

090009

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 080009-EI

Submitted for Filing: August 27, 2008

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**PROGRESS ENERGY FLORIDA, INC'S
NOTICE OF FILING AFFIDAVIT IN SUPPORT OF PEF'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING
STAFF EXHIBITS VF-1 AND JAS-2**

Progress Energy Florida, Inc. hereby gives notice of filing the affidavit of Daniel L. Roderick in support of its Request for Confidential Classification Regarding Staff Exhibits VF-1 and JAS-2.

Respectfully submitted,

Dianne M. Triplett

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic service and U.S. Mail this 27th day of August, 2008.


Attorney

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No: 080009

Submitted for Filing: August 29, 2008

**AFFIDAVIT OF DANIEL L. RODERICK IN SUPPORT OF PROGRESS ENERGY
FLORIDA'S REQUEST FOR CONFIDENTIAL CLASSIFICATION
REGARDING STAFF EXHIBITS VF-1 AND JAS-2**

STATE OF FLORIDA

COUNTY OF CITRUS

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

1. My name is Daniel L. Roderick. I am over the age of 18 years old and I have been authorized by Progress Energy Florida (hereinafter "PEF" or the "Company") to give this affidavit in the above-styled proceeding on PEF's behalf and in support of PEF's Request for Confidential Classification. The facts attested to in my affidavit are based upon my personal knowledge.

2. I am the Vice President of Nuclear Projects and Construction for PEF's nuclear plant. This department manages nuclear generation growth strategies.

3. As the Vice President of Nuclear Projects and Construction, I am responsible for all aspects of major projects and construction of nuclear generating assets in Florida, including the administration of PEF's contracts for the Crystal River 3 ("CR3") Uprate project and ongoing project analysis for the CR3 Uprate and Levy nuclear projects.

4. PEF is seeking confidential classification for portions portions of the final audit report filed with the Public Service Commission as Staff Exhibit VF-1. A detailed description of

the confidential information at issue is contained in confidential Appendix A to PEF's Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's Request for Confidential Classification as Appendix C. PEF is requesting confidential classification of portions of this report, because it contains confidential contractual information regarding the purchase of equipment and services necessary to complete the CR3 Uprate and Levy nuclear projects, the disclosure of which would compromise PEF's competitive business interests.

5. Certain portions of this report contains contractual quantities and pricing arrangements between PEF and providers of various nuclear equipment and services that would adversely impact PEF's competitive business interests if disclosed to the public. PEF must be able to assure these vendors that sensitive business information, such as the pricing and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of goods and services, and other contractual terms, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the CR3 Uprate and Levy nuclear projects could be undermined.

6. PEF is seeking confidential classification for portions of the report because they either are internal audit reports and procedures that resulted from the Company's audits of the CR3 Uprate Project, the Levy nuclear project, PEF's contractors, or uprate projects at other

Progress nuclear plants, or these documents contain information obtained from such audits, the disclosure of which would compromise PEF's competitive business interests. A detailed description of the confidential information at issue is contained in confidential Appendix A to PEF's Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's Request for Confidential Classification as Appendix C. PEF is requesting confidential classification of portions of these documents,

7. Public disclosure of the internal audit documents and information in question would compromise PEF's ability to effectively audit the Company's major projects. If the Company were to know that its internal auditing controls and processes were subject to public disclosure, it may not be as thorough while conducting such audits. In addition, such information and documents are specifically defined by Section 366.093(3)(b) as proprietary confidential business information that is entitled to confidential status.

8. PEF is seeking confidential classification for portions of the report because it contains information regarding the length of the refueling outage for the CR3 Uprate project, the disclosure of which would compromise PEF's competitive business interests. A detailed description of the confidential information at issue is contained in confidential Appendix A to PEF's Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's Request for Confidential Classification as Appendix C.

9. Specifically, the specific number of days during which CR3 will be offline for the refueling outage is highly confidential to the Company. During that time period, the Company may need to enter into power purchase arrangements to account for the lost megawatts on PEF's system. If such suppliers of power were to be aware of the specific number of days that CR3 was to be offline, this could change the terms (such as price and quantity) of the power they are willing to offer to PEF during this refueling outage.

10. PEF is seeking confidential classification for portions of the final audit report filed with the Public Service Commission as Staff's exhibit JAS-2 . A detailed description of the confidential information at issue is contained in confidential Exhibit A to PEF's First Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's First Request for Confidential Classification as Exhibit C. PEF is requesting confidential classification of this information because public disclosure of the information in question would violate confidentiality agreements between PEF and its land sellers and would impair PEF's ability to contract for real estate on competitive and favorable terms.

11. The documents at issue contain the land acquisition costs for the Levy Nuclear sites. Both sites were purchased pursuant to contracts that contain confidentiality provisions. PEF negotiates with potential landowners to obtain competitive contracts for real property that provide economic value to PEF and its ratepayers. In order to obtain such contracts, however, PEF must be able to assure these landowners that sensitive business information, such as the quantity and pricing terms of their contracts, will be kept confidential. PEF has kept confidential and has not publicly disclosed the proprietary contract terms and provisions at issue here. Absent such measures, PEF would run the risk that sensitive business information regarding what it is willing to pay for real property would be made available to the public and, as a result, other potential sellers of real property could change their position in their negotiations with PEF for the future purchase of other real property. Without PEF's measures to maintain the confidentiality of sensitive terms in these real property purchase contracts, the Company's efforts to obtain competitive land contracts would be undermined. In addition, by the terms of these contracts, all parties, including PEF, have agreed to protect proprietary and confidential information, which is defined to include the price, from public disclosure.

12. Upon receipt of this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company, and restricting the number of, and access to the information and contracts. At no time since developing the information in question has the Company publicly disclosed that information. The Company has treated and continues to treat the information at issue as confidential.

13. This concludes my affidavit.

Further affiant sayeth not.

Dated the 26th day of August, 2008.



(Signature)

Daniel L. Roderick
Vice President
Nuclear Projects and Construction
Crystal River Unit 3
Crystal River Energy Complex
Site Administration 2C
15760 West Power Line Street
Crystal River, Florida 34428

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this ___ day of August, 2008 by Daniel L. Roderick. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification. *CM 8/21/08*

Charlene Miller
(Signature)

Charlene Miller
(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF Florida; County of Citrus

11-11-08
(Commission Expiration Date)

DD 371231
(Serial Number, If Any)

