

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

RECEIVED

TO: Maritza Iacono

undktd

UTILITY: Progress Energy Florida

Carl Vinson

AUDIT MANAGER

FROM: Carl Vinson

REQUEST NUMBER: DR-7

DATE OF REQUEST: 6/13/08 - Due 6/20/08

AUDIT PURPOSE: Nuclear Controls Review

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: Maritza Iacono

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

- 1) 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 auditee responses to the reports and findings.
- 2) Please list and provide copies of all audit reports of the Levy project completed by the NRC from 2006 through 2008 to date. Please include copies of all auditee responses to the reports and findings.
- 3) Please list and provide copies of all audit reports and self-evaluations of the CR3 Uprate project completed by PEF or Progress Energy Corporation from 2006 through 2008 to date. Please include copies of all auditee responses to the reports and findings.
- 4) Please list and provide copies of all audit reports of the CR3 Uprate project completed by the NRC from 2006 through 2008 to date. Please include copies of all auditee responses to the reports and findings.
- 5) 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.
- 6) Please provide the current Project Assurance Plans for Levy and CR3 uprate.

TO: AUDIT MANAGER Carl Vinson

DATE: 6/16/08

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 6 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SIGNATURE AND TITLE OF RESPONDENT Maritza N. Iacono
Supervisor - Regulatory Planning

RCP L

FILE NUMBER - DATE
06632 JUL 29 08

FPSC-COMMISSION CLERK

Project Assurance Plan Levy Transmission Project

Phil Lucas, Project Assurance Advisor

Phil Lucas June 17, 2008
Signature Date

Stakeholders:

David Titzer, Project Manager (Transmission)

David S. Titzer 6/14/08
Signature Date

Javier Portuendo, Dir Regulatory Planning

Javier Portuendo 6-16-08
Signature Date

Robert Glenn, ~~Dir~~ General Counsel PEF

Robert Glenn 6/19/08
Signature Date

Melinda Burrows, Dir Project Assurance

Melinda Burrows 6-16-08
Signature by Gina Freeman Date

Acquire property for Citrus & Central Florida South Substations	[REDACTED]	
Acquire ROW for route(s) selected	[REDACTED]	
Procure long lead items	[REDACTED]	
CREC substation permit application (potential)	[REDACTED]	
Pre-certification construction begins	[REDACTED]	
Construction Starts	[REDACTED]	
In – service date	[REDACTED]	

Project Documentation

REDACTED

a. Project Document Control System

Developing, maintaining, and retrieving appropriate project documentation is an essential aspect of being able to demonstrate the basis for key decisions and their costs. The project will develop and maintain a project document control system in accordance with CON-PPDX-00013 AND CON-PPDX-00001. As needed, project management may provide supplemental guidance on the documentation that should be developed and maintained and the process for getting such documentation into the project files. The Project Assurance advisor will assist and support project management personnel in developing such supplemental guidance when needed.

b. Document Custodian

The Project Manager will appoint a Document Custodian for this project, ensuring that documentation supporting all Key Decision Points is maintained and retrievable in a master file (location) to support the cost recovery process. David Titzer (Project Manager) will be responsible for ensuring that documentation supporting all Key Decisions Points and Events is developed and forwarded to the Document Custodian.

c. Satellite Files

It is recognized that personnel working on the project may maintain personal satellite files or a system of project shared files to facilitate their day-to-day work. However, satellite files and shared project files shall eventually be phased out with key documentation being transferred to the master project file in accordance with CON-PPDX-00013. Documentation which no longer has a relevant business purpose will be deleted from the files.

All project related files and documents (personal files, satellite files, shared project files and the permanent project files) are subject to discovery during regulatory proceedings. All project personnel are responsible for practicing good document control practices in the maintenance of their files and may be expected to periodically produce documents from their files in response to regulatory inquiries.

Project Assurance Plan CR3 Uprate/ Project

Phil Lucas, Project Assurance Advisor

Phil Lucas 4/23/08
Signature Date

Stakeholders:

Steve Huntington, Project Manager (Uprate)

Steve Huntington 4/23/08
Signature Date

Javier Portuondo, Dir Regulatory Planning

Javier Portuondo 4-28-08
Signature Date

Robert Glenn, Deputy General Counsel PEF

Robert Glenn 5/16/08
Signature Date

Melinda Burrows, Dir Project Assurance

Melinda Burrows 4/24/08
Signature Date

CONFIDENTIAL

Purpose

This Project Assurance Plan establishes the method whereby key stakeholders (as defined in the Integrated Project Plan) involved in the CR3 Uprate/ project will work together to ensure that key project decisions are prudent, appropriately documented and support the regulatory process for cost recovery.

The Project Assurance Plan does not supersede any elements of the Integrated Project Plan (IPP) developed for this project. The two plans have been integrated where possible; however, some portions of this Project Assurance Plan are specifically designed to achieve the aforementioned purpose and are therefore separate and distinct.

The Project Assurance Plan is a living document and will be revised as needed during the project lifecycle.

Project Assurance Support Level

The CR3 Uprate/S/G Replacement Project will receive **Enhanced Project Assurance Support** to ensure that documentation for key project decisions is adequate to document the basis for decisions and their costs. To accomplish this purpose, Project Assurance personnel will work collaboratively with project personnel to provide advice, support, and guidance in all phases of project decision making, documentation, record retrieval, and record retention.

Key Decision Points

A Project Assurance (PA) advisor will provide support for key project decisions as needed. While it is not practical to determine in advance all the key decisions for which the PA advisor should provide support, the table below provides guidance on the nature and types of decisions for which support should be provided. The PA advisor and project personnel will periodically review current and pending project decisions to ensure that PA resources are focused on the key decisions.

REDACTED

Milestone	Date
Balance Of Plant Heavy Hauling Contract Issued	June 2008
Balance Of Plant Installation Contract Issued	June 2008
Turbine Generator Exciter Manufacturing Begins	June 2008
Low Pressure Turbine Manufacturing Begins	██████████
All Balance Of Plant Engineering Change Packages Approved	██████████
All Balance Of Plant Work packages for R16 approved	██████████

key documentation being transferred to the master project file in accordance with CR3 plant procedures RDC-NGGC-0001, NGG Standard Records Management Program, RDC-NGGC-0002, Document Control Program and Program Manual NGGM-PM-0018, Project Management.. Documentation which no longer has a relevant business purpose will be deleted from the files.

All project related files and documents (personal files, satellite files, shared project files and the permanent project files) are subject to discovery during regulatory proceedings. All project personnel are responsible for practicing good document control practices in the maintenance of their files and may be expected to periodically produce documents from their files in response to regulatory inquiries. The Project Assurance Advisor will provide advice and guidance to project personnel on file maintenance, the adequacy of document packages, and retention of documents as needed.

d. Common Documentation Packages

During the course of this project, many key decisions will be made. In order to ensure that the basis and reasonableness of these key decisions, and their cost is appropriate and can be explained and defended, it may be appropriate to assemble documentation related to that decision into a common documentation package. The Project Assurance Advisor will work with project management and project personnel as needed to determine the need for such documentation packages and will review and advise project management and project personnel on the adequacy of such documentation packages during Project Assurance Reviews.

Project Assurance Documentation

The Project Assurance organization will establish a CR3 Uprate Project document repository for the purpose of collecting and maintaining documents which support and explain key project decisions, demonstrate that the project was effectively managed, and demonstrate that costs were reasonable, justified, and prudently incurred. The documentation maintained will be used to assist the Legal Department, Regulatory Planning, and Project Management in the development of regulatory filings and the defense of those filings. The Project Assurance organization will populate the document repository with documents obtained from the document management system discussed above and from other document sources including documents prepared directly by Project Assurance Personnel.

Project Assurance Reviews

The Project Assurance Advisor will conduct project assurance reviews focusing on whether project documentation contains sufficient fact-based detail to enable a reviewer to determine that the decision was just, reasonable and prudent based upon the information reasonably available to the company at the time the decision was made. Feedback will be provided to the Project Manger and/or other project

personnel if there is a need to expand or improve the documentation. Final versions of documentation included in Project Assurance reviews will be maintained in the Project Assurance files for the project. The Project Assurance Advisor, with input from the Project Manager and other lead project personnel, will establish a plan for such reviews.

As appropriate for the project, project Assurance reviews may include the following:

a. Key Decision Points:

These reviews will address the adequacy and scope of the documentation associated with the key decision points.

b. Project Approval and Project Justification Documents

These reviews will cover drafts of the project IPPs and supporting documents.

c. Materials Presented to Senior Management

These reviews will cover presentations and executive summary documents prepared for and presented to Senior Management regarding the CR3 Uprate including but not limited to updates on project status, project issues or concerns and requests for approval of project decisions.

d. Regulatory filings

These reviews will cover reports, testimony drafts, interrogatory responses and other materials prepared in support of regulatory filings.

e. Significant Project Issues

These reviews will cover documentation associated with significant project issues that are likely to arise from time-to-time and which present challenges from an engineering, construction, schedule, or cost perspective. Documentation associated with such issues or events may be necessary in demonstrating that the project was effectively managed. The extent of Project Assurance review of such documents will be mutually determined by the Project Assurance Advisor and the Project Manager.

f. Contract Disputes

These reviews will cover documentation associated with vendor disputes resulting in scope, cost, schedule and other changes that may be subject to regulatory scrutiny.

g. Root Cause Evaluations

These reviews will cover documentation associated with any root cause investigation arising out of work done on or in support of the CR3 Uprate Project.

h. Project Management Documentation

These reviews will cover documentation relating to risk and other project assessments which have the potential to be subject to regulatory scrutiny including

but not limited to risk analyses, lessons learned assessments and project close out documentation.

i. Audit Responses

These reviews will cover documentation relating to activities associated with internal and external project audits, including but not limited to documentation generated in response to audit findings and audit close-out documentation.

Training

The Project Assurance Advisor will provide project assurance training as needed for project personnel as mutually determined by the Project Manager and the Project Assurance Advisor. Training may consist of the following standard training offerings:

- a. Basic Project Assurance Awareness
- b. Basic Project Assurance Awareness for External Contractors
- c. Level 2 Project Assurance Specialized Training Modules

The Project Manager will designate the project personnel that should receive the training and will ensure that designated personnel participate in the training. Once the initial wave of training has been provided, new personnel may be trained in one-on-one sessions as part of the employee's orientation.

Periodic Project Assurance Meetings

The Project Assurance Advisor shall ensure that periodic project update meetings (at least semi-annually) are scheduled with representatives from the Project team, Legal, Regulatory Planning and Project Assurance organizations. These meetings will provide a forum for participants to discuss project status, emergent risks, risk mitigation plans, the regulatory environment and other issues impacting the cost recovery process. One of the meetings will be held in the February/March timeframe in coordination with the Progress Energy's annual Nuclear Cost Recovery Clause filing with the Florida Public Service Commission.

Regulatory Filings

Project Assurance personnel will support regulatory filings associated with the CR 3 Uprate Project by reviewing testimony drafts, interrogatory responses and other materials prepared in support of regulatory filings to ensure that the filings are accurate and supportable by the documentation.