

Eric Fryson

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Sent: Friday, February 17, 2012 11:40 AM
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Subject: Filing Docket 120009

Attachments: Docket 120009 PEF Notice of Filing Affidavits in Support.pdf; Docket 120009 PEF Request for Extension of Confidential Classification.pdf

Docket 120009

In re: Nuclear Power Plant Cost Recovery Clause

Attached for filing and e-service are the following documents:

1. Progress Energy Florida, Inc.'s Request for Extension of Confidential Classification regarding the Review of Progress Energy Florida's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects Audit Report No. PA 10-01-001 [6 pages]; and
2. Progress Energy Florida, Inc.'s Notice of Filing affidavits in support [10 pages].

These documents are being filed on behalf of Progress Energy Florida, Inc.

These documents are being filed by

Jeanne Costello on behalf of Blaise N. Huhta
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DOCUMENT NUMBER-DATE

00915 FEB 17 09

FPSC-COMMISSION CLERK

2/17/2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: NUCLEAR POWER PLANT
COST RECOVERY CLAUSE

Docket No. 120009-EI
Submitted for Filing: February 17, 2012

PROGRESS ENERGY FLORIDA, INC.'S NOTICE OF FILING

Progress Energy Florida, Inc. ("PEF" or the "Company"), hereby gives notice of filing the Affidavits of John Elnitsky and Jon Franke in Support of Progress Energy Florida, Inc.'s Request for Extension of Confidential Classification Regarding Audit Report No. PA 10-01-001.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 17th day of February, 2012.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 120009-EI
Submitting for filing: Feb. 17, 2012

**AFFIDAVIT OF JOHN ELNITSKY IN SUPPORT OF PROGRESS ENERGY FLORIDA,
INC.'S REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION
REGARDING AUDIT REPORT NO. PA 10-01-001**

STATE OF FLORIDA

COUNTY OF PINELLAS

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

1. My name is John Elnitsky. I am over the age of 18 years and I have been authorized by Progress Energy Florida, Inc. (hereinafter "PEF" or the "Company") to give this affidavit in the above-styled proceeding on PEF's behalf and in support of PEF's Request for Extension of Confidential Classification regarding Audit Report No. PA 10-01-001 (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of New Generation Programs and Projects, I am responsible for the licensing and construction of the Levy Nuclear Project ("LNP"), including the oversight and management of the Engineering, Procurement, and Construction Agreement ("EPC Agreement") with Westinghouse and Shaw, Stone, & Webster (the "Consortium").

3. PEF is seeking an extension of confidential classification of portions of the final audit report of the Florida Public Service Commission Staff ("Staff") Auditors, *Audit Control No. PA 10-01-001* (the "Audit Report"). PEF is requesting an extension of confidential classification of portions of the Audit Report because it contains confidential contractual

information, internal audit report data, and other confidential competitive business and financial information the disclosure of which would impair PEF's competitive business interests and violate PEF's confidentiality agreements with third parties, and other competitively sensitive information the disclosure of which would impair the Company's competitive business interests.

4. The Company is requesting an extension of confidential classification of this information because the Audit Report contains confidential contractual data, including specific pricing agreements and other confidential contractual terms and conditions, the release of which would impair PEF's competitive business interests, and would further be a violation of PEF's contractual confidentiality agreements. Specifically, many of the pricing terms and other contractual terms described in the Audit Report are taken directly from PEF's EPC Agreement with the Consortium. The EPC Agreement contains sensitive, proprietary and confidential contractual terms and conditions for nuclear goods and services that if publicly disclosed would impact both PEF's and the Consortium's ability to contract on favorable terms in the future and which would violate confidentiality provisions of the EPC Agreement. In fact, the EPC Agreement contains information which PEF and the Consortium consider to be trade secrets. Accordingly, the contractual terms and conditions PEF has marked confidential in the Audit Report should be granted confidential treatment by the Commission.

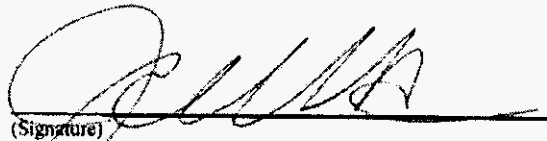
5. Upon receipt of all this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information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

treat the information at issue as confidential. Nothing has changed to render this information stale or public, such that continued confidential treatment would no longer be appropriate.

6. This concludes my affidavit.

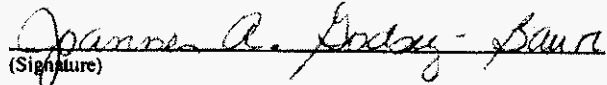
Further affiant sayeth not.

Dated this 14 day of February, 2012.



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

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 14th day of February, 2012 by John Elnitsky. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



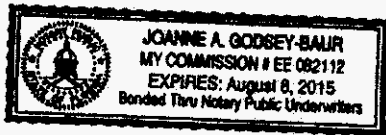
(Signature)
Joanne A. Godsey-Baur
(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF FL

August 8, 2015
(Commission Expiration Date)

EE 08212
(Serial Number, If Any)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 120009-EI
Submitted for Filing: Feb. 17, 2012

**AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA INC.'S
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION
REGARDING AUDIT REPORT NO. PA 10-01-001**

STATE OF FLORIDA

COUNTY OF CITRUS

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

1. My name is Jon Franke. I am over the age of 18 years old and I have been authorized by Progress Energy Florida, Inc. (hereinafter "PEF" or the "Company") to give this affidavit in the above-styled proceeding on PEF's behalf and in support of PEF's Request for Confidential Classification regarding Audit Report No. PA 10-01-001 (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I serve as the Vice President – Crystal River Nuclear Plant. As such, I am responsible for the safe operation of the nuclear generating station. Additionally, I have indirect responsibilities in oversight of major project activities at the station including the Crystal River 3 ("CR3") nuclear plant power uprate project ("CR3 Uprate"). Through my management team I have over 400 employees that perform the daily work required to operate the station and provide engineering training and support to the station.

3. PEF is seeking an extension of confidential classification of portions of the final audit report of the Florida Public Service Commission Staff ("Staff") Auditors, *Audit Control No. PA 10-01-001* (the "Audit Report"). PEF is requesting an extension of confidential classification of portions of the Audit Report because it contains confidential contractual

information, the disclosure of which would impair PEF's competitive business interests and violate PEF's confidentiality agreements with third parties, information gleaned from internal audit controls and reports, and other information the disclosure of which would impair the Company's competitive business interests.

4. The Company is requesting confidential classification of this information because the Audit Report contains proprietary and confidential information that would impair PEF's competitive business interests if publicly disclosed, as well as information concerning contractual terms and conditions, the disclosure of which would impair the Company's ability to contract on favorable terms and, in many cases, the information constitutes trade secrets of the Company and its contract partners. In many instances, the disclosure of this information would violate contractual confidentiality provisions. The information contains sensitive information concerning the CR3 Uprate Project ("EPU"), including contract terms and conditions and financial information. Information regarding the EPU contracts includes confidential and proprietary technical information, the release of which would place PEF's competitors at a relative competitive advantage, thereby harming the Company's and its ratepayers' interests.

5. PEF considers this information to confidential and proprietary and continues to take steps to protect against its public disclosure, including limiting the personnel who have access to this information. If such information was disclosed to PEF's competitors and/or other potential suppliers, PEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. If other third parties were made aware of confidential contractual terms that PEF has with other parties, they may offer less competitive contractual terms in future contractual negotiations. Without the Company's measures to maintain the

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

6. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time since developing or entering the contracts in question has PEF publicly disclosed the contracts' confidential terms; PEF has treated and continues to treat the information contained in the subject report as confidential. Nothing has changed that render this information stale or public, such that continued confidential treatment would no longer be appropriate.

7. This concludes my affidavit.

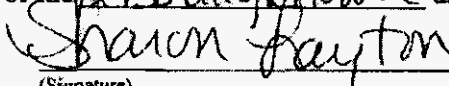
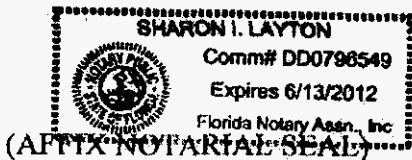
Further affiant sayeth not.

Dated this 15 day of February, 2012.



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

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 15th day of February, 2012 by Jon Franke. He is personally known to me, or has produced his driver's license, or his personally known as identification.



(Signature)

Sharon Layton

(Printed Name)

NOTARY PUBLIC, STATE OF FL

6/13/2012

(Commission Expiration Date)

n/a

(Serial Number, If Any)