

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION
CLERK

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In re: Review of Progress Energy Florida,
Inc.'s Quality Assurance Process for
Distribution Construction.

Docket No. Undocketed

Dated: February 21, 2013

~~claim of confidentiality~~
~~notice of intent~~
 request for confidentiality
filed by OPC

For DN 00953-13, which
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**PROGRESS ENERGY FLORIDA INC.'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Progress Energy Florida, Inc., ("PEF" or "Company"), pursuant to Section 366.093, Florida Statutes (F.S.), and Rule 25-22.006, Florida Administrative Code (F.A.C.), submits this Request for Confidential Classification for information contained in the FPSC's Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction and related work papers. In support of this Request, PEF states:

1. In Staff's Review, there is sensitive PEF information that is "proprietary business information" under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this request:

(a) Sealed Composite Exhibit A is a package containing the unredacted pages of FPSC's Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction and related work papers for which PEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted versions, the information asserted to be confidential is highlighted by yellow marker.

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DOCUMENT NUMBER-DATE
00952 FEB 21 2013
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(b) Composite Exhibit B is a package containing two copies of redacted pages of FPSC's Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction and related work papers for which the Company requests confidential classification. The specific information for which confidential treatment is requested has been blocked out by opaque marker or other means.

(c) Exhibit C is a table which identifies by page and line the information for which PEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

3. As indicated in Exhibit C, the information for which PEF requests confidential classification is "proprietary confidential business information" within the meaning of Section 366.093(3), F.S. Specifically, the information at issue relates to PEF's internal auditing controls and reports of internal auditors, which if disclosed, could impair the efforts of the Company to protect internal business information. PEF is requesting confidential classification of this material because it contains confidential information related to the Company's internal audits, including reports of the Company's internal auditors. It is essential to the Company's internal auditing process that information provided to internal auditors and the reports thereof remain confidential – this allows for full cooperation and candor with the Company's auditors. The disclosure of this information would compromise the Company's ability to effectively perform internal audits of its projects and procedures and thereby harm PEF's competitive business interests. *See* § 366.093(3)(b), F.S.; Affidavit of Matt Powers at ¶ 6. Accordingly, such information constitutes "proprietary confidential business information" which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(3), F.S.

4. The information identified as Exhibit "A" is intended to be and is treated as confidential by the Company. See Affidavit of Matt Powers at ¶ 5. The information has not been disclosed to the public, and the Company has treated and continues to treat its internal guidelines and processes as confidential. See Affidavit of Matt Powers at ¶ 7.

5. PEF requests that the information identified in Exhibit A be classified as "proprietary confidential business information" within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4) F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

WHEREFORE, for the foregoing reasons, PEF respectfully requests that this Request for Confidential Classification be granted.

RESPECTFULLY SUBMITTED this 21st day of February, 2013.

/s/ Dianne M. Triplett
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PROGRESS ENERGY FLORIDA, INC.

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Exhibit B

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**PROGRESS ENERGY FLORIDA INC.'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
QUALITY ASSURANCE PROCESS FOR DISTRIBUTION CONSTRUCTION
OFFICIAL WORKPAPERS
PA-12-04-001**

**PAGES 281 THROUGH 295
REDACTED IN THEIR ENTIRETY**

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**PAGES 303 THROUGH 311
REDACTED IN THEIR ENTIRETY**




EDF Operational Readiness Scorecard
Q3 2011 Construction Audit Results

Manager	Final Score %
[REDACTED]	

Click the green button to open Construction Database file.

A green button with the text 'Construction Scores' inside.

 **Progress Energy**
EDF Operational Readiness Scorecard
Q4 2011 Construction Audit Results



Click the green button to
open Construction
Database file.

**Construction
Scores**

 **Progress Energy**
EDF Operational Readiness Scorecard
Q1 2012 Construction Audit Results

Manager	Final Score %
[REDACTED]	

Click the green button to open Construction Database file.

Construction Scores

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**PAGES 373 THROUGH 392
REDACTED IN THEIR ENTIRETY**

- Only Approved Safety-Related Source

Single Source Justification:

"Single source" describes the situation where there are multiple contractors capable of providing the scope of work, but only one contractor is preferred. The following are examples of acceptable single source justifications:

- Continuation of Prior Work: Materials and services needed, but unknown at time of original order
- Emergency: Can meet required delivery and situation does not provide time to seek elsewhere

DR1.4.b:

Response:

The majority of distribution work is completed by established resources and in the case where some distribution work may be selected for bidding, the company seeks bids from contractors with an established history or known diverse vendors, but a formal list is not maintained.

DR1.4.c:

Confidential items in this response are highlighted.

Response:

Vendor Name	Effective Start Date	Effective End Date	Work Type
F&H Contractors, Inc.			Construct and maintain underground, distribution facilities
Intratech Corporation			Construct underground cable Placement
Irby Construction Co., Inc.			Construct and maintain overhead, distribution facilities
MasTec North America, Inc.			Construct and maintain Overhead and underground, Distribution facilities

	<p>Pike Electric, Inc. [REDACTED] Construct and maintain overhead and underground, distribution facilities</p> <p><u>DR1.4.d:</u></p> <p><u>Response:</u></p> <p>PEF utilizes a work planning process to assign distribution construction work to the appropriate resource. This process is based upon available construction man hours for Progress Energy crews, skill sets, project time constraints, type of work, and specialized projects. PEF crews typically focus on smaller construction projects, customer interfacing type work, maintenance and restoration. PEF utilizes contractors for large construction projects, underground and specialized skill sets.</p> <p>When the planning process occurs jobs are assigned on the following criteria:</p> <ul style="list-style-type: none"> • Trenching and Bore- this type of work is typically assigned to our native underground contractors, with exceptions being in the rural areas where our crews perform their own trenching. • Skill Sets – PEF has a commitment to increase the overhead skill sets of our line work force. In order to provide these training opportunities to our crews, we look for projects around the 500- 800 Man Hour range. This work would include overhead re-conductor and back lot type work to increase the skills sets for our apprentices. • Volume by geographic location – typically there are several service areas that are saturated with new customer, asset management and system improvement projects. Contractors will typically receive a bulk of the work in these service areas. • Time Constraints – DOT or System Load Projects are typically time sensitive. PEF evaluates the work load in the service areas that these projects are located and determines if we have the resources to meet the deadlines. In most cases, it is beneficial to assign this type of work to a contractor, as they are not pulled off for outage response or emergency situations. • Specialized work – this type of work is bid out and awarded. These types of projects would include underground subaqueous boring and in some cases Transmission Under build work, which exceeds the capacity of our native contractors and PE work force. <p><u>DR1.4.e:</u></p> <p><u>Response:</u></p> <p>Copies of the existing contracts listed in response to Document Request 1.4.b are included under separate cover in a three ring binder in hardcopy form. Tabs are included to indicate demarcation of the various master</p>
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contracts as well as any contract amendments executed to extend master contract terms Page 482 of 590

Supporting Documentation:

Documentation provided to supporting this response includes the following:

- Contracts between PEF and Vendors identified in 1.4.b

DRI.4.f:

Confidential items in this response are highlighted.

Response:

The distribution construction contracts in place during years 2008-2012 are:

- F and H Contr Inc.
- Infratech Corp.
- Irby Constr Co Inc.
- MasTec North America Inc.
- Pike Elec Inc.

Contractor Expenditures by year:

Dollars in (\$000)	2008	2009	2010	2011	2012	Total
F & H CONTR INC						
INFRA TECH CORP						
IRBY CONSTR CO INC						
MASTEC NORTH AMER						
PIKE ELEC INC						
TOTAL						

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**PAGES 579 THROUGH 583
REDACTED IN THEIR ENTIRETY**

**PROGRESS ENERGY FLORIDA
Confidentiality Justification Matrix
Docket No.: Undocketed**

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p> <p><i>Note: Page Numbers correspond with those pages on the confidential PDF file provided to PEF.</i></p>	Pages 281 through 295 are redacted in their entirety	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>
<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p>	Pages 303 through 311 are redacted in their entirety	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>
<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p>	Pages 312 through 314, all information under columns titled "Manager" and "Final Score %"	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>
<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p>	Pages 373 through 392 are redacted in their entirety	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>

<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p>	<p>Page 460, all information under columns titled : "Effective Start Date" and "Effective End Date"</p>	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>
<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p>	<p>Pages 461, 2nd column, 1st row, 3rd and 4th sub-columns</p>	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>
<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p>	<p>Pages 462, all dollar amounts</p>	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>
<p>Review of Progress Energy Florida, Inc.'s Quality Assurance Process for Distribution Construction (including Workpapers)</p>	<p>Pages 579 through 583 are redacted in their entirety</p>	<p>§366.093(3)(b), F.S. The document in question contains confidential information relating to internal auditing controls and reports of internal auditors, the disclosure of which would impair PEF's internal business operations.</p>