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In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 080009-EI

COMMISSION
CLERK

Submitted for Filing: May 22^d, 2008

**PROGRESS ENERGY FLORIDA'S SECOND REQUEST
FOR CONFIDENTIAL CLASSIFICATION REGARDING PRE-FILED TESTIMONY
AND EXHIBITS OF LORI CROSS AND DANIEL L. RODERICK**

Progress Energy Florida ("PEF" or the "Company"), pursuant to Section 366.093, Fla. Stats., and Rule 25-22.006, F.A.C., files this Request for Confidential Classification for portions of the exhibits filed in connection with the pre-filed testimony of Lori Cross and Daniel L. Roderick, specifically Exhibit Numbers LC-1, LC-2, and DLR-1. Specifically, these responses contain sensitive, confidential contractual terms for nuclear goods and services, as well as the Company's proprietary business analysis regarding costs and budgets for an on-going project, that if disclosed would impact PEF's ability to contract on favorable terms in the future.

Accordingly, PEF hereby submits the following.

Basis for Confidential Classification

Subsection 366.093(1), Florida Statutes, provides that "any records received by the

Commission which are shown and found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records Act]." § 366.093(1), Fla. Stats. Proprietary confidential business information means information that is (i) intended to be and is treated as private confidential information by the Company, (ii) because disclosure of the information would cause harm, (iii) either to the Company's ratepayers or the Company's business operation, and (iv) the information has not been voluntarily disclosed to the public. § 366.093(3), Fla. Stats. Specifically, subsection

366.093(3)(e) defines "information relating to competitive interests, the disclosure of which

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would impair the competitive business of the provider of the information,” as proprietary confidential business information.

Exhibit Numbers LC-1 and LC-2

Portions of Exhibits LC-1 and LC-2, to Lori Cross’ direct testimony filed May 1, 2008, should be afforded confidential treatment for the reasons set forth in the Affidavit of Daniel L. Roderick filed in support of PEF’s Request for Confidential Classification and for the following reasons. Specifically, portions of these exhibits contain contractual terms and details regarding ongoing contracts PEF has with various nuclear vendors. Affidavit of Daniel L. Roderick at ¶ 5. PEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. Id. Indeed, the contracts at issue contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. Id.

Specifically, the information at issue relates to competitively negotiated contractual data and other contractual terms, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. See § 366.093(3)(d), Fla. Stats.; Affidavit of Roderick at ¶ 5. 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. Id. Without PEF’s measures to maintain the confidentiality of sensitive terms in contracts between PEF and this nuclear contractor, the Company’s efforts to obtain competitive contracts could be undermined. Id.

Upon receipt of this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality 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. (Id. at ¶ 8). At no time since receiving the information in question has the Company publicly disclosed that

information. Id. The Company has treated and continues to treat the information at issue as confidential. Id.

Exhibit Number DLR-1

Portions of Exhibit Number DLR-1, attached to the pre-filed testimony of Mr. Roderick on May 1, 2008, contains confidential business analysis regarding costs and budgets for the ongoing CR3 Uprate project. PEF is requesting confidential classification of this information because public disclosure of the information in question would allow other parties to discover how the Company analyzes whether to proceed with the CR3 Uprate project, including detailed analysis of risk options, scheduling, and cost, and would thus impair PEF's ability to contract for such goods and services on competitive and favorable terms. See Affidavit of Roderick at ¶ 6.

If this information was disclosed to the public, it could adversely impact PEF's competitive interests. See Affidavit of Roderick at ¶ 7. This document reflects the Company's internal strategies for evaluating projects and meeting deadlines. Id. If such information was disclosed to PEF's competitors and/or other potential suppliers, PEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both PEF and its ratepayers could be compromised by PEF's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. Id. For example, if one of PEF's suppliers was to know that PEF considered a particular good or service to be of utmost importance to the project, that supplier could artificially increase the asking price for that good or service, to the detriment of the ratepayers. Id.

Upon receipt of this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality 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. (Id. at ¶ 8). At no time since receiving the information in question has the Company publicly disclosed that

information. Id. The Company has treated and continues to treat the information at issue as confidential. Id.

Conclusion

The competitive, confidential information at issue in this request fits the statutory definition of proprietary confidential business information under Section 366.093 and Rule 25-22.006, F.A.C. Separate sealed envelopes containing one copy of the confidential exhibits for which PEF intends to request confidential classification with the appropriate section, pages, or lines containing the confidential information highlighted is enclosed herewith as Attachment "A." **This information should be accorded confidential treatment pending a decision on PEF's request by the Florida Public Service Commission.**

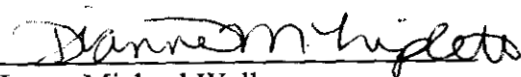
Additionally, two copies of the confidential exhibits with the information that PEF intends to request confidential classification redacted by section page, or lines, are also included herewith as Attachment "B."

Attachment "C" hereto contains a justification matrix supporting PEF's request for confidential classification of the highlighted information contained in Attachment A.

WHEREFORE, PEF respectfully requests that Exhibit Numbers LC_1, LC-2, and DLR-1, described specifically in Attachment C, be classified as confidential for the reasons set forth above.

Respectfully submitted this 22nd day of May, 2008.

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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 U.S. Mail this 22nd day of May, 2008.


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ACKNOWLEDGEMENT

DATE: May 22, 2008

TO: Dianne Tripple, Michael Walls/Carlton Fields

FROM: Ruth Nettles, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 080149 or, if filed in an undocketed matter, concerning portions of testimony and exhibits filed by Lori Cross and Daniel L. Roderick, specifically Ms. Cross', Roderick testimonies, and Exhibit Nos. LC-1, LC-2, and DLR-1, and filed on behalf of Progress Energy. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Marguerite Lockard, Deputy Clerk, at (850) 413-6770.

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