

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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IN RE: NUCLEAR POWER PLANT COST
RECOVERY CLAUSE

Docket No. 100009-EI
Submitted for Filing: August 18, 2010

**NOTICE OF FILING SUPPLEMENTAL AFFIDAVIT IN SUPPORT OF
PEF'S REVISED THIRTEENTH REQUEST FOR CONFIDENTIAL CLASSIFICATION
REGARDING AUDIT REPORT NO. PA 10-01-001**

Notice is hereby given, through the undersigned counsel, on behalf of Progress Energy Florida, Inc. ("PEF") of filing the supplemental affidavit of Jon Franke in support of Progress Energy Florida's Revised Thirteenth Request for 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 18th day of August, 2010.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 100009-EI
Submitted for Filing: August 16, 2010

**AFFIDAVIT OF JON FRANKE IN SUPPORT OF PROGRESS ENERGY FLORIDA'S
REVISED THIRTEENTH REQUEST FOR 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 (hereinafter "PEF" or the "Company") to give this affidavit in the above-styled proceeding on PEF's behalf and in support of PEF's Revised Request for Confidential Classification regarding Audit Report No. PA 10-01-001 (the "Revised 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 about 490 employees that perform the daily work required to operate the station and provide engineering training and support to the station.

3. PEF is seeking 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"). A detailed description of the confidential information at issue is contained in confidential Attachment A to PEF's Revised Request and is outlined in PEF's Justification

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Matrix that is attached to the Revised Request as Attachment C. PEF is requesting 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, and other competitively sensitive 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 confidential contractual data, including pricing agreements and other confidential contractual terms regarding PEF's contracts and change orders with vendors for the CR3 Extended Power Uprate ("CR3 EPU") project the release of which would impair PEF's competitive business interests, and would further be a violation of PEF's contractual confidentiality agreements. The Audit Report contains information related to work authorization contractual amendments and other contractual data that is subject to confidentiality agreements between PEF and the other contracting parties. PEF negotiates each of its contracts to obtain the most competitive terms available to benefit PEF and its ratepayers. In order to successfully obtain such contracts, however, PEF must be able to assure the other parties to the contracts that the sensitive business information contained therein, such as quantity and pricing terms, will remain confidential.

5. PEF considers this information 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. The Audit Report also contains information related to ongoing negotiations PEF is conducting with its vendor Siemens regarding the procurement and installation of the Low Pressure Turbines ("LPTs") for its EPU. Certain aspects of these negotiations are continuing and PEF is also subject to a new Letter of Intent which contains confidential settlement terms regarding the issues with the LPTs. While PEF and I have discussed this information on a high-level in my public testimony and the Company's discovery responses, disclosure of the specific items identified in the Audit Report would compromise PEF's competitive interests and ongoing negotiation position with Siemens and would violate contractual confidentiality provisions.

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

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this 16 day of August, 2010.



 (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 16 day of August, 2010 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 _____

(AFFIX NOTARIAL SEAL)



 (Commission Expiration Date)

 (Serial Number, If Any)