

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

110009-EI -am
Docket No. 090009-EI
Submitted for Filing: June 16, 2011

AFFIDAVIT OF SUE HARDISON IN SUPPORT OF PROGRESS ENERGY FLORIDA, INC.'S REQUEST FOR EXTENSION REGARDING THE REVIEW OF PROGRESS ENERGY FLORIDA'S PROJECT MANAGEMENT INTERNAL CONTROLS FOR NUCLEAR PLANT UPRATE AND CONSTRUCTION PROJECTS DRAFT REPORT

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 -- Smart Grid 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 Extension of Confidential Classification regarding portions of the Commission's Auditor's Review of PEF's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects Draft Report, dated July, 2009 (the "Report"), Document No. 07587-09 (herein the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. PEF is requesting an extension of the confidential classification of portions of the Report because those portions contain confidential information related to the Company's competitive business interests. For example, the Report includes information related to the Company's internal audits, including reports of the Company's internal auditors. It is essential to the Company's internal auditing process that information provided to internal auditors and the reports thereof remain confidential – this allows for full cooperation and candor with the Company's auditors. The disclosure of this information would compromise the Company's ability to effectively perform internal audits of its projects and procedures and thereby harm PEF's competitive business interests.

3. Also included in the Report is information related to the contracts necessary for the successful completion of the LNP, including the *Engineering, Procurement and Construction Agreement* (“EPC Agreement”) with Shaw, Stone & Webster and Westinghouse (the “Consortium”). Disclosure of these contractual terms and arrangements, including pricing provisions, would harm the Company's ability to obtain favorable contracts. PEF's competitors and those third-parties with whom the Company seeks to contract would be able to change their behavior in the relevant markets or their contractual negotiating positions, respectively, to the detriment of PEF and its customers. Additionally, release of this information would violate the confidentiality provision of the EPC Agreement.

4. 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 has PEF publicly disclosed the confidential information contained in the Report; PEF has treated and continues to treat the information contained in the Report as confidential. Nothing has changed since the Commission granted this information confidential

classification to render it stale or public information. Accordingly, the confidential treatment of this information should be continued.

5. This concludes my affidavit.

Further affiant sayeth not.

Dated this 16 day of June, 2011.

Sue Hardison
(Signature)
Sue Hardison
General Manager – Smart Grid Program Office

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 16th day of June, 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)

