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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

19 JUN 14 PM 2:05

IN RE: NUCLEAR POWER PLANT COST
RECOVERY CLAUSE

Docket No. 100009-EI
Submitted for Filing: June 14, 2010

COMMISSION
CLERK

**NOTICE OF FILING AFFIDAVIT IN SUPPORT OF
PEF'S SEVENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING
AUDIT CONTROL NO. 10-006-2-2 WORKPAPERS**

Notice is hereby given, through the undersigned counsel, on behalf of Progress Energy Florida, Inc. ("PEF") of filing the affidavits of Raymond Phillips and Jon Franke in support of Progress Energy Florida's Seventh Request for Confidential Classification Regarding Audit Control No. 10-006-2-2 Workpapers.

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

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FPSC-COMMISSION CLERK

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 14th day of June, 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
lbennett@psc.state.fl.us
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

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
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
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: jmcwhirter@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

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

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

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

Gary A. Davis
James S. Whitlock
Gary A. Davis & Associates
P.O. Box 649
Hot Springs, NC 28743
Phone: (828) 622-0044
Email: gsdavis@enviroattorney.com
jwhitlock@enviroattorney.com

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No: 100009-EI
Submitted for Filing: June 16th, 2010

**AFFIDAVIT OF RAYMOND PHILLIPS IN SUPPORT OF PROGRESS ENERGY
FLORIDA'S SEVENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF FLORIDA

COUNTY OF PINELLAS

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

1. My name is Raymond Phillips. 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 Seventh Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I am an Audit Manager for Progress Energy, Inc. ("PGN"). This department manages internal audits on various projects. Within the PGN internal audit department, I am the Audit Manager primarily responsible for audits of PEF. As the Florida Audit Manager, I am responsible for the completion of internal audits scheduled for PEF projects. I also have knowledge as to PEF's internal auditing controls and how PGN carries out the process of conducting internal audits.

3. PEF is seeking confidential classification for portions of the Florida Public Service Commission Staff's ("Staff") auditors' workpapers for *Audit Control No. 10-006-2-2*. These documents contain confidential contractual information, the disclosure of which would impair PEF's competitive business interests, as well as information pertaining to internal audit reports and controls. A detailed description of the confidential information at issue is contained in confidential Attachment A to PEF's Request and is outlined in PEF's Justification Matrix that is attached to the Request as Attachment C. PEF is requesting confidential classification of these documents because they include internal audit reports and controls, confidential and proprietary contractual information, and other information related to the Company's competitive business interests, the disclosure of which would compromise PEF's competitive business interests.

4. Specifically, portions of these responsive documents contain internal audit information, reports, and workpapers that resulted from the internal audit of the Company's various projects. PEF is requesting confidential classification of these reports and workpapers because 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 were to know that its internal auditing controls and process were subject to public disclosure, it would compromise the level of cooperation needed with auditors to efficiently conduct audits. In addition, such information and documents are specifically defined by Section 366.093(3)(b) as proprietary confidential business information that is entitled to confidential status.

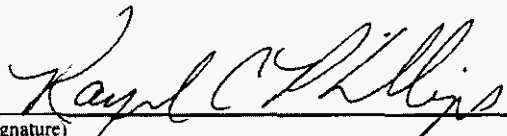
5. Upon receipt of this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the documents and information provided, including restricting access to those persons who need the information to assist the Company, 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.

6. This concludes my affidavit.

Further affiant sayeth not.

Dated the 11th day of June, 2010.


(Signature)
Raymond Phillips
Progress Energy Services Company, LLC

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 11th day of June, 2010, by Raymond Phillips. He is personally known to me, or has produced his Florida driver's license, or his _____ as identification.

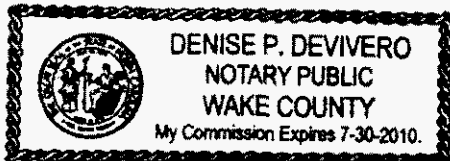

(Signature)

Denise P. DeVivero
(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF _____

July 30, 2010
(Commission Expiration Date)



(Serial Number, If Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 100009-EI
Submitted for Filing: June 1~~8~~⁴, 2010

**AFFIDAVIT OF JON FRANKE 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 Jon Franke, who being first duly sworn, on oath deposes and says that:

1. My name is Jon Franke. 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 Seventh Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I serve as the Vice President – Crystal River Nuclear Plant. As such, I am responsible for the safe operation of the nuclear generating station. Additionally, I have indirect responsibilities in oversight of major project activities at the station including the Crystal River 3 ("CR3") nuclear plant power uprate project ("CR3 Uprate"). Through my management team I have about 490 employees that perform the daily work required to operate the station and provide engineering training and support to the station.

3. PEF is seeking confidential classification of portions of the Florida Public Service Commission Staff's ("Staff") auditors' workpapers for *Audit Control No. 10-006-2-2*. These documents contain confidential contractual information, the disclosure of which would impair PEF's competitive business interests, as well as information pertaining to internal audit reports and controls. A detailed description of the confidential information at issue is contained in

confidential Attachment A to PEF's Request and is outlined in PEF's Justification Matrix that is attached to PEF's Request as Appendix C. Specifically, PEF is requesting confidential classification of the CR3 Participation Agreement (the "Agreement").

4. The Agreement is a highly confidential document between the Company and the co-owners of CR3 that would adversely impact PEF's competitive business interests if disclosed to the public. The Company must be able to assure these contract partners that sensitive business information, such as the pricing terms, voting rights, and cost liability, will be kept confidential. The information at issue relates to competitively negotiated contractual data, the disclosure of which would impair the efforts of the Company to negotiate similar future contracts on favorable terms. If third parties were made aware of confidential contractual terms that the Company 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 these nuclear contractors and vendors, the Company's efforts to obtain competitive contracts for its other nuclear projects, such as the Levy Nuclear Project, would be undermined.

5. PEF has kept confidential and has not publicly disclosed the proprietary contract 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 services and equipment, goods and supplies would be made available to the public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of PEF.

6. Upon receipt of this confidential information, as with all 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 developing or entering the contracts in question has PEF publicly disclosed the contracts' confidential terms; PEF has treated and continues to treat the information contained in the subject contracts as confidential.

7. This concludes my affidavit.

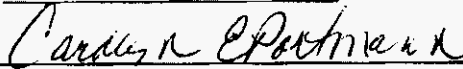
Further affiant sayeth not.

Dated this 10 day of June, 2010.



(Signature)
Jon Franke
Vice President -
Crystal River Nuclear Plant
15760 W. Powerline St.
Crystal River, Florida 34428

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 10 day of June, 2010 by Jon Franke. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



(Signature)



(Printed Name)

NOTARY PUBLIC, STATE OF FL

3-1-14

(AFFIX NOTARIAL SEAL)

(Commission Expiration Date)



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(Serial Number, If Any)