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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION


IN RE: NUCLEAR POWER PLANT  
COST RECOVERY CLAUSE

Docket No. 110009-EI  
Submitted for Filing: April 27, 2011

**PROGRESS ENERGY FLORIDA, INC.'S NOTICE OF SERVICE**

Progress Energy Florida, Inc. ("PEF" or the "Company"), hereby gives notice of service of the Affidavits of Jon Franke and Sue Hardison in support of Progress Energy Florida, Inc.'s Second Request for Confidential Classification Regarding the Company's Responses to OPC's First Request for Production of Documents and First Set of Interrogatories to Progress Energy Florida.

Respectfully submitted,



R. Alexander Glenn  
General Counsel  
John Burnett  
Associate General Counsel  
PROGRESS ENERGY SERVICE  
COMPANY, LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5587  
Facsimile: (727) 820-5519

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

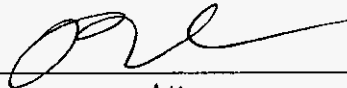
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 27th day of April, 2011.



Attorney

Anna Williams  
Keino Young  
Staff Attorney  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee 32399  
Phone: (850) 413-6218  
Facsimile: (850) 413-6184  
Email: [anwillia@psc.fl.state.us](mailto:anwillia@psc.fl.state.us)  
[kyoung@psc.state.fl.us](mailto:kyoung@psc.state.fl.us)

Charles Rehwinkel  
Associate Counsel  
Erik Saylor  
Associate Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
Room 812  
Tallahassee, FL 32399-1400  
Phone: (850) 488-9330  
Email: [rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)  
[Saylor.erik@leg.state.fl.us](mailto:Saylor.erik@leg.state.fl.us)

Vicki G. Kaufman  
Jon C. Moyle, Jr.  
Keefe Law Firm  
118 North Gadsden Street  
Tallahassee, FL 32301  
Phone: (850) 681-3828  
Fax: (850) 681-8788  
Email: [vkaufman@kagmlaw.com](mailto:vkaufman@kagmlaw.com)  
[jmoyle@kagmlaw.com](mailto:jmoyle@kagmlaw.com)

Bryan S. Anderson  
Jessica Cano  
Florida Power & Light  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
Phone: (561) 691-7101  
Facsimile: (561) 691-7135  
Email: [bryan.anderson@fpl.com](mailto:bryan.anderson@fpl.com)  
[Jessica.cano@fpl.com](mailto:Jessica.cano@fpl.com)

Mr. Paul Lewis, Jr.  
Progress Energy Florida, Inc.  
106 East College Avenue, Ste. 800  
Tallahassee, FL 32301-7740  
Phone: (850) 222-8738  
Facsimile: (850) 222-9768  
Email: [paul.lewisjr@pgnmail.com](mailto:paul.lewisjr@pgnmail.com)

James W. Brew  
F. Alvin Taylor  
Brickfield Burchette Ritts & Stone, PC  
1025 Thomas Jefferson St NW  
8th FL West Tower  
Washington, DC 20007-5201  
Phone: (202) 342-0800  
Fax: (202) 342-0807  
Email: [jbrew@bbrslaw.com](mailto:jbrew@bbrslaw.com)  
[ataylor@bbrslaw.com](mailto:ataylor@bbrslaw.com)

Matthew J. Feil  
Gunster Yoakley & Stewart, P.A.  
215 South Monroe Street, Ste 601  
Tallahassee, FL 32301  
Phone: (850) 521-1708  
Email: [mfeil@gunster.com](mailto:mfeil@gunster.com)

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

Capt. Allan Jungels  
AFLSA/JACL-ULFSC  
139 Barnes Drive, Ste. 1  
Tyndall AFB, FL 32403-5319  
Phone: (850) 283-6350  
Email: [allan.jungels@tyndall.af.mil](mailto:allan.jungels@tyndall.af.mil)

**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: April 27, 2011

**AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA, INC.'S  
SECOND REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING  
THE COMPANY'S RESPONSES TO OPC'S FIRST REQUEST FOR PRODUCTION OF  
DOCUMENTS AND FIRST SET OF INTERROGATORIES**

STATE OF FLORIDA

COUNTY OF CITRUS

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

1. My name is Jon Franke. I am employed by Progress Energy Florida, Inc. ("PEF" or the "Company") in the Nuclear Generation Group and serve as Vice President – Crystal River Nuclear Plant. I am over the age of 18 years old and I have been authorized by PEF to give this affidavit in the above-styled proceeding on PEF's behalf and in support of PEF's Request for Confidential Classification Regarding portions of the responses to the Office of Public Counsel's ("OPC" or "Citizens") First Set of Interrogatories (Nos. 1-3) and OPC's First Request for Production of Documents (Nos. 1-7). The facts attested to in my affidavit are based upon my personal knowledge.

2. Specifically, PEF is seeking confidential classification of the following materials produced to OPC in this docket: (1) documents produced in response to OPC's First Request for Production of Documents, specifically request number 1, 2, 3, 4, and 5; and (2) the document produced in response to OPC's First Set of Interrogatories, specifically numbers 1 and 2.

3. An unredacted version of the documents at issue are contained in confidential Appendix A to PEF's Request and the confidential portions thereof are outlined in PEF's Justification Matrix that is attached to PEF's Request as Appendix C.

4. For CR3, PEF is requesting confidential classification of the documents produced in response to OPC's requests for production numbers 2, 3, 4, and 5 and interrogatory number 1 and 2 because they contain confidential contractual information regarding the purchase of goods and services necessary to complete the Crystal River Unit 3 ("CR3") Power Uprate Project ("CR3 Uprate"), and regarding the Company's CR3 Uprate vendors and the preparation of its Extended Power Uprate License Amendment Request ("EPU LAR") for CR3, including but not limited to the Company's Integrated Project Plans ("IPP"). The disclosure of this information would compromise PEF's competitive business interests and in certain instances violate contractual confidentiality provisions with PEF's vendors. The documents also contain information provided to Senior Management and the Company's Board of Directors regarding the CR3 Uprate project. This information is not available to the public and would harm the Company if published by providing competitors and third-parties valuable insight into the Company's strategic planning.

5. Certain portions of the documents contain contractual quantities, durations, and pricing arrangements between PEF and providers of various equipment and services required for the CR3 Uprate project that would adversely impact PEF's competitive business interests if disclosed to the public. The Company must be able to assure these vendors that sensitive business information, such as the pricing and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity and pricing of goods and services and other contractual terms such as the agreements' duration, the disclosure

of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the CR3 Uprate project would be undermined.

6. As stated above, most of the contracts at issue contain confidentiality provisions; therefore, PEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality agreements between PEF and the other parties. PEF has kept confidential and has not publicly disclosed the proprietary contract terms and provisions at issue here. Absent such measures, PEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods and supplies would be made available to the public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of PEF. In addition, by the terms of these contracts, all parties thereto – including PEF – have agreed to protect proprietary and confidential information, which is defined to include the pricing provisions, from public disclosure.

7. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time since developing or entering the contracts in question has PEF publicly disclosed the contracts' terms; PEF has treated and continues to treat the information contained in the subject contracts as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this 26 day of April, 2011.



(Signature)  
Jon Franke  
Vice President - Crystal River Nuclear Plant  
15760 W. Powerline St.  
Crystal River, Florida 34442

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 26 day of April, 2011 by Jon Franke. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.



(Signature)  
Carolyn E Portmann

(Printed Name)  
NOTARY PUBLIC, STATE OF Florida

(AFFIX NOTARIAL SEAL)

(Commission Expiration Date)

(Serial Number, If Any)



**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: April 27, 2011

**AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA,  
INC.'S SECOND REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING  
THE COMPANY'S RESPONSES TO OPC'S FIRST REQUEST FOR PRODUCTION OF  
DOCUMENTS AND FIRST SET OF INTERROGATORIES**

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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

1. My name is Sue Hardison. I am currently employed by Progress Energy Carolinas ("PEC") in the capacity of General Manager – EnergyWise Program Office. In 2010, I was the General Manager-Corporate Development Group ("CDG") Business Services. In this role I was accountable for the financial reporting, business, and project controls for CDIG-managed major projects, including the Levy Nuclear Project ("LNP"). I continue to provide support as needed for the LNP in 2011. I am over the age of 18 years old and I have been authorized by PEF to give this affidavit in the above-styled proceeding on PEF's behalf and in support of PEF's Request for Confidential Classification Regarding portions of the responses to the Office of Public Counsel's ("OPC" or "Citizens") First Set of Interrogatories (Nos. 1-3) and OPC's First Request for Production of Documents (Nos. 1-7). The facts attested to in my affidavit are based upon my personal knowledge.

2. Specifically, PEF is seeking confidential classification of the following materials produced to OPC in this docket: (1) documents produced in response to OPC's First Request for



Production of Documents, specifically request number 1, 2, 3, 4, and 5; and (2) the document produced in response to OPC's First Set of Interrogatories, specifically numbers 1 and 2.

3. An unredacted version of the documents at issue are contained in confidential Appendix A to PEF's Request and the confidential portions thereof are outlined in PEF's Justification Matrix that is attached to PEF's Request as Appendix C.

4. For the LNP, PEF is requesting confidential classification of the documents produced in response to OPC's requests for production number 1, 3 and 4, which contain confidential contractual information regarding the purchase of goods and services necessary to complete the LNP, including but not limited to the Company's Integrated Project Plans ("IPP"). The disclosure of this information would compromise PEF's competitive business interests and in certain instances violate contractual confidentiality provisions with PEF's vendors under the Company's Engineering, Procurement, and Construction Agreement (the "EPC Agreement") with Westinghouse, Shaw, Stone & Webster (the "Consortium") as well as cost numbers and information relating to on-going negotiations with the Consortium and its vendors and preliminary decisions regarding disposition of items of Long Lead Equipment ("LLE") for the LNP. The documents also contain information provided to Senior Management and the Company's Board of Directors regarding the LNP. This information is not available to the public and would harm the Company if published by providing competitors and third-parties valuable insight into the Company's strategic planning.

5. Certain portions of these documents contain contractual descriptions, durations, quantities, obligations and pricing arrangements between PEF and providers of equipment and services required for the LNP would adversely impact PEF's competitive business interests and impede on-going negotiations if disclosed to the public. The Company must be able to assure these vendors that sensitive business information, such as the pricing, payment and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue contain

confidentiality provisions that prohibit disclosure of contractual terms to third parties.

Specifically, the information at issue relates to competitively negotiated contractual data, such as quantity, pricing of goods and services and payments made and other contractual terms and obligations, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer PEF less competitive contractual terms in future contractual negotiations. Without PEF's measures to maintain the confidentiality of sensitive terms in contracts between PEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the Project would be undermined.

6. PEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality agreements between PEF and other parties. PEF has kept confidential and has not publicly disclosed the proprietary contract terms and provisions at issue here. Absent such measures, PEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods, supplies and real property would be made available to the public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of PEF. In addition, by the terms of these contracts, all parties thereto – including PEF – have agreed to protect proprietary and confidential information, which is defined to include the pricing provisions, from public disclosure.

7. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time since the developing or entering the contracts in question has PEF

publicly disclosed the contracts' terms; PEF has treated and continues to treat the information contained in the subject contracts as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this 26 day of April, 2011.

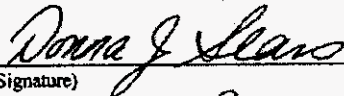


(Signature)

Sue Hardison

General Manager – EnergyWise Program Office

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this \_\_\_ day of April, 2011 by Sue Hardison. She is personally known to me, or has produced her \_\_\_\_\_ driver's license, or her \_\_\_\_\_ as identification.



(Signature)

DONNA J. SEARS

(Printed Name)

NOTARY PUBLIC, STATE OF NC

AUGUST 23, 2014

(Commission Expiration Date)

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

**DONNA J. SEARS**  
**NOTARY PUBLIC**  
**Wake County**  
**North Carolina**  
**My Commission Expires Aug. 23, 2014**