

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** April 29, 2013  
**TO:** Ann Cole, Commission Clerk, Office of Commission Clerk  
**FROM:** Caroline Klancke, Senior Attorney, Office of the General Counsel *cmk*  
**RE:** Docket No. 100437-EI –Examination of the outage and replacement fuel/power costs associated with the CR3 steam generator replacement project, by Progress Energy Florida, Inc.

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COMMISSION  
CLERK

13 APR 29 PM 4:03

RECEIVED FPSC

Please place the attached response to the Florida Industrial Power Users Group's First Set of Interrogatories to Progress Energy Florida (Nos. 1-10) in Docket No. 100437-EI. Thank you.

CMK  
Attachment

DOCUMENT NUMBER-DATE

02272 APR 29 13

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Examination of the outage and replacement fuel/power costs associated with the CR3 steam generator replacement project, by Progress Energy Florida, Inc.

DOCKET NO.: 100437-EI

FILED: April 22, 2013

**RESPONSE TO THE FLORIDA INDUSTRIAL POWER USERS GROUP'S  
FIRST SET OF INTERROGATORIES TO  
PROGRESS ENERGY FLORIDA (Nos. 1-10)**

Progress Energy Florida, Inc. ("PEF"), responds to FIPUG's First Set of Interrogatories to PEF (Nos. 1-10), as follows:

**GENERAL RESPONSES AND OBJECTIONS**

PEF incorporates and restates its General Responses and Objections to FIPUG's First Set of Interrogatories (Nos. 1-10), filed on April 11, 2013, as if those responses and objections were fully set forth herein.

**INTERROGATORIES**

1. Please identify the following persons and their respective involvement, at all materials times, with the NEIL insurance coverage issue for the Crystal River 3 outage:

- 1) Alex Glenn
- 2) Gary Little
- 3) Julie Moran

**RESPONSE:**

**Subject to PEF's Objections filed on April 11, 2013:**

- 1) **Alex Glenn – Served as General Counsel (GC) for PEF until he was promoted to President for PEF. That promotion was announced in August**

2012 and Mr. Glenn assumed responsibilities as PEF President from that point forward. Mr. Glenn officially assumed the position as PEF President in December 2012. As GC Mr. Glenn was responsible for the legal affairs of PEF, which included oversight of the NEIL claims process. As the Company President, Mr. Glenn was and is responsible for achieving the Company's financial and operational goals, advancing the Company's rate and regulatory initiatives, and overseeing state and local regulatory and governmental relations, economic development, and community affairs. In particular, with respect to CR3, Mr. Glenn's responsibilities as PEF President included leading the Company's evaluation of whether to repair or retire CR3 and, starting more extensively in 2012, he was involved in the NEIL claims process and in the negotiation process with NEIL including the mediation process. Mr. Glenn also participated in the senior management decision to recommend the NEIL settlement and presented the recommendation on behalf of senior management to the Duke Energy Board of Directors.

- 2) **Gary Little – Manager, Corp. Insurance – Progress Energy.** Mr. Little was involved in reporting the CR3 delamination events to NEIL, and coordinating NEIL's investigation activities and the NEIL claim process with Progress personnel. Particularly in regard to the initial Bay 34 delamination and repair – Mr. Little coordinated and led NEIL on-site claim review meetings, and submitted periodic partial repair and outage related claim payment requests (Partial Proofs of Loss) based on these meetings. Mr. Little coordinated communications with NEIL, including investigative and update meetings with NEIL personnel, and information requests for the initial Bay 34 delamination, and continued to assist in these areas up to the beginning of mediation activities.
- 3) **Julie Moran – Sr. Claim Coordinator – NEIL.** Ms. Moran coordinated Partial Proofs of Loss submitted by PEF and coordinated approved claim payments to PEF.

2. Who is the company's person most knowledgeable about PEF's claims for NEIL insurance coverage associated with the Crystal River 3 outage?

**RESPONSE:**

Subject to PEF's Objections filed on April 11, 2013, Gary Little prior to the merger with Duke Energy and Alex Glenn post merger.

3. Identify any and all insurance experts, consultants, adjusters or counsel you asked to assist you evaluate the value of the NEIL insurance coverage associated with the Crystal River 3 outage.

**RESPONSE:**

**Subject to PEF's Objections filed on April 11, 2013, please see PEF's response to OPC's Seventh Set of Interrogatories, Number 90.**

4. Identify any documents authored by anyone identified in response to interrogatory number 3 above.

**RESPONSE:**

**Please see PEF's Privilege Log to OPC's Eighth Set of Requests for Production of Documents previously produced.**

5. Identify any meetings or discussions that occurred between any officer or director of Progress Energy Florida, Inc. with any officer or director of NEIL regarding the Crystal River 3 outage and NEIL insurance monies and detail what was discussed at said meetings or discussions.

**RESPONSE:**

**Subject to PEF's Objections filed on April 11, 2013, please see documents attached in Bates range 13DELAM-FIPUGROG1-5-000001 through 13DELAM-FIPUGROG1-5-000004.**

6. Identify any meetings or discussions that occurred between any officer or director of Duke Energy with any officer or director of NEIL regarding the Crystal River 3 outage and NEIL insurance monies and detail what was discussed at said meetings or discussions.

**RESPONSE:**

**Please see response to Interrogatory Number 5.**

7. When did Alex Glenn stop serving as general counsel to PEF?

**RESPONSE:**

**Subject to PEF's Objections filed on April 11, 2013, Mr. Glenn officially stopped serving as PEF's General Counsel on December 1, 2012.**

8. Who made the decision to accept the mediator's proposal to resolve all outstanding insurance issues with NEIL?

**RESPONSE:**

**Subject to PEF's Objections filed on April 11, 2013, the Duke Energy Board of Directors made the decision.**

9. Please provide all of the reasons you decided to accept the mediator's proposal to resolve all outstanding insurance issues with NEIL and identify any documents you relied upon in making that decision.

**RESPONSE:**

**Subject to PEF's Objections filed on April 11, 2013, PEF responds that the Company's decision to settle with NEIL by accepting the mediator's proposal was based on the Company's NEIL policies, which establish the terms and conditions of coverage, the information the Company obtained regarding the CR3 containment building delaminations, the repair plan for the CR3 containment building, and the decision to retire CR3. PEF will further explain the reasons for accepting the mediator's proposal and settling with NEIL in its forthcoming pre-filed testimony on the remaining issues in accordance with the pending schedule for filing testimony in this docket.**

10. Identify all documents in your possession that relate to NEIL insurance monies or coverage and Crystal River 3.

**RESPONSE:**

**Subject to PEF's Objections filed on April 11, 2013, please see documents produced in PEF's Tallahassee document repository under Topics 18a, b, c, & d. See also**

**documents previously produced in response to OPC's First Request for Production Numbers 7 & 8; OPC's Third Request for Production Numbers 33 & 34; OPC's Seventh Request for Production Numbers 63, 64, 65 & 66; OPC's Eighth Request for Production Numbers 72, 73, 74 & 82; and White Springs Second Revised Request for Production Numbers 3, 4, 5, 6, 7, 8 & 11.**

**AFFIDAVIT**

**STATE OF FLORIDA  
COUNTY OF PINELLAS**

BEFORE ME, the undersigned authority, personally appeared R. ALEXANDER GLENN, who deposed and stated that PEF's Responses to FIPUG's First Set of Interrogatories to Progress Energy Florida (Nos. 1-10) are true and correct to the best of his information and belief.

ON BEHALF OF PROGRESS ENERGY  
FLORIDA, INC.

\_\_\_\_\_  
R. ALEXANDER GLENN

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
NOTARY PUBLIC

State of \_\_\_\_\_ at Large

My Commission Expires:  
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