# **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Nuclear Power Plant Cost Recovery Clause

Docket No. 080009-EI

Submitted for Filing: April 22, 2008

# PROGRESS ENERGY FLORIDA, INC'S NOTICE OF FILING AFFIDAVIT IN SUPPORT OF REQUEST FOR <u>CONFIDENTIAL CLASSIFICATION</u>

Progress Energy Florida, Inc. hereby gives notice of filing the verified affidavit of Daniel

L. Roderick in support of its First Request for Confidential Classification.

Respectfully submitted,

pleto

R. Alexander Glenn Deputy 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 Dianne M. Triplett Florida Bar No. 0872431 CARLTON FIELDS, P.A. Post Office Box 3239 Tampa, FL 33601-3239 Telephone: (813) 223-7000 Facsimile: (813) 229-4133

## 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 U.S. Mail this  $2^{2}$  day of April, 2008.

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Lisa Bennett / Jennifer Brubaker Staff Attorney Office of the General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee 32399 Phone: (850) 413-6218 Facsimile: (850) 413-6184 Email: <u>lbennett@psc.state.fl.us</u> jbrubaker@psc.state.fl.us

R. Wade Litchfield / John Butler Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Phone: (561) 691-7101 Fax: (561) 691-7135 Email: <u>wade\_litchfield@fpl.com</u>

Michael B. Twomey Post Office Box 5256 Tallahassee, FL 32305 Phone: (850) 421-9530 Email: <u>miketwomey@talstar.com</u> As counsel to AARP J.R. Kelly / Stephen C. Burgess Office of the Public Counsel c/o The Florida Legislature 111 W. Madison St., Room 812 Tallahassee, FL 32399-1400 Phone: (850) 488-9330 Email: <u>burgess.steve@leg.state.fl.us</u>

John W. McWhirter, Jr. c/o McWhirter Law Firm 400 North Tampa Street, Ste. 2450 Tampa, FL 33602 Phone: (813) 224-0866 Fax: (813) 221-1854 Email: jmcwhirter@mac-law.com As counsel to Florida Industrial Power Users Group

Mr. Paul Lewis, Jr. Progress Energy Florida, Inc. 106 East College Avenue, Ste. 800 Tallahassee, FL 32301-7740 Phone: (561) 691-7101 Fax: (850) 222-9768 Email: paul.lewisjr@pgnmail.com

## **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Nuclear Power Plant Cost Recovery Clause

Docket No. 080009-EI

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## AFFIDAVIT OF DANIEL L. RODERICK IN SUPPORT OF PROGRESS ENERGY FLORIDA'S FIRST <u>REQUEST FOR CONFIDENTIAL CLASSIFICATION</u>

### STATE OF FLORIDA

### COUNTY OF CITRUS

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

1. My name is Daniel L. Roderick. I am over the age of 18 years old and I have been authorized by Progress Energy Florida (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. The facts attested to in my affidavit are based upon my personal knowledge.

2. I am the Vice President of Nuclear Projects and Construction for PEF's nuclear plant. This department manages nuclear generation growth strategies.

3. As the Vice President of Nuclear Projects and Construction, I am responsible for all aspects of major projects and construction of nuclear generating assets in Florida, including the administration of PEF's contracts for the Crystal River 3 ("CR3") Uprate project and ongoing project analysis.

4. PEF is seeking confidential classification for portions of PEF's responses to the Office of Public Counsel's ("OPC's") First Request for Production of Documents (Nos. 1-11), specifically OPC Requests 3, 6, 9, 10, and 11. A detailed description of the confidential information at issue is contained in confidential Exhibit A to PEF's First Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's First Request for Confidential Classification as Exhibit C. PEF is requesting confidential classification of this information because public disclosure of the information in question would violate confidentiality agreements between PEF and its nuclear vendors and would impair PEF's ability to contract for nuclear goods and services on competitive and favorable terms.

5. Certain of these documents contain contractual quantities and pricing arrangements between PEF and providers of various nuclear equipment and services that would adversely impact PEF's competitive business interests if disclosed to the public. PEF 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, some 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, the disclosure of which would impair the efforts of the Company to negotiate these contracts on favorable terms. If other third parties were made aware of confidential contractual terms that PEF 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 could be undermined.

6. PEF is also seeking confidential classification of portions of PEF's responses to Request numbers 1, 2, and 4. A detailed description of the confidential information at issue is contained in confidential Exhibit A to PEF's First Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's First Request for Confidential Classification as Exhibit C. PEF is requesting confidential classification of this information because public disclosure of the information in question would allow other parties to discover how the Company analyzes bid responses and chooses vendors and would thus impair PEF's ability to contract for such goods and services on competitive and favorable terms.

7. These documents contain confidential and sensitive analysis done by the Company in considering whether to purchase certain equipment and services. They also reflect the Company's internal strategies for evaluating bid responses. If this information was disclosed to the public, it could adversely impact PEF's competitive interests. 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 PEF and its ratepayers could be compromised by PEF's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets.

8. PEF is also seeking confidential classification of portions of PEF's responses to Request numbers 5 and 7. A detailed description of the confidential information at issue is contained in confidential Exhibit A to PEF's First Request for Confidential Classification and is outlined in PEF's Justification Matrix that is attached to PEF's First Request for Confidential Classification as Exhibit C. PEF is requesting confidential classification of this information because public disclosure of the information in question would allow other parties to discover how the Company analyzes whether to proceed with the CR3 Uprate project, including detailed analysis of risk options, scheduling, and cost, and would thus impair PEF's ability to contract for such goods and services on competitive and favorable terms.

9. Portions of these documents are confidential and sensitive analyses and project plans done by the Company in considering whether to proceed with the CR3 Uprate project, including detailed analysis of risk options, scheduling, and cost. These documents reflect the Company's internal strategies for evaluating projects and meeting deadlines. If this information was disclosed to the public, it could adversely impact PEF's competitive interests. 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 PEF and its ratepayers could be compromised by PEF's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. For example, if one of PEF's suppliers was to know that PEF considered a particular good or service to be of utmost importance to the project, that supplier could artificially increase the asking price for that good or service, to the detriment of the ratepayers.

10. Upon receipt of 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, and restricting the number of, and access to the information and contracts. At no time since negotiating and receiving the contracts and doing the bid and project analyses in question has the Company publicly disclosed that information or

contracts. The Company has treated and continues to treat the information at issue as confidential.

11. This concludes my affidavit.

Further affiant sayeth not.

Dated the Zarid day of April, 2008.

(Signature)

Daniel L. Roderick Vice President Nuclear Projects and Construction Crystal River Unit 3 Crystal River Energy Complex Site Administration 2C 15760 West Power Line Street Crystal River, Florida 34428

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this <u>der</u> day of April, 2008 by Daniel L. Roderick. He is personally known to me, or has produced his \_\_\_\_\_\_\_driver's license, or his \_\_\_\_\_\_\_as identification.

Charlene Miller (Signature) <u>Charlene Miller</u> (Printed Name) NOT A DV DUDI 10 COMMON OF THE NOTARY PUBLIC, STATE OF Therefore (AFFIX NOTARIAL SEAL) (Commission Expiration Date) CHARLENE MILLER lotary Public - State of Fiorida CommissionExclassNov11,200 Commission # DD 371231 Bonded By National Notan (Serial Number, If Any)