

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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**In Re: Petition for Determination of  
Need for Levy Units 1 and 2 Nuclear  
Power Plants.** )  
)  
)  
)

Docket No: 080148-EI

COMMISSION  
CLERK

Submitted for Filing: May 28, 2008

**NOTICE OF FILING AFFIDAVIT**

Progress Energy Florida, Inc. hereby gives notice that it has filed the following Affidavits in support of Progress Energy Florida's Seventh Request for Confidential Classification Regarding Staff's Third Request for Production of Documents No. 18:

1. Affidavit of Edward J. Hubner;
2. Affidavit of Randolph D. Galm; and
3. Affidavit of Daniel L. Roderick.

Respectfully submitted,



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Dianne M. Triplett  
Florida Bar No. 0872431  
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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 on the attached service list via electronic and U.S. Mail this \_\_\_ day of May, 2008.

  
Attorney

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**BEFORE**

**THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: Petition for Determination of Need for )  
Levy Units 1 and 2 Nuclear Power Plants )  
\_\_\_\_\_ )

Docket No. 080148-EI

**AFFIDAVIT OF EDWARD J. HUBNER**

1. I, Edward J. Hubner, am the Vice-President of Stone & Webster, Inc. ("Stone & Webster"), am over twenty-one years of age and competent to testify to the following.

2. Stone & Webster and Westinghouse Electric Company, LLC ("Westinghouse") are in contract negotiations with Progress Energy Florida ("Progress") to provide goods and services for the proposed Levy Units 1 and 2. During these negotiations, Westinghouse and Stone & Webster provided Progress with a highly confidential Price Book and Transmittal Letter that contains information concerning goods, services, sources of these goods and services, prices, constructions processes, components, quantities, schedules, project timing, critical milestones, sequence of events, logistics, and project plans to present to Progress in hopes of being selected for Levy Units 1 and 2. The information in the Price Book and Transmittal Letter contains patterns, compilations, programs, devices, methods, techniques, products, systems, processes and designs that are trade secrets owned by Stone & Webster. Protecting the confidentiality of this information is of the utmost important to Stone & Webster. This is particularly true since Stone & Webster, Westinghouse and Progress have not entered into an EPC contract for Levy Units 1 and 2.

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3. Progress has applied to the Florida Public Service Commission (“Commission” or “FPSC”) for an affirmative determination of need for Levy Units 1 and 2. The Commission Staff has served on Progress discovery requests seeking, among other things, correspondence between Progress and Westinghouse concerning the pricing of Levy Units 1 and 2. In response, Progress informed Westinghouse that it will ask Westinghouse to produce to Staff its Price Book and Transmittal Letter for AP1000 units for the proposed Levy Units 1 and 2.

4. Disclosure of this information would be very damaging to Stone & Webster during the negotiations with Progress and other utilities. The Price Book and Transmittal Letter contain information that is simply not generally known outside of Westinghouse or Stone & Webster. Stone & Webster derives a large economic value from the fact that the information in the Price Book and Transmittal Letter is generally not known. Disclosure to third parties would not only seriously undermine that value, but also would provide third parties with a significant economic value were they to have Stone & Webster’s trade secret information. Stone & Webster’s trade secret information has been developed based upon specialized knowledge of Stone & Webster and is not ascertainable by the public or any other person. Stone & Webster has taken great measures to insure this trade secret information stays secret and is not known to the public or third parties that could obtain an economic value from its disclosure or use. Additionally, the process of creating the Price Book took over a year and includes contributions by a substantial number of employees. Obviously, if the information in the Price Book and Transmittal Letter were generally known, Stone & Webster would not have made the investment in the creation of the information. Stone & Webster’s competitors as well as others can obtain significant economic value if disclosure of Stone & Webster’s trade secrets was made. For example, disclosure of this information would allow a third party to benefit from the tens of

thousands of hours of work that Stone & Webster put into the information in the Price Book and Transmittal Letter without having to expend the time and resources themselves.

5. The Price Book itself is simply not a book of prices. It contains references to hundreds of items used to construct a nuclear power plant, the critical timing for a construction project, critical milestones processes, construction timing, project plans and many other elements of constructing a plant. The Price Book contains highly sensitive confidential information for components, processes, construction plan and other information not just for any nuclear facility, but for a facility using a passive design. The trade secret information contained in the Price Book and Transmittal Letter is not only not known to the public, but also not known to others in the nuclear power industry. The Price Book contains information that is the most significant and confidential proposal package for a nuclear facility of this type design in many decades. By having created and developed this information, Westinghouse and Stone & Webster distinguish themselves from their competitors. The ability of Westinghouse and Stone & Webster to maintain this information in confidence so that it can offer its goods and services to Progress, allows Stone & Webster and Westinghouse to meet Progress' needs for Levy Units 1 and 2. Disclosure of this information would seriously undermine Westinghouse and Stone & Webster's ability to competitively offer such goods and services for this type facility. This is particularly concerning since goods and services for construction of a nuclear facility are highly specialized, and information concerning these highly specialized goods and services is contained in the Price Book and Transmittal Letter.

6. If the Price Book were disclosed, Stone & Webster would also be harmed in other business opportunities. Since the Price Book contains prices, goods, services, schedules, milestones, quantities and components, among other things, it would be very valuable to a

competitor or other third party. Therefore, disclosure of the Price Book and Transmittal Letter would severely hamper Stone & Webster's ability in negotiations with future customers. Disclosure of this commercially sensitive information could effectively deprive customers of the competitive bid process they deem to be advantageous. Competitors of Stone & Webster and others would have a significant advantage over us by having this information and using it to potentially fix prices for potential customers.

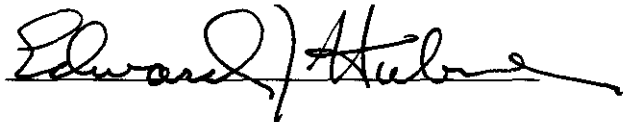
7. Stone & Webster has maintained strict controls over the Price Book and Transmittal Letter. A security guard controls access to the building where we are physically located. Anyone entering must have a valid picture ID employee badge. Visitors must be escorted while on our property. Therefore, physical access is severely restricted to the location where our confidential information, including the Price Book and Transmittal Letter, is kept.

8. The Price Book and Transmittal Letter are kept on a secure computer system with limited access protected by user names and passwords. Without the proper authorization, even with general computer access, the Price Book and Transmittal Letter cannot be accessed. Electronic copies of the Price Book and Transmittal Letter are not distributed to customers. Only controlled hard copies are provided to customers. Copies of the Price Book are only distributed to individuals on a need to know basis, and customers are not authorized to make additional copies of the Price Book.

9. When the Price Book and Transmittal Letter are provided to customers or potential customers, such customers or potential customers are required to enter into a confidentiality agreement. For any person to receive a Price Book and Transmittal Letter, that person must be under a legal obligation to keep the Price Book and Transmittal Letter confidential.

10. In an agreement dated December 18, 2006, among Progress, Westinghouse and Stone & Webster, the parties contractually agreed to protect the confidential information of Stone & Webster, including the Price Book and Transmittal Letter.

11. Under the circumstances surrounding the use and purpose of the Price Book, I believe Stone & Webster has gone above and beyond all reasonable measures to protect the confidentiality of the Price Book and Transmittal Letter.



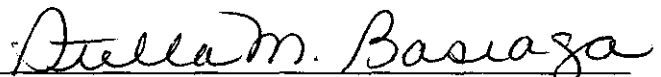
Name: Edward J. Hubner

Title: Vice-President

Date: May 20, 2008

STATE OF NEW JERSEY )  
COUNTY OF CAMDEN )

The foregoing instrument was acknowledged before me this 20 day of May, 2008, by Edward J. Hubner of Stone & Webster, Inc., a Louisiana corporation, on behalf of the corporation. He  is personally known to me OR  has produced \_\_\_\_\_ as identification and who  did  did not take an oath.



Notary Public, State of NEW JERSEY

Printed Name of Notary: STELLA M. BASIAGA

My Commission No.: 2207403

My Commission Expires: 11/13/2012

**STELLA M. BASIAGA**  
Notary Public  
State of New Jersey  
My Commission Expires 11/13/2012



**BEFORE**  
**THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: Petition for Determination of Need for )  
Levy Units 1 and 2 Nuclear Power Plants )  
\_\_\_\_\_ )

Docket No. 080148-EI

**AFFIDAVIT OF RANDOLPH D. GALM**

1. I, Randolph D. Galm, am the Vice President of Customer Project Development of Westinghouse Electric Company, LLC (“Westinghouse”), am over twenty-one years of age and competent to testify to the following.

2. Westinghouse and Stone & Webster, Inc. (“Stone & Webster”) are in contract negotiations with Progress Energy Florida (“Progress”) to provide goods and services for the proposed Levy Units 1 and 2. During these negotiations, Westinghouse and Stone & Webster provided Progress with a highly confidential Price Book and Transmittal Letter that contains information concerning goods, services, sources of these goods and services, prices, constructions processes, components, quantities, schedules, project timing, critical milestones, sequence of events, logistics, and project plans that Westinghouse has secured to present to Progress in hopes of being selected for Levy Units 1 and 2. The information in the Price Book contains patterns, compilations, programs, devices, methods, techniques, products, systems, processes and designs that are trade secrets owned by Westinghouse. Protecting the confidentiality of this information is of the utmost important to Westinghouse. This is particularly true since Westinghouse and Progress have not entered into an EPC contract for Levy Units 1 and 2.

3. Progress has applied to the Florida Public Service Commission (“Commission” or “FPSC”) for an affirmative determination of need for Levy Units 1 and 2. The Commission Staff has served on Progress discovery requests seeking, among other things, correspondence between Progress and Westinghouse concerning the pricing of Levy Units 1 and 2. In response, Progress informed Westinghouse that it will ask Westinghouse to produce to Staff its Price Book and Transmittal Letter for AP1000 units for the proposed Levy Units 1 and 2.

4. I have grave concerns about the disclosure of this information as it would be very damaging to Westinghouse during its negotiations with Progress and other utilities. The Price Book and Transmittal Letter contain information that is simply not generally known outside of Westinghouse or Stone & Webster. Westinghouse derives a large economic value from the fact that the information in the Price Book and Transmittal Letter is generally not known. Disclosure to third parties would not only seriously undermine that value, but also would provide third parties with a significant economic value were they to have Westinghouse’s trade secret information. Westinghouse’s trade secret information has been developed based upon specialized knowledge of Westinghouse and is not ascertainable by the public or any other person. Westinghouse has taken great measures to insure this trade secret information stays secret and is not known to the public or third parties that could obtain an economic value from its disclosure or use. Additionally, the process of creating the Price Book took over a year and includes contributions by a substantial number of employees. Obviously, if the information in the Price Book and Transmittal Letter were generally known, Westinghouse would not have made the investment in the creation of the information. Westinghouse’s competitors as well as others can obtain significant economic value if disclosure of Westinghouse’s trade secrets was made. For example, disclosure of this information would allow a third party to benefit from the

tens of thousands of hours of work that Westinghouse put into the information in the Price Book and Transmittal Letter without having to expend the time and resources themselves.

5. The Price Book itself is not simply a book of prices. It contains references to hundreds of items used to construct a nuclear power plant, the critical timing for a construction project, critical milestones processes, construction timing, project plans and many other elements of constructing a plant. The Price Book contains highly sensitive confidential information for components, processes, construction plan and other information not just for any nuclear facility, but for a facility using a passive design. The trade secret information contained in the Price Book and Transmittal Letter is not only not known to the public, but also not known to others in the nuclear power industry. The Price Book contains information that is the most significant and confidential proposal package for a nuclear facility of this type design in many decades. By having created and developed this information, Westinghouse and Stone & Webster distinguish themselves from their competitors. The ability of Westinghouse to maintain this information in confidence so that it can offer its goods and services to Progress, allows Westinghouse to meet Progress' needs for the Levy Units 1 and 2. Disclosure of this information would seriously undermine Westinghouse and Stone & Webster's ability to competitively offer such goods and services for this type facility. This is particularly concerning since goods and services for construction of a nuclear facility are highly specialized and Westinghouse's information concerning these highly specialized goods and services is contained in the Price Book and Transmittal Letter.

6. If the Price Book were disclosed, Westinghouse would also be harmed in other businesses. Since the Price Book contains prices, goods, services, schedules, milestones, quantities and components, among other things, it would be very valuable to a competitor or

other third party in Westinghouse's post-construction business. For component repair and replacements for existing power plants, nuclear or not, the Price Book contains extremely valuable information related to components, schedules, processes and logistics for providing replacement goods and services. Therefore, disclosure of the Price Book and Transmittal Letter would severely hamper Westinghouse's ability to negotiate with future customers. Disclosure of this commercially sensitive information could effectively deprive customers of the competitive bid process they deem to be advantageous. Competitors of Westinghouse and others would have a significant advantage over Westinghouse by having this information and using it to potentially fix prices for potential customers.

7. Westinghouse has maintained strict controls over the Price Book and Transmittal Letter. Westinghouse hires a third party security service to provide limited access to the Westinghouse physical location. Physical access can only be achieved by having a valid picture ID employee badge that has to be presented and approved for entry or, in the case of a visitor, having a Westinghouse employee escort while on the Westinghouse property. For visitors, the escort cannot be any Westinghouse employee, but it is Westinghouse's policy that the escort must be attending the same meeting as the visitor in order for the security company to allow entry to the physical location. A visitor log is maintained for any visitor entering our property. Therefore, physical access is severely restricted to the location where the Price Book and Transmittal Letter are kept.

8. The Price Book and Transmittal Letter are kept on a secure computer with limited access protected by user names and passwords. Without the proper authorization, even with general computer access, the Price Book and Transmittal Letter cannot be accessed. Electronic copies of the Price Book and Transmittal Letter are not distributed to customers. Only controlled

hard copies are provided to customers. Controlled hard copies are numbered so that no two Price Books for customers are numbered the same for any one customer. Westinghouse also maintains a Controlled Copy List that identifies each copy by copy number and lists the copy number with the name of the individual that received the specific copy. Copies of the Price Book are only distributed to individuals on a need to know basis, and customers are not authorized to make additional copies of the Price Book.

9. When the Price Book and Transmittal Letter are provided to customers or potential customers, such customers or potential customers are required to enter into a confidentiality agreement with Westinghouse. For any person to receive a Price Book and Transmittal Letter, that person must be under a legal obligation to keep the Price Book and Transmittal Letter confidential. Even with this legal obligation, only controlled number hard copies of the book are distributed to customers.

10. As is Westinghouse's practice, Progress, Westinghouse and Stone & Webster entered into a Non-Disclosure Agreement dated December 18, 2006, which replaced a prior confidentiality agreement with Progress. This agreement was entered into with the specific purpose of negotiating a potential contract for Westinghouse and Stone & Webster to provide goods and services for Levy Units 1 and 2.

11. Under the circumstances surrounding the use and purpose of the Price Book and Transmittal Letter, I believe Westinghouse has gone above and beyond all reasonable measures to protect the confidentiality of the Price Book and Transmittal Letter.

Randolph D. Galm

Name: RANDOLPH D. GALM

Title: VP NPP CUSTOMER PROJECT DEVELOPMENT

Date: May 27, 2008

STATE OF Pennsylvania  
COUNTY OF Allegheny )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of May, 2008, by Randolph D. Galm of Westinghouse Electric Company, LLC, a Delaware corporation, on behalf of the corporation. He  is personally known to me OR  has produced \_\_\_\_\_ as identification and who  did  did not take an oath.

Debra McCarthy  
Notary Public, State of Pennsylvania  
Printed Name of Notary: DEBRA MCCARTHY  
My Commission No.: 174551  
My Commission Expires: August 31, 2009

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Debra McCarthy, Notary Public  
Monroeville Boro, Allegheny County  
My Commission Expires Aug. 31, 2009  
Member, Pennsylvania Association of Notaries

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition for determination of need  
for Levy Units 1 and 2 nuclear power plants,  
by Progress Energy Florida, Inc.

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Docket No. 080148-EI

Submitted for Filing: May 28, 2008

**AFFIDAVIT OF DANIEL L. RODERICK IN SUPPORT OF  
PROGRESS ENERGY FLORIDA'S SEVENTH  
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

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 with various nuclear plant contractors.

4. PEF is seeking confidential classification for portions of PEF's responses to Staff's Third Request for Production of Documents (Nos. 16-18), Request 18. A detailed

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description of the confidential information at issue is contained in confidential Exhibit A to PEF's Seventh Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's Seventh Request for Confidential Classification as Exhibit C. PEF is requesting confidential classification of this information because public disclosure of the information in question would (a) violate confidentiality agreements between PEF and its nuclear vendors, (b) would impair PEF's ability to contract for nuclear goods and services on competitive and favorable terms, (c) would impair the competitive business of PEF's nuclear vendors, and (d) disclose information which PEF's nuclear vendors consider to be trade secrets.

5. The response to Staff's Request 18 contains confidential contractual information regarding the purchase of equipment and services necessary to complete the Levy Nuclear Project. These responses contain information regarding a contractual arrangement between PEF and a provider of nuclear equipment and services that would adversely impact PEF's competitive business interests if disclosed to the public. PEF must be able to assure this vendor that sensitive business information, such as the terms of its contract, will be kept confidential. Indeed, the contract at issue contains a confidentiality provision that prohibit the disclosure of the terms of the contract to third parties, and the third party with whom PEF has contracted considers this information to be a trade secret. 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. 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 this nuclear contractor, the Company's efforts to obtain competitive contracts for the Levy Nuclear Project could be undermined.



6. 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. At no time since receiving 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.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated the 27 day of May, 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 27<sup>th</sup> day of May, 2008 by Daniel L. Roderick. He is personally known to me or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.

SHARON LAYTON  
Bonded  
Florida Notary Public  
(AFFIX NOTARIAL SEAL)



(Signature)  
Sharon Layton  
(Printed Name)

NOTARY PUBLIC, STATE OF FL

June 13, 2008  
(Commission Expiration Date)

(Serial Number, If Any)

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