

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

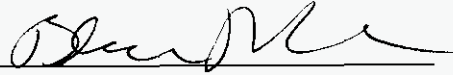
IN RE: NUCLEAR POWER PLANT COST
RECOVERY CLAUSE

Docket No. 100009-EI
Submitted for Filing: July 20, 2010

**NOTICE OF FILING AFFIDAVIT IN SUPPORT OF
PEF'S SIXTEENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION
REGARDING AUDIT CONTROL NO. 10-01-001 WORKPAPERS**

Notice is hereby given, through the undersigned counsel, on behalf of Progress Energy Florida, Inc. ("PEF") of filing the affidavits of Jon Franke, John Elnitsky, Sue Hardison and Raymond Phillips in support of Progress Energy Florida's Sixteenth Request for Confidential Classification Regarding Audit Control No. 10-01-001 Workpapers.

Respectfully submitted,



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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 22nd day of July, 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: July 22, 2010

**AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA'S
SIXTEENTH 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 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 ("Staff") auditors' workpapers for *Audit Control No. 10-01-001* (the "workpapers"). 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

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FPSC-COMMISSION CLERK

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.

4. The workpapers contain highly confidential contractual information related to the CR3 Uprate, including pricing provisions, the release of which would harm PEF's competitive interests by undermining the Company's ability to enter favorable contracts. 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.

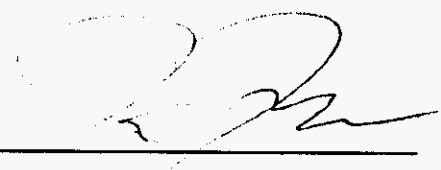
6. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to 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 20th day of July, 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 20 day of July 2010 by Jon Franke. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.


(Signature)

(AFFIX NOTARIAL SEAL)

(Printed Name)
NOTARY PUBLIC, STATE OF Florida



(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: July 22, 2010

**AFFIDAVIT OF JOHN ELNITSKY IN SUPPORT OF PROGRESS ENERGY FLORIDA'S
SIXTEENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF FLORIDA

COUNTY OF PINELLAS

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

1. My name is John Elnitsky. I am over the age of 18 years 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. As Vice President of New Generation Programs and Projects, I am responsible for the licensing and construction of the Levy Nuclear Project ("LNP"), including the direct management of the Engineering, Procurement, and Construction Agreement ("EPC Agreement") with Westinghouse and Shaw, Stone, & Webster (the "Consortium").
3. PEF is seeking confidential classification for portions of the Florida Public Service Commission Staff's ("Staff") auditors' workpapers for *Audit Control No. 10-01-001* (the "workpapers"). 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. The public disclosure of these workpapers would allow other parties to discover how the Company analyzes risk options, scheduling, and cost, and would impair PEF's ability to contract for such goods and services on competitive and favorable terms. Portions of these workpapers reflect the Company's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to PEF's competitors and/or other potential suppliers, PEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. PEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. Additionally, as discussed above, some of the contracts at issue contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. The information at issue relates to competitively negotiated contractual data, such as quantity and pricing of goods and services, payment milestones and other contractual terms, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms.

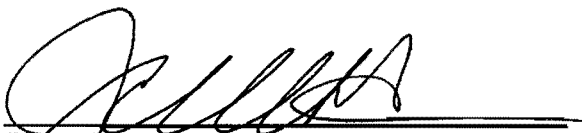
If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer less competitive contractual terms in future contractual negotiations.

5. Upon receipt of all this confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information in the report, including restricting access to those persons who need the information to assist the Company. At no time since negotiating and receiving the contracts and performing the analyses in question has the Company publicly disclosed the information or the terms of the contracts at issue. The Company has treated and continues to treat the information at issue as confidential.

6. This concludes my affidavit.

Further affiant sayeth not.

Dated this 15th day of July, 2010.


(Signature)
John Elnitsky, Vice President of New Generation Programs and Projects

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 15th day of July, 2010 by John Elnitsky. He is personally known to me or has produced his _____ driver's license, or his _____ as identification.


(Signature)

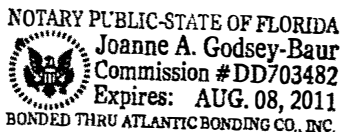
Joanne A. Godsey-Baur
(Printed Name)

NOTARY PUBLIC, STATE OF Florida

August 8, 2011
(Commission Expiration Date)

DP 703482
(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 100009-EI
Submitting for filing: July 22, 2010

**AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA'S
SIXTEENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

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 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 regarding Audit Report No. PA 10-01-001 (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. As General Manager - Corporate Development Group Business Services, I am responsible for financial services for the Corporate Development Group, including budgeting, capital planning and cost management. I am also responsible for project controls and contract administration for the Corporate Development Group.

3. PEF is seeking confidential classification for portions of the Florida Public Service Commission Staff's ("Staff") auditors' workpapers for *Audit Control No. 10-01-001* (the "workpapers"). 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. The Company is requesting confidential classification of this information because the workpapers contain proprietary and confidential information that would impair PEF's competitive business interests if publicly disclosed, as well as information concerning contractual data, the disclosure of which would impair the Company's ability to contract on favorable terms and, in many cases, the information constitutes trade secrets of the Company and its contract partners. In many instances, the disclosure of this information would violate contractual confidentiality provisions. Portions of the workpapers reflect the Company's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to PEF's competitors and/or other potential suppliers, PEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. PEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer less competitive contractual terms in future contractual negotiations. Without the Company's measures to maintain the confidentiality of

sensitive terms in contracts with these nuclear contractors, the Company's efforts to obtain competitive contracts could be undermined to the detriment of PEF and its ratepayers.

5. Upon receipt of all this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company. At no time since negotiating and receiving the contracts and performing the analyses in question has the Company publicly disclosed the information or the terms of the contracts at issue. The Company has treated and continues to treat the information at issue as confidential.

6. This concludes my affidavit.

Further affiant sayeth not.

Dated this 14 day of July, 2010.

Sue Hardison

(Signature)

Sue Hardison

General Manager – Corporate Development Group
Business Services

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 14th day of July, 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

(Signature)

Dawn M. Bisson

(Printed Name)

NOTARY PUBLIC, STATE OF North Carolina

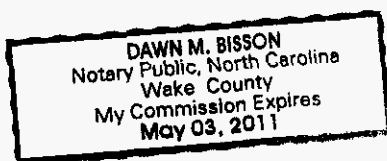
May 03, 2011

(Commission Expiration Date)

N/A

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No: 100009-EI
Submitted for Filing: July 22, 2010

**AFFIDAVIT OF RAYMOND PHILLIPS IN SUPPORT OF PROGRESS ENERGY
FLORIDA'S SIXTEENTH 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 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 ("Staff") auditors' workpapers for *Audit Control No. 10-01-001* (the

“workpapers”). 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.

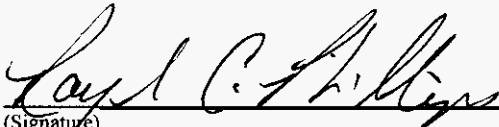
5. Upon receipt of this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the documents and information provided, including restricting access to those persons who need the information to assist the Company,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

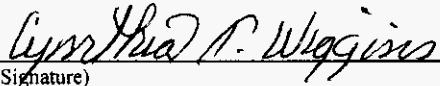
Further affiant sayeth not.

Dated the 14 day of July 2010.



(Signature)
Raymond Phillips
Progress Energy Services Company, LLC

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 14th day of July, 2010, by Raymond Phillips. He is personally known to me, or has produced his FLORIDA driver's license, or his _____ as identification.



(Signature)

CYNTHIA T. WIGGINS

(Printed Name)

NOTARY PUBLIC, STATE OF NC

OCTOBER 1, 2010

(Commission Expiration Date)

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

