units 1 and 2

- 1.a. Please provide current copies of all project planning documents for Levy Units 1 and 2.
- b. Please list and describe the planning and design documents and/or systems used to support, develop and maintain the project plan for Levy Units 1 and 2.

Summary of Contents:

PEF provided:

- Written answer to item 1b, stating the Corridor Study is not yet complete.
- "Levy Baseload Transmission" schedule
- Memo, "Florida Base Load Plant – Transmission Study Phase", dated 01/29/07
- Memo, "Florida Base Load Plant – Transmission Business Analysis Package, dated 01/23/07.

Conclusions:

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

Document #:DR-3.2
Date Requested: 04/08/2008
Date Received: 04/22/2008
Comments: (i.e., Confidential)

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Document Title and Purpose of Review:

2. a. Please provide current copies of all project management documents for the Levy Units 1 and 2.
- b. Please list and describe the project management documents and/or systems used to track work completion and schedule status for Levy Units 1 and 2.

Summary of Contents:

For 2.a., PEF provided:

- NGGS-NPD-0001, Process for Document Reviews and Affirmation
- NGGS-NPD-0003, Nuclear Plant Development Information Exchange
- NPD-PD-01 – Rev 2, Nuclear Plant Development Process Document for COLA Reviews and Affirmation, 02/19/07
- NPD-PD-05, Nuclear Plant Development for Risk Management, approved 04/14/07
- NGGS-NPD-0002, Change Control for COL Application Information
- NPD-PD-03, Nuclear Plant Development Process Document for Section Orientation, Check-in, & Reading List, approved 02/27/08

	<p>For 2.b., PEF provided:</p> <ul style="list-style-type: none"> • COLA Impact Evaluation Log, redacted, dated 04/21/08 • LNP Integrated Master Plan, revision 2, dated 03/07/08 • LNP End Game Schedule • Levy Phase – price Finalization, dated 04/18/08 • Levy Phase 1A – Complete, dated 04/18/08 • LNP COLA – PEF R-16A, Attachment D – Milestone Summary Report, dated 04/08/08 • LNP SCA Development Schedule, dated 04/18/08 • SCA & LWA Support 6-30-08, dated 04/08/08 • PowerPoint presentation, dated 02/15/08, “Baseload Transmission Project” from Annual Kickoff Meeting • Transmission Baseload Preferred Corridor Discussion • PowerPoint presentation , dated 03/07/08, “Baseload Option B vs. F” <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.3 Date Requested: 04/08/2008 Date Received: 04/22/08 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>3. a. Please provide current copies of all contractor evaluation and quality assurance documents for Levy Units 1 and 2.</p> <p>b. Please list and describe the contractor evaluation and quality assurance documents and/or systems used to assess contract compliance, work completion and quality assurance for Levy Units 1 and 2.</p> <p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> • Letter dated 03/12/2007 advising CH2MHILL to stop work on product deliverables in support of COLA. • Letter dated 03/23/07 advising CH2MHILL to continue field work at the LNP site • Audit Report QAA/0061-07-01 for vendor No. 2007-27, dated 03/23/07 • Audit Report QAA/0274-07-01, for vendor No. 126402, dated 04/05/07 • Letter dated 05/01/07 lifting the stop work order of the letter (above) dated 03/12/07 • Audit Report QAA/0274-07-02 for vendor No. 2007-114, dated 11/02/07 • Letter dated 03/11/08 informing CH2MHILL of an audit to be conducted 03/31 to 04/04/08 • Approved Supplier Lists (Worley Parsons Group, Inc., Sargent & Lundy, LLC, CH2M Hill, Inc.), Westinghouse Electric Company, and Stone & Webster, Inc.) • Memo, dated 03/27/07, LNP Site Visit and Readiness Review • Letter, dated 01/12/07, PGN Limited Scope Audit of December 20-21, 2006 • NGG Program Manual, Rev 1, Quality Assurance for New Nuclear Plant Development and Construction Activities

	<p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.4 Date Requested: 04/08/2008 Date Received: 05/16/08 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>4. a. Provide an organizational chart of the organizations and work units responsible for completing Levy Units 1 and 2, including the names of key managers in place.</p> <p>b. Provide a description of the primary responsibilities for each group involved in the projects' completion.</p> <p>c. Provide the number of employees in each group.</p> <p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> • Nuclear Plant Development organizational chart, revised, dated 04/24/08 • Job description, position #54061, for "Supv - Proj Cntrls - Nuc" • Job description, position #54021, for "QA Program Leader - Nuc" • Job description, position #53801, for "Admin Assistant I" • Job description, position #10776, for "Mgr-Nuclear Communication" • Job description, position #84442, for "Mgr-Strategic Sourcing" • Job description, position #47241, for "Assoc. General Counsel II - LEGAL" • Job description, position #53781, for "Lead Engr" • Job description, position #53783, for "Lead Engr" • Job description, position #58701, for "Sr Engr" • Job description, position #85721, for "Lead Engr" • Job description, position #94530, for "Principal IT Analyst" • Job description, position #92702, for "Lead EngyDel TechProjMgmtSpec" • Job description, position #13568, for "Engr" • Job description, position #46002, for "Engr" • Job description, position #53789, for "Sr Engr" • Job description, position #94442, for "Senior Engineer - Licensing" • Job description, position #54001, for "Lead Environmental Specialist" • Job description, position #59801, for "Operations Program Leader - Nuc" • Job description, position #82221, for "Lead Nuclear Security Specialist" • Job description, position #34121, for "Sr. Engr" • Job description, position #55962, for "Sr Nuc Tech Proj Mgmt Spec" • Job description, position #95175, for "Sr. Document Control Spec" • Job description, position #60761, for "Data Mgmt Asst I" - with handwritten notation "reclassified to Nuc Tech Asst I"

	<ul style="list-style-type: none"> • Job description, position #60781, for "Sr Nuc Work Mgmt Spec" • Job description, position #79501, for "Sr Bus Fin Analyst" • Job description, position #93833, for "Sr Bus Fin Analyst" <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.5 Date Requested: 04/08/08 Date Received: 04/22/08 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>5. Provide copies of the purchasing, bidding, and contracting procedures applicable to Levy Units 1 and 2.</p> <p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> • MCP-NGGC-0001, NGG Contract Initiation, Development and Administration, revision 11 • MCP-NGGC-0401, Material Acquisition (Procurement, Receiving, and Shipping), revision 23 • NGGM-PM-0020, Vendor Quality Program for Critical Non-Safety Equipment, revision 5 <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.6 Date Requested: 04/08/08 Date Received: unspecified Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>6. Provide copies of any project management procedures applicable to Levy Units 1 and 2.</p> <p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> • ACT-SUBS-00372, Accrual Policy, revision 3, dated 03/08 • ACT-SUBS-00271, Progress Energy Business Analysis Package, revision 4, dated 01/08 • CAP-NGGC-0200, Corrective Action Program, revision 22 • ACT-SUBS-00262, Economic Evaluation Methodology All Business Units, revision 6, dated 01/08 • ACT-HOCO-00005, Journal Entry Policy, revision 3, dated 07/07 • ADM-SUBS-00080, Major Capital Projects – Integrated Project Plan, dated 01/08 • RDC-NGGC-0001, NGG Standard Records Management Program, revision 17 • ACT-SUBS-00008, Resource Planning and Budgeting Instructions, revision 23, dated 09/07 • ACT-SUBS-00261, Project Evaluation and Authorization Process, revision 14, dated 01/08

	<ul style="list-style-type: none"> • ACT-SUBS-00207, Time Reporting Policy, revision 20, dated 01/08 • ACT-SUBS-00002, Progress Energy Corporate Approval Level Policy, revision 6, dated 01/08 • ACT-SUBS-00278, Capitalization Policy, revision 4, dated 06/07 • ACT-SUBS-00225, Disbursement Procedure, revision 5, dated 10/06 • ACT-SUBS-00210, Expense Reporting, revision 16, dated 01/08 • ACT-SUBS-00272, Progress Energy Leasing Procedure, revision 1, dated 10/05 • RDC-NGGC-0002, Document Control Program, revision 16 • ACT-SUBS-00222, Corporate Commercial Credit Card (OneCard) Procedures, revision 10, dated 10/07 • ACT-SUBS-00105, Project Assurance Program Policy, dated 01/08 • ACT-SUBS-00335, Progress Energy Project Governance Policy, revision 4, dated 03/08 • CON-POGX-0001, Project Change Management, revision 2, dated 09/07 • CON-PPDX-00001, Execution of Large Construction Projects and Programs, revision 3, dated 11/07 • CON-PPDX-00005, Quality Project Development Guidelines, revision 2, dated 09/07 • CON-PPDX-00007, Project Scheduling Guideline, dated 05/07 • CON-PPDX-00008, Project Risk Planning Guideline, dated 05/07 • CON-PPDX-00010, Environmental, Health, and Safety – cross reference list, dated 05/07 • CON-PPDX-00013, Document Management System Generation & Transmission Construction Department, revision 1, dated 04/08 • CON-PPDX-00014, Project Communication & reporting Guidelines, dated 05/07 • CON-PPDX-00015, Lessons Learned, revision 1, dated 12/07 • CON-PPDX-00016, Project Close Procedures, dated 05/07 • CON-PPDX-00017, Contracting and Supplier Strategy, revision 1, dated 08/07 <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.7 Date Requested: 04/08/2008 Date Received: various Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>7. a. Please list and describe all reporting mechanisms used to provide project status reports and updates to company management, corporate Board of Directors and joint owners.</p> <p>b. Please provide copies of all Board of Directors and managing committee meeting minutes that pertain to Levy Units 1 and 2.</p> <p>Summary of Contents: For Item 7a, provided to staff on 04/22/08, a typed reply explaining:</p> <ul style="list-style-type: none"> • Generic communications • Reporting mechanisms <p>For Item 7b, furnished to staff on 05/02/08 the following written materials:</p> <ul style="list-style-type: none"> • 12/13/06 (Consent of the Directors in lieu of a meeting – Approval of the PEF Resource Plan) • 01/01/07 (Consent of the Directors in lieu of a meeting - Election of Officers) • 02/19/07 (Consent of the Directors in lieu of a meeting - Appointment of Officer) • 03/21/07 (Consent of the Directors in lieu of a meeting - Authorization to Approve Compensation and Benefit)

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Recommendations)

- 03/21/07 (Consent of the Directors in lieu of a meeting - Appointment of Engineer for Providing Certificates Under First Mortgage Indenture)
- 04/16/07 (Consent of the Directors in lieu of a meeting - Appointment of Officer)
- 04/23/07 (Consent of the Directors in lieu of a meeting - Appointment of Officer)
- 06/17/07 (Resignation Letter)
- 06/18/07 (Consent of the Directors in lieu of a meeting - Appointment of Officer)
- 06/21/07 (Memo, Removal of Officer)
- 06/22/07 (Retirement/Resignation Letter)
- 06/26/07 (Resignation Letter)
- 06/29/07 (Retirement/Resignation Letter)
- 07/01/07 (Letter - Delegation of Authority)
- 07/17/07 (Consent of the Directors in lieu of a meeting -- Approval to Purchase 75MW of Capacity and Energy from Biomass Gas and Electric)
- 08/27/07 (Consent of the Directors in lieu of a meeting -- Approval of Tolling Agreement with Vandolph Power Company, L.L.C.)
- 09/12/07 (Consent of the Directors in lieu of a meeting - Election of Officer)
- 10/02/07 (Consent of the Directors in lieu of a meeting -- Approval of EPC Contract -- Crystal River Units 4 & 5 Clean Air Project with EPCR)
- 11/12/07 (Consent of the Directors in lieu of a meeting -- Appointment of Financially Responsible Officer....)
- 11/12/07 (Consent of the Directors in lieu of a meeting - Election of Officer)
- 11/26/07 (Consent of the Directors in lieu of a meeting -- Approval to Purchase 75MW of Capacity and Energy from Biomass Gas and Electric)
- 12/31/07 (Resignation Letter as VP due to appointment as SrVP)
- 12/31/07 (Retirement/Resignation Letter)
- 12/31/07 (Resignation Letter as VP due to appointment as SrVP)
- 12/21/07 (Consent of the Directors in lieu of a meeting - Election of Officer)

Monthly Status Reports:

- Report for 08/07, Site Certification Application for LNP 1 & 2, WA#255934-03
- Proposed Process for Phase II (Post-COLA RAI Responses), dated 09/26/07
- Nuclear Plant Development & License Renewal, Performance Report, 09/07
- Shaw Stone & Webster Project Status Report, 09/07, Progress Energy Levy 1 & 2, Phase IA, Contract No. 300968
- PEC COLA Report, 09/26/07
- Report for 09/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 10/10/07
- Report for 09/07, Site Certification Application for LNP 1 & 2, WA # 255934-03, dated 10/10/07
- Nuclear Plant Development & License Renewal, Performance Report, 10/07
- Report for 11/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 12/11/07
- Report for 11/07, Site Certification Application for LNP 1 & 2, WA # 255934-03, dated 12/12/07
- Shaw Stone & Webster Project Status Report, 12/07, Levy 1 & 2, Phase IA, Price Finalization, dated 01/10/08
- Nuclear Plant Development & License Renewal, Performance Report, 12/07
- Key Project Milestones Completed, PowerPoint, undated
- Report for 12/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 01/14/07
- Report for 10/07, Revision 1, COL Application for LNP 1 & 2, WA # 255934-02, dated 11/20/07
- Shaw Stone & Webster Project Status Report, 10/07, Levy 1 & 2, Phase IA, Price Finalization, Contract No. 300968
- Levy Nuclear Plant Land Acquisition, PowerPoint, dated 10/15/07
- Dec 5th Board Mailing input by Nuclear Plant Development, PowerPoint, dated 11/10/07

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- Nuclear Plant Development, PowerPoint, dated 11/10/07
- Levy Nuclear Plant Status, PowerPoint, dated 11/26/07
- Nuclear Plant Development & License Renewal, Performance Report, 11/07
- Shaw Stone & Webster Project Status Report, 01/08, Levy 1 & 2, Phase IA, Price Finalization, Contract No. 300968
- Report for 01/08, COL Application for LNP 1 & 2, WA # 255934-02, dated 02/11/08
- Report for 01/08, COL Application for LNP 1 & 2, WA # 255934-02, dated 02/11/08 (*different than the one above*)
- Shaw Project Status Report, 02/08, Levy 1 & 2, Phase IA, Price Finalization, Contract No. 300968, dated 03/13/08
- Report for 03/08, COL Application for LNP 1 & 2, WA # 255934-02, dated 04/10/08
- Report for 08/06, COL Application for PEF COLA, WA # 255934-02, dated 09/12/06
- Nuclear Plant Development, CNO Briefing, 06/26/06
- Report for 08/06, COL Application for PEF COLA, WA # 255934-02, dated 09/12/06 (*different than the one above*)
- Report for 09/06, COL Application for PEF COLA, WA # 255934-02, dated 10/13/06
- Project Quarterly Meeting Agenda, PowerPoint
- New Nuclear Plant Development, CNO Briefing, dated 10/24/06
- Report for 10/06, COL Application for PEF COLA, WA # 255934-02, dated 11/16/06
- Report for 11/06, COL Application for PEF COLA, WA # 255934-02, dated 12/04/06
- New Nuclear Plant Development, Monthly Project Review, PowerPoint, dated 12/18/06
- Report for 12/06, COL Application for PEF COLA, WA # 255934-02, dated 01/12/07
- New Plant Development and Licensing Renewal, January 2007 Monthly Status Report, issued 02/28/07
- Report for 01/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 02/12/07
- New Nuclear Plant Development, Monthly Project Review 01/22/07
- Report for 02/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 03/09/07
- Quarterly 1Q07 LNP Project Status
- New Plant Development and Licensing Renewal, February 2007 Monthly Status Report, issue date is blank
- Memo, CH2MHILL, Management Stand Down, dated 03/05/07
- PEC Project 1Q07 Status Meeting, dated 03/13/07
- Report for 02/08, COL Application for LNP 1 & 2, WA # 255934-02, dated 03/13/07 (NOTE: *date discrepancy*)
- Report for 03/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 04/13/07
- New Plant Development and Licensing Renewal, March 2007 Monthly Status Report, issued 03/19/07
- Report for 04/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 05/14/07
- New Plant Development and Licensing Renewal, April 2007 Monthly Status Report, issued 04/23/07
- Shaw Stone & Webster Monthly Status Report, Levy 1 & 2 Nuclear Units, Phase 1A Quick Start, through 04/20/07
- Report for 05/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 06/12/07
- Shaw Stone & Webster Monthly Status Report, Levy 1 & 2 Nuclear Units, Phase 1A, dated 06/10/07
- Shaw Stone & Webster Final Status Report, Levy 1 & 2 Nuclear Units, Phase 1A Quick Start, dated 06/11/07
- Shaw Stone & Webster Final Status Report, Levy 1 & 2 Nuclear Units, Phase 1A, dated 06/10/07 (*duplicate*)
- LNP COLA Report Session, 2Q2007 Meeting, undated
- Monthly Business Review Meeting, Levy Nuclear Plant Sites, PowerPoint, dated 06/19/07
- New Plant Development and Licensing Renewal, May 2007 Monthly Status Report, issued 06/26/07
- Report for 06/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 07/13/07
- New Nuclear Plant Development, CNO Briefing, PowerPoint, dated 07/20/07
- New Plant Development and Licensing Renewal, June 2007 Monthly Status Report, issued 07/26/07
- Report for 07/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 08/14/07
- Shaw Stone & Webster Project Status Report, July-August 2007, Levy 1 & 2, Phase 1A, dated 09/17/07
- New Plant Development and Licensing Renewal, July 2007 Monthly Status Report, issued 08/24/07
- Report for 08/07, COL Application for LNP 1 & 2, WA # 255934-02, dated 09/14/07

<p style="text-align: center;">CONFIDENTIAL</p>	<p>For Item 7b, furnished to staff on 05/02/08, minutes of meetings of the Board of Directors dated:</p> <ul style="list-style-type: none"> • 03/26/07 • 06/25/07 • 08/27/07 • 11/26/07 • 11/27/07
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>
<p style="text-align: center;">CONFIDENTIAL</p> <p>Document #: DR-3.8 Date Requested: 04/08/2008 Date Received: 04/22/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review:</p> <p>8. Provide a list of all internal or external audits of Levy Units 1 and 2 planned for the period 2008-2010.</p>
	<p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> • NPD (Nuclear Projects Development) 2008 Self-Assessment / Benchmark Plan • Internal Audits Related to Purchasing and Competitive Bidding in Nuclear Planned for 2008 to 2010 <p>Audits for 2008:</p> <ul style="list-style-type: none"> • Levy County Data Repository • New Plant Cost Model • Levy County Project Management • Nuclear Financial and Regulatory Reporting Team Review • Florida Nuclear Plant Cost Recovery Rule Compliance <p>Audits for 2009 & 2010:</p> <ul style="list-style-type: none"> • Not identified • Provided the following statement, "This specific audit plan is only for one year. However, when looking at resource planning and long-range planning, audits of risk management practices associated with major construction projects has been identified as a key focus area. Audits will be conducted of the Levy Units 1 and 2 during this time frame; however, the focus areas will not be specifically identified until closer to time of audit field work."
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
<p>Document #: DR-3.9 Date Requested: 04/08/2008 Date Received: 04/22/2008</p>	<p>Document Title and Purpose of Review:</p> <p>9. Please provide copies of all scoping studies and feasibility studies regarding the construction of Levy Units 1 and 2.</p>

<p>Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Summary of Contents:</p> <ul style="list-style-type: none"> • Also see "Transmission System Impact Study", produced in response to DR1a • Evaluation of Advanced Reactor Technologies, 01/08/07 update, PowerPoint • Evaluation of Advanced Reactor Technologies, 01/17/06, Power Point • Evaluation of Florida Sites, 10/07 • Transmission System Impact Study in Support of Site Selection for a Florida Nuclear Plant, 06/30/06 <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.10 Date Requested: 04/08/2008 Date Received: 04/22/2008 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>10. Please provide a recap and description of Levy County Units 1 and 2 planning, history, and work accomplished to date.</p> <p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> • The following statement, "In addition to the documents provided specifically to this response, please refer to the Transmission System Impact Study produced in response to Request number 1a to DR-1" • Evaluation of Advanced Reactor Technologies, dated 01/17/06 • Evaluation of Advanced Reactor Technologies, dated 01/08/07 • Evaluation of Florida Sites, dated 10/07, with attachments I through V and appendices A and B • Evaluation of Owner's Engineers, undated, with attachments I through III • Nuclear Plant Development Historical Timeline, updated 04/15/08 <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.11 Date Requested: 04/08/2008 Date Received: 04/22/2008 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>11. a) Please provide a description of the status of service and/or materials contracts for Levy Units 1 and 2. Please include descriptions of any negotiations that have not yet resulted in bids or contracts.</p> <p>b) Please provide copies of all executed service and/or materials contracts and addendums for Levy Units 1 and 2.</p> <p>c) Please provide copies of all sole-source or single-source justification explanations for any applicable Levy Units 1 and 2 contracts.</p> <p>Summary of Contents: PEF provided (in Vol 1 of 2):</p>

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- Written answer, "...due to early state of this project, there is no material contracts in place."
- Master Contract 262141-00000
- Contract No. 80678-00000, Work Authorization No. 80678000111, effective 09/19/07
- Master Contract 80678-00000 with Golder Associates
- Contract 262141-00000, Work Authorization No. 262141-00003, effective 05/14/07
- Contract 262141, Work Authorization No. 262141-03, amendment 2, effective 02/08/08
- Contract 262141, Work Authorization No. 262141-02, amendment 2, effective 12/31/07
- Letter of Transmittal, Crystal River Plant Substation & Line Engineering, Phase B, dated 02/29/08
- Letter of Transmittal, Kathleen-lake Tarpon Route Study, dated 02/08/08
- Contract 118130 with Golder Associates
- Contract 255934, Work Authorization No. 255934-02, effective 04/02/06
- Contract 255934, Work Authorization No. 255934-02, amendment 02, effective 04/26/07
- Purchase and sale agreement for approximately 3000 acres in Levy County, Florida
- Letter, Subject: Approval Requested to Purchase the Lybass Property in Levy County, Florida, dated 12/10/07
- Letter from Florida Natural Areas inventory to CH2MHill, dated 06/05/07 with chart of occurrences on or near project site
- PEF memo, Subject: Approval Requested to Purchase the Rayonier Property in Levy County, Florida, dated 08/08/07
- Technical memorandum, CH2MHILL, Potential Occurrence of Protected Species at the Levy Nuclear Plant Site, 07/17/07
- Technical memorandum, Assessment of Subsurface Conditions at the LNP Site for the "Buy" Decision, dated 08/03/07
- Sargent & Lundy letter, Contract No. 257117, Work Authorization No. 12, amendment 1, dated 02/23/07
- Sargent & Lundy letter re a tech memo entitled "Cultural Resources Survey of 300 Acres at the Proposed Progress Energy Nuclear Plant, Levy County, Florida", dated July 17, 2007. Dated 07/19/07
- CH2MHILL Technical memorandum, Preliminary Site Assessment Overview, project No. 388884, dated 06/05/07
- Access Easement Agreement, instrument #503599, recorded 12/14/07
- Contract for sale and purchase, between Lybass and PEF, dated 10/15/07
- Warranty deed, instrument #503598, recorded 12/14/07
- Contract No. 255934, Work Authorization No. 255934-03, effective 07/30/07
- Master Contract No. 255934 for Engineering Services, accepted 02/01/06

PEF provided (in Vol 1 of 2):

- Contract No. 343256, revision dated 12/01/06, effective 10/01/07
- Contract No. 341418, revision dated 12/01/06, effective 09/24/07
- Amended Operating Agreement of NuStart Energy Development, LLC, effective 12/06/07
- Operating Agreement of APOG, LLC, dated 08/02/07
- Master Contract No. 254549, with Enercon Services, Inc.
- Contract No. 352541, with O'Steen Brothers, Inc, CR No. 727171
- Contract No. 31624-00001, Amendment No. 04, effective 11/21/07
- Contract No. 142855, with E-Pro Engineering & Environmental Consulting, LLC
- Master Contract No. 253343-00000, with Energy Services & Products Corp.
- Information Needed to Generate Contract Requisitions, Work Authorizations, and Amendments from Power Grid Engineering, LLC
- Contract No. 81179, Work Authorization No. 17, effective 01/01/08
- Contract No. 142855-00000, Work Authorization No. 142855-00001, effective 01/09/07
- Contract No. 253343-00000, Work Authorization No. 253343-00001, effective 12/26/05
- Contract No. 285524, Amendment No. 01, effective 11/13/07
- Contract No. 254549, Work Authorization No. 254549-58, effective 10/17/07
- Contract No. 302751, effective 01/02/07

	Conclusions: Data Request(s) Generated: No. _____ Description: No. _____ Description: Follow-up Required:
Document #: DR-3.12 Date Requested: 04/08/2008 Date Received: 04/22/08 and others on 05/02/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide copies of any RFPs issued by PEF for Levy Units 1 and 2 and any RFP responses, bids or proposals received from potential contractors or suppliers.
CONFIDENTIAL	Summary of Contents: <ul style="list-style-type: none"> • Proposal for Progress Energy Florida Central Florida Transmission Line Corridor Selection Studies, submitted by Golder Associates, dated 07/07 • Levy County Transmission System Route Selection Project RFP #LCGT0308, dated 04/04/08 • Progress Energy RFP for COL Application Preparation • Chart of Conformance for Progress Energy's RFP • Levy Nuclear Plant Owner's Engineer Request No. JD07-004, dated 04/21/08 • Progress Energy RFP New Nuclear Baseload Generation Addition, not dated
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-3.13 Date Requested: 04/08/2008 Date Received: 04/22/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: 13. Please provide a description and timeline of planned 2008 Levy Units 1 and 2 activities, events, work and milestones.
CONFIDENTIAL	Summary of Contents: <ul style="list-style-type: none"> • Reply citing three events, work, and milestones – June, July, and Q3 2008. • LNP Integrated Master Plan (timeline), revision 2, dated 03/07/08
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-3.14 Date Requested: 04/08/2008 Date Received: 04/22/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: 14. Please provide a description and timeline of NRC and other regulatory applications, approvals, and certifications that are required for Levy Units 1 and 2 over the period 2008-2010.

CONFIDENTIAL	Summary of Contents:
	<ul style="list-style-type: none"> • Generic 42-Month Schedule for Issuance of a COL, dated 01/17/08
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
CONFIDENTIAL	Document #: DR-3.15 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)
	Document Title and Purpose of Review:
	15. Please provide a description of how the company plans to coordinate the activities and workloads for the CR3 uprate project with those of Levy Units 1 and 2 construction projects. Include discussion of whether the management and support organizations may be involved in both projects, either simultaneously or phased from one to the other during later stages.
	Summary of Contents:
	<ul style="list-style-type: none"> • Written response, one paragraph • Written response, two paragraphs
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:

Division of Competitive Markets and Enforcement
Bureau of Performance Analysis

**Bureau of Performance Analysis
Document Summary and Control Log**

Company: Progress
Area: Nuclear Uprate Review
Auditor(s): Vinson/Fisher

Workload Control #:
File Name: I: /// PEF DR4 Summary & Log.doc

<p>Document #:DR-4.1 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please describe how Duncan Companies was selected to represent Progress in site acquisition.</p>
	<p>Summary of Contents: Company provided a brief summary of the selection process for the Duncan Company.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required: Get a copy of the request for proposal process.</p>
<p>Document #:DR-4.2 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please indicate the amount paid to Duncan for its services, and provide a description of the services provided.</p>
	<p>Summary of Contents: Company provided: - Summary of invoice numbers and amount paid - Copy of contract between Progress Energy and The Duncan Company - Summary of activities/services performed by The Duncan Company</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>

<p>Document #: DR-4.3 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide copies of the following procedures: NUA-NGGC-1501, NUA-NGGC-1510, NUA-NGGC-1511, NUA-NGGC-1530, NUA-NGGC-1534, NGGM-PM-0007, NGGC-205 AND NGGC-206</p> <p>Summary of Contents:</p> <p>Company provided:</p> <ul style="list-style-type: none"> - NUA-NGGC-1501 – Nuclear Assessment Section Conduct of Operations (revision 14) - NUA-NGGC-1510 – Nuclear Assessment Process (revision 23) - NUA-NGGC-1511 – Assessment and Independent Review Personnel Training and Deployment, Qualification, and Certification Program (revision 16) - NUA-NGGC-1530 – Quality Assurance Hold Point Procedure (revision 12) - NUA-NGGC-1534 – Maintenance Peer Inspection Program (revision 4) - CAP-NGGC-0205 – Significant Adverse Condition Investigations (revision 6) - CAP-NGGC-0206 – Corrective Action Program Trending and Analysis (revision 2) <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-4.4 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide the cover letter to the 2008 Internal Audit of the CR3 Uprate (12/28/07).</p> <p>Summary of Contents: PEF provided a letter to Daniel Roderick, dated December 28, 2007, identifying needs improvements resulting from an audit of the CR3 Extended Power Uprate Project.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

<p>Document #: DR-4.5 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide copies of Progress Internal Audits performed on other uprates or Progress nuclear units over the period 2005 to date.</p>
<p>CONFIDENTIAL</p>	<p>Summary of Contents: Company provided:</p> <ul style="list-style-type: none"> - Brunswick Extended Power Uprate Assessment, November 18, 2002 - Extended Power Uprate Project Assessment, November 28, 2002 - RNP Power Uprate Project, May 30, 2002 - Review of Robinson Plant Power Uprate Project, May 30, 2002 - Review of Brunswick Plant Extended Power Uprate Project, July 3, 2001 - Review of Harris Major Projects, April 11, 2001
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>
<p>Document #: DR-4.6 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide MCP-NGGC-001 (supplied 5/1/08 by Terry Hobbs).</p> <p>Summary of Contents: PEF supplied a partial copy of MCP-NGGC-001 at an interview on 05/01/2008</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-4.7 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide NCR's 259601, 259604 and 259608 (supplied 5/1/08 by Steve Huntington).</p> <p>Summary of Contents: Company provided NCR's 259601, 259604, and 259608 at an interview on 05/01/2008.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

Document #: DR-4.8 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide "Open Action Plans due in 45 days or Past due" dated Feb. 19, 2008. (4 pages containing internal audit issues, etc.) (Supplied 5/1/08 by Steve Huntington).
	Summary of Contents: Company provided "Open Action Plans due in 45 days or Past due" dated Feb. 19, 2008. (4 pages containing internal audit issues, etc.)
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-4.9 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a current copy of Steve Huntington's organization chart.
	Summary of Contents: PEF provided organization charts for: <ul style="list-style-type: none"> - Nuclear Projects and Construction (as of 02/01/2008) - Power Level Uprate - Extended Power Uprate Staffing plan (revised 05/28/2008)
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-4.10 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide an organization chart of the Progress Audit Services department and an organization chart of PES group. (Phyllis/Dixon)
	Summary of Contents: PEF provided an organization chart for Performance Evaluation & Regulatory Affairs (PE&RAS) as of 05/12/2008, and a Nuclear Assessment Organization Chart as of 05/28/2008.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:

<p>Document #: DR-4.11 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide a copy of the INPO Standards (Performance Objectives & Criteria).</p> <hr/> <p>Summary of Contents: PEF issued a statement denying the request for this information. The requested information contains proprietary information for the INPO and the National Academy for Nuclear Training that PEF is not at liberty to release.</p> <hr/> <p>Conclusions:</p> <hr/> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <hr/> <p>Follow-up Required:</p>
<p>Document #: DR-4.12 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide a copy of the Sargent & Lundy cooling tower study.</p> <hr/> <p>Summary of Contents: PEF provided a copy of the <i>Engineering Services Crystal River Discharge Canal Cooling Study</i> submitted by Sargent & Lundy, LLC, dated April 23, 2008.</p> <hr/> <p>Conclusions:</p> <hr/> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <hr/> <p>Follow-up Required:</p>
<p>Document #: DR-4.13 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide a list of assessment planned for 2008 by PES. (Phyllis/Dixon)</p> <hr/> <p>Summary of Contents: PEF supplied a listing of the planned 2008 PES Assessments and Resource Request. (Revision 10) 05/22/2008.</p> <hr/> <p>Conclusions:</p> <hr/> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <hr/> <p>Follow-up Required:</p>

<p>Document #: DR-4.14 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide copies of 258644 (COLA) and 258658 (Contract Admin).</p> <p>Summary of Contents: Company provided copies of 258644 (COLA) and 258658 (Contract Admin). Along with a supplement detailing the Purpose and Scope for the Levy COLA Preparation Focus Review.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-4.15 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide copies of 2007 and 2008 QA evaluations of CR3 uprate activities on processes (Dixon).</p> <p>Summary of Contents: PEF provided copies of: - Source Surveillance Report, dated 05/31/2007 - Audit Report No. QAA/0671-07-01, Issued 03/24/2007 by Sargent & Lundy, LLC.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-4.16 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide a scope description for the planned 3rd quarter 2008 CR3 audit (Phillips).</p> <p>Summary of Contents: PEF provided a scope description for the planned 3rd quarter CR3 audit.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

Document #: DR-4.17 Date Requested: 05/08/2008 Date Received: 05/19/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide the INPO uprate lessons learned document that lists and describes problems encountered and solutions employed at nuclear units across the U.S. during uprate activities.
	Summary of Contents: PEF issued a statement denying the request for this information. The requested information contains proprietary information for the INPO and the National Academy for Nuclear Training that PEF is not at liberty to release.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:

Division of Competitive Markets and Enforcement
Bureau of Performance Analysis

**Bureau of Performance Analysis
Document Summary and Control Log**

Company: Progress
Area: Nuclear Uprate Review
Auditor(s): Vinson/Fisher

Workload Control#:
File Name: I:/// PEF DR5 Summary & Log.doc

Document #: DR-5.1a
Date Requested: 05/28/2008
Date Received: 06/06/2008
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

To the extent not previously provided in a document request response, please provide copies of all Levy plant and CR3 Uprate bid evaluations and selection recommendations for all contracts of \$1,000,000 or more that have been awarded to date.

Summary of Contents:

PEF provided:

- Technical Review of Yuba Proposal QH-6026-07, dated 11/30/07, and Thermal Engineering International Proposal 06-M088, dated 11/29/07
- CR3 Electric Power Uprate – BOP Engineering, Executive Summary, AREVA Contract # 101659 dated October 18, 2007
- CR3 Extended Power Uprate, Secondary Systems Upgrade Bid Proposal Technical Evaluation, (08/23/2007)
- CR3 Extended Power Uprate Project, Turbine Generator Retrofit Proposal Evaluation
- CR3 Extended Power Uprate, Secondary Systems Upgrade, Areva Bid Proposal Review Meeting (08/28/2007)
- Siemens Contract #145569, Work Authorization #50, Executive Summary, *TURBINE GENERATOR RETROFIT PURCHASE & INSTALLATION*, dated August 8, 2007
- Contract #355217, Yuba Heat Transfer, LLC, Executive Summary, *DESIGN, FABRICATION, AND DELIVERY OF FEEDWATER HEATERS & HEAT EXCHANGERS FOR CRYSTAL RIVER UNIT#3*, dated February 11, 2008
- Thermal Equipment Incorporated (TEI), Executive Summary, *MOISTURE SEPERATOR REHEATERS (MSRs)*, Contract #342253, dated October 1, 2007

Conclusions:

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

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<p>Document #: DF 1b Date Requested: 05/28/2008 Date Received: 06/06/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide copies of all written justifications for sole source selection of Levy plant and CR3 Uprate contractors for all contracts of \$1,000,000 or more that have been awarded to date.</p> <p>Summary of Contents: PEF provided a listing of all written justification for sole source selections for CR3 uprate contractors for all contracts greater than \$1,000,000 that have been awarded to date.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-5.2a Date Requested: 05/28/2008 Date Received: 06/06/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please list and briefly describe any "lessons learned" from Progress Energy's North Carolina nuclear unit uprates that have been incorporated into the planning, design or implementation of the CR3 uprate.</p> <p>Summary of Contents: PEF provided a listing of Lessons Learned for BNP, Extended Power Uprate, dated May 30, 2008</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-5.2b Date Requested: 05/28/2008 Date Received: 06/06/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please indicate for each of Progress Energy's North Carolina nuclear unit uprates whether the project was completed on schedule and within budget.</p> <p>Summary of Contents: PEF provided a Performance Evaluation Support Assessment Report Transmittal, Nuclear Projects and Construction, dated March 27, 2008</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

<p>Document #: DR-5.2c Date Requested: 05/28/2008 Date Received: 06/06/2008 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide the original cost estimate and the final completed cost for each of Progress Energy's North Carolina nuclear unit uprate projects. If applicable, provide a brief description of why completion costs exceeded the estimate(s).</p>
	<p>Summary of Contents: PEF provided a written summary of initial cost estimates and revisions along with a brief explanation for the revisions.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>
<p>Document #: DR-5.3 Date Requested: 05/28/2008 Date Received: 06/09/2008 Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please describe in detail how the company is maintaining awareness of the status of the Westinghouse AP1000 unit under construction in China.</p>
	<p>Summary of Contents: PEF provided a brief summary of informal exchanges of information between PEF and Chinese Delegations from State Nuclear Power Technology Corporation Ltd.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>
<p>Document #: DR-5.4 Date Requested: 05/28/2008 Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide a copy of the March 28, 2008 Westinghouse/Shaw-Stone & Webster Letter of Intent and any transmittal correspondence.</p>
	<p>Summary of Contents: No information provided by company.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>

**Bureau of Performance Analysis
Document Summary and Control Log**

Company: Progress	Workload Control #:
Area: Nuclear Uprate Review	File Name: I:/// PEF DR6 Summary & Log.doc
Auditor(s): Vinson/Fisher	

Document #:DR-6.1 Date Requested: 06/05/2008 Date Received: 06/09/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a current staffing count for the Nuclear Projects and Construction organization to update the response to DR 4c.
	Summary of Contents: PEF provided a current staffing count including full-time employees, interns, NPD employees, and contractors.
	Conclusions: _____
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: _____
	Document #:DR-6.2 Date Requested: 06/05/2008 Date Received: 06/09/2008 Comments: (i.e., Confidential)
<p align="center">CONFIDENTIAL</p>	Summary of Contents: The current business plan lists the 2011 CR3 outage at [REDACTED]. The planning and scheduling of this outage is not mature enough to be described in length at this current time.
	Conclusions: _____
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: _____
	_____ REDACTED _____

<p>Document #: DR-6.3 Date Requested: 06/05/2008 Date Received: 06/11/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>Please provide the "risk matrix" for the CR3 uprate project, and if available, the "risk matrix" for the Levy project.</p> <p>Summary of Contents:</p> <p>PEF provided: - PLU Risk Status Report, dated June 9, 2008 - NPD Identified Risks, Summary of Identified Risks for Florida Facilities, dated June 10, 2008</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-6.4 Date Requested: 06/05/2008 Date Received: 06/11/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>If not previously provided, please provide the Areva CR3 feasibility study.</p> <p>Summary of Contents:</p> <p>Company provided the PROGRESS Energy Crystal River 3 Extended Power Uprate Feasibility Study (Aug. 2006)</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-6.5 Date Requested: 06/05/2008 Date Received: 06/09/2008 Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review:</p> <p>Please describe the Internal Governance Document that is being developed and provide an estimate of its completion date.</p> <p>Summary of Contents:</p> <p>PEF did provide a description of the Internal Governance Document.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

Document #: DR-6.6 Date Requested: 06/05/2008 Date Received: 06/11/2008 Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide the full name of the LINC committee chaired by the PEF CEO, describe its purpose, and indicate the frequency of its meetings.
CONFIDENTIAL	Summary of Contents: PEF identified Jeff Lyash as the Chair, and Danny Roderick as the Vice Chair. PEF also listed the other members along with their responsibilities and duties of the committee. LINC schedules meetings at least monthly.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:

Division of Competitive Markets and Enforcement
Bureau of Performance Analysis

**Bureau of Performance Analysis
Document Summary and Control Log**

Company: Progress
Area: Nuclear Uprate Review
Auditor(s): Vinson/Fisher

Workload Control #:
File Name: I:/// PEF DR7 Summary & Log.doc

Document #: DR-7.1
Date Requested: 06/13/2008
Date Received: 06/19/2008
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

Please list and provide copies of all audit reports and self-evaluations of the Levy project completed by PEF or Progress Energy Corporation from 2006 through 2008 to date. Please include copies of all audit responses to the reports and findings.

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Summary of Contents:

PEF provided:

- Recovery Management Charter, CH2M HILL Nuclear Business Group, March 23, 2007
- Common Cause Analysis Report, CH2M HILL Nuclear Business Group, *Quality Assurance Programmatic Breakdown*, March 23, 2007
- Progress Energy Audit Report No. QAA/0274-07-01, COL Development Project, dated April 5, 2007 (w/cover)
- Progress Energy Audit Report No. QAA/0274-07-02, Adequacy and Implementation of the Quality Program (w/cover), dated November 2, 2007
- UniStar Audit Findings Evaluation, CH2M HILL Audit, October 2007
- CH2M HILL Audit No. QAA/0274-08-01, Director, Quality & Safety Assurance, dated 3/31/2008 – 4/4/2008
- MACTEC Audit Summary of CH2M HILL, Project No. 6468-07-1963, dated April 28, 2008
- Progress Energy Memo, Ref. File No. NPD-QA-2007-001, dated March 27, 2007, LNP Site Visit and Readiness Review
- Quick Hit Self Assessment Report, No. 00257137-05, dated December 2007, Nuclear Plant Development Charging Practices
- Formal Self-Assessment Report, No. 226560, 03/26/2007 – 04/16/2007, Effectiveness of NPD&LR Project Implementation and Quality Controls
- Progress Energy Performance Evaluation Support Assessment Report Transmittal, File No. 07-15-SP-C, December 5, 2007, Nuclear Plant Development
- Sargent & Lundy Project NOs 11940-XXX and 11945-XXX, Rev. 0, 04/11/2007 (w/ letters)

CONFIDENTIAL

Conclusions:

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

<p>Document #: DR-7.4 Date Requested: 06/13/2008 Date Received: 06/19/2008 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please list and provide copies of all audit reports of the CR3 Uprate project completed by the NRC from 2000 through 2008 to date. Please include copies of all auditee responses to the reports and findings.</p> <p>Summary of Contents: There have been no audits from the NRC on the CR3 Uprate Project. PEF did provide a copy of a Safety Evaluation Report (SER) included with the NRC granting of License Amendment 228 for the measurement Uncertainty Recapture (MUR) portion of the CR3 Uprate Project.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.5 Date Requested: 06/13/2008 Date Received: 06/23/2008 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide copies of the following reports for the period June 2007 to date: Monthly CR3 Uprate Cost Report, CR3 Project Status Report, Levy Project Status Report, and Monthly Financial Committee Business Reviews.</p> <p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> - Progress Energy Memo dated June 19, 2008. Extended Power Uprate Monthly Status Report (April 2008) - (PowerPoint) Monthly Business Review Meeting, June 19, 2007, Levy Nuclear Plant Status - (PowerPoint) Transmission for Baseload PEF-MBR, dated June 19, 2007 - (PowerPoint) MBR Levy Overview, First Quarter Review, April 21, 2008 - (PowerPoint) Update on the Levy Nuclear Plant, Feb 15, 2008 <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.6 Date Requested: 06/13/2008 Date Received: 06/16/2008 Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide the current Project Assurance Plans for Levy and CR3 uprate.</p> <p>Summary of Contents: PEF provided:</p> <ul style="list-style-type: none"> - Project Assurance Plan Levy Transmission Project, June 2008 - Project Assurance Plan CR3 Uprate Project, April 2008 <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

Bureau of Performance Analysis Interview Summary

Company: PEF Area: CR3 Uprate Auditor(s): Vinson/Fisher/Harvey	Interview Number: 1 File Name: CR3 Trip 1 Interview Summary 1. doc
Name: Danny Roderick V-P, Nuclear Projects and Construction	Date of Interview: 3/13/08 Location: CR3 plant Telephone Number: REDACTED

(1) Purpose of Interview: Intro to Uprate Project, tour

(2) Interview Summary:

- * The Nuclear Projects and Construction unit was created to support their first nuclear construction effort in 30 yrs. Responsibilities now include CR3 Uprate, CR3 Steam Gen replacement (Bechtel is contractor), Levy new units, Harris (NC) new units. PEF will manage these projects, no 3rd party project mgr – risked is owned/controlled by PEF this way.
 - * NP-C org provides jt support w/central org, shared costs with NC/econ of scale, etc. Each project has separate line organiztn.
 - * Uprate project sched required for 2009 outage work window – both steam gen replacemt and uprate work – led to need for early contracts. Got ██████ locked in with fixed price (rare) to allow lead time of 30-36 mos. Noted PE-NC did not get fixed price from ██████. Early action also locked in the steel commodity prices for ██████ work.
 - * Activities largely governed by their procedure PM-- 0018 (we have)
 - * Have added about 80 people to his organiztn thus far. Took some from CR3. Industry will be tight so moving to get done now. Labor costs have risen 5-10% in last yr. Matls like steel and concrete up 30% in yr – mostly due to weak \$, down 42%
- Review function performed by Nuclear Assessment Section and Performance Eval Section
- * June 2008 – will complete Final Bottom-Up Estimate of uprate, this will give 90% confidence level for the non-fixed costs of the project. Level 5 estimates are basis for this.
 - * Areva (bought Babcock & Wilcox) is the only contractor who can perform the work they are doing.
 - * CR3 will provide \$2.68 Billion estimated fuel saving at cost of 460 million.
 - * Project Mgt structure – each proj has PM: Steve Huntington for Uprate, Ted Williams Engin Supt
 - * Reviewed by 3 Groups: 1) Nuc Assessmt Grou (Raleigh) Phyllis Dixon, Steve Barkofski 2) Int Audit (St Pete/Raleigh) 3) Project Controls Group (Terry Owens) cost audits, charges done right, maps to work brkdown structure
 - * Meetings include Monthly Mgt Review Mtg, Capital Committee mtgs, Daily Update mtg Danny's staff, Qtrly uprates to BOD
 - * Risk Matrix is in Project Plan
 - * Replacement decision making – some chgs placed outside of uprate – eg transfrmer replced in 07 due to material condition were not chgd to plant, also chillers same thing – only chgs to uprate are things being done because of upsizing, nothing replaces for reason other than “its not big enough”
 - * Co-owners are not active but have 9.2% (Leesburg, Seminole Coop, FMPA)
 - * Contract awards – he and his boss see \$1 mill and >, Contrat Grp in Raleigh send people down to help Sole sources have to be documented – NRC asked for more documtn for two recently.
- Contracts address damages, including loss of all profit for nonperformance
- * Work Brkdown Structure – detailed layout of every activity, subactivity – assigned to owners, even procedure writing for each activity.

(3) Conclusions:

- project control org is extensive – huge scope of responsibilities, includes the two new plants Fla and NC
- Contract award process need more info see DRs

Most of Uprate work to be done in '09, '11 but work to plan now including contracts to let

(4) Data Request(s) Generated: **DR4 and following**

No. _____

No. _____

No. _____

(5) Follow-up Required:

Project Manager

**Bureau of Performance Analysis
Interview Summary**

Company: PEF Area: CR3 Uprate Contracts Auditor(s): Vinson/Fisher/Small	Interview Number: 2 File Name: PEF Trip 1 Interview 2.doc
Name: Contracts Review	Date of Interview: 3/14/08 Location: CR3 Telephone Number:
(1) Purpose of Interview: contracts from DR1	
(2) Interview Summary: All contracts considered confidential 10 pages of handwritten notes attached	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required: Need to obtain and review remaining contracts. Per Maritza Iacono, some contractors have not yet given permission to release to us. Need to have our GCL speak to PEF counsel to get these provided to us rather than review off site.	

Project Manager

**PAGES 2 THROUGH 11 RESPONSIVE TO
THIS REQUEST ARE CONFIDENTIAL**

Bureau of Performance Analysis
Interview Summary

Company: PEF Area: Levy Units Auditor(s): Vinson/Fisher	Interview Number: 3 File Name: CR3 Trip 2 Interview Summary 3
Name: Danny Roderick	Date of Interview: 5/1/08 Location: CR3 Telephone Number:
(1) Purpose of Interview: Intro to Levy Units project	
(2) Interview Summary: * Westinghouse/Shaw Stone & Webster "consortium" – Toshiba bought W but SS&W also bought a share. W and SS&W are teamed up as a package deal- Danny says they might use them as team but not currently committed to. Option is to use different construction contractor than SS&W. * NRC licensing diff now than when CR3 built. "Then" you had Gilbert Commonwealth (now W-Parsons) building the plant <u>as they designed it</u> and operating license obtained later. "Now" the NRC can certify design in advance (AP1000 is certified) then you apply to NRC for combined construct and operating license (COL) which compresses process. Today using EPC eng/procure/constr as acronym. No separation between A/E and C so less confusion, lost in translation effect. * APOG – central clearing house for design changes – potential owners agree on changes, design options * Nustart – COLA development shared via two test COLAs (one AP1000, one BWR) Bellefonte, TVA is AP1000 reference COLA. It does thru first, gets approved on its basic generic portions all subsequent AP1000 apps use those generic chapters (Chaps 1-14). Three AP1000s filed already are SCANA, SoCo, and PE Harris. PE could swap Levy for Harris. * Counterfeit parts – case he knows of, pipeyard made mistakes. The Certified Materials Testing Reports would catch this since pipe has stamped # that is checked before anything is used, high degree of effort goes into material traceability and the specs and history of everything used is checked and known before installed. * Tour of plant site Levy Units – covered purchase process for land, site selection, plans to develop site including canal water take and dispersal, current geol, meteorol, hydrol testing	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required:	

Project Manager

**Bureau of Performance Analysis
Interview Summary**

Company: PEF Area: Levy Units Auditor(s): Vinson/Fisher	Interview Number: 4 File Name: CR3 Trip 2 Interview Summary 4.doc
Name: Steve Huntington PM	Date of Interview: 5/1/08 Location: CR3 Telephone Number:
(1) Purpose of Interview:	
(2) Interview Summary: *EPU – new turbine rotors, replace or upgrade 2009, new HP turbine 2011 *Thermal efficiency of 2ndry side improved by more efficient LY rotors. * Ted Williams (MUR oversight). George Englert (supvsr Mech Design) and Rene Taylor – devel specs for manufacturers. (obtain his new org chart – different from one we have) * Siemens both HP and LP turbines, TEI Moisture Separator Reheaters * Terry Owens respon for project controls *Dale Young VP-CR3 respons for QA, assistance from Steve Barkofski * Construction limited to poss new cooling towers – S&L studying now, recently completed report, recirculate option looks good. Recommended in study report.	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required:	

Project Manager

**Bureau of Performance Analysis
Interview Summary**

Company: PEF Area: Levy Units Auditor(s): Vinson/Fisher	Interview Number: 5 File Name: CR3 Trip 2 Interview Summary 5.doc
Name: Terry Hobbs, Gene Flavors, Tina Harvey	Date of Interview: 5/1/08 Location: CR3 Telephone Number:

(1) Purpose of Interview: Project Controls Group

(2) Interview Summary:

- *Respons include Wrok Breakdown Structure – scope and list of tasks grouped and sequenced/scheduled. Over time, variation from schedule is tracked and analysed.
- * Also respons for internal and external financial tracking and reporting
- * Estimating function may eventually require 5 positions for Levy work at peak. Completing EPU estimating this summer.
- * Gene Flavors – Scheduling Lead – uses Artemis, MicroSoft Project, Primavera for work scheduling. They adapt to vendor software rather than vice versa. Can track PEF internal and vendor external. Use vendors/subvendors timesheets to validate time versus charges. Variance of scheduled vs actual may trigger corective action plans, use these for trending
- *Tina Harvey – Supervsr Financ Controls – Levy New Units handled by Gary Miller. She has financial controls – Corporate and Project financial reporting, joint reports on budget analysis, reforecasts based on new #s. Also transactions, journal entry reviews. Can look at vendor reports to verify.
- * Audit Types – 1) Self Assessment – self initiated (was process followed? Well done?) with peer input. 2) Nuclear Assessment Section – is CR3 unit meeting licensing requirements? 3) Performance Evaluation Section- Raleigh e.g. Steam Gen Replacement review 4) Audit Services (corporate internal audit) St. Pete and Raleigh performs scheduled and management requested audits.
- *12/27/07 Audit report – Finding 1 – did all 3 phases at once but changes were supposed to be reflected in PAR (project authorization request) project was changed to be 2 phases – moot since BAP process to be replaced by IPP (integrated project plan) process. Finding 5 – related to sole source documentation being improved.
- * NCRs – 10 to 15 per day, don't sort out what is "big" enough, just produced and management sees and creates permanent record of events.

(3) Conclusions: Project Controls is not really an audit/QA function – focus on NAS, PES and Audit Svcs.

(4) Date Request(s) Generated:

No. _____
No. _____
No. _____

(5) Follow-up Required:

Project Manager

Bureau of Performance Analysis
Interview Summary

Company: PEF Area: Levy Units Auditor(s): Vinson/Fisher	Interview Number: 7 File Name: CR3 Trip 2 Interview Summary 7.doc
Name: Raymond Phillips, Mgr Audit Svcs	Date of Interview: 5/1/08 Location: CR3 Telephone Number:
(1) Purpose of Interview: Audit Services Group	
(2) Interview Summary: * Audit Svcs HQ in Raleigh, he is in St Pete and since Jan 2007 has been respons for all Fla audits. * 30 yrs with Carolina doing operational, environmental and safety audits * 4 Teams (3 peers of his) report to Audt VP and then to Board Audit Committee – one other is IT and Energy Supply – Jerry Kelber * Audits planned on risk basis – areas of change or key projects always riskier, some are cycle based (eg SarbOx, Clean Air) * Audit followups – goal is 90% of action plans done on time, evidence required to close each, 100% have to be done eventually regardless of time. * DR 3-8 Response is Self-Assessment stuff * Audits: CR3 2007 December report (we have) CR3 2008 reaudit – Raymond forgot to list, add in DR followup Levy Audit – later in 2008 NCRC Audit – later in 2008	
(3) Conclusions: Adequate audit coverage at this point, with annual CR3, early Levyy audit	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required: Obtain description of scope of 2008 CR3 reaudit	

Project Manager

**Bureau of Performance Analysis
Interview Summary**

Company: PEF Area: Levy Units Auditor(s): Vinson/Fisher	Interview Number: 6 File Name: CR3 Trip 2 Interview Summary 6.doc
Name: Phyllis Dixon, Steve Barkofski	Date of Interview: 5/1/08 Location: CR3 Telephone Number:
(1) Purpose of Interview: Nuclear Assurance Group	
(2) Interview Summary: * FSAR for CR3 says audits will be dual assesment -- both self assessment and independent assessments * INPO does some evals based on performance criteria in specific functional areas. INPO Performance Objectives and Criteria * 2008 evaluations planned : 258644 COLA & 258658 Contract Admin -- both 2 nd qtr * 08/08 -- 2 week assessment planned construction -- INPO topical reports -- uprates and construction * PES and NAS to be combined -- Steve's group will do source surveillances NUPIC visits called for in contracts.	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required: obtain INPO Criteria document info on planned assessments scopes	

Project Manager