

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 100009-EI
Submitted for Filing: April 1, 2010

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CONFIDENTIAL

**NOTICE OF FILING AFFIDAVITS IN SUPPORT OF
PROGRESS ENERGY FLORIDA'S REQUEST FOR CONFIDENTIAL
CLASSIFICATION REGARDING ITS ENGINEERING, PROCUREMENT AND
CONSTRUCTION AGREEMENT**

Progress Energy Florida, Inc. ("PEF" or the "Company") herby gives notice of filing the following in support of Progress Energy Florida's Request for Confidential Classification concerning the Engineering, Procurement and Construction Agreement and Amendments:

1. Affidavit of Sue Hardison in support of Progress Energy Florida's Request for Confidential Classification concerning the Engineering, Procurement and Construction Agreement;
2. Affidavit of David P. Barry in support of Progress Energy Florida's Request for Confidential Classification concerning the Engineering, Procurement and Construction Agreement; and
3. Affidavit of Randolph D. Galm in support of Progress Energy Florida's Request for Confidential Classification concerning the Engineering, Procurement and Construction Agreement.

Respectfully submitted,

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Associate General Counsel
Dianne M. Triplett
Associate General Counsel
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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 and U.S. Mail this 1st day of April, 2010.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 100009-EI
Submitted for Filing: ~~March~~ ^{April} 1, 2010

**AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING ITS ENGINEERING,
PROCUREMENT AND CONSTRUCTION AGREEMENT**

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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

1. My name is Sue Hardison. 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 "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. PEF is seeking confidential classification for portions of the highly confidential Engineering, Procurement and Construction Agreement and Amendments ("EPC Agreement") between the Company and Stone & Webster, Inc. and Westinghouse Electric Company, LLC (the "Consortium"). An unredacted version of the contract is contained in confidential Appendix A to PEF's Request and the confidential portions thereof are outlined in PEF's Justification Matrix attached to the Request as Appendix C.

3. PEF is requesting confidential classification of the EPC Agreement because it contains highly sensitive, confidential, and proprietary contractual information regarding the

Levy Nuclear Project (“LNP” or the “Project”), the disclosure of which would compromise PEF’s competitive business interests and violate the contract’s confidentiality provision.

4. PEF requests confidential classification of the EPC Agreement, because the Company must be able to assure the Consortium that sensitive business information, such as the pricing, payment and quantity terms of this contract, will be kept confidential. Indeed, the EPC Agreement contains a confidentiality provision that prohibits disclosure of contractual terms to third parties. In particular, the EPC Agreement contains competitively negotiated contractual data, such as quantity, pricing of goods and services and payments made and other contractual terms and obligations, the disclosure of which would impair the efforts of the Company to negotiate contracts on favorable terms. If third parties were made aware of confidential contractual terms that the Company has with the Consortium, 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 the Consortium, the Company’s efforts to obtain competitive contracts for the Project would be undermined. Further, without the Company’s measures to protect against the disclosure of this information, PEF would be unable to enter into contracts of this type.

5. As stated above, the EPC Agreement contains a confidentiality provision and is considered highly confidential; therefore, PEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality agreements between PEF and the other parties. PEF goes to great lengths to ensure that the terms and conditions of the EPC Agreement are kept confidential and has not publicly disclosed the proprietary contractual terms and provisions at issue here. Absent such measures, PEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods, supplies and real property would be made available to the public and, as a result, other potential sellers of materials and services could change their position in their

negotiations to the detriment of PEF. In addition, by the terms of these contracts, all parties thereto - including PEF - have agreed to protect proprietary and confidential information, which is defined to include the pricing provisions, from public disclosure.

6. Upon receipt of this confidential information strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time since the developing or entering the contracts in question has PEF publicly disclosed the contracts' terms; PEF has treated and continues to treat the information contained in the subject contracts as confidential.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated this 25 day of March, 2010.

Sue Hardison

(Signature)

Sue Hardison

General Manager – Corporate Development Group
Business Services

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 25 day of March, 2010 by Sue Hardison. She is personally known to me, or has produced her N/A driver's license, or her N/A as identification.

IN Wake County -

DAWN M. BISSON
Notary Public, North Carolina
Wake County
My Commission Expires
May 03, 2011

(AFFIX NOTARIAL SEAL)

Dawn M. Bissan

(Signature)

Dawn M. Bissan

(Printed Name)

NOTARY PUBLIC, STATE OF North Carolina

May 03, 2011

(Commission Expiration Date)

N/A

(Serial Number, If Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: NUCLEAR POWER PLANT
COST RECOVERY CLAUSE

Docket No. 0100009-EI
Submitted for Filing: April 1, 2010

AFFIDAVIT OF DAVID P. BARRY

1. I, David P. Barry, am the President of Nuclear Operations of Stone & Webster, Inc. ("Stone & Webster"), am over twenty-one years of age and competent to testify to the following.

2. Westinghouse Electric Company, LLC ("Westinghouse") and Stone & Webster have entered into as of December 31, 2008 an Engineering, Procurement and Construction Agreement ("EPC Agreement") with Progress Energy Florida ("Progress") to provide goods and services for the proposed Levy Units 1 and 2. This EPC Agreement was the culmination of extensive negotiations in which Westinghouse and Stone & Webster were competing with other vendors to provide Progress with highly confidential goods, services, sources of these goods and services, prices, construction processes, components, quantities, schedules, project timing, critical milestones, sequence of events, logistics, and project plans for Levy Units 1 and 2. The information in the EPC Agreement contains programs, 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 importance to Stone & Webster. This is particularly true since Stone & Webster continues to be in the highly competitive business of offering similar services to other load serving entities in the United States and around the world.

3. Progress has applied to the Florida Public Service Commission ("Commission" or "FPSC") for recovery of costs associated with Levy Units 1 and 2. Many of those costs will be

incurred pursuant to the terms of the EPC Agreement. The Commission's Audit Staff has requested and received from Progress, access to review the EPC Agreement. It was identified as proprietary and confidential to Progress, Stone & Webster and Westinghouse when provided to the Commission Audit Staff was given access to review it. Consequently, it has been treated as confidential by the Commission Audit Staff during the course of the audit. The Commission Audit Staff has indicated the need to retain a copy of the confidential and proprietary EPC Agreement during the audit. Consequently, to protect its interests as well as the interests of Stone & Webster and Westinghouse, Progress is filing a Request for Confidential Classification ("Request") seeking confidential treatment of the EPC Agreement. My affidavit is filed in support of Progress' Request.

4. I have grave concerns about the disclosure of the EPC Agreement. Such disclosure would be very damaging to Stone & Webster. It would adversely affect its continuing relationship with Progress. It would also adversely affect Stone & Webster's ability to negotiate similar terms and agreements with any number of other entities who have expressed or may express an interest in similar goods and services. The EPC Agreement contains 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 EPC Agreement 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 negotiating the EPC Agreement and predecessor documents took over two years and includes contributions by a substantial number of employees. Obviously, if the information in the EPC Agreement 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 EPC Agreement without having to expend the time and resources themselves.

5. The EPC Agreement contains far more than 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 EPC Agreement 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 EPC Agreement is not only not known to the public, but also not known to others in the nuclear power industry. The EPC Agreement 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 Stone & Webster to maintain this information in confidence so that it can offer its goods and services to Progress allows Stone & Webster 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 true since goods and services for construction of a nuclear facility are highly specialized and Stone & Webster's information concerning these highly specialized goods and services is contained in the EPC Agreement

6. If the EPC Agreement were disclosed, Stone & Webster would also be harmed in other businesses. Since the EPC Agreement 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 Stone & Webster's business. For component repair and replacements for existing power plants, nuclear or not, the EPC Agreement contains extremely valuable information related to components, schedules, processes and logistics for providing replacement goods and services. Therefore, disclosure of the EPC Agreement would severely hamper Stone & Webster'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 Stone & Webster and others would have a significant advantage over Stone & Webster by having this information and using it to potentially fix prices for potential customers.

7. Stone & Webster has maintained strict controls over the EPC Agreement. Stone & Webster provides limited access to the Stone & Webster physical locations. 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 Stone & Webster employee escort while on the Stone & Webster property. A visitor log is maintained for any visitor entering our property. Therefore, physical access is severely restricted to the location where the EPC Agreement is kept.

8. The EPC Agreement is kept on a secure computer with limited access protected by user names and passwords. Without the proper authorization, even with general computer access, the EPC Agreement cannot be accessed. Electronic copies of the EPC Agreement are not distributed to employees. Only controlled hard copies are provided to employees. Controlled hard copies are numbered so that no two EPC Agreements are numbered the same. Stone & Webster 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 EPC Agreement are only distributed to individuals on a need to know basis, and employees are not authorized to make additional copies of the EPC Agreement.

9. When the EPC Agreement is provided to third parties, such third parties are required to enter into a confidentiality agreement with Stone & Webster and Westinghouse. For any person to receive an EPC Agreement, that person must be under a legal obligation to keep the EPC Agreement confidential. Even with this legal obligation, only controlled number hard copies of the book are distributed.

10. The EPC Agreement contains a confidentiality provision that prohibits disclosure of contractual terms to third parties. Public disclosure of the EPC Agreement without protection of the proprietary and confidential terms of the EPC Agreement would be inconsistent with the terms of the EPC Agreement. Therefore, Stone & Webster supports Progress' Request for Confidential Classification of the EPC Agreement.

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

[Signature]
Name: David P. Barry
Title: President of Nuclear Operations
Date: 3/24/2010

STATE OF N.C.)
COUNTY OF Mecklenburg)

The foregoing instrument was acknowledged before me this 24th day of March, 2010, by David P. Barry of Stone & Webster, Inc., a _____ 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.

[Signature]
Notary Public, State of North Carolina
Printed Name of Notary: Janet B. Jenkins
My Commission No.: N/A
My Commission Expires: 12/26/2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: NUCLEAR POWER PLANT
COST RECOVERY CLAUSE

Docket No. 0100009-EI
Submitted for Filing: April 1, 2010

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”) have entered into as of December 31, 2008 an Engineering, Procurement and Construction Agreement (“EPC Agreement”) with Progress Energy Florida (“Progress”) to provide goods and services for the proposed Levy Units 1 and 2. This EPC Agreement was the culmination of extensive negotiations in which Westinghouse and Stone & Webster were competing with other vendors to provide Progress with highly confidential goods, services, sources of these goods and services, prices, construction processes, components, quantities, schedules, project timing, critical milestones, sequence of events, logistics, and project plans for Levy Units 1 and 2. The information in the EPC Agreement 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 importance to Westinghouse. This is particularly true since Westinghouse continues to be in the highly competitive business of offering similar services to other load serving entities in the United States and around the world.

3. Progress has applied to the Florida Public Service Commission (“Commission” or “FPSC”) for recovery of costs associated with Levy Units 1 and 2. Many of those costs will be incurred pursuant to the terms of the EPC Agreement. The Commission’s Audit Staff has requested and received from Progress access to review the EPC Agreement. It was identified as proprietary and confidential to Progress, Stone & Webster and Westinghouse when the Commission Audit Staff was given access to review it. Consequently, it has been treated as confidential by the Commission Audit Staff during the course of the audit. The Commission Audit Staff has indicated the need to retain a copy of the confidential and proprietary EPC Agreement during the audit. Consequently, to protect its own interests as well as the interests of Stone & Webster and Westinghouse, Progress is filing a Request for Confidential Classification seeking confidential treatment of the EPC Agreement. My affidavit is filed in support of Progress’ Request.

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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 negotiating the EPC Agreement and predecessor documents took over two years and includes contributions by a substantial number of employees. Obviously, if the information in the EPC Agreement 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 EPC Agreement without having to expend the time and resources themselves.

5. The EPC Agreement contains far more than 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 EPC Agreement 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 EPC Agreement is not only not known to the public, but also not known to others in the nuclear power industry. The EPC Agreement 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 true 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 EPC Agreement

6. If the EPC Agreement were disclosed, Westinghouse would also be harmed in other businesses. Since the EPC Agreement 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 business. For component repair and replacements for existing power plants, nuclear or not, the EPC Agreement contains extremely valuable information related to components, schedules, processes and logistics for providing replacement goods and services. Therefore, disclosure of the EPC Agreement 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 EPC Agreement. Westinghouse hires a third party security service to provide limited access to the Westinghouse physical locations. 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 locations. A visitor log is maintained for any visitor entering our property. Therefore, physical access is severely restricted to the location where the EPC Agreement is kept.

8. The EPC Agreement is kept on a secure computer with limited access protected by user names and passwords. Without the proper authorization, even with general computer access, the EPC Agreement cannot be accessed. Electronic copies of the EPC Agreement are not distributed to employees. Only controlled hard copies are provided to employees. Controlled hard copies are numbered so that no two EPC Agreements are numbered the same. 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 EPC Agreement are only distributed to individuals on a need to know basis, and employees are not authorized to make additional copies of the EPC Agreement.

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10. The EPC Agreement contains a confidentiality provision that prohibits disclosure of contractual terms to third parties. Public disclosure of the EPC Agreement without protection of the proprietary and confidential terms of the EPC Agreement would be inconsistent with the terms of the EPC Agreement. Therefore, Westinghouse supports Progress' Request for Confidential Classification of the EPC Agreement.

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

Randolph D. Galm

Name: RANDOLPH D. GALM

Title: VICE PRESIDENT

Date: 3-24-10

STATE OF Pennsylvania)
COUNTY OF Butler)

The foregoing instrument was acknowledged before me this 24th day of March, 2010, by Randolph D. Galm of Westinghouse Electric Company, LLC, a _____ 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.

Lorraine M. Piplica

Notary Public, State of _____

Printed Name of Notary: _____

My Commission No.: N/A

My Commission Expires: _____

