

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: NUCLEAR POWER PLANT COST  
RECOVERY CLAUSE

Docket No. 100009-EI  
Submitted for Filing: April 23, 2010

COMMISSION  
CLERK

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**PROGRESS ENERGY FLORIDA'S THIRD REQUEST FOR CONFIDENTIAL  
CLASSIFICATION REGARDING THE RESPONSE TO CITIZENS' SECOND  
REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 44-53) AND CITIZENS'  
SECOND SET OF INTERROGATORIES (NOS. 8-33)**

Progress Energy Florida, Inc. ("PEF" or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code, requests confidential classification of portions of the responses to Citizens' Second Request for Production of Documents (Nos. 44-53), specifically numbers 44, 45, 46, 51 and 52, and Citizens' Second Set of Interrogatories (Nos. 8-33), specifically numbers 9, 12, 14, 17, 18, 28 and 32. The information contained in these responses contains proprietary and confidential business information which the Company does not disclose to the public, including internal audit controls and reports, contractual data the disclosure of which would impair PEF's ability to contract for necessary goods and services and in many cases would violate contractual confidentiality clauses (including information that PEF and its contractual partners consider to be trade secrets), and other sensitive business information the disclosure of which would harm the Company's competitive business interests.

With respect to the confidential information contained in the responses to Citizens' discovery requests, PEF filed its Notice of Intent to Request Confidential Classification on April 7, 2010 (Document No. 02595-10). Pursuant to Rule 25-22.006(3), Florida Administrative Code, this request is timely. PEF hereby submits the following in support of its confidentiality request.

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## **BASIS FOR CONFIDENTIAL CLASSIFICATION**

Section 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. Stat. 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. Stat. Specifically, “information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms” is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stat. Additionally, section 366.093(3)(e) defines “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information,” as proprietary confidential business information.

The responsive information to Citizens’ Second Request for Production of Documents, request numbers 44, 45, 46, 51 and 52, and Citizens’ Second Set of Interrogatories, specifically numbers 9, 12, 14, 17, 18, 28 and 32, as explained below and in the supporting affidavit of Will Garrett, ¶¶ 4-5, contains internal audit information reports and workpapers, and confidential competitive business information, including information concerning contractual data, the disclosure of which would impair PEF’s efforts to contract for goods and services on favorable terms.

Specifically, the information requested contains internal auditing reports and controls, the disclosure of which would impair the Company's ability to successfully perform internal audits by inhibiting full and candid disclosure to internal auditors. Public disclosure of the documents and information in question would compromise PEF's ability to effectively audit the Company's major projects. If the Company's employees knew that internal auditing controls, processes and reports were subject to public disclosure, it would compromise the level of cooperation with auditors needed to efficiently conduct audits. This information meets the definition of proprietary confidential business information pursuant to Section 366.093(3)(b), Florida Statutes. See Affidavit of Garrett, ¶ 4.

Additionally, the documents and information sought contain and include proprietary and confidential information that would impair PEF's competitive business interests if publicly disclosed, as well as information concerning bids or other contractual data the disclosure of which would impair the Company's ability to contract on favorable terms and, in many cases, would violate contractual confidentiality provisions. The release of this information would adversely impact PEF's competitive business interests if disclosed to the public. If other parties were made aware of confidential contractual terms and arrangements that PEF has with other parties, including the pricing arrangements, they may offer PEF less competitive contractual terms in future contractual negotiations. See Affidavit of Garrett, ¶¶ 5-6. Release of this information would seriously harm the competitive interests of PEF's contractual partners as well as PEF's ability to contract with such entities, thereby harming PEF's competitive position and the Company's ratepayers. See id. Accordingly, these documents should be afforded confidential treatment pursuant to section 366.093(3)(d), Florida Statutes.

PEF has kept confidential and has not publicly disclosed the confidential information and documents at issue here. See Affidavit of Garrett, ¶ 8. Absent such measures, PEF would run

the risk that sensitive business information regarding what it is willing to pay for certain goods and services, as well as what the Company is willing to accept as payment for certain goods and/or services, would be made to available to the public and, as a result, other potential suppliers, vendors, and/or purchasers of such services could change their position in future negotiations with PEF. Without PEF's measures to maintain the confidentiality of sensitive information in these documents, the Company's efforts to obtain competitive contracts and to obtain competitively priced goods and services would be undermined. In addition, by the terms of the contracts governing the information produced in response to these requests, all parties, including PEF, have agreed to protect the proprietary and confidential information from public disclosure. See id. at ¶¶ 5, 7, 8.

Upon receipt of this confidential information, strict procedures are established and followed to maintain the confidentiality of the information provided, including restricting access to those persons who need the information to assist the Company. Id. at ¶ 8. 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. Id.

### **CONCLUSION**

The competitive, confidential information at issue in this request fits the statutory definition of proprietary confidential business information under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, and that information should be afforded confidential classification. In support of this motion, PEF has enclosed the following:

(1) A separate, sealed envelope containing a hardcopy of the confidential Attachment A to PEF's Third Request for Confidential Classification for which PEF has requested confidential classification with the appropriate section, pages, or lines containing the confidential

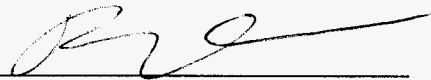
information highlighted. **This information should be accorded confidential treatment pending a decision on PEF's request by the Florida Public Service Commission;**

(2) Two copies of the documents with the information for which PEF has requested confidential classification redacted by section, page or lines, where appropriate, as Attachment B; and,

(3) A justification matrix supporting PEF's Third Request for Confidential Classification of the highlighted information contained in confidential Attachment A, as Attachment C.

WHEREFORE, PEF respectfully requests that the redacted portions of the Company's responses to Citizens' Second Request for Production of Documents, specifically numbers 44, 45, 46, 51 and 52, and Citizens' Second Set of Interrogatories, specifically numbers 9, 12, 14, 17, 18, 28 and 32, be classified as confidential for the reasons set forth above.

Respectfully submitted,



R. Alexander Glenn  
General Counsel  
John Burnett  
Associate General Counsel  
Dianne M. Triplett  
Associate General Counsel  
PROGRESS ENERGY SERVICE  
COMPANY, LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5587  
Facsimile: (727) 820-5519

James Michael Walls  
Florida Bar No. 0706242  
Blaise N. Huhta  
Florida Bar No. 0027942  
Matthew R. Bernier  
Florida Bar No. 0059886  
CARLTON FIELDS, P.A.  
Post Office Box 3239  
Tampa, FL 33601-3239  
Telephone: (813) 223-7000  
Facsimile: (813) 229-4133

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 23<sup>rd</sup> day of April, 2010.



Attorney

Anna Williams  
Lisa Bennett  
Keino Young  
Staff Attorney  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee 32399  
Phone: (850) 413-6218  
Facsimile: (850) 413-6184  
Email: [anwillia@psc.state.fl.us](mailto:anwillia@psc.state.fl.us)  
[lbennett@psc.state.fl.us](mailto:lbennett@psc.state.fl.us)  
[kyoung@psc.state.fl.us](mailto:kyoung@psc.state.fl.us)

Charles Rehwinkel  
Associate Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
Room 812  
Tallahassee, FL 32399-1400  
Phone: (850) 488-9330  
Email: [rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)

Vicki G. Kaufman  
Jon C. Moyle, Jr.  
Keefe Law Firm  
118 North Gadsden Street  
Tallahassee, FL 32301  
Phone: (850) 681-3828  
Fax: (850) 681-8788  
Email: [vkaufman@kagmlaw.com](mailto:vkaufman@kagmlaw.com)  
[jmoyle@kagmlaw.com](mailto:jmoyle@kagmlaw.com)

Bryan S. Anderson  
Jessica Cano  
Florida Power & Light  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
Phone: (561) 691-7101  
Facsimile: (561) 691-7135  
Email: [bryan.anderson@fpl.com](mailto:bryan.anderson@fpl.com)  
[Jessica.cano@fpl.com](mailto:Jessica.cano@fpl.com)

John W. McWhirter  
McWhirter Law Firm  
400 North Tampa Street, Ste. 2450  
Tampa, FL 33602  
Phone: (813) 224-0866  
Facsimile: (813) 221-1854  
Email: [jmewhirter@mac-law.com](mailto:jmewhirter@mac-law.com)

James W. Brew  
Brickfield Burchette Ritts & Stone, PC  
1025 Thomas Jefferson St NW  
8th FL West Tower  
Washington, DC 20007-5201  
Phone: (202) 342-0800  
Fax: (202) 342-0807  
Email: [jbrew@bbrslaw.com](mailto:jbrew@bbrslaw.com)

Mr. Paul Lewis, Jr.  
Progress Energy Florida, Inc.  
106 East College Avenue, Ste. 800  
Tallahassee, FL 32301-7740  
Phone: (850) 222-8738  
Facsimile: (850) 222-9768  
Email: [paul.lewisjr@pgnmail.com](mailto:paul.lewisjr@pgnmail.com)

Randy B. Miller  
White Springs Agricultural Chemicals, Inc.  
PO Box 300  
White Springs, FL 32096  
Email: [RMiller@pscphosphate.com](mailto:RMiller@pscphosphate.com)

Captain Shayla L. McNeill  
Air Force Legal Operations Agency (AFLOA)  
Utility Litigation Field Support Center (ULFSC)  
139 Barnes Drive, Ste. 1  
Tyndall AFB, FL 32403-5319  
Phone: (850) 283-6663  
Facsimile: (850) 283-6219  
Email: [shayla.mcneill@tyndall.af.mil](mailto:shayla.mcneill@tyndall.af.mil)