

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Nuclear Power Plant Cost
Recovery Clause

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

COMMISSION
CLERK

**PROGRESS ENERGY FLORIDA'S SEVENTH REQUEST FOR CONFIDENTIAL
CLASSIFICATION REGARDING AUDIT CONTROL NO. 10-006-2-2
WORKPAPERS**

Progress Energy Florida, Inc. ("PEF" or the "Company"), pursuant to Sections 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code, requests 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. These documents meet the definition of proprietary confidential business information pursuant to section 366.093(3), Florida Statutes. The unredacted documents are being filed under seal with the Commission on a confidential basis to keep the competitive business information in those documents confidential.

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 customers or the Company's business operation, and (iv) the information has not been voluntarily disclosed

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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, and section 366.093(3)(b) provides that “[i]nternal auditing controls and reports of internal auditors” is proprietary confidential business information.

Portions of the aforementioned documents and data requests should be afforded confidential classification for the reasons set forth in the Affidavits of Raymond Phillips and Jon Franke, filed in support of PEF’s Seventh Request for Confidential Classification, and for the following reasons. Specifically, portions of these responses contain confidential internal audit reports and controls, as well as contractual data, including pricing agreements, payment information and other confidential contractual terms, the release of which would impair PEF’s competitive business interests. See Affidavit of Raymond Phillips, ¶ 4.

The auditor’s workpapers contain copies of internal audit reports and procedures, as well as descriptions of responsive actions taken in light of audit findings. Public disclosure of this information would potentially adversely affect the efficacy of the Company’s internal auditing procedures by impacting the level of cooperation given to the Company’s audit staff. For the audit procedures to be effective, it is imperative that audit staff is given total access and cooperation. Accordingly, PEF has kept confidential its internal audit procedures and reports, only distributing such information to those within the Company who need it to perform their

duties. Id. at ¶ 5. Accordingly, this information should be afforded confidential treatment by the Commission. See § 366.093(3)(b), Fla. Stat.

Furthermore, also included in the auditor's workpapers is a copy of the Joint-Owners Agreement for Crystal River Unit 3. This contract contains sensitive business information, including pricing agreements, the disclosure of which would harm PEF's competitive business interests. PEF negotiates each of its contracts to obtain the most competitive terms available to benefit PEF and its customers. In order to successfully obtain such contracts, however, PEF must be able to assure the other parties to the contracts that the sensitive business information contained therein, such as pricing terms, will remain confidential. 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 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 terms in these contracts, the Company's efforts to obtain competitive contracts would be undermined. Affidavit of Jon Franke, ¶ 4.

Upon receipt of this confidential information, strict procedures are established and followed to maintain the confidentiality of the information provided, including restricting access to only those persons who need the information to assist the Company. See Affidavit of Phillips, ¶ 5, Affidavit of Franke, ¶ 6. At no time since receiving the information in question has the Company publicly disclosed that information. Affidavit of Phillips, ¶ 5, Affidavit of Franke, ¶ 6.

The Company has treated and continues to treat the information at issue as confidential. Affidavit of Phillips, ¶ 5, Affidavit of Franke, ¶ 6.

CONCLUSION

The competitive, confidential and internal audit 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 one copy of the confidential Appendix A to PEF's 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 Appendix B; and,

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

WHEREFORE, PEF respectfully requests that the redacted portions of Staff's auditors' workpapers for *Audit Control No. 10-006-2-2* be granted confidential classification and treated accordingly.

Respectfully submitted,

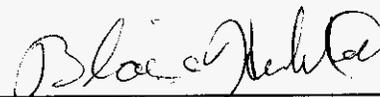


James Michael Walls
Florida Bar No. 0706242
Blaise N. Huhta
Florida Bar No. 0027942
Matthew R. Bernier
Florida Bar No. 0059886
CARLTON FIELDS, P.A.
Post Office Box 3239
Tampa, FL 33601-3239
Telephone: (813) 223-7000
Facsimile: (813) 229-4133

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

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

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

Blaise Huhta
Carlton Fields PA
P.O. Box 3239
Tampa FL 33601

Re: Acknowledgement of Confidential Filing in Docket No. 100009-EI

This will acknowledge receipt by the Florida Public Service Commission, Office of Commission Clerk, of a CONFIDENTIAL DOCUMENT filed on June 14, 2010, in the above-referenced docket.

Document Number 04930-10 has been assigned to this filing, which will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.