

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Nuclear Power Plant Cost  
Recovery Clause

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Docket No. 110009-EI  
Submitted for Filing: March 1, 2011

**REDACTED**

**EXHIBIT B  
PROGRESS ENERGY FLORIDA, INC.'S FIRST REQUEST FOR  
CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS OF  
THE TESTIMONIES AND EXHIBITS AND PETITION FILED AS PART OF THE  
COMPANY'S MARCH 1, 2011 TRUE-UP FILING**

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FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Nuclear Cost Recovery  
Clause**

DOCKET NO. 110009  
Submitted for filing: March 1, 2011

**REDACTED**

**DIRECT TESTIMONY OF SUE HARDISON  
IN SUPPORT OF ACTUAL COSTS**

**ON BEHALF OF  
PROGRESS ENERGY FLORIDA**

1 Accordingly, the Commission should approve PEF's 2010 costs as reasonable and  
2 prudent pursuant to the nuclear cost recovery rule.

3  
4 **III. CAPITAL COSTS INCURRED IN 2010 FOR THE LNP.**

5 **Q. What was the total overall difference between PEF's actual 2010 costs and**  
6 **PEF's actual/estimated costs for 2010?**

7 **A.** Overall LNP costs, inclusive of transmission and generation costs, were [REDACTED]  
8 [REDACTED] or [REDACTED] less than PEF's actual/estimated costs for 2010. The  
9 reasons for this variance are described below and [REDACTED] of this variance is  
10 related to one item also discussed further in Mr. Elnitsky's March 1, 2011  
11 testimony.

12  
13 **A. GENERATION.**

14 **Q. Can you please describe the work and activities that were performed for the**  
15 **LNP in 2010 to generate these costs?**

16 **A.** Yes. PEF performed work on the following activities for the LNP in 2010:  
17 Licensing; Engineering, Design and Procurement; Project Management; Real  
18 Estate Acquisition; and Power Block Engineering and Procurement. The work on  
19 these activities for the LNP in 2010 resulted in preconstruction and construction  
20 costs.

21  
22 **Q. Can you explain what licensing work was done for the LNP in 2010?**

23 **A.** Yes. Throughout 2010, the Levy New Generation Programs and Projects  
24 ("NGPP") group continued to provide responses to NRC Requests for Additional

1 A. As reflected on Line 3 of Schedule T-6.2, the Company incurred License  
2 Application costs of [REDACTED] in 2010. The costs incurred were for the licensing  
3 activities supporting the LNP COLA that I previously described.

4  
5 **Q. For the Engineering, Design and Procurement costs, please identify what**  
6 **those costs are and why the Company had to incur them.**

7 A. As reflected on Line 4 of Schedule T-6.2, the Company incurred Engineering,  
8 Design, and Procurement costs of [REDACTED] in 2010. The costs incurred related to:  
9 (1) AP1000 design finalization royalty milestone payments of [REDACTED] pursuant to  
10 PEF's contractual obligations under the partial suspension terms in the EPC  
11 contract; (2) [REDACTED] in contractual payments to the Consortium for project  
12 management, quality assurance, PO disposition support, and other Home Office  
13 Services such as Accounting and Project Controls; (3) [REDACTED]  
14 [REDACTED] under the EPC agreement; and (4) [REDACTED] of PGN labor,  
15 expenses, indirects and overheads for general project management, project  
16 scheduling and cost estimating, legal, and other support services that were  
17 necessary for the LNP.

18  
19 **Q. How did Generation preconstruction actual capital expenditures for January**  
20 **2010 through December 2010 compare to PEF's estimated/actual costs for**  
21 **2010?**

22 A. LNP preconstruction generation costs were [REDACTED], or [REDACTED] less than PEF's  
23 actual/estimated costs for 2010. The reasons for the major (more than \$1.0  
24 million) variances are provided below.

1           **License Application:** License Application capital expenditures were  
2           ██████████, which was ██████████ less than the actual/estimated License  
3           Application costs for 2010. This variance is primarily driven by a shift in  
4           the NRC COL review schedule which resulted in lower than estimated  
5           NRC fees and related licensing and consultant fees, as well as the  
6           associated contingency, internal staffing and expenses and outside legal  
7           counsel costs that were related to the NRC review schedule shift.

8  
9           **Engineering, Design & Procurement:** As I previously indicated,  
10          Engineering, Design & Procurement capital expenditures were ██████████,  
11          which was ██████████ less than the actual/estimated Engineering, Design &  
12          Procurement costs for 2010. This variance is driven primarily by the  
13          deferral of the 2010 estimated ██████████ for one-time LLE PO disposition  
14          cost to 2011 based on the continued negotiations with the Consortium and  
15          its vendors regarding the LLE PO dispositions in 2010. The status of the  
16          LLE PO disposition and the reason for this variance are also discussed in  
17          more detail in the March 1, 2011 testimony of John Elnitsky. The  
18          remaining ██████████ variance is related to lower than anticipated payments  
19          for engineering and design work, associated project management and  
20          development, PO disposition support, Home Office Services, and PGN  
21          labor, expenses, indirects and overheads and ██████████  
22          ██████████ under the EPC agreement.

1           ii.     Construction Generation Costs Incurred.

2     **Q.     Did the Company incur any Generation construction costs for the LNP in**  
3     **2010?**

4     **A.     Yes.** As reflected on Schedule T-6.3, the Company incurred generation  
5     construction costs in the categories of Real Estate Acquisitions and Power Block,  
6     Engineering and Procurement.

7  
8     **Q.     For the Real Estate Acquisition costs, please identify what those costs are and**  
9     **why the Company had to incur them.**

10    **A.     As reflected on Line 3 of Schedule T-6.3, the Company incurred Real Estate**  
11    Acquisition costs of [REDACTED] in 2010. Costs incurred related to land acquisitions  
12    for the LNP, including [REDACTED] for the purchase of state lands for the LNP Barge  
13    Slip easement and [REDACTED] for the Inglis Island Bike Trail.

14  
15    **Q.     For the Power Block Engineering and Procurement costs, please identify**  
16    **what those costs are and why the Company had to incur them.**

17    **A.     As reflected on Line 8 of Schedule T.6-3, the Company incurred Power Block**  
18    Engineering and Procurement costs of [REDACTED] in 2010. These costs were for EPC  
19    milestone payments for certain LLE items including the: [REDACTED]

20    [REDACTED]

21    [REDACTED]

22    [REDACTED]

1 **Q. How did actual generation construction capital expenditures for January**  
2 **2010 through December 2010 compare to PEF's actual/estimated costs for**  
3 **2010?**

4 **A.** LNP construction generation costs were [REDACTED], or [REDACTED] greater than PEF's  
5 estimated projection costs for 2010. The reasons for the major (more than \$1.0  
6 million) variances are provided below.

7 **Real Estate Acquisition:** Real Estate Acquisition capital expenditures  
8 were [REDACTED] which was [REDACTED] greater than the actual/estimated Real  
9 Estate Acquisition costs for 2010. This variance is primarily driven by the  
10 transfer of funding responsibility and payment for state lands Barge Slip  
11 easement from Levy Transmission to Generation. The transfer was  
12 reflected in cost management reports after the April 30, 2010  
13 actual/estimated cost filings.

14 **Power Block Engineering and Procurement:** Power Block Engineering  
15 and Procurement capital expenditures were [REDACTED], which was [REDACTED]  
16 greater than the actual/estimated Power Block Engineering and  
17 Procurement costs for 2010. This variance is driven primarily by  
18 payments to the Consortium under the EPC contract for the earlier than  
19 scheduled completion of partial milestones for certain items of LLE --  
20 including the [REDACTED]

21  
22 **B. TRANSMISSION.**

23 **Q. Can you describe what transmission work and activities were performed in**  
24 **2010 for the LNP?**

1 A. Yes. At the beginning of the year, responsibility for any active Levy  
2 Transmission activities was re-assigned to the NGPP Licensing organization.  
3 Primary activities for 2010 included review and closeout of transmission activity  
4 contracts, project management reviews related to adjusting entries for the Levy  
5 portion of the road widening construction project along Sunshine Grove Road  
6 completed by Transmission Operations in 2010, and minimal strategic right-of-  
7 way ("ROW") acquisition work in the 500kV common corridor. The work focus  
8 was on strategic acquisition and planning for the new Transmission Study  
9 scheduled to start in the fourth quarter of 2011. Further transmission activities  
10 were suspended due to the partial work suspension for the LNP and the schedule  
11 for the revised in-service dates for the Levy nuclear units.

12  
13 **i. Preconstruction Transmission Costs Incurred.**

14 **Q. Did the Company incur transmission-related preconstruction costs for this**  
15 **transmission work and activity for the LNP in 2010?**

16 A. Yes, as reflected on Schedule T-6.2 the Company incurred transmission-related  
17 preconstruction costs in the categories of Line Engineering, Substation  
18 Engineering, Clearing, and Other.

19  
20 **Q. For the Line Engineering costs, please identify what those costs are and why**  
21 **the Company had to incur them.**

22 A. As reflected on Line 17 of Schedule T-6.2, the Company incurred Line  
23 Engineering costs of [REDACTED]. These costs included the residual trailing charges  
24 from 2009 to complete payments for contracted design and engineering, wetlands



1 delineation, survey and mapping, and other general environmental services from  
 2 the Patrick Energy Services and Golder & Associates contracts.

3  
 4 **Q. For the Substation Engineering costs, please identify what those costs are  
 5 and why the Company had to incur them.**

6 **A.** As reflected on Line 18 of Schedule T-6.2, the Company incurred Substation  
 7 Engineering costs of [REDACTED]. This decrease results from a true-up of residual  
 8 charges from 2009 to complete adjusting entries to transfer responsibility for the  
 9 Levy Central Florida South substation projects to Transmission Operations.

10  
 11 **Q. For the Clearing costs, please identify what those costs are and why the  
 12 Company had to incur them.**

13 **A.** As reflected on Line 19 of Schedule T-6.2, Clearing costs were [REDACTED]. These  
 14 costs reflect accounting entries for the Levy portion of the road widening  
 15 construction project along Sunshine Grove Road completed by Transmission  
 16 Operations in 2010.

17  
 18 **Q. For the Other costs, please identify what those costs are and why the  
 19 Company had to incur them.**

20 **A.** As reflected on Line 20 of Schedule T-6.2, the Other costs were [REDACTED]. These  
 21 costs included [REDACTED] for PGN labor and related expenses, indirects and  
 22 overheads to perform general project management, project scheduling and cost  
 23 estimating activities, and costs for external relations and legal services necessary  
 24 for the transmission aspects of the LNP. These costs were offset by a negative

1 [REDACTED] of remaining residual project indirect costs to complete the true-up of the  
2 transfer of the Levy Central Florida South substation projects to Transmission  
3 Operations.  
4

5 **Q. How did actual transmission-related preconstruction capital expenditures for**  
6 **January 2010 through December 2010 compare to PEF's actual/estimated**  
7 **costs for 2010?**

8 **A.** LNP preconstruction capital transmission costs were [REDACTED] or [REDACTED] less than  
9 PEF's actual/estimated transmission-related preconstruction capital costs for  
10 2010. The reasons for the major (more than \$1.0 million) variances are provided  
11 below.

12 **Substation Engineering:** As I previously indicated, Substation  
13 Engineering capital expenditures were [REDACTED] which was [REDACTED] less  
14 than the actual/estimated costs. This variance is mainly driven by the  
15 deferral of Crystal River Energy Center ("CREC") switchyard design  
16 engineering and environmental permitting work for the LNP due to  
17 Crystal River 3 plant outage schedule adjustments and coordination with  
18 planned completion of environmental licensing activities.  
19

20 **ii. Construction Transmission Costs Incurred.**

21 **Q. Did the Company incur any transmission-related construction costs for the**  
22 **transmission work and activities you identified for the LNP in 2010?**

1 A. Yes, as reflected on Schedule T-6.3, the Company incurred transmission-related  
2 construction costs in the categories of Real Estate Acquisition, Line Construction,  
3 Substation Engineering, Substation Construction, and Other.

4  
5 **Q. For the Real Estate Acquisition costs, please identify what those costs are and**  
6 **why the Company had to incur them.**

7 A. As reflected on Line 21 of Schedule T-6.3, the Company incurred Real Estate  
8 Acquisition costs of [REDACTED]. These costs included survey and title services for  
9 minimal strategic ROW acquisition in the Levy 500kV common corridor.

10  
11 **Q. For the Line Construction costs, please identify what those costs are and why**  
12 **the Company had to incur them.**

13 A. As reflected on Line 22 of Schedule T-6.3, the Company incurred Line  
14 Construction costs of [REDACTED]. These costs were for the Levy portion of the road  
15 widening construction project along Sunshine Grove Road completed by  
16 Transmission Operations in 2010.

17  
18 **Q. For the Substation Engineering costs, please identify what those costs are**  
19 **and why the Company had to incur them.**

20 A. As reflected on Line 20 of Schedule T-6.3, the Company incurred Substation  
21 Construction costs of [REDACTED]. These costs were the remaining adjusting entries to  
22 complete the transfer of responsibility for the Levy Central Florida South  
23 substation projects to Transmission Operations.

1 **Q. For the Substation Construction costs, please identify what those costs are**  
2 **and why the Company had to incur them.**

3 **A.** As reflected on Line 23 of Schedule T-6.3, the Company incurred Substation  
4 Construction costs of [REDACTED]. These costs were final contractor payments and  
5 material inventory credit adjustments for work to complete the installation of  
6 three new 500kV switches at the Levy CREC switchyard.

7  
8 **Q. For the Other costs, please identify what those costs are and why the**  
9 **Company had to incur them.**

10 **A.** As reflected on Line 24 of Schedule T-6.3, the Company incurred Other costs of  
11 [REDACTED]. These costs included labor and related expenses, indirects and overheads  
12 to perform general project management activities, and the Levy portion of indirect  
13 and overhead costs related to the road widening construction project along  
14 Sunshine Grove Road completed by Transmission Operations in 2010.

15  
16 **Q. How did actual transmission-related construction capital expenditures for**  
17 **January 2010 through December 2010 compare to PEF's actual/estimated**  
18 **2010 costs?**

19 **A.** LNP construction transmission costs were [REDACTED], or [REDACTED] less than PEF's  
20 actual/estimated construction transmission costs for 2010. I will explain the  
21 reasons for the major (more than \$1 million) variances below.

22 **Real Estate Acquisition:** Real Estate Acquisition capital expenditures  
23 were [REDACTED], which was [REDACTED] less than the actual/estimated Real Estate  
24 Acquisition costs for 2010. This variance was primarily driven by the

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**In re: Nuclear Cost Recovery  
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**REDACTED**

**DIRECT TESTIMONY OF JOHN ELNITSKY**

**ON BEHALF OF  
PROGRESS ENERGY FLORIDA**

1 **Q. Please summarize your direct testimony.**

2 A. The Company's decision to continue the LNP on a slower pace focusing near-term work  
3 on obtaining a COL required the Company to address the status and disposition of the  
4 LLE for the LNP. During 2010, PEF developed a long lead material purchase order  
5 disposition methodology that combined quantitative and qualitative criteria to meet the  
6 Company's objectives to minimize near term costs and impact to customers while  
7 maintaining optimal flexibility for the future LNP construction. This methodology was  
8 implemented throughout 2010 in negotiations with the Consortium and the Consortium's  
9 vendor supply chain to make reasonable and prudent decisions with respect to the LNP  
10 LLE POs consistent with the Company's objectives. PEF believes its approach to the  
11 disposition of LNP LLE POs is reasonable and prudent. The Company's negotiations  
12 resulted in internal LLE disposition decisions that reduced the overall estimate of the  
13 LLE disposition costs to an estimated [REDACTED] in 2011, versus [REDACTED] that was originally  
14 planned in 2010 for the disposition of LLE POs. The Company's step-by-step, analytical  
15 decision-making process and negotiation approach has significantly reduced the  
16 estimated LLE PO disposition cost impact to customers.

17

18 **III. STATUS OF LONG LEAD EQUIPMENT (LLE) DISPOSITION AND**  
19 **ASSOCIATED PURCHASE ORDERS (POs)**

20 **Q. What are the LLE for the LNP?**

21 A. The LLE for the LNP are the fourteen equipment items listed in Exhibit No. \_\_\_\_ (JE-1) to  
22 my testimony [REDACTED]

23 [REDACTED]

1 [REDACTED] Most of these items were originally part of the Company's March  
2 28, 2008 Letter of Intent with the Consortium that were later incorporated into the EPC  
3 Agreement when it was executed on December 31, 2008.  
4

5 **Q. Can you please describe the status of LLE disposition work following the execution**  
6 **of the EPC Agreement?**

7 **A.** Yes. The work on the LLE continued to progress in accordance with the schedules for  
8 the LLE in the EPC Agreement. This work continued until April 30, 2009, when PEF  
9 notified the Consortium of a partial suspension in the work under the EPC Agreement as  
10 a result of the Nuclear Regulatory Commission's ("NRC") determination regarding the  
11 Company's then-pending Limited Work Authorization ("LWA") that impacted the LNP  
12 schedule in the EPC Agreement. As required by the contract terms, the Consortium then  
13 directed its vendors to suspend work on all LLE and to mitigate any additional costs to  
14 the extent practicable pending further instructions from PEF.

15 As discussed in my April 30, 2010 testimony in Docket No. 100009-EI, to  
16 provide PEF the information it needed to make an informed decision on the LNP  
17 schedule shift the Consortium engaged in an extensive analysis of various schedule  
18 scenario impacts on all aspects of the work under the EPC Agreement. This included the  
19 LLE, and [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

1 [REDACTED]  
2 [REDACTED] From July 2009 through August 2009 the Consortium requested and obtained  
3 this information from vendors with respect to the pending schedule shift options.

4 In August – October, 2009, PEF made preliminary decisions on three LLE items  
5 where work had progressed to the initial manufacturing stages to efficiently advance the  
6 work on these LLE items. A summary of our decisions on these items was included in  
7 the LLE timeline that was provided as an exhibit to my April 30, 2010 testimony, which I  
8 have included as Exhibit No. \_\_\_\_ (JE-2) to my current testimony.

9 As I described in detail in my testimony in the docket last year, PEF received the  
10 confidential schedule shift analyses including cash flow impacts by mid-August 2009 and  
11 evaluated these scenario estimates. This evaluation included developing an  
12 understanding of the impacts of schedule shifts on LLE given the vendor and Consortium  
13 information the Company had at that time. The Company's detailed analysis of this  
14 information occurred between August and October 2009. As a result of the Company's  
15 initial analysis, the Company met with the Consortium on October 23, 2009 to discuss  
16 PEF's initial decision on LLE PO dispositions. At that time, the LLE disposition options  
17 included continue manufacturing and store completed equipment, PO cancellation, and  
18 PO suspension under four schedule shift scenarios, with the longest shift in the first in-  
19 service date being 36 months. Accordingly, in early 2010 the Company requested the  
20 Consortium to obtain information regarding the costs of the cancellation option that was  
21 necessary for the Company to make an informed decision with respect to a longer term  
22 schedule shift.  
23



1 A. LLE PO disposition costs were always one of the factors that PEF and the Consortium  
2 were looking at and analyzing as PEF reviewed the schedule shift scenario options. On  
3 February 15, 2010, I made a presentation to the SMC regarding the Company's options  
4 for the LNP. This presentation included a preliminary overview of PEF's discussions  
5 with the Consortium on potential cost impacts for deciding to continue or cancel specific  
6 pieces of LLE. The cost data we had at that time was still in draft form and preliminary;  
7 however, it was the best data available.

8  
9 **Q. What cost estimate for LLE PO disposition costs was included in the February 15,**  
10 **2010 presentation?**

11 A. Based on the preliminary information and discussions with the Consortium a  
12 conservative estimate was that PEF would incur [REDACTED] in LLE PO disposition costs in  
13 2010. These costs were attributable to the applicable cancellation fees. This preliminary  
14 cost estimate was based on dialogue with the Consortium regarding most likely LLE  
15 disposition options under a longer-term partial suspension scenario. These LLE  
16 disposition costs were presented to senior management in February as estimated costs  
17 based on best available information at the time.

18  
19 **Q. Did PEF receive additional information related to the LLE PO disposition options**  
20 **and cost impacts?**

21 A. Yes. Following additional discussions with PEF, the Consortium provided refinements to  
22 the preliminary LLE disposition data on March 15, 2010. This information, however,  
23 was still preliminary; therefore, in order to make a more informed decision regarding the

1 LLE disposition options of continuation or cancellation at that time PEF needed more  
2 information from the Consortium. In April 2010, PEF requested additional supporting  
3 information from the Consortium, and documentation of the cost data that had previously  
4 been presented to PEF.

5 Throughout April 2010, PEF and the Consortium continued discussions between  
6 themselves and with vendors regarding the potential LLE disposition options. These  
7 discussions revealed a third, alternative option involving the suspension of LLE items,  
8 rather than continuation or cancellation. As a result, PEF began verbal inquiries  
9 regarding the types of costs that might be incurred if PEF elected to suspend LLE items  
10 as a potential path forward. Negotiations on suspension of an LLE PO involved several  
11 issues including [REDACTED]

12 [REDACTED]

13 The Consortium responded to PEF's inquiries on May 5, 2010 with preliminary,  
14 estimated values and data on the costs of the cancellation, continuation, and suspension  
15 options for each piece of LLE equipment. PEF used this information to begin its internal  
16 PO disposition analysis.

17

18 **Q. What was involved in PEF's internal LLE disposition analysis?**

19 **A.** PEF developed a LLE PO disposition methodology that combined quantitative and  
20 qualitative criteria to meet the Company's objectives to minimize the near term costs and  
21 impact to customers while maintaining optimal flexibility for the future LNP  
22 construction. PEF retained an independent third party to work with its internal PO  
23 disposition team to review and refine criteria used to analyze disposition options and to

1 assess PEF's final decisions. In April through mid-June 2010, the PO disposition team  
2 developed a disposition package for each item of equipment using the quantitative and  
3 qualitative criteria outlined above. Each detailed analytics spreadsheet analyzed  
4 estimated cost and schedule impacts for each piece of LLE for the three potential paths,  
5 1) continue and store, 2) suspend and resume, and 3) cancel and re-negotiate.

6  
7 **Q. What did PEF's internal PO disposition team recommend regarding PEF's**  
8 **proposed disposition of the LLE items?**

9 A. At the end of June 2010, PEF completed its LLE disposition evaluation and  
10 recommendations to senior management. Seven (7) items were dispositioned as  
11 "Continue Manufacturing to Completion" and seven (7) items were dispositioned as  
12 "Suspend and Resume." PEF officially notified the Consortium of its preliminary  
13 decisions regarding the disposition of the LLEs and associated POs. Under the EPC  
14 Agreement, this notification triggered the Consortium's contractual obligation [REDACTED]

15 [REDACTED]  
16 [REDACTED] The Consortium sent the RFPs out to its vendors at the end of July  
17 2010. Pursuant to the EPC Agreement [REDACTED]

18 [REDACTED] For the LLE POs that PEF initially decided to "Suspend and Resume," PEF  
19 thereafter continued to work with the Consortium and its vendors to negotiate favorable  
20 suspension terms.

21  
22 **Q. Was PEF's decision on LLE disposition final at this point?**

23 A. No. We provided recommendations to Company management on paths forward based on

1 the best available information at the time the recommendations were made. However, at  
2 that time, formal RFPs had yet to be issued and vendor negotiations, while ongoing, were  
3 not concluded. Thus, PEF's recommendations regarding the disposition of LLE POs  
4 reflected initial decisions that were subject to change based on refined, formalized cost  
5 data from the RFP responses and the conclusion of negotiations with the Consortium and  
6 its vendors on the terms and conditions.

7  
8 **Q. Please describe the information received from the Consortium in response to the**  
9 **RFPs?**

10 **A.** By mid-September 2010, the Consortium had received a portion of the requested  
11 information in response to the RFPs from its vendors. The Consortium proceeded to  
12 evaluate, review, and package the data prior to PEF's review. On September 29, 2010,  
13 the Consortium provided an update to PEF on the status of the vendor data it had received  
14 and reviewed. [REDACTED]

15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 Thereafter, from mid-September through mid-December 2010, the Consortium  
19 and PEF held discussions regarding analyzing data to try to separate LLEs into similar  
20 categories to facilitate decisions on certain pieces of equipment. These categories were  
21 identified as "Near-term," "Intermediate-term," and "Longer-term." The "Near-term"  
22 designation indicated that the vendor suspension and resume option information was  
23 complete and change orders were finalized for these LLE items. There were three (3)

1 vendor information that PEF has received since that estimate was generated in 2010 and  
2 that I have described above. As a result, of this additional information PEF has reduced  
3 the overall estimate of the LLE disposition costs to an estimated [REDACTED] in 2011, versus  
4 [REDACTED] that was originally planned in 2010.

5  
6 **Q. Why is this different from PEF's original estimate to management in February 2010  
7 or PEF's April 2010 filing?**

8 **A.** As I indicated previously, PEF originally included [REDACTED] for the estimated LLE PO  
9 disposition costs in its presentations to senior management in February and March 2010  
10 that were the foundation of the Company's decision to proceed more slowly with the  
11 LNP by extending the partial suspension and deferring substantial capital costs to after  
12 the COL for the LNP was obtained. This was a conservative estimate, as I again  
13 indicated above, based on the estimated costs to continue or cancel the LLE POs for later  
14 re-negotiation. Those were the viable options presented by the Consortium at that time  
15 for the disposition of LLE items, given the Company's decision. The Company included  
16 [REDACTED] of this estimated cost in its actual/estimated 2010 cost estimates in the docket last  
17 year. This decision was made because the Company anticipated obtaining the  
18 information needed and concluding negotiations to a point where it could make LLE  
19 disposition decisions in 2010, thus, leading to the incurrence of LLE disposition costs in  
20 2010.

21 As PEF obtained information regarding the disposition of LLE items and  
22 continued LLE disposition negotiations with the Consortium and vendors in 2010 the  
23 Company's ability to identify suspension and resumption of the work as a third option in

1 these negotiations had the greatest positive impact on the estimation of the LLE  
2 disposition costs and the timing of when they might be incurred. The ability to negotiate  
3 a suspension and resumption of LLE work option with the Consortium provided the  
4 Company the opportunity to minimize the LLE disposition costs estimated as a result of  
5 the cancellation option. PEF successfully pursued this opportunity in 2010, by first  
6 obtaining information to confirm that this was in fact a more cost-effective option to  
7 cancellation with most LLE vendors, and then, by reaching the point in negotiations with  
8 the Consortium and most LLE vendors where this option could be selected and a change  
9 order executed. This process, of course, took time as I have described above, and as a  
10 result the timing of the expected incurrence of any LLE disposition costs was deferred to  
11 2011. The successful negotiations of this option further reduced the estimated cost impact  
12 to PEF and its customers from the originally estimated [REDACTED] for primarily cancellation  
13 to an estimated [REDACTED] for disposition. As mentioned above, the [REDACTED] estimate included  
14 in the 2010 Actual/Estimated NFR's last year was not incurred in 2010. The most up-to-  
15 date estimate (approximately [REDACTED]) will be included in the 2011 Actual/Estimated  
16 NFR's filed later this year. As a result, there is a variance associated with the [REDACTED]  
17 estimated amount in the true-up of actual estimated 2010 costs to 2010 actual costs, as  
18 indicated on Schedule T-6B.2 line 2 in Exhibit No. \_\_\_ (WG-2) to Mr. Garrett's  
19 testimony.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Nuclear Cost Recovery  
Clause**

**DOCKET NO. 110009  
Submitted for filing: March 1, 2011**

**REDACTED**

**DIRECT TESTIMONY  
OF JON FRANKE**

**ON BEHALF OF  
PROGRESS ENERGY FLORIDA**

1 these issues earlier, but having these corrections earlier than June-July 2009  
2 would not have saved PEF's customers any money. Said another way, if PEF  
3 had deployed the expert panel the first day work began to review each page of the  
4 draft LAR document as soon as it was completed, PEF's customers would not  
5 have saved one penny over what they are being charged now. Granted, this  
6 hypothetical process would have likely avoided AREVA having to do re-work on  
7 the LAR document to correct issues, but as I have made clear, all costs of the  
8 correction work that AREVA had to do did not cause any delay costs and that  
9 work was performed solely at AREVA's cost.

10  
11 **Q. How do you know PEF did not pay AREVA twice for the same work on the**  
12 **quality and completeness of the draft LAR document?**

13 A. AREVA was paid a flat fee of [REDACTED] to write the draft LAR document  
14 sections reviewed by the expert panel in June-July 2009 using the RS-001 and  
15 Ginna LAR draft submittal document as guides. These payments are identified at  
16 line items 8.28, 8.28 revised, and Note 2 in the "Deliverable Section" on page 4 of  
17 Work Authorization No. 84 between PEF and AREVA for design and engineering  
18 work to support the CR3 Uprate project, including the work to support the LAR  
19 document and draft the LAR document. These line items demonstrate that  
20 AREVA was paid [REDACTED] for LAR inputs and draft comment responses and  
21 that AREVA was paid another [REDACTED] when the LAR document was ready for  
22 submittal to the NRC. See Exhibit No. \_\_\_\_ (JF-1) to my testimony. That is all  
23 AREVA will be paid for the initial draft LAR document work. After the expert  
24 panel issued its report and recommendations, AREVA corrected their quality and

1 A. The low end of the range, or \$0, represents PEF's testimony and document  
2 evidence in the 2010 NCRC proceeding that the issues with the draft EPU LAR  
3 document that led to the expert panel and adverse conditions report  
4 recommendations resulted in no additional costs to PEF's customers. For the  
5 reasons I explained earlier, PEF's customers paid no more than they should have  
6 paid for the development of the EPU LAR document for submittal to the NRC.

7 The high end of the range, \$40 million, was first identified in the Office of  
8 Public Counsel's ("OPC") post-hearing brief in the 2010 NCRC proceeding. It  
9 simply represents the total of all Licensing Application and Project Management  
10 costs incurred in 2009 for the entire CR3 Uprate project. PEF obviously did not  
11 spend all of its 2009 Licensing Application and Project Management costs on the  
12 management of the EPU LAR draft document by AREVA.

13 PEF incurred [REDACTED] for EPU LAR document development work by  
14 AREVA and a total of \$132,059 for PEF internal project management oversight  
15 and associated PE Company labor costs for the LAR document development work  
16 from January to June of 2009. To illustrate this point, I have provided a line-by-  
17 line breakdown of the \$40 million in License Application and Project  
18 Management actual costs incurred in 2009 in Exhibit No. \_\_\_\_ (JF-5) to my  
19 testimony. As this exhibit demonstrates, the vast majority of the 2009 CR3  
20 Uprate License Application and Project Management costs were not incurred in  
21 connection with the EPU LAR document development. Most of the \$20,016,839  
22 in License Application costs in 2009 for the CR3 Uprate project was incurred for  
23 the extensive engineering work under WA 84 including the fuels analysis, safety  
24 analysis, and system and program reviews. Most of the \$21,154,156 in 2009 CR3

1 Uprate Project Management costs were incurred for the management oversight of  
2 the BOP phase engineering work that was completed during the R16 CR3  
3 refueling outage in 2009.

4  
5 **Q. Can you please explain how you calculated the costs for the 2009 AREVA  
6 and PEF LAR document development work in Exhibit No. \_\_\_ (JF-5)?**

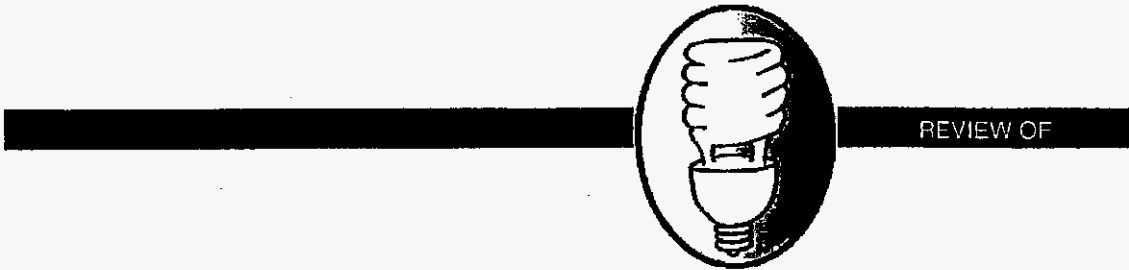
7 **A.** Yes. The NSSS contract WA 84 with AREVA was approved on February 27,  
8 2007. WA 84 provided the basis for all engineering and accident safety analysis  
9 work required to support the EPU LAR submittal and the work required to draft  
10 the EPU LAR document. WA 84 is attached as Exhibit No. \_\_\_ (JF-1) to my  
11 testimony. As I testified earlier, line items 8.28, 8.28 revised, and Note 2 totaling  
12 █████ show the fixed price amount PEF contracted with AREVA to draft  
13 sections of the initial EPU LAR document. Two additional items are added to the  
14 2009 EPU LAR development costs. The first work item was change order  
15 number 23 to WA 84, executed in December 2009 (Rev 1) in the amount of  
16 █████. See Exhibit No. \_\_\_ (JF-6) to my testimony. Of this total change order  
17 amount, █████ was incurred in 2009 for LAR document development activities  
18 (the remaining change order amount was incurred in 2010). See Exhibit No.  
19 \_\_\_ (JF-5). The second work item is the inclusion of internal Company labor for  
20 the management oversight and work on the LAR document development in 2009.  
21 As I indicated previously, for January to June 2009, PEF costs for the  
22 management oversight and associated PEF labor costs for the draft LAR  
23 document development process was \$132,059.

24

Docket 110009  
Progress Energy Florida  
Exhibit No. \_\_\_\_\_ (JF-1)  
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**EXHIBIT JF-1**  
**REDACTED IN ITS ENTIRETY**

JULY 2010



Progress Energy Florida's

Project Management  
Internal Controls

FOR

Nuclear Plant Uprate and  
Construction Projects

**REDACTED**

By Authority of  
The State of Florida  
Public Service Commission  
Office of Auditing and Performance Analysis

REDACTED

Numerous organizational and management changes, and lack of clarity regarding roles and responsibilities adversely impacted organizational effectiveness and contributed to insufficient alignment between EPU Engineering and LAR activities.”<sup>35</sup>

The company implemented a corrective action plan to resolve the issues identified by the panel and to strengthen the content of the application. The company hired outside consultants to assist with this restructuring. Specifically, the company determined that its original format template was not adequate in addressing the details necessary for the NRC review. The company developed a new template, which required AREVA and the licensing group to restructure the existing application. The Expert Panel completed two additional reviews through January 2010 to monitor the changes incorporated into the LAR application.

AREVA Change Orders

PEF contracted with AREVA to complete “CR3 EPU LAR Re-write Activities”<sup>36</sup> for previously drafted sections of the application. In October 2009, PEF initiated a change order on the AREVA contract for [REDACTED]<sup>37</sup> to perform a three-phase work scope that included re-writes of LAR sections to incorporate the revised template and revise specified portions of the application. In January 2010, the company increased this change order to [REDACTED]

Additionally in October 2009, the company initiated a separate contract change order to AREVA for [REDACTED] for additional LAR work. This work was a result of the Expert Panel evaluation and focused on finalizing engineering and design related topics. This contract amount was increased in January 2010 to [REDACTED]<sup>39</sup>. As with the other change order, the increase was for the additional time it took to complete the engineering scope. In total, these two change orders added [REDACTED]<sup>40</sup> to the company’s LAR expenditures.

Audit staff recognizes the important role of the Expert Panel and its critical evaluation had in insuring a complete and thorough LAR submittal to the NRC. Given the panel’s findings, there was a potential for significant delays in the LAR approval process had the company not commissioned this detailed evaluation. Additionally, the company devised an initial schedule that included a float, which allowed for the necessary time needed for restructuring and strengthening of the application without impacting the project timing. Appropriately, the company performed a root-cause analysis to assess the reasoning for the deviances in its application and developed an action plan to resolve any outstanding issues.

While audit staff acknowledges the importance and value in the self-assessment process used by company, the findings of its Adverse Conditions Investigation are concerning. This

<sup>35</sup> PEF Response to Staff Data Request CR3 1 14, Bates 002080-002081

<sup>36</sup> PEF Response to Staff Data Request CR3 1.22, Bates 000081

<sup>37</sup> Ibid. Bates 000080.

<sup>38</sup> PEF Response to Staff Data Request CR3 4.2, Bates 000001

<sup>39</sup> Ibid. Bates 000011

<sup>40</sup> Ibid. Bates 000021.



## REDACTED

internal PEF investigation notes a lack of understanding, experience, and oversight of the licensing preparation team.

The company points out that the regulatory review process is ever evolving and the NRC's expectations can differ based on the specifics of each application. PEF also believes that the NRC's expectations expanded during the time its licensing group developed its application, based on the NRC's handling of the Monticello and Point Beach EPU applications. The company states that this environment created an uncertainty and lack of expertise within the industry on LAR application. While this may be an accurate description of the evolution of the process, two of the four members of the expert panel were Progress Energy Carolina employees. This indicates that Progress Energy Corporation had the corporate knowledge to assess and evaluate an application. However, these needed resources were not deployed for the CR3 LAR work during the earlier stages of the process.

Audit staff believes the panel's findings were less about shifts in NRC expectations than project team knowledge and supervisory oversight. The company's internal findings clearly identify poor management oversight and lack of the very specific type of needed expertise among its staff as the critical reasons for the deficient draft application. While audit staff agrees that significant resources are necessary to complete the LAR application and the company's extensive efforts post-expert panel to revise its application may have been necessary to develop a sound application from the onset, significant resources were spent prior to develop the final draft. These resources may not have been appropriately supported by the company to allow for a successful outcome. As a result, avoidable-work may have been performed as corrective action work by AREVA and the additional efforts by PEF staff.

### Low Pressure Turbine Replacement

As part of the EPU project, PEF contracted with Siemens for two 18m<sup>2</sup> low pressure turbines. Originally, the company included installation of these turbines as part of its Phase II work scope. However, in mid-2009 the company determined that it would shift the installation of the low pressure turbines from Phase II until Phase III of the project. At the time, the company was still evaluating the impact of a major turbine failure at the D.C. Cook Nuclear Plant, which involved similar Siemens 18m<sup>2</sup> turbines. This 2008 event and resulting fire caused significant damage to that facility resulting in a costly repair and extended outage.

While PEF was monitoring the results of the D.C. Cook event, the company continued with the order of these turbines. [REDACTED] certain quality tests on this equipment. One quality assessment required the turbines to successfully operate at 120 percent of maximum output. The company refers to this as the "spin test." Siemens performed the spin test in April 2009, and the turbines did not pass this test. The turbines experienced disk slippage between the final blade components and the turbine's main shaft. After a detailed evaluation, [REDACTED]

[REDACTED] PEF informed Siemens that the turbines [REDACTED]

In addition to concerns from the spin-test failure, PEF states that the D.C. Cook incident created an unwillingness by the Nuclear Electric Insurance Limited (NEIL)—the group that

REDACTED

insures nuclear plants against a variety of risks<sup>41</sup>—to insure any newly-installed Siemens 18m<sup>2</sup> turbine for its first two in-service fuel cycles. It was determined that the cause of the D.C. Cook failure was the 18m<sup>2</sup> model's LO blades. According to PEF,

[REDACTED]

The turbines are a critical component to maximizing the additional MWe output from the EPU efforts. The contracted Siemens model—18m<sup>2</sup>—allows for the maximum capture of steam, resulting in the largest MWe output. While the company states it anticipates resolving the current turbine issues and installing the Siemens 18m<sup>2</sup> model, management is evaluating several replacement options as a precaution. These options are shown in EXHIBIT 15.

PEF CR3 Low Pressure Turbine Replacement Options and the Resulting MWe Output		
Option	MWe output Added by EPU	Final Unit Output
<b>Option 1:</b> Continue Operating CR3 with its current Alstom Turbines	16 MWe	916 MWe
<b>Option 2:</b> Install the contracted Siemens 18m <sup>2</sup> as originally designed during Phase III	180 MWe	1080 MWe
<b>Option 3:</b> Install the contracted Siemens 18m <sup>2</sup> without the LO** blades during Phase III*	100 MWe	1000 MWe
<b>Option 4:</b> Install Siemens' smaller 13.9m <sup>2</sup> turbines in 2013 (additional time is needed to manufacturing the equipment)	172 MWe	1072 MWe

\* The 18m<sup>2</sup> must pass the spin test prior to installation.  
 \*\* The LO blades were determined to be the cause of the D.C. Cook failure. According to PEF, [REDACTED]

EXHIBIT 15

PEF Response to Staff Data Request CR3 3-8

In addition to the turbine options being considered by the company, PEF states it is in settlement negotiations with Siemens [REDACTED]

The company states if its moves forward with the current 18m<sup>2</sup> turbines, it will require [REDACTED]. PEF states it is optimistic that the negotiations will result in a positive outcome for the company and anticipates finalizing its turbine decision in mid-2010.

<sup>41</sup> www.nmlnel.com

REDACTED

### 3.1.2 Impact on Schedule and Cost

While there is no direct correlation between the work for the EPU project and the events leading to the delamination of the CR3 containment vessel, the completion of the EPU project will be delayed as a result of the delamination repair work necessary to bring the unit back online. The timeline for completing the necessary repairs is in flux. Originally, the company anticipated the unit to be operational in mid-2010; however, after further evaluating the repair scope, the company shifted its estimate for start-up to third quarter 2010.

This will require a shift in the refueling schedule 17 (R17). The final phase of the EPU project is currently scheduled to occur during the R17 outage. As of May 2010, the company anticipates the R17 to shift from fall 2011 to spring 2012. However, if additional delays arise in the delamination repair schedule, the R17 schedule could shift further out in time.

The company states the cost implications for the shift in R17 will not significantly impact the EPU project. Currently, the company does not anticipate any additional direct costs to the project other than costs associated with any cost escalations over time. However, the company does not have an estimate of the cost impact at this time. The total shift in schedule is anticipated at six to twelve months from the original November 2011 timeline.

While the company anticipates minimal cost-impact resulting from this schedule shift, audit staff recommends the Commission monitor for any additional EPC costs associated with the Phase III work. This schedule shift is a direct result of the delamination issue at CR3, and PEF and the NRC are investigating the root cause of this incident. Depending on the outcome of this investigation, additional EPC project costs related to the shift may need to be excluded from the NCRC docket and addressed separately.

#### Low Pressure Turbine

The company is currently assessing the overall impact of the Low Pressure Turbine installation on the project. The unresolved issues surrounding Siemens 18m<sup>2</sup> turbines resulted in a shift in installation from Phase II to Phase III. Because of this shift, there may be additional costs associated with the delivery and installation of the turbines during Phase III of the EPU. Additionally, the shift in installation required the company to adjust certain engineering designs for the Phase II work. This redesign required an additional work authorization with AREVA, totaling [REDACTED]

The company states it is currently negotiating a settlement with Siemens and anticipates that [REDACTED]. However, until the settlement is finalized, it remains to be seen whether the anticipated settlement [REDACTED]. Staff recommends that the Commission monitor the results of this process to ensure that the company only request recovery of the appropriate costs and excludes any resulting from a possible vendor error.

In addition, if the company chooses not to move forward with its current Siemens low pressure turbine selection, there will be a decrease in the final MWe output for the project. If this occurs, an evaluation would be necessary to assess the appropriate handling of the reduction in planned versus achieved MWe output. In effect, the uprate would then have cost more per additional MWe added, and adjustments may be warranted.

## REDACTED

### License Amendment Request

The company has shifted its LAR submittal timeline from 2009 to mid-to-late 2010. The company originally incorporated a float into its original schedule, and with the impact of the delamination repairs on the R17 outage, the company has gained additional float in its submittal window. Audit staff does not believe the delays resulting from the company's restructuring and revising its LAR application will ultimately impact the EPU schedule. The company states that the Phase III work will continue as schedule, even if there is a delay in the LAR approval. If the company completes the work prior to approval, however, the unit will not be able to operate at the higher capacity prior to the NRC's issuance of an amended license.

The company increased its spending on the LAR preparations in 2009 and 2010. This was a result of the expert panel's assessment that the final draft would not meet the expectations of the NRC. The company estimated its 2009 License Application capital expenditures at [REDACTED]. However, the company spent an additional [REDACTED] on this effort. This was attributed, in part, to the additional work necessary to strengthen its LAR after the Expert Panel review. Of these additional costs, AREVA was paid [REDACTED] to re-write and restructure previously drafted sections within the LAR application.<sup>42</sup> Additionally, [REDACTED] was paid to finalize the engineering requirements.

The company anticipates that through 2010, it will spend an [REDACTED] to complete its LAR efforts. PEF estimates that at completion, the LAR application process will cost approximately [REDACTED]. This represents a [REDACTED] over its original 2007 estimate of [REDACTED].<sup>43</sup> The company states the application is ready to submit to the NRC, but it does not anticipate filing the application until fall 2010.

### Overall Project Cost

The overall anticipated final cost of the EPU project has increased during the course of the project. The company originally anticipated the project to cost \$426.6 million, while the most recent estimate is \$479.4 million, a 12 percent increase.<sup>44</sup> The project team documented and updated these costs within its 2009 IPP, and received senior management's approval for the additional expenditures. The company states the increases in costs include additions and modification to the engineering specifications and increases in labor and support costs.

## 3.2 EPU Project Controls and Oversight

### 3.2.1 Project Controls, Risk and Management Oversight Changes

As discussed in the context of the Levy plant, the company requires an *Integrated Project Plan* (IPP) for each major project implemented by the company. For both the Levy and the Crystal River 3 Uprate, the IPP establishes the financial requirements necessary to complete the project along with the project scope, deliverables, and risks associated with the project. Senior management uses this document to assess the overall feasibility of the project and to track the overall financial commitment for the project.

<sup>42</sup> PEF responses to Staff Data Request CR3 4.2, Bates-000001

<sup>43</sup> PEF Response to Staff Data Request CR3 4 2, Bates-000021

<sup>44</sup> PEF Response to Staff Data Request CR3 1.18.

REDACTED

### 3.3 EPU Contract Oversight and Management

PEF provided all RFPs issued and bid evaluations (both financial and technical) supporting the CR3 Uprate project contracts in excess of a \$100,000 bid.<sup>64</sup> A listing of the 2009 EPU contracts is provided in EXHIBIT 22.

PEF Contracts Greater than \$1 Million for the EPU Project as of December 31, 2009				
Company	Contract Number-Work Authorization	Description	Original Contract Amount (\$000's)	Estimate of Final Value (\$000's)
AREVA-NP	101659 WA 84	EPU NSSS Engineering, Fuel Engineering and LAR Support	██████	██████
Thermal Engineering International (TEI)	342253	Purchase of Four Moisture Separator Reheaters (MSRs)	██████	██████
AREVA-NP	101659 WA 93	EPU Balance of Plant and Turbine Bypass Valves	██████	██████
Siemens	145569 WA 50	CR3 Turbine Retrofit for EPU including Supply of All Equipment and Installation	██████	██████
Yuba	355217	CR3 Feedwater Heater and SC Cooler Replacement	██████	██████
Barnhart Crane and Rigging Co.	384426	Heavy Hauling	██████	██████
MHF Logistical Solutions	47083-08	Radiation Waste Disposal	██████	██████
Mesa Associates, Inc.	221186-24	Civil Engineering POB Cooling Tower	██████	██████
Atlantic Group	3714 / 72&74	CR3 R16 EPU Implementation Labor and Support	██████	██████
Modspace	418171	Lease of Two-Story Trailer for EPU	██████	██████
Bartlett Nuclear	3707 / 43	EPU Portion of Health Physics / Decontamination for R16	██████	██████
Betric Plastics	450189	Fiberglass Reinforced Piping for Helper Cooling Tower South	██████	██████
ITT	450795	Four Intake Pumps for HCTS	██████	██████
EvapTech	433059	CR3 Cooling Tower Construction	██████	██████

EXHIBIT 22

Source: Exhibit WG-2, Schedule T-7, March 1, 2010 Testimony 100009-EI

The AREVA contract, change order 23, increased the Work Authorization value by ██████ on a time and materials basis for CR3 LAR re-write activities. ██████

<sup>64</sup> PEF Response to Staff Data Request 1.24, BATES 0000035.

REDACTED

[REDACTED]  
Change Order 25 increased the Work Authorization value by [REDACTED] on a time and materials basis for [REDACTED]

AREVA contract, change order 31, increased the Work Authorization value by [REDACTED] on a time and materials basis to support revisions to the design models due to the deferral of the LP turbine. This change order would not have been necessary if the [REDACTED] PEF is working with Siemens and NEIL to resolve the manufacturing issues, final costs and schedule.

Planned Contracts for 2010

Engineering design specifications of material are scheduled and are progressing for the remaining EPU work scope. After the engineering design specifications are issued, the procurement of material will begin. The company states it has used a competitive-bid RFP process for all its contracts and materials. The procurement of material is scheduled with end dates selected to support the pre-outage milestones established by outage and project management.

Long-lead items that have been identified to date<sup>65</sup> include:

- Feed Water Booster Pump Motors
- Condensate Pump Motors
- Atmospheric Dump Valves
- Safety Related Motor Operated Valves
- Low Pressure and High Pressure Injection Components

The contracts planned for 2010 (R17)<sup>66</sup> are in their initial bid process. These contracts and their status are:

- POD/HCTS Supporting Structures – vendor selection expected in early 2010
- Booster Feed Pumps – RFP under development
- Condensate Pumps – RFP under development
- Atmospheric Dump Valves – RFP under development
- Feed Pump / Main Impeller – specification under development
- Main Feed Pump turbine re-rate – specification under development
- Motor Operated Valves – specification under development
- LPI Cross Tie – specification under development

As noted previously, PEF is continuing negotiations with Siemens and NEIL regarding the LP Turbine issue. Based on documentation reviewed by FPSC staff, the company appears to have followed its procurement procedures for initiating and implementing its EPU contracts. Staff recognizes that many remaining contracts for the EPU project will be initiated in 2010.

<sup>65</sup> PEF Response to Staff Data Request 1 19, BATES 0000028.

<sup>66</sup> PEF Response to Staff Data Request 1.21, BATES 0000030.

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**EXHIBIT JF-4**  
**REDACTED IN ITS ENTIRETY**

**CR3 EPU Licensing Expenses Submitted on 2009 True-Up Filing T-6 Schedule 2009**

REDACTED

Areva Non-Licensing Engineering Support	17,520,137.00		
Other Misc Non-Licensing Engineering Related Expenses Support	67,970.00		
PE Company Labor, Augmented Labor, Non-Licensing Expenses	445,525.00		
<i>Subtotal of Engineering Related Expenses</i>		18,033,632.00	0.90
<b>Actual Expenses January-June 2009 (Pre-expert panel)</b>			
Areva LAR Inputs (51-Doc)			
PE Company and Augmented Labor and Expenses Jan-Jun	21,798.00		
<b>Actual Expenses July-December 2009 (Post-expert panel)</b>			
Areva LAR Re-Write Activities CO-23 <sup>FN1</sup>			
PE Company and Augmented Labor and Expenses Jul-Dec	413,409.00		
Areva LAR Support Progress Payment			
Excel Services June-Dec			
NRC Charges	126,667.50		
Adjustment of 2008 Charges to Permitting	-106,077.00		
<i>Subtotal of LAR Submittal Related Expenses</i>			
<b>Licensing Expenses on 2009 T-6 Schedule</b>		<b><u>20,016,838.88</u></b>	<b>1.00</b>



**CR3 EPU Project Management Expenses Submitted on 2009 True-Up Filing T-6 Schedule  
 2009**

Power Block/Non-Power Block Engineering, Procurement, Etc., Permitting and Construction Facilities Related Project Management Expenses			18,298,585.00	
Licensing Application Related Project Management Expenses <sup>FN1.</sup>			2,855,571.00	
License Amendment Project 20072135 Related Project Management Expenses				
90% Related to Engineering Support	2,572,649.80	0.90		
10% Related to LAR Submittal	282,921.20	0.10		
<b>Actual Project Management Expenses January-June 2009 (Pre-expert panel)</b>	<b>117,236.42</b>	<b>0.04</b>		
<b>Actual Project Management Expenses July-December 2009 (Post-expert panel)</b>	<b>165,684.78</b>	<b>0.06</b>		
<b>Project Management Expenses on 2009 T-6 Schedule</b>			<b><u>21,154,156.00</u></b>	<b>1.00</b>

FN1. Areva invoices under LAR Re-Write Activities CO-23, in the amount of [REDACTED], were misallocated to Power Block Engineering in 2009. An adjustment will be made to correct this allocation in 2011. Based on the updated CO-23 spend in 2009 the project management percentage allocations indicated above would also be changed. Accordingly, for 2009, License Application Project Management Expenses were 2,855,571 and of that 85% or 2,419,589 was related to Engineering Support and 15% or 435,981 was related to LAR Submittal. Further, actual project management expenses January-June 2009 (pre-expert panel) were 110,261 and actual project management expenses July -December 2009 (post-expert panel) were 325,720.

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Exhibit No. \_\_\_\_\_ (JF-6)  
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**EXHIBIT JF-6  
REDACTED IN ITS ENTIRETY**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Nuclear Cost Recovery  
Clause**

**DOCKET NO. 110009**

**Submitted for filing:  
March 1, 2011**

**REDACTED**

**DIRECT TESTIMONY OF WILL GARRETT  
IN SUPPORT OF ACTUAL COSTS**

**ON BEHALF OF  
PROGRESS ENERGY FLORIDA**

1 costs on construction cost balance, CCRC recoverable O&M, and deferred tax asset  
2 carrying cost associated with the CR3 Uprate, as well as the revenue requirements  
3 associated with the various in service projects, and was calculated in accordance  
4 with Rule 25-6.0423.

5  
6 **Q. What is the carrying cost rate used in Schedules T-2.1, T-2.2, and T-2.3?**

7 **A.** The carrying cost rate used on Schedules T-2.1, T-2.2, and T-2.3 is 8.848 percent. It  
8 is explained in detail at footnote "A" of these schedules, and it is based on the  
9 approved AFUDC rate pursuant to Order No. PSC-05-0945-S-EI in Docket No.  
10 050078-EI.

11  
12 **III. CAPITAL COSTS INCURRED IN 2010 FOR LEVY NUCLEAR PLANT**

13 **Q. What are the total costs PEF incurred for the LNP during the period January**  
14 **2010 through December 2010?**

15 **A.** Total preconstruction capital expenditures, excluding carrying costs, were [REDACTED]  
16 million, as shown on Schedule T-6.2, Line 8 and 21. Total construction capital  
17 expenditures, excluding carrying costs, were [REDACTED] million, as shown on Schedule T-  
18 6.3, Line 10 and 25.

19  
20 **Q. How did actual Preconstruction Generation capital expenditures for January**  
21 **2010 through December 2010 compare with PEF's actual/estimated costs for**  
22 **2010?**

23 **A.** Schedule T-6B.2, Line 6 shows that total preconstruction Generation project costs  
24 were [REDACTED] million, or [REDACTED] million lower than estimated. By cost category, major

1 cost variances between PEF's projected and actual 2010 preconstruction LNP

2 Generation project costs are as follows:

3  
4 **License Application:** Capital expenditures for License Application activities were  
5 [REDACTED] million or [REDACTED] million lower than estimated. As explained in the testimony  
6 of Sue Hardison, this variance is primarily attributable to lower than estimated NRC  
7 fees and related licensing and consulting fees.

8  
9 **Engineering & Design:** Capital expenditures for Engineering & Design activities  
10 were [REDACTED] million or [REDACTED] million lower than estimated. As explained in the  
11 testimony of Sue Hardison and John Elnitsky, this variance is primarily attributable  
12 to the deferral of an estimated one-time Long Lead Equipment ("LLE") disposition  
13 cost to 2011 based on continuing LLE negotiations with the Consortium.

14  
15 **Q. How did actual Preconstruction Transmission capital expenditures for January**  
16 **2010 through December 2010 compare with PEF's actual/estimated costs for**  
17 **2010?**

18 **A.** Schedule T-6B.2, Line 11 shows that total preconstruction Transmission project  
19 costs were [REDACTED] million or [REDACTED] million lower than estimated. By cost category,  
20 major cost variances between PEF's actual/estimated and actual 2010  
21 preconstruction LNP Transmission costs are as follows:

22  
23 **Substation Engineering:** Capital expenditures for Substation Engineering activities  
24 were [REDACTED] million or [REDACTED] million lower than estimated. As explained in the

1 testimony of Sue Hardison, this variance is primarily attributable to deferral of the  
2 Crystal River Energy Center work due to the Crystal River 3 plant outage schedule  
3 adjustments.

4  
5 **Q. How did actual Construction Generation capital expenditures for January 2010**  
6 **through December 2010 compare with PEF's actual/estimated costs for 2010?**

7 **A.** Schedule T-6B.3, Line 8 shows that total construction Generation project costs were  
8 [REDACTED] million, or [REDACTED] million greater than estimated. By cost category, major cost  
9 variances between PEF's actual/estimated and actual 2010 construction LNP  
10 Generation project costs are as follows:

11  
12 **Real Estate Acquisition:** Capital expenditures for Real Estate Acquisition activities  
13 were [REDACTED] million or [REDACTED] million greater than estimated. As explained in the  
14 testimony of Sue Hardison, this variance is primarily attributable to the transfer of  
15 responsibility and payment for the state lands easement related to the Barge Slip  
16 from Levy Transmission to Generation.

17  
18 **Power Block Engineering:** Capital expenditures for Power Block Engineering  
19 activities were [REDACTED] million or [REDACTED] million greater than estimated. As explained  
20 in the testimony of Sue Hardison, this variance is attributable to payments to the  
21 Consortium for earlier than scheduled completion of partial milestones.

1 **Q. How did actual Construction Transmission capital expenditures for January**  
2 **2010 through December 2010 compare with PEF's actual/estimated costs for**  
3 **2010?**

4 **A.** Schedule T-6B.3, Line 15 shows that total construction Transmission project costs  
5 were ■■■ million or ■■■ million lower than estimated. By cost category, major cost  
6 variances between PEF's actual/estimated and actual 2010 construction LNP  
7 transmission costs are as follows:

8  
9 **Real Estate Acquisition:** Capital expenditures for Real Estate Acquisition were  
10 ■■■ million or ■■■ million lower than estimated. As explained in the testimony of  
11 Sue Hardison, this variance is primarily attributable to the shift in the LNP schedule  
12 and the transfer of responsibility and payment for the state lands easement related to  
13 the Barge Slip from Levy Transmission to Generation.

14  
15 **Q. What was the source of the separation factors used in Schedule T-6?**

16 **A.** The jurisdictional separation factors are calculated based on the January 2010 sales  
17 forecast, using the Retail Jurisdictional Cost of Service methodology that was  
18 approved in Order No. PSC-10-0131-FOF-EI in PEF's base rate proceeding in  
19 Docket No. 090079-EI.

20  
21 **IV. O&M COSTS INCURRED IN 2010 FOR THE LEVY NUCLEAR PLANT**

22 **Q. How did actual O&M expenditures for January 2010 through December 2010**  
23 **compare with PEF's actual/estimated costs for 2010?**

24

**SCHEDULE APPENDIX  
REDACTED**

**EXHIBIT (WG-1)**

**PROGRESS ENERGY FLORIDA, INC.  
CRYSTAL RIVER UNIT 3 UPRATE  
COMMISSION SCHEDULES (T-1 Through T-7B)**

**JANUARY 2009 - DECEMBER 2009**

**True-up**

**DOCKET NO. 100009-EI**



**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Contracts Executed**

[Section (B)(c)]

Schedule T-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

For the Year Ended:

12/31/2009

DOCKET NO.:

100009-EI

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Actual Expended as of Prior Year End (2008)	Amount Expended in Current Year (2009)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection & Document ID	Work Description
1	101659 WA 84	Executed							AREVA - NP	Sole Source - Original Equipment Manufacture	EPU NSSS Engineering, Fuel Eng. and LAR Support for CR3
2	342253	Executed							Thermal Engineering International (TEI)	RFP	Purchase of 4 moisture separator reheaters (MSRs)
3	101659 WA 93	Executed							Areva NP	RFP KS12007	EPU BOP
4	145569 WA 50	Executed							Siemens	RFP	CR3 turbine retrofit for EPU including supply of all equipment and installation.
5	355217	Executed							Yuba Heat Transfer Div.	RFP	CR3 Feedwater Heater and SC cooler replacement
6	384426	Executed							Barnhart Crane and Rigging Co.	RFP (RFP# KK01-2008)	Heavy hauling contract
7	47083-08	Executed							MHF Logistical Solutions	RFP (RFP# MT-08-001)	Radiation waste disposal
8	221186-24	Executed							Mesa Associates, Inc	RFP (RFP# SF6-2008)	Civil Engineering POD Cooling Tower
9	101659-93, Amd 7	Closed							Areva NP, Inc	RFP (RFP# SF7-2008)	Turbine Bypass Valves EC
10	3714, Amd 69-74 (72 & 74 apply to PEF)	Executed							Atlantic Group	Negotiated Fleet Contract	CR3 R16 EPU Implementation Labor and support.
11	418171	Executed							Modspace	RFP DH08-009	Lease of 2-story trailer #24 for EPU
12	101659 WA 84, Amd 7	Executed							AREVA - NP	Sole Source - Original Equipment Manufacture; continuation of work.	R17 EC packages
13	101659 WA 84, Amd 8	Executed							AREVA - NP	Sole Source - Original Equipment Manufacture; continuation of work.	R17 EC packages and LAR
14	101659 WA 93, Amd 9	Executed							Areva NP	RFP KS12007; continuation of work	R17 EC packages
15	3707, Amd 43	Executed							Barlett Nuclear	Award under a negotiated fleet contract.	EPU portion of HP/Decon for R16
16	450789	Executed							Bettle Plastics	Bid by Mesa Associates	Fiberglass reinforced piping for Helper Cooling Tower South
17	450795	Executed							ITT	Bid by Mesa Associates	4 intake pumps for HCTS
18	433059	Executed							EvapTech	RFP SF6-2008	CR3 Cooling Tower Construction

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (B)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL  
DOCKET NO.: 100009-EI

For the Year Ended: 12/31/2009

Contract No.:

101659 WA 84

Major Task or Tasks Associated With:

EPU NSSS Engineering, Fuel Eng, and LAR Support for CR3

Vendor Identity:

Areva NP, Inc.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

Sole Source

Number of Bids Received:

N/A

Brief Description of Selection Process:

N/A - OEM

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Contractor agrees to perform the following work more fully described in AREVA Proposal No. NSSSE06-1023.0 Revision 000 dated July 18, 2007 to furnish all engineering personnel and tools, engineering supervision and management, deliverable documents and required transportation necessary to perform the following functions in support of the Extended Power Uprate (EPU) Project Nuclear Steam Supply (NSSS) Portion for Crystal River Three (CR-3) Nuclear Power Station: Nuclear Steam Supply System (NSSS) Engineering, Fuel Engineering, Support of the Licensing Amendment Request (LAR). This work is Nuclear Safety Related.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:  
342253

Major Task or Tasks Associated With:  
Purchase of 4 MSRs

Vendor Identity:

Thermal Engineering International (TEI)

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

2

Number of Bids Received:

2

Brief Description of Selection Process:

Bid was lower than the competing bidder

Dollar Value:

Contract Status:

Executed

Term Begin:

Term End:

Nature and Scope of Work:

Thermal Engineering International (TEI) is to provide four (4) moisture separator reheaters (MSR's) for Crystal River Unit #3 (CR3) that when combined with other power uprate modifications serve to maximize the uprated turbine steam cycle conditions. The replacement MSR's shall be designed and fabricated with full consideration for maintaining the existing plant piping configuration including the turbine cross under and cross over piping. MSRs are to contribute to the rated generator MVA capability that will have a minimum performance capability of 1080 MWe real power output while concurrently providing 430 MVAR reactive power.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

101659-93

Major Task or Tasks Associated With:

EPU, BOP

Vendor Identity:

Areva NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

5

Number of Bids Received:

3

Brief Description of Selection Process:

Areva has proven performance on MUR and NSSS with a stronger interface with vendors; teamed with original A/E for BOP at CR3; Areva is the best vendor from a technical perspective and on average equal cost with opportunity to earn higher royalties.

Dollar Value:

██████████

Contract Status:

Executed

Term Begin:

██████████

Term End:

██████████

Nature and Scope of Work:

Contractor shall provide Engineering Services for CR3 Secondary Systems Uprate to support the Extended Power Uprate Project. Engineering Services shall be in accordance with Request for Proposal No. KS12007 and "Extended Power Uprate Bid Specification", dated June 25, 2007.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(3)(c)]

Schedule T-7A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: Progress Energy - FL  
DOCKET NO.: 100009-EI

For the Year Ended: 12/31/2009

Contract No.:  
145569 WA 50

Major Task or Tasks Associated With:  
CR3 turbine retrofit for EPU including supply of all equipment and installation

Vendor Identity:  
Siemens

Vendor Affiliation (specify 'direct' or 'indirect'):  
Direct

Number of Vendors Solicited:  
4

Number of Bids Received:  
2

Brief Description of Selection Process:  
Total cost lower than competing bidder. Siemens adds value by bundling all components and services.

Dollar Value:  
[REDACTED]

Contract Status:  
Executed

Term Begin:  
[REDACTED]

Term End:  
[REDACTED]

Nature and Scope of Work:

Contractor to provide all materials, equipment, and tools to supply and install High pressure Turbine Rotors, Low Pressure Turbine Rotors, Generator, and Exciter at Crystal River Unit #3 as set forth in the Contractor's offer (Proposal Number TA02-280) dated April 16, 2007, the Proposal Revision e-mail TA02-280-1 dated May 18, 2007, Mr Puneet Bahl's Installation Clarification e-mail and its Attachment dated June 4, 2007 and the terms and conditions of the Master Contract # 145569.  
This work is non-safety related.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (B)(c)]

Schedule T-7A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

355217

Major Task or Tasks Associated With:

Purchase of Feedwater Heater and SC Cooler Replacement at CR3.

Vendor Identity:

Yuba Heat Transfer Div.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

2

Number of Bids Received:

2

Brief Description of Selection Process:

Bid was lower than the competing bidder and Yuba is technically and commercially the best supplier of the equipment.

Dollar Value:

██████████

Contract Status:

Executed

Term Begin:

██████████

Term End:

██████████

Nature and Scope of Work:

Supplier of Feedwater Heater and SC Cooler Replacement at CR3.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pra-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (B)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

384426

Major Task or Tasks Associated With:

EPU Heavy Hauling Contract

Vendor Identity:

Barnhart Crane and Rigging Company, Inc.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

3

Number of Bids Received:

2

Brief Description of Selection Process:

This vendor was selected as the best evaluated bidder of two major heavy hauling companies (Mammoet and Barnhart). Bid List consisted of 3 bidders: Mammoet, Barnhart, and Bigge Crane & Rigging Co.

Dollar Value:

██████████

Contract Status:

Executed

Term Begin:

██████████

Term End:

██████████

Nature and Scope of Work:

Refuel 16 will require the movement of equipment identified in the contract to the temporary lay-down area, the transportation of these items from the lay-down area to the Turbine Building, and final placement/installation in the secondary system. Components include but are not limited to the MSR's, large turbine components and the generator rotor, FW heaters, and other secondary system components.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

47083-08

Major Task or Tasks Associated With:

Large Component Rad Waste Disposal Contract

Vendor Identity:

MHF Logistical Solutions, Inc.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

5

Number of Bids Received:

3

Brief Description of Selection Process:

Vendor was selected as the best evaluated bidder of 3 proposals. Bidders list consisted of 5 bidders (MHF, Energy Solutions, GreenField Logistics, Studsvik, and WMG.)

Dollar Value:

Contract Status:

Executed

Term Begin:

Term End:

Nature and Scope of Work:

MHF agrees to perform the following work and to furnish all labor, tools, materials, equipment, transportation, and supervision necessary to package, secure and prepare for shipping large potentially radioactive components including the CDHE 3A FW heater, CDHE 3B FW heater, SCHE 1A, SCHE 1B, MSR 3A, MSR 3B, MSR 3C, MSR 3D, 2 LP Turbines, 2 Inner casing lower halves, 2 inner casing upper halves, 6 Sealands for transportation.



CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (B)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL  
DOCKET NO.: 100009-EI

For the Year Ended: 12/31/2009

Contract No.:

221186-24

Major Task or Tasks Associated With:

CR3 Discharge Canal Cooling Tower Civil Engineering

Vendor Identity:

Mesa Associates, Inc.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

8

Number of Bids Received:

3

Brief Description of Selection Process:

Mesa was the highest rated bidder both technically and commercially.

Dollar Value:

██████████

Contract Status:

Executed

Term Begin:

██████████

Term End:

██████████

Nature and Scope of Work:

CR 3 Discharge Canal Cooling Tower Civil Engineering.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (B)(c)]

Schedule T-7A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY:

Progress Energy - FL

For the Year Ended:

12/31/2009

DOCKET NO.:

100009-EI

Contract No.:

101659-93, Amendment 7

Major Task or Tasks Associated With:

Turbine Bypass Valves EC

Vendor Identity:

Areva NP, Inc.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

4

Number of Bids Received:

3

Brief Description of Selection Process:

Bids were evaluated from 3 bidders: Enercon, Sargent & Lundy, and Areva. Areva was selected as the best evaluated vendor to perform the work.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Turbine Bypass Valves EC

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (8)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION:	Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.	REDACTED
COMPANY:	Progress Energy - FL		
DOCKET NO.:	100009-EI		For the Year Ended: 12/31/2009

Contract No.:

3714, Amendment 72&74

Major Task or Tasks Associated With:

Implementation labor for the following main EPU components: MSR 3A/B/C/D, CDHE 3 A/B, CDHE 7 A/B, TBHE 7 A/B, SCHE 1 A/B, SCP 1A/B Bypass line and SCV replacement,

Vendor Identity:

Atlantic Group

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

Fleet Contract - Sole Source

Number of Bids Received:

N/A

Brief Description of Selection Process:

Awarded under a negotiated Fleet contract. This is a target price contract with shared risk. Cost savings and cost over-runs are shared equally between Atlantic and Progress per terms of Amd 49.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

CR3 EPU Implementation labor and outage support. Implementation labor for the following main EPU components: MSR 3A/B/C/D, CDHE 3 A/B, CDHE 7 A/B, TBHE 7 A/B, SCHE 1 A/B, SCP 1A/B Bypass line and SCV replacement, Temp Power, MSV 9/10/11/14, and turbine centerline support.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (B)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

418171

Major Task or Tasks Associated With:

EPU 2-story Trailer #24

Vendor Identity:

Modspace

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

3

Number of Bids Received:

3

Brief Description of Selection Process:

Modspace provided a quality product at a competitive overall price.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Provide 2-story trailer #24 for EPU inside the protected area to support R16.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract

REDACTED

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-E1

For the Year Ended:

12/31/2009

Contract No.:

101659-84, Amendment 7

Major Task or Tasks Associated With:

R17 EC packages

Vendor Identity:

Areva NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

N/A

Number of Bids Received:

N/A

Brief Description of Selection Process:

Sole source (continuation of work under original contract WA-84)

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

R17 EC packages including LPI cross-tie, Atmo Dump Valves, and Emergency Feed Pump-2.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (B)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

101659-84, Amendment 8

Major Task or Tasks Associated With:

R17 EC packages including LAR

Vendor Identity:

Areva NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

N/A

Number of Bids Received:

N/A

Brief Description of Selection Process:

Sole source (continuation of work under original contract WA-84)

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

R17 EC packages including spent fuel, LPI X-tie modification, large transient testing, and LAR activities.

CRYSTAL RIVER UNIT 3 UPRATE

Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(c)]

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL  
DOCKET NO.: 100009-EI

For the Year Ended: 12/31/2008

Contract No.:

101659-93, Amendment 9

Major Task or Tasks Associated With:

R17 EC packages for BOP.

Vendor Identity:

Areva NP

Vendor Affiliation (specify "direct" or "indirect"):

Direct

Number of Vendors Solicited:

N/A

Number of Bids Received:

N/A

Brief Description of Selection Process:

Continuation of work under WA-93

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

R17 EC packages for BOP including Feedwater Heater 2A/2B, Deaerator, and Main Steam System.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(c)]

Schedule T-7A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

3707, Amd 43

Major Task or Tasks Associated With:

EPU portion of HP/Decon for R16.

Vendor Identity:

Bartlett Nuclear

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

N/A

Number of Bids Received:

N/A

Brief Description of Selection Process:

Fleet award

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

EPU portion of HP/Decon for R16.



CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

(Section 8)(c)

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL  
DOCKET NO.: 100009-EI

For the Year Ended: 12/31/2009

Contract No.:

450789

Major Task or Tasks Associated With:

Helper Cooling Tower South/POD

Vendor Identity:

Bettie Plastics

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct (Bid process- Indirect)

Number of Vendors Solicited:

3

Number of Bids Received:

3

Brief Description of Selection Process:

Highest rated proposal at lowest cost. Bidder recommended by engineering firm Mesa.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Fiberglass reinforced piping for Helper Cooling Tower South/POD.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (8)(c)]

Schedule T-7A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY:

Progress Energy - FL

DOCKET NO.:

100009-EI

For the Year Ended:

12/31/2009

Contract No.:

450795

Major Task or Tasks Associated With:

Helper Cooling Tower South/POD

Vendor Identity:

ITT

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct (Bid process- indirect)

Number of Vendors Solicited:

3

Number of Bids Received:

2

Brief Description of Selection Process:

Both bidders were technically capable so ITT was selected with the lower priced proposal.

Dollar Value:

██████████

Contract Status:

Executed

Term Begin:

██████████

Term End:

██████████

Nature and Scope of Work:

4 Intake pumps for the HCTS/POD project.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

[Section (b)(c)]

Schedule T-7A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: Progress Energy - FL  
DOCKET NO.: 100009-EI

For the Year Ended: 12/31/2009

Contract No.:

433059

Major Task or Tasks Associated With:

Point of Discharge Cooling Tower Construction

Vendor Identity:

EvapTech

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

7

Number of Bids Received:

4

Brief Description of Selection Process:

RFP issued to 7 bidders and 4 proposals were received. Two of the four bidders were disqualified for technical and commercial reasons. EvapTech was chosen from the remaining two proposals.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Construction of the Cooling Towers due to increased discharge temperature from EPU power conditions.

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Final True-up Filing: All Contracts Executed In Excess of \$250,000 up to and Including \$1,000,000**

Schedule T-7B

REDACTED

**EXPLANATION:** For all executed contracts exceeding \$250,000 up to and including \$1,000,000, (including change orders), provide the contract number or identifier, status, original and current contract terms, original amount, amount expended as of the end of the prior year, amount expended in the year, estimated final contract amount, name of contractor and affiliations if any, method of selection including identification of justification documents, and a description of work.

**COMPANY:**

Progress Energy - FL

**DOCKET NO.:**

100008-EI

For the Year Ended 12/31/2009

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Actual Amount Expended as of Prior Year End, (2008)	Amount Expended in Current Year, (2009)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection and Document ID	Work Description
1	Areva NP (101659-67)	Executed							Areva NP	Sole Source	BOP for EPU
2	Numerical Applications (297792-04)	Executed							Numerical Applications	Sole Source	EPU plant parameters document and analytical input review
3	Areva (101659-93, Amd 4)	Executed							Areva	RFP KS12007	Additional BOP Scope
4	Areva (101659-84, Amd 2)	Executed							Areva	Sole Source- OEM NSSS.	Additional NSSS Scope
6	Holtec International (Contract 2590, Amendment 8)	Closed							Holtec International	RFP AS-2-2008	Two MSR Shell Drain Heat Exchangers
6	Powell Delta/Unibus (Contract 381244)	Closed							Powell Delta/Unibus	RFP SF1-2008	ISO Phase Bus Duct Cooling Unit
7	Areva (101659-93, Amd 5)	Executed							Areva	RFP KS12007	Additional BOP Scope
8	Areva (101659-84, Amd 3)	Executed							Areva	Sole Source- OEM for NSSS.	Additional NSSS Scope
9	Holtec International (401987)	Closed							Holtec International	RFP SF4-2008	Turbine Generator Lube Oil Cooler Tube Bundles
10	ESI (403904)	Executed							ESI	RFP SF3-2008	Installation of secondary side insulation
11	BWC (407680-03)	Executed							BWC	ROTSG Requal 3030 RFP	Qual of SG @ EPU conditions 3030 Mwth
12	DZ Atlantic (3714, Amd 61 CWO's 1,2,3)	Executed							DZ Atlantic	Negotiated Fleet Contract	EPU Planning, preparation, and staff aug.
13	Carlton Fields	Note 1	Note 1	Note 1	Note 1			Note 1	Carlton Fields	Note 1	Legal Work - PEF Crystal River #3 Unit Uprate
14	Barnhart Crane (354428 Amd 2)	Executed							Barnhart Crane	RFP KK01-2008	ALD #1 & 2
15	Carolina Energy Solutions (3382-167)	Closed							Carolina Energy Solutions	RFP SF01-2009	EPU Large Bore Welding
16	Townsend (147496-63)	Executed							Townsend	RFP DH08-004	Work to support EPU facilities preparation

Note 1: The scope, nature, and extent of legal services ultimately required is subject either to events and/or the actions and/or inactions of parties beyond the control of PEF and its legal services providers, and therefore are not amenable to determination at the time of contract execution or estimation in advance of the conclusion of legal services.

CRYSTAL RIVER UNIT 3 UPRATE  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Final True-up Filing: All Contracts Executed in Excess of \$250,000 up to and including \$1,000,000

Schedule T-7B

REDACTED

EXPLANATION: For all executed contracts exceeding \$250,000 up to and including \$1,000,000, (including change orders), provide the contract number or identifier, status, original and current contract terms, original amount, amount expended as of the end of the prior year, amount expended in the year, estimated final contract amount, name of contractor and affiliations if any, method of selection including identification of justification documents, and a description of work.

COMPANY:

Progress Energy - FL

For the Year Ended 12/31/2009

DOCKET NO.:

100000-EI

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Actual Expended as of Prior Year End (2008)	Amount Expended in Current Year (2009)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection and Document ID	Work Description
17	Anette Bus Lines (434744)	Closed							Anette Bus Lines	RFP SF4-2009	Busing for R16 outage
18	Townsend (147496-104)	Closed							Townsend (147496-104)	RFPJO09-006	Helper Cooling Tower Laydown area
19	Townsend (147496-94)	Closed							Townsend	RFP JO09-007	Cooling Tower Surcharge Work
20	Townsend (147496-82)	Closed							Townsend	RFP DH08-004	EPU Remaining Facilities on a T&M basis
21	Townsend (147496-107)	Closed							Townsend	RFP DH08-004	Removal of scrap steel and piping from turbine bld
22	Townsend (147496-108)	Closed							Townsend	RFP DH08-004	Transport of waste material from outside turbine bld
23	National Inspections & Consultants (58087-31)	Closed							National Inspections & Consultants	RFP DH09-005	Quality Control and NDE services for EPU
24	ABB Inc (31624-14, Amd 2)	Executed							ABB Inc	Mesa RFP	HCTS MCC's
25	Virginia Transformer (453589)	Executed							Virginia Transformer	Meas RFP	HCTS Large Transformers
26	ABB Inc. (31624-14, Amd 1)	Executed							ABB Inc.	Mesa RFP	HCTS Switch gears
27	Central Maintenance (145433-163)	Closed							Central Maintenance	Supplemental Craft Labor RFP dated 2-25-08	Millwright support for R16
28	Murray and Trettel (443257)	Closed							Murray and Trettel	RFP SF5-2009	EPC the Met Tower
29	Holtec (471405-01)	Executed							Holtec	RFP SF08-2009	Spent fuel criticality analysis
30	MoreTrench (153771-91)	Executed							MoreTrench	New Percolation Pond North Berm RFP	North Perc Pond Berm
31	Siemens Water Tech (225693-09)	Executed							Siemens Water Tech	Mesa RFP	Dual flow traveling water screens for HCTS
32	NCC (437346)	Closed							NCC	RFP SF3-2009	FPBD Ground Strap Replacement
33	F&M Marco (429861)	Executed							F&M Marco	3-13-09 RFP/Commercial Review and Comparison	EPU Tool Trailer
34	ESI (403904 Amd 2)	Closed							ESI	RFP SF3-2008	OSHA required lead abatement for EPU

**SCHEDULE APPENDIX  
REDACTED**

**EXHIBIT (WG-2)**

**PROGRESS ENERGY FLORIDA, INC.  
LEVY COUNTY NUCLEAR 1 and 2  
COMMISSION SCHEDULES (T-1 Through T-7B)**

**JANUARY 2010 - DECEMBER 2010  
FINAL TRUE-UP  
DOCKET NO. 110009-EI**

**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**Final True-Up Filing: Preconstruction Category - Monthly Capital Additions/Expenditures**

Schedule T-6.2

REDACTED

EXPLANATION: Provide the Final True-up of monthly plant additions by major tasks performed within Preconstruction category for the year.  
 All Preconstruction costs also included in Site Selection costs or Construction costs must be identified.  
 List generation related expenses separate from transmission related expenses.

[25-6.0423(5)(c)1.a.,F.A.C.]  
 [25-6.0423 (2)(g),F.A.C.]  
 [25-6.0423 (8)(d),F.A.C.]

COMPANY: Progress Energy - FL  
 DOCKET NO.: 110009-EI

Witness: W. Garrett/S. Hardison

For Year Ended: 12/31/2010

Line No.	Description	(A) Beginning Balance	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total Additions
<b>1 Preconstruction Additions:</b>									
<b>2 Generation:</b>									
3	License Application								
4	Engineering, Design & Procurement								
5	Permitting								
6	Clearing, Grading, and Excavation								
7	On-Site Construction Facilities								
8	Total System Generation Preconstruction Cost Additions (a)								
<b>9 Adjustments:</b>									
10	Non-Cash Accruals								
11	Joint Owner Credit	0	0	0	0	0	0	0	0
12	Other	0	0	0	0	0	0	0	0
13	Adjusted System Generation Preconstruction Cost Additions (b)								
14	Jurisdictional Factor	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089
15	Jurisdictional Generation Preconstruction Capital Additions								
<b>16 Transmission:</b>									
17	Line Engineering								
18	Substation Engineering								
19	Clearing								
20	Other								
21	Total System Transmission Preconstruction Cost Additions (a)								
<b>22 Adjustments:</b>									
23	Non-Cash Accruals								
24	Joint Owner Credit								
25	Other								
26	Adjusted System Transmission Preconstruction Cost Additions (b)								
27	Jurisdictional Factor	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113
28	Jurisdictional Transmission Preconstruction Capital Additions								
29	Total Jurisdictional Preconstruction Cost Additions (Lines 15 + 28)	\$363,409,363	\$6,461,202	\$9,387,955	\$7,969,897	\$14,296,165	\$2,225,018	\$1,499,635	\$41,839,873

Note:

- (a): Lines 8 and 21 represent capital expenditures on an accrual basis, gross of joint owner billings and exclude AFUDC. Beginning balance ties to ending balance on Schedule T-6.2
- (b): Lines 13 and 26 represent capital expenditures on a cash basis, net of joint owner billings.

**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**Final True-Up Filing: Preconstruction Category - Monthly Capital Additions/Expenditures**

Schedule T-6.2

REDACTED

EXPLANATION: Provide the Final True-up of monthly plant additions by major tasks performed within Preconstruction category for the year. All Preconstruction costs also included in Site Selection costs or Construction costs must be identified. List generation related expenses separate from transmission related expenses.

[25-6.0423(5)(c)1.a.,F.A..C.]  
 [25-6.0423 (2)(g),F.A..C.]  
 [25-6.0423 (8)(d),F.A..C.]

COMPANY: Progress Energy - FL  
 DOCKET NO.: 110009-EI

Witness: W. Garrett/S. Hardison

For Year Ended: 12/31/2010

Line No.	Description	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total	(O) Ending Balance
<b>1 Preconstruction Additions:</b>									
<b>2 Generation:</b>									
3	License Application								
4	Engineering, Design & Procurement								
5	Permitting								
6	Clearing, Grading, and Excavation								
7	On-Site Construction Facilities								
8	Total System Generation Preconstruction Cost Additions (a)								
<b>8 Adjustments:</b>									
10	Non-Cash Accruals								
11	Joint Owner Credit	0	0	0	0	0	0	0	0
12	Other	0	0	0	0	0	0	0	0
13	Adjusted System Generation Preconstruction Cost Additions (b)								
14	Jurisdictional Factor	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089
15	Jurisdictional Generation Preconstruction Capital Additions								
<b>16 Transmission:</b>									
17	Line Engineering								
18	Substation Engineering								
19	Clearing								
20	Other								
21	Total System Transmission Preconstruction Cost Additions (a)								
<b>22 Adjustments:</b>									
23	Non-Cash Accruals								
24	Joint Owner Credit								
25	Other								
26	Adjusted System Transmission Preconstruction Cost Additions (b)								
27	Jurisdictional Factor	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113
28	Jurisdictional Transmission Preconstruction Capital Additions								
29	Total Jurisdictional Preconstruction Cost Additions (Lines 15 + 28)	\$1,060,963	\$8,364,529	\$3,559,314	\$1,093,230	\$2,204,526	\$1,660,289	\$59,782,726	\$423,182,088

Note:

(a) Lines 8 and 21 represent capital expenditures on an accrual basis, gross of joint owner billings and exclude AFUDC.

(b) Lines 13 and 26 represent capital expenditures on a cash basis, net of joint owner billings.



**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**Final True-Up Filing: Construction Category - Monthly Capital Additions/Expenditures**

Schedule T-6.3

REDACTED

EXPLANATION: Provide the Final True-up of monthly plant additions by major tasks performed within Construction category for the year.  
 All Construction costs also included in Site Selection costs or Preconstruction costs must be identified.  
 List generation related expenses separate from transmission related expenses.

[25-6.0423(5)(c)1.a.,F.A.C.]  
 [25-6.0423 (2)(i),F.A.C.]  
 [25-6.0423 (8)(d),F.A.C.]

COMPANY:  
 Progress Energy - FL  
 DOCKET NO.:  
 110009-E1

Witness: W. Garrett/S. Hardison

For Year Ended: 12/31/2010

Line No.	Description	(A) Beginning Balance	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total Additions
<b>1 Construction Additions:</b>									
<b>2 Generation:</b>									
3	Real Estate Acquisitions								
4	Project Management								
5	Permanent Staff/Training								
6	Site Preparation								
7	On-Site Construction Facilities								
8	Power Block Engineering, Procurement, etc.								
9	Non-Power Block Engineering, Procurement, etc.								
10	Total System Generation Construction Cost Additions (a)								
<b>11 Adjustments:</b>									
12	Non-Cash Accruals								
13	Joint Owner Credit								
14	Other								
15	Adjusted System Generation Construction Cost Additions (b)								
16	Jurisdictional Factor	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089
17	Jurisdictional Generation Construction Capital Additions								
<b>18 Transmission:</b>									
19	Line Engineering								
20	Substation Engineering								
21	Real Estate Acquisition								
22	Line Construction								
23	Substation Construction								
24	Other								
25	Total System Transmission Construction Cost Additions (a)								
<b>26 Adjustments:</b>									
27	Non-Cash Accruals								
28	Joint Owner Credit								
29	Other								
30	Adjusted System Transmission Construction Cost Additions (b)								
31	Jurisdictional Factor	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113
32	Jurisdictional Transmission Construction Capital Additions								
33	Total Jurisdictional Construction Cost Additions (Lines 17 + 32)	\$58,070,049	\$34,110	\$5,573,671	\$34,579	\$2,620,239	\$2,137	\$4,588	\$8,269,324

Note:

- (a) Lines 10 and 25 represent capital expenditures on an accrual basis, gross of joint owner billings and exclude AFUDC. Beginning balance ties to ending balance on Schedule T-6.3
- (b) Lines 15 and 30 represent capital expenditures on a cash basis, net of joint owner billings.

**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**Final True-Up Filing: Construction Category - Monthly Capital Additions/Expenditures**

Schedule T-6.3

REDACTED

EXPLANATION: Provide the Final True-up of monthly plant additions by major tasks performed within Construction category for the year.  
 All Construction costs also included in Site Selection costs or Preconstruction costs must be identified.  
 List generation related expenses separate from transmission related expenses.

[25-6.0423(5)(c)1.a., F.A.C.]  
 [25-6.0423 (2)(f), F.A.C.]  
 [25-6.0423 (8)(d), F.A.C.]

COMPANY:  
 Progress Energy - FL  
 DOCKET NO.:  
 110009-EI

Witness: W. Garrett/S. Hardison

For Year Ended: 12/31/2010

Line No.	Description	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total	(O) Ending Balance
1	<b>Construction Additions:</b>								
2	<b>Generation:</b>								
3	Real Estate Acquisitions								
4	Project Management								
5	Permanent Staff/Training								
6	Site Preparation								
7	On-Site Construction Facilities								
8	Power Block Engineering, Procurement, etc.								
9	Non-Power Block Engineering, Procurement, etc.								
10	Total System Generation Construction Cost Additions (a)								
11	<b>Adjustments:</b>								
12	Non-Cash Accruals								
13	Joint Owner Credit								
14	Other								
15	Adjusted System Generation Construction Cost Additions (b)								
16	Jurisdictional Factor	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089
17	Jurisdictional Generation Construction Capital Additions								
18	<b>Transmission:</b>								
19	Line Engineering								
20	Substation Engineering								
21	Real Estate Acquisition								
22	Line Construction								
23	Substation Construction								
24	Other								
25	Total System Transmission Construction Cost Additions (a)								
26	<b>Adjustments:</b>								
27	Non-Cash Accruals								
28	Joint Owner Credit								
29	Other								
30	Adjusted System Transmission Construction Cost Additions (b)								
31	Jurisdictional Factor	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113
32	Jurisdictional Transmission Construction Capital Additions								
33	Total Jurisdictional Construction Cost Additions (Lines 17 + 32)	\$6,016,930	\$11,201	\$1,352,488	\$19,739	\$68,461	\$4,396,235	\$20,134,377	\$78,204,426

Note:

- (a) Lines 10 and 25 represent capital expenditures on an accrual basis, gross of joint owner billings and exclude AFUDC.
- (b) Lines 15 and 30 represent capital expenditures on a cash basis, net of joint owner billings.

LEVY COUNTY NUCLEAR 1 & 2

Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance  
 Final True-Up Filing: Preconstruction Category - Variance in Additions and Expenditures

Schedule T-6B.2

REDACTED

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on Schedule T-6.2 with the expenditures approved by the Commission on Schedule AE-6.2. List the Generation expenses separate from Transmission in the same order appearing on Schedule T-6.2. This schedule is not required if Schedule T-6.2 is not filed.

[25-6.0423(5)(c)1.a.,F.A..C.]  
 [25-6.0423 (2)(g),F.A..C.]  
 [25-6.0423 (5)(a),F.A..C.]  
 [25-6.0423 (8)(d),F.A..C.]

COMPANY:  
 Progress Energy - FL

Witness: S. Hardison

DOCKET NO.:  
 110009-EI

For Year Ended: 12/31/2010

Line No.	Preconstruction Major Task & Description for amounts on Schedule T-6.2	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	License Application				Variance mainly driven by shift in NRC review schedule which resulted in lower than estimated related NRC fees, licensing consultant fees, contingency, internal staffing and expenses and outside legal counsel costs.
2	Engineering, Design, & Procurement				Variance primarily due to deferral of estimated one-time long-lead equipment (LLE) PO disposition cost while negotiations are in progress with the EPC Consortium.
3	Permitting				
4	Clearing, Grading and Excavation				
5	On-Site Construction Facilities				
6	Total Generation Costs				
<u>Transmission:</u>					
7	Line Engineering				
8	Substation Engineering				Variance driven mainly by deferred design engineering and environmental permitting work due to CR plant outage schedule refinements and coordination with planned completion of environmental licensing activities.
9	Clearing				
10	Other				Variance driven primarily by adjustments to transfer responsibility and residual charges for Central Florida South (CFS) substation projects to Transmission Operations. Also, the LNP schedule shift resulted in reduced project management, external community relations, legal, general overhead costs, and decreased project staffing requirements related to the deferral in the transmission work plan.
11	Total Transmission Costs				

LEVY COUNTY NUCLEAR 1 & 2

Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance  
Final True-Up Filing: Construction Category - Variance in Additions and Expenditures

Schedule T-6B.3

REDACTED

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on Schedule T-6.3 with the expenditures approved by the Commission on Schedule AE-6.3. List the Generation expenses separate from Transmission in the same order appearing on Schedule T-6.3. This schedule is not required if Schedule T-6.3 is not filed.

[25-6.0423(5)(c)1.a., F.A.C.]  
[25-6.0423 (2)(i), F.A.C.]  
[25-6.0423 (8)(d), F.A.C.]

COMPANY:

Progress Energy - FL

Witness: S. Hardison

DOCKET NO.:

110009-EI

For Year Ended: 12/31/2010

Line No.	Construction Major Task & Description for amounts on Schedule T-6.3	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	Real Estate Acquisitions				Variance driven primarily by transfer of responsibility and payment for state lands Barge Slip easement from Levy Transmission to Generation. The transfer was reflected in cost management reports after the April 30th Estimated/Actual filing date.
2	Project Management				
3	Permanent Staff/Training				
4	Site Preparation				
5	On-Site Construction Facilities				
6	Power Block Engineering, Procurement, etc.				Variance primarily due to payments to the Consortium under the EPC contract for the earlier than scheduled completion of partial milestones for certain items of LLE
7	Non-Power Block Engineering, Procurement, etc.				
8	Total Generation Costs				
<u>Transmission:</u>					
9	Line Engineering				
10	Substation Engineering				
11	Real Estate Acquisition				Variance driven primarily by the shift in the Levy Project schedule. The land acquisition plan was re-evaluated in light of the schedule shift changes and resulted in a significant reduction of strategic ROW land acquisition and siting expenditures in 2010. Also, responsibility and payment for the state lands Barge Slip easement was shifted to Generation.
12	Line Construction				
13	Substation Construction				
14	Other				
15	Total Transmission Costs				

LEVY COUNTY UNITS 1 & 2

Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

REDACTED

[25-6.0423 (8)(c),F.A..C.]

COMPANY: Progress Energy - FL  
DOCKET NO.: 110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Amount Expended as of Prior Year End (2009)	Amount Expended in Current Year (2010)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection & Document ID	Work Description
1	N/A	Executed							Purchase Agreement for Rayonier Forest Resources	Purchase based on final results from site down select analysis that determined most suitable site to locate the plant.	
2	N/A	Completed							Purchase Agreement for Harold Ross & Josif Kozevski	Purchase based on final results from site down select analysis that determined most suitable site to locate the plant.	Purchase Land for LNP access road.
3	Easement #31959	Completed							Purchase Agreement for Barge Slip Easement	Purchase based on final results from site down select analysis that determined most suitable.	Purchase Easement for Barge Slip -Escrow for benefit of bike trail.
4	293651 Amendment 1-3	Executed							Duncan Company	Approved Nominee Agreement	Provide an array of diverse commercial real estate services for proposed baseload power generation plant.
5	00255934-00002 Amendment 1-7	Completed							Joint Venture Team (Sargent & Lundy, CH2M Hill, & Worley Parsons)	RFP- COLA Application Preparation. Competitive Bid & Evaluation process. Low Cost bidder accepted.	Combined Operating License Application (COLA) preparer
6	00255934-00003 Amendment 1-6	Completed							Joint Venture Team (Sargent & Lundy, CH2M Hill, & Worley Parsons)	Sole Sourced to vendor to provide consistency between the two filings (NRC and FDEP).	Site Certification Application Development Support for Levy Nuclear Plant. Includes activities necessary to support responses to the FDEP regarding SCA submittals.
7	00255934-00005 Amendment 1-6	Executed							Joint Venture Team (Sargent & Lundy, CH2M Hill, & Worley Parsons)	Sole Source. Award for Phase II support of the COLA submittal (Reference contract 255934-02)	Combined Operating License Application (COLA) preparer - support to respond to NRC Requests for Additional information and other COLA support.
8	255934-06 Amendment 1-5	Executed							Joint Venture Team	Sole Source to SCA vendor to provide consistency between the two filings (NRC for COLA & FDEP for SCA).	Perform LNP Site Certification projected 2009 Follow-on Activities.

LEVY COUNTY UNITS 1 & 2

Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

REDACTED

[25-6.0423 (8)(c),F.A..C.]

COMPANY:

Progress Energy - FL

Witness: Sue Hardison

DOCKET NO.:

110009-EI

For Year Ended 12/31/2010

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Amount Expended as of Prior Year End (2009)	Amount Expended in Current Year (2010)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection & Document ID	Work Description
9	255934-09 Amendment 1-3	Executed							Joint Venture Team	Sole Source. Award for Phase III support of the COLA submittal (Reference contract 255934-02)	LNP Phase III (Initial Scope - COLA Revision 2) Incorporate RCC Specialty Test, Foundation Calcs Rev-Contract will be amended as new COLA Phase III work scope identified.
10	414310	Executed (Schedule Shift)							Westinghouse Electric Co. LLC.	Sole Source. Award based on vendor being the constructor of the selected RX technology.	To design, engineer, supply, equip, construct and install a fully operational two unit AP1000 Facility at the Levy Nuclear Plant Site. Final contract amount includes change orders.
11	N/A	Executed							NuStart Energy Development LLC	Membership Agreement in Industry Organization	Complete the new one-step Combined Construction and Operating Licensing (COL) process for the reference plant COLA. Complete design engineering for the selected reactor technologies (Westinghouse Advanced Passive AP1000, GE Economic Simplified Boiling Water Reactor ESBWR).
12	N/A	Note 1	Note 1	Note 1	Note 1			Note 1	Hopping, Green & Sams	Note 1	Legal Work - Levy Site Certification
13	N/A	Note 1	Note 1	Note 1	Note 1			Note 1	Pillsbury Winthrop Shaw Pittman	Note 1	Legal Work - Levy COLA Work and COLA Contintions
14	409194-01 - 06 & 08 with Amendments	Completed							Patrick Energy Services Inc.	RFP - LCBT0808	Owner's Engineering Services & Engineering & Design for the North & South Admin Tap Lines, North & South Admin Substations, Kathleen Lake Tarpon Line and Central Florida South Substation
15	N/A	Note 1	Note 1	Note 1	Note 1			Note 1	Carlton Fields	Note 1	Legal Work - PEF Levy Units 1 & 2

Note 1: The scope, nature, and extent of legal services ultimately required is subject either to events and/or the actions and/or inactions of parties beyond the control of PEF and its legal services providers, and therefore are not amenable to determination at the time of contract execution or estimation in advance of the conclusion of legal services.

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL

[25-6.0423 (8)(c), F.A.C.]

DOCKET NO.: 110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: N/A

Major Task or Tasks Associated With: Purchase of property to site the Levy Nuclear Plant

Vendor Identity: Rayonier Forest Resources, L.P. (seller)

Vendor Affiliation (specify "direct" or "indirect"): Indirect (Vertical Integration (buyer) on behalf of Progress Energy)

Number of Vendors Solicited: Purchased based on results of site downselect analysis that determined the most suitable site for the plant.

Number of Bids Received: N/A

Brief Description of Selection Process: Property was selected based on the site selection process analysis to determine most suitable site for the nuclear facility.

Dollar Value: [REDACTED]

Contract Status: Executed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work: Purchase and Sale Agreement. The seller was Rayonier Forest Resources, LP. Sold Approximately 3,000 acres to Progress Energy for siting Levy Nuclear Plant.

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

[25-6 0423 (8)(c), F.A.C.]

DOCKET NO.:

110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: N/A

Major Task or Tasks Associated With: Purchase of property to site the Levy Nuclear Plant

Vendor Identity: Harold Ross and Josef Kozevski (seller)

Vendor Affiliation (specify "direct" or "indirect"): Indirect (Vertical integration (buyer) on behalf of Progress Energy)

Number of Vendors Solicited: Purchased based on results of site downselect analysis that determined the most suitable site for the plant.

Number of Bids Received: N/A

Brief Description of Selection Process: Property was selected based on the site selection process analysis to determine most suitable site for the nuclear facility.

Dollar Value: [REDACTED]

Contract Status: Completed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work: Purchase and Sale Agreement. The seller was Harold Ross & Josef Kozevski. Sold approximately 197 acres to Progress Energy for Levy Nuclear Plant.



LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

[25-6.0423 (b)(c), F.A.C.]

DOCKET NO.:

110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: N/A

Major Task or Tasks Associated With: Purchase Easement for Barge Slip - Escrow for Bike Trail

Vendor Identity: State of Florida (seller)

Vendor Affiliation (specify 'direct' or 'indirect'): Indirect (Vertical Integration (buyer) on behalf of Progress Energy)

Number of Vendors Solicited: Purchased based on results of site downselect analysis that determined the most suitable site for the plant.

Number of Bids Received: N/A

Brief Description of Selection Process: Property was selected based on the site selection process analysis to determine most suitable site for the nuclear facility.

Dollar Value: [REDACTED]

Contract Status: Completed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work: Purchase and Sale Agreement. The seller was State of Florida. Sold barge slip easement to Progress Energy for Levy Nuclear Plant. Escrow on Bike Trail.

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL

[25-6.0423 (8)(c), F.A.C.]

DOCKET NO.: 110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: 293651-01

Major Task or Tasks Associated With: Provide services, supplies, tools, equipment, and transportation necessary to provide an array of diverse commercial real estate services for the sole purpose of acquiring land parcels for proposed baseload generation plants.

Vendor Identity: The Duncan Companies, Inc.

Vendor Affiliation (specify 'Direct' or 'Indirect'): Direct

Number of Vendors Solicited: Approved Nominee Agreement

Number of Bids Received: N/A

a new power plant.  
potential siting of a new power plant.

Dollar Value: [REDACTED]

Contract Status: Executed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work: Original contract included scope for: (1) Perform fetal flaw analysis on properties identified by the owner and also include identification of alternative sites for consideration by owner. (2) implementation of the acquisition process. (3) Complete due diligence evaluation activities for each proposed site. (4) Amended three times; once for Rail Study, once for Wetlands Mitigation, and once for Main Access road.

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

[25-6 0423 (8)(c), F.A.C.]

DOCKET NO.:

110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: 00259934-00002

Major Task or Tasks Associated With: providing engineering, environmental, and licensing services to support the Combined Operating License Application (COLA) development for a new greenfield site in Florida.

Vendor Identity: Joint Venture Team - Sargent & Lundy, CH2M Hill, & Worley Parsons

Vendor Affiliation (specify "direct" or "indirect"): Direct

Number of Vendors Solicited: Six

Number of Bids Received: Six

Brief Description of Selection Process: An RFP was completed for COLA Application preparation and sent to vendors. The next step required New Plant Development to assemble a review team and complete a detailed evaluation of the proposals. Vendors were evaluated and scored on the following criteria: Corporate Experience, Team Experience, Technical Plan, and Financial. This evaluation has been formally documented. Once the vendor was selected, a contract was prepared and approved and a pre-award meeting was held prior to starting work on the project.

Dollar Value: [REDACTED]

Contract Status: Completed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work:

Provide engineering, environmental, and licensing services in support of COLA development. Major tasks include:

Task 1 - Prepare License Application and associated General & Admin. Information

Task 2 - Perform site investigation, including necessary soil borings and constructing a meteorological tower to gather weather information.

Task 3 - Prepare Chapter 2 of FASR in accordance with applicable regulatory requirements including meteorological, geological, geotechnical, and seismological sections.

Task 4 - Prepare Environmental Report in accordance with applicable regulatory requirements, including site ecological investigations. Prepare Emergency Plan in accordance with applicable regulatory requirements.

Task 5 - Prepare FSAR Chapters 4, 5, 6, 7, and 12 in accordance with applicable regulatory requirements.

Task 6 - Prepare FSAR Chapters 13, 14, and 16 in accordance with applicable regulatory requirements.

Task 7 - Prepare FSAR Chapters 1, 3, 8, 17, 18, & 19 in accordance with applicable regulatory requirements.

Task 8 - Prepare FSAR Chapters 9, 10, 11, & 15 in accordance with applicable regulatory requirements.

Task 9 - Prepare fire protection program, inspection programs, other programs, the security plan and quality assurance plan in accordance with applicable regulatory requirements.

Task 10 - Prepare conceptual designs for various plant systems.

Task 11 - Project Management support for all COLA preparation activities.

Task 12 - Site Unique Scope not in RFP

Task 13 - COLA Fieldwork

Task 14 - Foundation Conceptual Design

Task 15 - NRC Acceptance Review

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL

[25-6.0423 (8)(c),F.A.C.]

DOCKET NO.: 110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No., 00255934-00003

Major Task or Tasks Associated With: developing the Site Certification Application for the Levy Plant. The application will be submitted to the Florida Department of Environmental Protection.

Vendor Identity: Joint Venture Team - Sargent & Lundy, CH2M Hill, & Worley Parsons

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: 1

Number of Bids Received: 1

Brief Description of Selection Process: This authorization is closely tied to the Levy COLA Environmental Report. Vendor selected to ensure consistency between the two filings to NRC and FDEP. An Impact Evaluation was submitted to document project scope, schedule, cost, and risk. The impact evaluation is challenged with technical, CA, and financial reviews prior to approval. The approved impact evaluation is incorporated into a new work authorization.

Dollar Value: [REDACTED]

Contract Status: Completed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work:

Provide engineering, environmental, and licensing services in support of Site Certification Application development. Major tasks include:

- Task 1 - Site Characterization
- Task 2 - Plant & Associated Facilities
- Task 3 - Construction Impacts
- Task 4 - Operational Impacts
- Task 5 - Economic and Social Effects
- Task 6 - Electrical Transmission Lines
- Task 7 - Need for Power
- Task 8 - Site & Design Alternatives

Since the original Impact Evaluation was signed, the work scope has expanded to include post-submittal activities including:

- 1 - SCA Wetland Comprehensive Plan
- 2 - Ecological Survey, Wetland Mitigation, Wet Field Monitoring
- 3 - SCA Phase II Support
- 4 - FDEP request for additional water quality analysis
- 5 - SCA Administrative Hearing Support

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

[25-6.0423 (8)(c),F.A.C.]

DOCKET NO.:

110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: 00255934-00005

Major Task or Tasks Associated With: providing support for the Levy Nuclear Plant COLA Development Phase II, for the period between when the NRC has accepted the application and NRC application approval.

Vendor Identity: Joint Venture Team - Sargent & Lundy, CH2M Hill, & Worley Parsons

Vendor Affiliation (specify "direct" or "indirect"): Direct

Number of Vendors Solicited: 1

Number of Bids Received: 1

Brief Description of Selection Process: This authorization is for Phase II support of the Levy COL Application (reference contract 255934-02). An Impact Evaluation was submitted to document project scope, schedule, cost and risk. The impact evaluation is challenged with technical, QA, and financial reviews prior to approval. The approved impact evaluation is incorporated into a new work authorization.

Dollar Value: [REDACTED]

Contract Status: Executed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work:

Provide support for the Levy Nuclear Plant (LNP) COL Application approval by the NRC, including support for Requests for Additional Information (RAI). Major tasks include:

Task 1 - Westinghouse/NuStart document / RAI Response Reviews

Task 2 - Levy Nuclear Plant Simple RAIs

Task 3 - LNP Complex RAIs and Evaluations

Task 4 - LNP COLA Revisions/CCD Departure Report

Task 5 - Project Management

Task 8 - NRC 2010 Audit

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

[25-6.0423 (8)(c),F.A.C.]

DOCKET NO.:

110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: 00255934-00006

Major Task or Tasks Associated With: Perform LNP Site Certification projected 2009 Follow-on Activities.

Vendor Identity: Joint Venture Team - Sargent & Lundy, CH2M Hill, & Worley Parsons

Vendor Affiliation (specify direct or indirect): Direct

Number of Vendors Solicited: 1

Number of Bids Received: 1

Brief Description of Selection Process: This authorization is for support of the Levy Site Certification. An Impact Evaluation was submitted to document project scope, schedule, cost and risk. The impact evaluation is challenged with technical, QA, and financial reviews prior to approval. The approved impact evaluation is incorporated into a new work authorization.

Dollar Value: [REDACTED]

Contract Status: Executed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work:

Provide support for the Levy Nuclear Plant (LNP) Site Certification, including support for Requests for Additional Information (RAI). Major tasks include:

Task 15 - Environmental Report/SCA Follow On Activities

Task 16 - SCA Rev 3

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

(25-6.0423 (6)(c), F.A.C.)

DOCKET NO.:

110009-EI

Witness: Sue Hardison

Contract No.: 00255934-00009

For Year Ended 12/31/2010

Major Task or Tasks Associated With: LNP PHASE III (INITIAL SCOPE - COLA REVISION 2)

Vendor Identity: Joint Venture Team - Sargent & Lundy, CH2M Hill, & Worley Parsons

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: 1

Number of Bids Received: 1

Brief Description of Selection Process: This authorization is for support of the Levy Site Certification. Levy COLA Revision 2 for submittal to the NRC.

Dollar Value:

[REDACTED]

Contract Status: Executed

Term Begin:

[REDACTED]

Term End:

Nature and Scope of Work:

Provide support for the Levy Nuclear Plant (LNP) Site Certification, including support of Levy COLA Revision 2 for submittal to the NRC.

Task 9 - COLA Rev 2

Task 10 - Project Management

Task 11 - Environmental Support

Task 12 - RCC Testing

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL  
DOCKET NO.: 110009-EI

(25-6.0423 (B)(c),F.A.C.)

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: 414310

Major Task or Tasks Associated With:

The contractor will design, engineer, supply, equip, construct and install a complete fully operational two unit AP1000 Facility at the Levy Nuclear Plant Site.

Vendor Identity: Westinghouse Electric Company LLC.

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One, due to Westinghouse being the sole vendor for the reactor technology selected.

Number of Bids Received: N/A

Brief Description of Selection Process: Per approved Letter of Intent.

Dollar Value: [REDACTED]

Contract Status: Executed (Partial Suspension)

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work:

Scope of Work is to design, engineer, supply, equip, construct, and install a complete and fully operational two (2) unit AP1000 Facility at Owner's Levy Nuclear Plant Site and Nearby Work Areas, including all equipment and services necessary to meet the terms and conditions of the "Engineering, Procurement and Construction Agreement Between Florida Power Corporation doing business as Progress Energy Florida, Inc., (Owner) and a consortium consisting of Westinghouse Electric Company, LLC, and Shaw Stone and Webster, Inc., (Contractor), effective on December 31, 2008 .



LEVY COUNTY UNITS 1 & 2

Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY:

Progress Energy - FL

[25-6.0423 (8)(c), F.A.C.]

DOCKET NO.:

110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: N/A

Major Task or Tasks Associated With:  
Reference COL Preparation

Vendor Identity: NuStar Energy Development LLC

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One, membership agreement with the entity

Number of Bids Received: N/A

Brief Description of Selection Process: N/A

Dollar Value:

[REDACTED]

Contract Status: Executed

Term Begin:

[REDACTED]

Term End:

Nature and Scope of Work:

Preparation of Reference Combined License Applications for Westinghouse and GE Designs.

LEVY COUNTY UNITS 1 & 2  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

REDACTED

COMPANY: Progress Energy - FL

[25-6.0423 (8)(c), F.A.C.]

DOCKET NO.: 110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Contract No.: 409194-00001 to 00006 & 00008

Major Task or Tasks Associated With:  
Provide engineering services to support the Levy Transmission Program.

Vendor Identity: Patrick Energy Services Inc.

Vendor Affiliation (specify "direct" or "indirect"): Direct

Number of Vendors Solicited: Six

Number of Bids Received: Three

Brief Description of Selection Process:

A Request For Proposal (RFP) was completed and sent to vendors. After proposals were received, the Levy Baseload Transmission team conducted an evaluation of the proposals. This evaluation was formally documented. Once the vendor was selected, a contract was awarded and the first Work Authorization was issued.

Dollar Value: [REDACTED]

Contract Status: Completed

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work:

- Work Authorization #1 - Provide engineering services to support the review, analysis and revisions as needed to all associated scopes, cost estimates, and schedules for Levy Program's individual projects (e.g. line, substation, protection and control). This work will also include the review, analysis or implementation of technical studies as requested to support the development of design criteria and specifications for the Levy Program.
- Provide assistance for Levy Program engineering quantitative and qualitative efforts to support external and internal Requests for Information (RFI) or Requests for Proposals (RFP) by providing documentation, figures, drawings, reports, etc.
- Attend community open houses, general Levy Program meetings and provide expert staff, as necessary, to support legal testimony within this scope of work.
- Develop design criteria & design standards, develop & update individual project schedule, revising schedules, reporting & monitoring costs and provide core team administrative support and document control.
- Work Authorization #2 - Develop complete engineering design including Bill of Material for the North Admin 69kV tap/transmission line.
- Work Authorization # 3- Develop complete engineering design including Bill of Material for the South Admin 69kV tap/transmission line.
- Work Authorization # 4- Develop complete engineering design (physical layout, civil, structural, P&C) including Bill of Material for the North Admin substation.
- Work Authorization # 5- Develop complete engineering design (physical layout, civil, structural, P&C) including Bill of Material for the South Admin substation.
- Work Authorization # 6- Perform engineering services in support of the Kathleen-Lake Tarpon (PH-TP) 230kV line rebuild project.
- Work Authorization # 8- Perform preliminary design for the Central Florida South Substation.

LEVY COUNTY UNITS 1 & 2  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-Up Filing: All Contracts Executed in Excess of \$250,000 up to and including \$1,000,000

Schedule T-7B

REDACTED

EXPLANATION: For all executed contracts exceeding \$250,000 up to and including \$1,000,000, (including change orders), provide the contract number or identifier, status, original and current contract terms, original amount, amount expended as of the end of the prior year, amount expended in the year, estimated final contract amount, name of contractor and affiliations if any, method of selection including identification of justification documents, and a description of work.

COMPANY: Progress Energy - FL  
DOCKET NO.: 110009-EI

Witness: Sue Hardison

For Year Ended 12/31/2010

Line No.	(A) Contract No.	(B) Status of Contract	(C) Original Term of Contract	(D) Current Term of Contract	(E) Original Amount	(F) Amount Expended as of Prior Year End (2009)	(G) Amount Expended in Current Year (2010)	(H) Estimate of Final Contract Amount	(I) Name of Contractor (and Affiliation if any)	(J) Method of Selection and Document ID	(K) Work Description
1	399960-19 Amendment 1	Completed							Entrix	Work Authorization release under Progress Energy's Corporate Master Services Agreement with Entrix.	Develop a mitigation plan for wetland impacts expected to result from the proposed Progress Energy Florida (PEF) Levy Nuclear Power Plant (LNP) site, associated facilities and associated transmission line facilities.
2	435528	Completed							GMK Architecture	RFP Process	Safely and successfully design, permit, engineer, procure, and construct a training facility that meets the training needs for the LNP operational staff in a timely manner that satisfies the requirement to have a fully licensed and qualified staff prior to nuclear safety-related system turnover and receipt of nuclear fuel at the LNP site. On hold due to partial suspension.
3	255934-07 Amendment 1 - 3	Completed							Joint Venture Team	Source to COLA vendor for required fieldwork and analysis to respond to specific NRC RAIs of the Levy COLA submittal.	Perform the next phase of the Levy Nuclear Plant (LNP) Offset Boring Program and two additional borings in the extended end of the planned LNP Unit 2 Turbine Building.
4	3382-208	Executed							Westinghouse Energy Development LLC (WEC)	Sole Source to vendor to address Nuclear Regulatory Commission (NRC) Request for Additional Information (RAI) related to the Levy Nuclear Plant Construction and Operating License Application (COLA).	Provide a Levy Nuclear Site Soil Structure Interaction Analysis for your information and use in response to NRC letter #085.
5	420400 Amendment 1	Executed							KLD Associates	Sole Source to COLA Emergency Plan & Evacuation Time Estimate vendor for efficient responses to NRC requests for additional information.	COLA RAI responses related to evacuation time estimate study/emergency plan.
6	N/A	Note 1	Note 1	Note 1	Note 1			Note 1	Holland & Knight	Note 1	Legal Work - Levy Site Certification
7	221227-30 & A1, A2	Completed							Elite Construction of Ocala, Inc	RFP - CRECPH1CS042009 for original Work Authorization.	Construction Services for Crystal River Switlchyard Phase 1
8	453352-01	Completed							Golder Associates Inc.	RFP - LBENV040209	Consulting Services to support Wetland Delineation, Environmental Assessments & Survey Services

Note 1: The scope, nature, and extent of legal services ultimately required is subject either to events and/or the actions and/or inactions of parties beyond the control of PEF and its legal services providers, and therefore are not amenable to determination at the time of contract execution or estimation in advance of the conclusion of legal services.

PROGRESS ENERGY FLORIDA

Docket No. 110009  
APPENDIX D

Year End 2006 through Year End 2010  
Levy Nuclear Unit 1 and 2  
Capital Spend (Accrual Basis)  
(In Dollars)

REDACTED

Line	Description	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	End of Period Total
1	<u>Site Selection:</u>						
2	<u>Generation:</u>						
3	License Application	\$2,849,210	\$20,536,898	\$8,417,338	\$0	\$0	\$31,803,446
4	Engineering, Design, & Procurement	0	0	0	0	0	0
5	Permitting	0	0	0	0	0	0
6	Clearing, Grading and Excavation	0	0	0	0	0	0
7	On-Site Construction Facilities	0	0	0	0	0	0
8	<b>Total Generation Site Selection</b>	<b>\$2,849,210</b>	<b>\$20,536,898</b>	<b>\$8,417,338</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,803,446</b>
9	<u>Transmission:</u>						
10	Line Engineering	\$0	\$1,511,538	\$666,950	\$0	\$0	\$2,178,488
11	Substation Engineering	0	171,433	21,860	0	0	193,293
12	Clearing	0	0	0	0	0	0
13	Other	0	866,016	482,023	0	0	1,348,039
14	<b>Total Transmission Site Selection</b>	<b>\$0</b>	<b>\$2,548,987</b>	<b>\$1,170,833</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,719,820</b>
15	<u>Pre-Construction:</u>						
16	<u>Generation:</u>						
17	License Application	\$0	\$0	\$24,951,134			
18	Engineering, Design, & Procurement	0	0	110,684,010			
19	Permitting	0	0	0			
20	Clearing, Grading and Excavation	0	0	0			
21	On-Site Construction Facilities	0	0	401,538			
22	<b>Total Generation Pre-Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$136,036,682</b>			
23	<u>Transmission:</u>						
24	Line Engineering	\$0	\$0	\$2,935,350			
25	Substation Engineering	0	0	1,157,997			
26	Clearing	0	0	0			
27	Other	0	0	2,703,891			
28	<b>Total Transmission Pre-Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,797,238</b>			
29	<u>Construction:</u>						
30	<u>Generation:</u>						
31	Real Estate Acquisitions	\$0	\$52,530,259	(\$115,784)			
32	Project Management	0	0	0			
33	Permanent Staff/Training	0	0	0			
34	Site Preparation	0	0	0			
35	On-Site Construction Facilities	0	0	16,981			
36	Power Block Engineering, Procurement, etc.	0	0	0			
37	Non-Power Block Engineering, Procurement, etc.	0	0	0			
38	<b>Total Generation Construction</b>	<b>\$0</b>	<b>\$52,530,259</b>	<b>(\$98,783)</b>			
39	<u>Transmission:</u>						
40	Line Engineering	\$0	\$0	\$0			
41	Substation Engineering	0	0	0			
42	Real Estate Acquisition	0	8,941,425	2,994,450			
43	Line Construction	0	0	0			
44	Substation Construction	0	0	0			
45	Other	0	0	(10,780)			
46	<b>Total Transmission Construction</b>	<b>\$0</b>	<b>\$8,941,425</b>	<b>\$2,983,670</b>			
47	<b>Total Capital Spend Generation and Transmission</b>	<b>\$2,849,210</b>	<b>\$84,557,569</b>	<b>\$155,306,978</b>			

**SCHEDULE APPENDIX  
REDACTED**

**EXHIBIT (WG-3)**

**PROGRESS ENERGY FLORIDA, INC.  
CRYSTAL RIVER UNIT 3 UPRATE  
COMMISSION SCHEDULES (T-1 Through T-7B)**

**JANUARY 2010 - DECEMBER 2010  
FINAL TRUE-UP  
DOCKET NO. 110009-EI**

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Contracts Executed**

Schedule T-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

REDACTED

[25-6.0423 (8)(c), F.A.C.]

COMPANY:

Progress Energy - FL

Witness: Jon Franke

DOCKET NO.:

110009-EL

For Year Ended 12/31/2010

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Total Amount Expended as of Prior Year End (2009)	Amount Expended in Current Year (2010)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection & Document ID	Work Description
1	101859 WA 84	Executed							AREVA - NP	Sole Source - Original Equipment Manufacture	EPU NSSS Engineering, Fuel Eng, and LAR Support for CR3
2	342253	Executed							Thermal Engineering International (TEI)	RFP	Purchase of 4 moisture separator reheaters (MSRs)
3	101859 WA 93	Executed							Areva NP	RFP KS12007	EPU BOP
4	145569 WA 50	Executed							Siemens	RFP	CR3 turbine retrofit for EPU including supply of all equipment and installation.
5	384426	Closed							Barnhart Crane and Rigging Co.	RFP (RFP# KK01-2008)	Heavy hauling contract
6	221186-24	Executed							Mesa Associates, Inc	RFP (RFP# SF6-2008)	Civil Engineering POD Cooling Tower
7	418171	Closed							Modspace	RFP DH08-009	Lease of 2-story trailer #24 for EPU
8	101659 WA 84, Amd 7	Executed							AREVA - NP	Sole Source - Original Equipment Manufacture; continuation of work.	R17 EC packages
9	101659 WA 84, Amd 8	Executed							AREVA - NP	Sole Source - Original Equipment Manufacture; continuation of work.	R17 EC packages and LAR
10	101659 WA 93, Amd 9	Executed							Areva NP	RFP KS12007; continuation of work.	R17 EC packages
11	3707, Amd 43	Executed							Barlett Nuclear	Award under a negotiated fleet contract.	EPU portion of HP/DecoN for R18
12	450789	Executed							Bettle Plastics	Bid by Mesa Associates	Fiberglass reinforced piping for Helper Cooling Tower South
13	450795	Closed							ITT	Bid by Mesa Associates	4 Intake pumps for HCTS
14	433059	Executed							EvapTech	RFP SF8-2008	CR3 Cooling Tower Construction
15	359323 WA14	Executed							Flowserve	SF12-2009	condensate pumps and motors
16	359323 WA16	Executed							Flowserve	RFP	small and large bore LPI valves
17	506836	Executed							Sulzer	RFP	FWP 2A/2B
18	488945	Executed							Sulzer	RFP SF10-2009	FWP 1A/1B
19	505119	Executed							SPX	RFP SF01-2010	two (2) feedwater heat exchangers FWHE 2A/2B
20	145569 WA 50, Amd 7	Executed							Siemens	RFP; continuation of work	amended and restated WA-50 for LP turbines, HP turbines, R16 outage EWA's, LD's, additional support, and updated testing and monitoring plans
21	101659 WA 84, Amd 9	Executed							AREVA - NP	Sole Source - Original Equipment Manufacture; continuation of work.	R17 EC packages
22	101659-93, Amd 11	Executed							Areva NP, Inc	RFP KS12007; continuation of work	R17 EC packages
23	3714, Amd 69-74 (72 & 74 apply to PEF)	Closed							Atlantic Group	Negotiated Fleet Contract	CR3 R16 EPU Implementation Labor and support.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (b)(c), F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

**Contract No.:**

101859 WA 04

**Major Task or Tasks Associated With:**

EPU NSSS Engineering, Fuel Eng, and LAR Support for CR3

**Vendor Identity:**

Areva NP, Inc.

**Vendor Affiliation (specify 'direct' or 'indirect'):**

Direct

**Number of Vendors Solicited:**

Sole Source

**Number of Bids Received:**

N/A

**Brief Description of Selection Process:**

N/A - OEM

**Dollar Value:**

**Contract Status:**

Executed

**Term Begin:**

**Term End:**

**Nature and Scope of Work:**

Contractor agrees to perform the following work more fully described in AREVA Proposal No. NSSSE06-1023.0 Revision 000 dated July 18, 2007 to furnish all engineering personnel and tools, engineering supervision and management, deliverable documents and required transportation necessary to perform the following functions in support of the Extended Power Uprate (EPU) Project Nuclear Steam Supply (NSSS) Portion for Crystal River Three (CR-3) Nuclear Power Station: Nuclear Steam Supply System (NSSS) Engineering, Fuel Engineering, Support of the Licensing Amendment Request (LAR). This work is Nuclear Safety Related.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

[25-6.0423 (8)(c), F.A.C.]  
Witness: Jon Franke

DOCKET NO.: 110009-EI

For the Year Ended: 12/31/2010

**Contract No.:**

342253

**Major Task or Tasks Associated With:**

Purchase of 4 MSR's

**Vendor Identity:**

Thermal Engineering International (TEI)

**Vendor Affiliation (specify "direct" or "indirect"):**

Direct

**Number of Vendors Solicited:**

2

**Number of Bids Received:**

2

**Brief Description of Selection Process:**

Bid was lower than the competing bidder

**Dollar Value:**

[REDACTED]

**Contract Status:**

Executed

**Term Begin:**

[REDACTED]

**Term End:**

[REDACTED]

**Nature and Scope of Work:**

Thermal Engineering International (TEI) is to provide four (4) moisture separator reheaters (MSR's) for Crystal River Unit #3 (CR3) that when combined with other power uprate modifications serve to maximize the uprated turbine steam cycle conditions. The replacement MSR's shall be designed and fabricated with full consideration for maintaining the existing plant piping configuration including the turbine cross under and cross over piping. MSR's are to contribute to the rated generator MVA capability that will have a minimum performance capability of 1080 MWe real power output while concurrently providing 430 MVAR reactive power.



CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (B)(c),F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

101659-93

Major Task or Tasks Associated With:

EPU, BOP

Vendor Identify:

Areva NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

5

Number of Bids Received:

3

Brief Description of Selection Process:

Areva has proven performance on MUR and NSSS with a stronger interface with vendors; teamed with original A/E for BOP at CR3; Areva is the best vendor from a technical perspective and on average equal cost with opportunity to earn higher royalties.

Dollar Value:

Contract Status:

Executed

Term Begin:

Term End:

Nature and Scope of Work:

Contractor shall provide Engineering Services for CR3 Secondary Systems Uprate to support the Extended Power Uprate Project. Engineering Services shall be in accordance with Request for Proposal No. KS12007 and "Extended Power Uprate Bid Specification", dated June 25, 2007.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (b)(c),F.A.C.]

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.: 110009-EI

For the Year Ended: 12/31/2010

Contract No.:  
145569 WA 50

Major Task or Tasks Associated With:

CR3 turbine retrofit for EPU including supply of all equipment and installation

Vendor Identity:

Siemens

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

4

Number of Bids Received:

2

Brief Description of Selection Process:

Total cost lower than competing bidder. Siemens adds value by bundling all components and services.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Contractor to provide all materials, equipment, and tools to supply and install High pressure Turbine Rotors, Low Pressure Turbine Rotors, Generator, and Exciter at Crystal River Unit #3 as set forth in the Contractor's offer (Proposal Number TA02-280) dated April 16, 2007, the Proposal Revision e-mail TA02-280-1 dated May 18, 2007, Mr Puneet Bahi's Installation Clarification e-mail and its Attachment dated June 4, 2007 and the terms and conditions of the Master Contract # 145569.  
This work is non-safety related.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (B)(c),F.A.,C.]

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

For the Year Ended: 12/31/2010

DOCKET NO.: 110009-EI

Contract No.:

384428

Major Task or Tasks Associated With:

EPU Heavy Hauling Contract

Vendor Identity:

Barnhart Crane and Rigging Company, Inc.

Vendor Affiliation (specify "direct" or "indirect"):

Direct

Number of Vendors Solicited:

3

Number of Bids Received:

2

Brief Description of Selection Process:

This vendor was selected as the best evaluated bidder of two major heavy hauling companies (Mammoet and Barnhart). Bid List consisted of 3 bidders: Mammoet, Barnhart, and Bigge Crane & Rigging Co.

Dollar Value:

[REDACTED]

Contract Status:

Closed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Refuel 16 will require the movement of equipment identified in the contract to the temporary lay-down area, the transportation of these items from the lay-down area to the Turbine Building, and final placement/installation in the secondary system. Components include but are not limited to the MSR's, large turbine components and the generator rotor, FW heaters, and other secondary system components.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

[25-8.0423 (8)(c), F.A.C.]

Witness: Jon Franke

For the Year Ended: 12/31/2010

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

DOCKET NO.: 110009-EI

Contract No.:  
221186-24

Major Task or Tasks Associated With:  
CR3 Discharge Canal Cooling Tower Civil Engineering

Vendor Identity:  
Mesa Associates, Inc.

Vendor Affiliation (specify 'direct' or 'indirect'):  
Direct

Number of Vendors Solicited:  
8

Number of Bids Received:  
3

Brief Description of Selection Process:  
Mesa was the highest rated bidder both technically and commercially.

Dollar Value:  
[REDACTED]

Contract Status:  
Executed

Term Begin:  
[REDACTED]

Term End:  
[REDACTED]

Nature and Scope of Work:  
CR 3 Discharge Canal Cooling Tower Civil Engineering.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

[25-6.0423 (8)(c),F.A.C.]

Witness: Jon Franke

DOCKET NO.: 110009-EI

For the Year Ended: 12/31/2010

**Contract No.:**

418171

**Major Task or Tasks Associated With:**

EPU 2-story Trailer #24

**Vendor Identity:**

Modspace

**Vendor Affiliation (specify 'direct' or 'indirect'):**

Direct

**Number of Vendors Solicited:**

3

**Number of Bids Received:**

3

**Brief Description of Selection Process:**

Modspace provided a quality product at a competitive overall price.

**Dollar Value:**

[REDACTED]

**Contract Status:**

Closed

**Term Begin:**

[REDACTED]

**Term End:**

[REDACTED]

**Nature and Scope of Work:**

Provide 2-story trailer #24 for EPU inside the protected area to support R16.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (8)(c), F.A.C.]

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.: 110009-EI

For the Year Ended: 12/31/2010

**Contract No.:**

101659-84, Amendment 7

**Major Task or Tasks Associated With:**

R17 EC packages

**Vendor Identity:**

Areva NP

**Vendor Affiliation (specify 'direct' or 'indirect'):**

Direct

**Number of Vendors Solicited:**

N/A

**Number of Bids Received:**

N/A

**Brief Description of Selection Process:**

Sole source (continuation of work under original contract WA-84)

**Dollar Value:**

[REDACTED]

**Contract Status:**

Executed

**Term Begin:**

[REDACTED]

**Term End:**

[REDACTED]

**Nature and Scope of Work:**

R17 EC packages including LPI cross-tie, Atmo Dump Valves, and Emergency Feed Pump-2.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-8.0423 (8)(c),F.A..C.]

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.: 110009-EI

For the Year Ended: 12/31/2010

**Contract No.:**

101659-84, Amendment 8

**Major Task or Tasks Associated With:**

R17 EC packages including LAR

**Vendor Identity:**

Areva NP

**Vendor Affiliation (specify 'direct' or 'indirect'):**

Direct

**Number of Vendors Solicited:**

N/A

**Number of Bids Received:**

N/A

**Brief Description of Selection Process:**

Sole source (continuation of work under original contract WA-84)

**Dollar Value:**

**Contract Status:**

Executed

**Term Begin:**

**Term End:**

**Nature and Scope of Work:**

R17 EC packages including spent fuel, LPI X-tie modification, large transient testing, and LAR activities.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (8)(c), F.A.C.]

Witness: Jon Franke

For the Year Ended: 12/31/2010

COMPANY: Progress Energy - FL  
DOCKET NO.: 110009-EI

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

**Contract No.:**

101859-93, Amendment 0

**Major Task or Tasks Associated With:**

R17 EC packages for BOP.

**Vendor Identity:**

Areva NP

**Vendor Affiliation (specify 'direct' or 'indirect'):**

Direct

**Number of Vendors Solicited:**

N/A

**Number of Bids Received:**

N/A

**Brief Description of Selection Process:**

Continuation of work under WA-93

**Dollar Value:**

[REDACTED]

**Contract Status:**

Executed

**Term Begin:**

[REDACTED]

**Term End:**

[REDACTED]

**Nature and Scope of Work:**

R17 EC packages for BOP including Feedwater Heater 2A/2B, Deserator, and Main Steam System.



CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-8.0423 (8)(c), F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

3707, Amd 43

Major Task or Tasks Associated With:

EPU portion of HP/Decon for R16.

Vendor Identity:

Bartlett Nuclear

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

N/A

Number of Bids Received:

N/A

Brief Description of Selection Process:

Fleet award

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

EPU portion of HP/Decon for R16.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (8)(c),F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

450789

Major Task or Tasks Associated With:

Helper Cooling Tower South/POD

Vendor Identity:

Bettle Plastics

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct (Bid process- indirect)

Number of Vendors Solicited:

3

Number of Bids Received:

3

Brief Description of Selection Process:

Highest rated proposal at lowest cost. Bidder recommended by engineering firm Mesa.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Fiberglass reinforced piping for Helper Cooling Tower South/POD.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

[25-6.0423 (8)(c),F.A.C.]

Witness: Jon Franke

DOCKET NO.: 110009-EI

For the Year Ended: 12/31/2010

Contract No.:

450795

Major Task or Tasks Associated With:

Helper Cooling Tower South/POD

Vendor Identify:

ITT

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct (Bid process- indirect)

Number of Vendors Solicited:

3

Number of Bids Received:

2

Brief Description of Selection Process:

Both bidders were technically capable so ITT was selected with the lower priced proposal.

Dollar Value:

[REDACTED]

Contract Status:

Closed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

4 Intake pumps for the HCTS/POD project.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (b)(c), F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

433069

Major Task or Tasks Associated With:

Point of Discharge Cooling Tower Construction

Vendor Identity:

EvapTech

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

7

Number of Bids Received:

4

Brief Description of Selection Process:

RFP issued to 7 bidders and 4 proposals were received. Two of the four bidders were disqualified for technical and commercial reasons. EvapTech was chosen from the remaining two proposals.

Dollar Value:

Contract Status:

Executed

Term Begin:

Term End:

Nature and Scope of Work:

Construction of the Cooling Towers due to increased discharge temperature from EPU power conditions.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (8)(c), F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

359323-14

Major Task or Tasks Associated With:

condensate pumps and motors

Vendor Identity:

Flowserve

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

6

Number of Bids Received:

4

Brief Description of Selection Process:

two of the 4 bids were considered technically acceptable and the lowest cost vendor was chosen for this project.

Dollar Value:

Contract Status:

Executed

Term Begin:

Term End:

Nature and Scope of Work:

Condensate pumps and motor replacement

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

[25-6.0423 (8)(c),F.A..C.]

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:  
359323-16

Major Task or Tasks Associated With:

small and large bore LPI valves

Vendor Identity:

Flowserve

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

4

Number of Bids Received:

3

Brief Description of Selection Process:

Selected a primary vendor that could provide the majority of the valves at a reasonable cost and was technically acceptable.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

small and large bore LPI valves

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (6)(c),F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franks

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

509636

Major Task or Tasks Associated With:

Main Feedwater pumps (FWP 2A/2B)

Vendor Identity:

Sulzer

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

2

Number of Bids Received:

2

Brief Description of Selection Process:

Both vendors were technically feasible and pricing was relatively close. Ultimately, Sulzer was chosen for various technical and commercial reasons.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Design, manufacture, assemble, test, and ship two (2) main feedwater pumps (FWP 2A/2B)

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (8)(c),F.A.C.]

COMPANY: Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jan Franke

DOCKET NO.: 110009-EI

For the Year Ended: 12/31/2010

Contract No.:  
488945

Major Task or Tasks Associated With:  
Feedwater Booster Pumps (FWP 1A/1B)

Vendor Identity:

Sulzer

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

8

Number of Bids Received:

3

Brief Description of Selection Process:

Sulzer was chosen as the most technically feasible solution.

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Design, manufacture, assemble, and ship two (2) feedwater booster pumps (FWP 1A/1B)



CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

[25-6.0423 (8)(c), F.A.C.]

Witness: Jon Franks

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

505119

Major Task or Tasks Associated With:

2 feedwater heat exchangers

Vendor Identity:

SPX

Vendor Affiliation (specify "direct" or "indirect"):

Direct

Number of Vendors Solicited:

5

Number of Bids Received:

3

Brief Description of Selection Process:

SPX was chosen as the highest rated technical bidder and lowest cost option.

Dollar Value:

██████████

Contract Status:

Executed

Term Begin:

██████████

Term End:

██████████

Nature and Scope of Work:

2 feedwater heat exchangers for installation in R17

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Contracts Executed**

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-6.0423 (B)(c),F.A..C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

**Contract No.:**

145608 WA 50

**Major Task or Tasks Associated With:**

CR3 turbine retrofit for EPU including supply of all equipment and installation

**Vendor Identity:**

Siemens

**Vendor Affiliation (specify 'direct' or 'indirect'):**

Direct

**Number of Vendors Solicited:**

N/A

**Number of Bids Received:**

N/A

**Brief Description of Selection Process:**

Continuation of work under original WA-50

**Dollar Value:**

[REDACTED]

**Contract Status:**

Executed

**Term Begin:**

[REDACTED]

**Term End:**

[REDACTED]

**Nature and Scope of Work:**

amended and restated WA-50 for LP turbines, HP turbines, R16 outage EWA's, LD's, additional support, and updated testing and monitoring plans

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

[25-6.0423 (8)(c), F.A.C.]

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

101659-84, Amendment 9

Major Task or Tasks Associated With:

R17 EC packages

Vendor Identity:

Areva NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

N/A

Number of Bids Received:

N/A

Brief Description of Selection Process:

Sole source (continuation of work under original contract WA-84)

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

R17 EC packages

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

[25-8.0423 (8)(c), F.A.C.]

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

101659-93, Amendment 11

Major Task or Tasks Associated With:

R17 EC packages for BOP.

Vendor Identity:

Areva NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

N/A

Number of Bids Received:

N/A

Brief Description of Selection Process:

Continuation of work under WA-93

Dollar Value:

[REDACTED]

Contract Status:

Executed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

R17 EC packages for BOP.

CRYSTAL RIVER UNIT 3 UPRATE  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Contracts Executed

Schedule T-7A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any

REDACTED

[25-0.0423 (8)(c), F.A.C.]

COMPANY:

Progress Energy - FL

affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

Witness: Jon Franke

DOCKET NO.:

110009-EI

For the Year Ended: 12/31/2010

Contract No.:

3714, Amendment 72&74

Major Task or Tasks Associated With:

Implementation labor for the following main EPU components: MSR 3A/B/C/D, CDHE 3 A/B, CDHE 7 A/B, TBHE 7 A/B, SCHE 1 A/B, SCP 1A/B Bypass line and SCV replacement, Temp

Vendor Identity:

Atlantic Group

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

Fleet Contract - Sole Source

Number of Bids Received:

N/A

Brief Description of Selection Process:

Awarded under a negotiated Fleet contract. This is a target price contract with shared risk. Cost savings and cost over-runs are shared equally between Atlantic and Progress per terms of Amd 48.

Dollar Value:

[REDACTED]

Contract Status:

Closed

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

CR3 EPU Implementation labor and outage support. Implementation labor for the following main EPU components: MSR 3A/B/C/D, CDHE 3 A/B, CDHE 7 A/B, TBHE 7 A/B, SCHE 1 A/B, SCP 1A/B Bypass line and SCV replacement, Temp Power, MSV 8/10/11/14, and turbine centerline support.

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-Up Filing: All Contracts Executed in Excess of \$250,000 up to and including \$1,000,000**

Schedule T-7B

REDACTED

**EXPLANATION:** For all executed contracts exceeding \$250,000 up to and including \$1,000,000, (including change orders), provide the contract number or identifier, status, original and current contract terms, original amount, amount expended as of the end of the prior year, amount expended in the year, estimated final contract amount, name of contractor and affiliations if any, method of selection including identification of justification documents, and a description of work.

**COMPANY:**  
 Progress Energy - FL

Witness: Jon Franke

**DOCKET NO.:**

110009-B

For Year Ended 12/31/2010

Line No.	(A) Contract No.	(B) Status of Contract	(C) Original Term of Contract	(D) Current Term of Contract	(E) Original Amount	(F) Amount Expended as of Prior Year End (2009)	(G) Amount Expended in Current Year (2010)	(H) Estimate of Final Contract Amount	(I) Name of Contractor (and Affiliation if any)	(J) Method of Selection and Document ID	(K) Work Description
1	Numerical Applications (297792-04)	Executed							Numerical Applications	Sole Source	EPU plant parameters document and analytical input review
2	Areva (101859-93, Amd 4)	Executed							Areva	RFP KS12007	Additional BOP Scope
3	Areva (101859-84, Amd 2)	Executed							Areva	Sole Source- OEM NSSS.	Additional NSSS Scope
4	Areva (101859-93, Amd 5)	Executed							Areva	RFP KS12007	Additional BOP Scope
5	Areva (101859-84, Amd 3)	Executed							Areva	Sole Source- OEM for NSSS.	Additional NSSS Scope
6	ESI (403904)	Closed							ESI	RFP SF3-2008	Installation of secondary side insulation
7	BWC (407870-03)	Executed							BWC	ROTSG Requal 3030 RFP	Qual of SG @ EPU conditions 3030 Mwh
8	ABB Inc (31824-14, Amd 2)	Executed							ABB inc	Mesa RFP	HCTS MCC's
9	Virginia Transformer (453589)	Executed							Virginia Transformer	Meas RFP	HCTS Large Transformers
10	ABB Inc. (31824-14, Amd 1)	Executed							ABB inc.	Mesa RFP	HCTS Switch gears
11	MoreTrench (153771-91)	Closed							MoreTrench	New Percolation Pond North Berm RFP	North Perc Pond Berm
12	Siemens Water Tech (225663-09)	Executed							Siemens Water Tech	Mesa RFP	Dual flow traveling water screens for HCTS
13	F&M Malco (429861)	Closed							F&M Malco	3-13-09 RFP/Commercial Review and Comparison	EPU Tool Trailer
14	485918	Executed							Curtiss-Wright	RFP SF13-2009	atmospheric dump valves
15	Mesa (221166-24, Amd 5)	Executed							Mesa	Continuation of work under original WA.	Approved project deviation notices for the cooling tower
16	ITT (450796, Amd 1)	Closed							ITT	Continuation of work under original contract.	Updated specification including modification of pump design. Increase of firm fixed cost to cover 4 additional pumps.
17	Carlton Fields	Note 1	Note 1	Note 1	Note 1			Note 1	Carlton Fields	Note 1	Legal Work - PEF Crystal River #3 Unit Uprate

Note 1: The scope, nature, and extent of legal services ultimately required is subject either to events and/or the actions and/or inactions of parties beyond the control of PEF and its legal services providers, and therefore are not amenable to determination at the time of contract execution or estimation in advance of the conclusion of legal services.