

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: August 3, 2010

COMMISSION CLERK

NOTICE OF FILING AFFIDAVITS IN SUPPORT OF PEF'S EIGHTEENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING PEF'S REBUTTAL TESTIMONY AND EXHIBITS

Notice is hereby given, through the undersigned counsel, on behalf of Progress Energy Florida, Inc. ("PEF") of filing the affidavits of Jon Franke and John Elnitsky in support of Progress Energy Florida's Eighteenth Request for Confidential Classification Regarding the Rebuttal Testimony and Exhibits of Jeff Lyash, John Elnitsky and Jon Franke.

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 3rd day of August, 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: August 3, 2010

**AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA'S
EIGHTEENTH 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 Rebuttal Testimony of Jeff Lyash, and the Rebuttal Testimony and Exhibits of John Elnitsky and Jon Franke (collectively, the "Testimony"). The Testimony contains confidential contractual information, and confidential internal audit information, the disclosure of which would impair PEF's competitive business interests, as well as violate contractual confidentiality provisions. A

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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.

4. The Testimony contains highly confidential contractual information related to the CR3 Uprate, including cost 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, amendments 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. In addition, portions of the Testimony contain internal audit information that resulted from the internal audit of the Company's various 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. 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. Furthermore, this information has been provided to various parties throughout the discovery process in this proceeding, and at all times PEF has taken the appropriate steps to maintain its confidentiality.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated this 29th day of July, 2010



(Signature)

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

July ^{of} THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 29 day of August 2010 by Jon Franke. He is personally known to me, or has produced his Florida driver's license, or his _____ as identification.

Cheryl A. Fainn
(Signature)

Cheryl A. FAINN
(Printed Name)

NOTARY PUBLIC, STATE OF Georgia

June 1, 2011
(Commission Expiration Date)

(AFFIX NOTARIAL SEAL)



(Serial Number, if Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 100009-EI
Submitting for filing: August 3, 2010

**AFFIDAVIT OF JOHN ELNITSKY IN SUPPORT OF PROGRESS ENERGY FLORIDA'S
EIGHTEENTH 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 Eighteenth Request for Confidential Classification. 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 of portions of the Rebuttal Testimony of Jeff Lyash, and the Rebuttal Testimony and Exhibits of John Elnitsky and Jon Franke (collectively, the "Testimony"). The Testimony contains confidential contractual information, the disclosure of which would impair PEF's competitive business interests. 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 the Testimony because it includes 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 it contains 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 Testimony reflect the Company's internal strategies for evaluating projects such as the LNP, as well as the amendments to EPC necessary to move the project forward. 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. Indeed, the information contained in the Testimony has been produced in response to various discovery requests throughout these proceedings, and at all times the Company has taken the appropriate steps to maintain its confidentiality.

6. This concludes my affidavit.

Further affiant sayeth not.

Dated this 29th 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 29th 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 08, 2011

(Commission/Expiration Date)

DD 703482

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC-STATE OF FLORIDA
Joanne A. Godsey-Baur
Commission # DD703482
Expires: AUG. 08, 2011
BONDED THRU ATLANTIC BONDING CO., INC.