

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 110009-EI
Submitted for Filing: July 22, 2011

**PROGRESS ENERGY FLORIDA, INC.'S FIFTEENTH REQUEST FOR
CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS
OF EXHIBIT WJR(PEF)-3 OF WILLIAM R. JACOB, JR., PH.D.'S DIRECT TESTIMONY**

Exhibit B

DOCUMENT NUMBER-DATE

05108 JUL 22 =

FPSC-COMMISSION CLERK

CONFIDENTIAL



Jeffrey J. Lyash
President & CEO
Progress Energy Florida, Inc.

REDACTED

April 30, 2009

LNP-EPC-2009-0019

Response (Action) Required YES X/NO _____
Our Reference Letter # LNP-EPC-2009-017

Stone & Webster, Inc.
Attention: Dr. Shawn Hughes
Consortium Project Director
Levy Nuclear Plant
128 S. Tryon Street, Suite 400
Charlotte, NC 28202

Subject: Notice of Change - Schedule Scenario Analysis and Associated Cash Flow
Analysis

Reference: Engineering, Procurement and Construction Agreement
Contract No. 41430 dated December 31, 2008 (the "Agreement")

Dear Dr. Hughes:

Correspondence LNP-EPC-2009-0017 dated April 30, 2009 invoked a partial suspension of Work by Progress Energy Florida (PEF) on the Levy project based on a regulatory schedule impact. During this partial suspension, PEF requests that the Contractor work expeditiously to provide schedule and cash flow analysis that would facilitate a final determination by PEF of the Levy schedule shift.

This letter is intended to serve as Notice of a proposed Change under Section 9.4(a) of the Agreement. Attached is a table showing six scenarios covering two proposed Commercial Operation Dates for Levy Unit 1, with subsequent Commercial Operation Dates for Unit 2 that are 18, 36, and >60 months after Commercial Operation of Unit 1.

We ask that you provide the Change Order information specified in Section 9.4(a)(i) through 9.4(a)(vi) for these six scenarios. Your proposal per 9.4(v) that collectively covers these scenarios should include detailed schedule analysis and associated cash flows. This work is to be performed at the direction of Mr. Garry Miller. The results of these analyses are critical to Progress Energy's decision concerning the schedule shift for the Levy Commercial Operation Dates, and will be the foundation for negotiating a Change Order (or an amendment to the Agreement if appropriate) over the next few months.

P.O. Box 14042
PEF-16
St. Petersburg, FL 33733

DOCUMENT NUMBER-DATE

05108 JUL 22 =

FPSC-COMMISSION CLERK

10PMA-DR1LEVY-8A-000005
10NC-OPCPOD1-6-010991
10NC-OPCPOD1-3-000005

CONFIDENTIAL

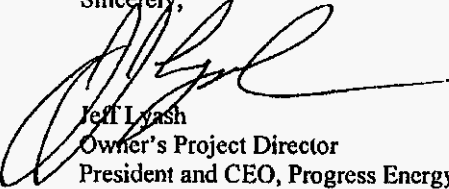
LNP-EPC-2009-0019

Page 2

We ask that you begin this work as soon as possible. Progress Energy will issue a Change Order under Section 9.4(d) to cover these costs as soon as we can. In the interim, we request that you provide us with an initial budget/cost estimate for this work. Costs and expenses incurred by the Contractor will initially be reimbursed on a Time and Material Basis per the provisions of Article 8.1(a). However, it is our expectation that we will attempt to convert this work to a fixed price for work performed after issuance of the Change Order.

If you have any questions on this matter, please contact Garry Miller, at (919)-546-6107.

Sincerely,



Jeff Lyash
Owner's Project Director
President and CEO, Progress Energy Florida

cc: Westinghouse Electric Company, LLC
Attn: General Counsel
4350 Northern Pike
Monroeville, PA 15146

Stone & Webster, Inc.
Attn: Ed Hubner
3 Executive Campus
Cherry Hill, NJ 08002

Stone & Webster, Inc.
Attn: E.K. Jenkins
Nuclear Division Counsel
600 Technology Center Drive
Stoughton, MA 02072

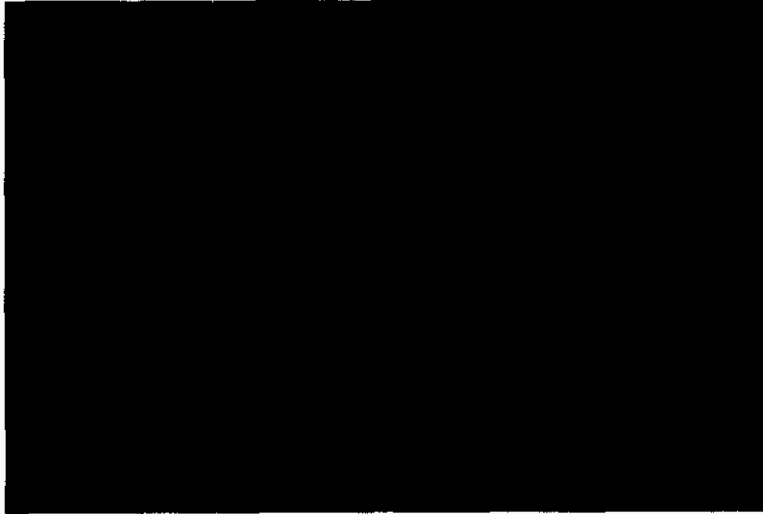
Jim Scarola, Senior Vice President & Chief Nuclear Officer (Progress Energy)
Alex Glenn, General Counsel, Progress Energy Florida
Garry Miller (Progress Energy)
Bob Kitchen (Progress Energy)
Lewis Spragins (Progress Energy)
Vann Stephenson (Progress Energy)
David Varner (Progress Energy)
LNP-EPCInbox@pgnmail.com (Progress Energy)
LevyProjectCorrespondenceInbox@westinghouse.com (Westinghouse)

10PMA-DR1LEVY-8A-000006
10NC-OPCPOD1-6-010992
10NC-OPCPOD1-3-000006

CONFIDENTIAL

LNP-EPC-2009-0019
Page 3

Levy Commercial Operation Date Scenarios



10PMA-DR1LEVY-8A-000007
10NC-OPCPOD1-6-010993
10NC-OPCPOD1-3-000007