

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION 11 MAY -9 PM 2: 12

IN RE: NUCLEAR POWER PLANT
COST RECOVERY CLAUSE

Docket No. 110009-EI COMMISSION
Submitted for Filing: May 9, 2011 CLERK

PROGRESS ENERGY FLORIDA, INC.'S NOTICE OF FILING

Progress Energy Florida, Inc. ("PEF" or the "Company"), hereby gives notice of filing the Affidavit of Sue Hardison in support of Progress Energy Florida, Inc.'s Fifth Request for Confidential Classification regarding portions of Audit Control No. 11-024-2-2 Workpapers.

Respectfully submitted,



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COM _____
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ADM _____
OPC _____
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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 9th day of May, 2011.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 110009-EI
Submitting for filing: May 9, 2011

**AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA,
INC.'S FIFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF WAKE

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

1. My name is Sue Hardison. I am currently employed by Progress Energy Carolinas ("PEC") in the capacity of General Manager – EnergyWise Program Office. In 2010, I was the General Manager-Corporate Development Group ("CDG") Business Services. In this role I was accountable for the financial reporting, business, and project controls for CDIG-managed major projects, including the Levy Nuclear Project ("LNP"). I continue to provide support as needed for the LNP in 2011. I am over the age of 18 years old and I have been authorized by PEF 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 Control No. 11-024-2-2 (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. PEF is seeking confidential classification for portions of the Florida Public Service Commission Staff's ("Staff") auditors' workpapers for *Audit Control No. 11-024-2-2* (the "Workpapers"). These documents contain confidential contractual and financial information, the disclosure of which would impair PEF's competitive business interests, as well as information pertaining to internal audit reports and controls. A detailed description of the

confidential information at issue is contained in confidential Attachment A to PEF's Request and is outlined in PEF's Justification Matrix that is attached to the Request as Attachment C. PEF is requesting confidential classification of these documents because they include internal audit reports and controls, confidential and proprietary contractual and financial information, and other information related to the Company's competitive business interests, the disclosure of which would compromise PEF's competitive business interests.

3. The Company is requesting confidential classification of this information because the Workpapers contain proprietary and confidential information that would impair PEF's competitive business interests if publicly disclosed, as well as information concerning contractual and financial data, 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. Specifically, portions of these documents contain confidential internal audit reports and controls, as well as contractual data, including pricing agreements, payment information and other confidential financial and contractual terms regarding the LNP, the release of which would impair PEF's competitive business interests. The disclosure of this information would compromise PEF's competitive business interests and in certain instances violate contractual confidentiality provisions with PEF's vendors under the Company's Engineering, Procurement, and Construction Agreement (the "EPC Agreement") with Westinghouse, Shaw, Stone & Webster (the "Consortium").

4. In many instances, the disclosure of this information would violate contractual confidentiality provisions. Portions of the workpapers reflect the Company's internal strategies for evaluating projects and meeting deadlines. 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. PEF must be able to assure these vendors that sensitive business information, such as the terms of their contracts, will be kept confidential. 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.

5. The auditors' financial Workpapers also contain copies of internal audit reports and procedures, as well as descriptions of responsive actions taken in light of audit findings. Public disclosure of this information would potentially adversely affect the efficacy of the Company's internal auditing procedures by impacting the level of cooperation given to the Company's audit staff. For the audit procedures to be effective, it is imperative that audit staff is given total access and cooperation.

6. 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.

7. This concludes my affidavit.

Further affiant sayeth not.

Dated this 9 day of May, 2011.

Sue Hardison

(Signature)

Sue Hardison

General Manager – EnergyWise Program Office

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 9th day of May, 2011 by Sue Hardison. She is personally known to me, or has produced her _____ driver's license, or her _____ as identification.

Donna J. Sears

(Signature)

DONNA J. SEARS

(Printed Name)

NOTARY PUBLIC, STATE OF NC

AUGUST 23, 2014

(Commission Expiration Date)

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

**DONNA J. SEARS
NOTARY PUBLIC
Wake County
North Carolina
My Commission Expires Aug. 23, 2014**