

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Nuclear Cost Recovery Clause

Docket No. 140009-EI  
Submitted for Filing: June 23, 2014

**DUKE ENERGY FLORIDA, INC.'S NOTICE OF FILING**

Duke Energy Florida, Inc. ("DEF" or the "Company"), hereby gives notice of filing the Affidavits of Christopher M. Fallon and Michael E. Delowery in Support of Duke Energy Florida, Inc.'s Fifth Request for Confidential Classification Regarding Portions of the information provided in response to Citizens' First Request for Production to Duke Energy Florida, Inc.

Respectfully submitted on this 23<sup>rd</sup> day of June, 2014:

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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 U.S. Mail this 23<sup>rd</sup> day of June, 2014.

/s/ Blaise N. Gamba  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Nuclear Cost Recovery  
Clause

Docket No. 140009-EI  
Submitted for Filing: June 23, 2014

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**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT OF DUKE ENERGY  
FLORIDA, INC.'S FIFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION  
REGARDING CITIZENS' FIRST REQUEST FOR PRODUCTION OF DOCUMENTS  
TO DUKE ENERGY FLORIDA, INC. (NOS. 1-40)**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Christopher M. Fallon. I am employed by Duke Energy Corporation ("Duke Energy") in the capacity of Vice President of Nuclear Development. I am over the age of 18 years old and I have been authorized to give this affidavit in the above-styled proceeding on Duke Energy Florida, Inc.'s ("DEF" or the "Company") behalf and in support of DEF's Fifth Request for Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of Nuclear Development, I am responsible for the Levy nuclear power plant project ("LNP" or "Levy"), and I am also responsible for reporting on the LNP to senior management.

3. A detailed description of the confidential information at issue is contained in confidential Attachment A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request as Appendix C.

4. DEF's Response to Citizens' First Request for Production of Documents (Nos. 1-40), specifically Nos. 13, 15, 17, 18, 20, 22, 23, 24, 26, 27, 34, and 40, contain sensitive

proprietary and confidential cost information, information related to obtaining the LNP combined operating license, long lead equipment review and disposition, and ongoing negotiations with vendors. Portion of the document are also related to ongoing disputes with Westinghouse Electric Company, LLC. DEF considers this information to be confidential, competitive business and contractual information, and continues to take steps to protect against its public disclosure, including limiting the personnel who have access to this information. Public release of this information would harm the Company's competitive business interests including its ongoing negotiations with vendors and ability to contract for necessary goods and services in the future by signaling to the parties with whom DEF attempts to contract that the Company will not be able to maintain the confidentiality of the parties' contractual agreements, and, in many instances, the disclosure of this information would violate contractual confidentiality provisions and agreements.

5. Some of the documents reflect the Company's internal strategies for evaluating long lead equipment disposition options. If such information was disclosed to DEF's competitors and/or other potential suppliers and vendors, DEF'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 or negotiating strategies.

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 has the Company publicly

disclosed the information 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.

\_\_\_\_\_  
(Signature) Christopher M. Fallon

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this \_\_\_\_ day of June, 2014, by Christopher M. Fallon. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

NOTARY PUBLIC, STATE OF \_\_\_\_\_

\_\_\_\_\_  
(Commission Expiration Date)

(AFFIX NOTARIAL SEAL)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Nuclear Cost Recovery  
Clause

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Docket No. 140009-EI  
Submitted for Filing: June 23, 2014

**AFFIDAVIT OF MICHAEL R. DELOWERY IN SUPPORT OF DUKE ENERGY FLORIDA,  
INC.'S FIFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKELLENBURG

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

1. My name is Michael R. Delowery. I am employed by Duke Energy Florida, Inc. ("DEF" or the "Company") and serve as its acting Vice President of Project Management and Construction. I am over the age of 18 years old and I have been authorized by DEF to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Fifth Request for Confidential Classification regarding portions of the documents responsive to Citizens' First Request for Production of Documents (Nos. 1-40), specifically Nos. 3, 7, 9, 10, 11, 12, and 40 (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I am employed by Duke Energy Corporation ("Duke Energy") in the Nuclear Engineering Group and I am the Senior Vice President – Nuclear Engineering. As Senior Vice President – Nuclear Engineering, I am responsible for all corporate engineering, design engineering, engineering technical programs, and nuclear fuels functions in Duke Energy's nuclear generation fleet. This includes engineering projects and programs at the Crystal River Unit 3 ("CR3") nuclear power plant located at the Crystal River power plant site in Florida.

3. DEF is requesting confidential classification of portions of the documents responsive to Citizen's First Request for Production of Documents (Nos. 1-40), specifically Nos. Nos. 3, 7, 9, 10, 11, 12, and 40 because they contain confidential contractual information and numbers concerning the Crystal River Unit 3 ("CR3") Extended Power Uprate ("EPU") Project, the disclosure of which would impair DEF's competitive business interests and violate DEF's confidentiality agreements with third parties and vendors and potential buyers of EPU assets and other 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 Response contains proprietary and confidential information that would impair DEF's competitive business interests if publicly disclosed, as well as information concerning contractual data, the disclosure of which would impair the Company's ability to contract on favorable terms. In many instances, the disclosure of this information would violate contractual confidentiality provisions or is the result of recent negotiations with DEF vendors or potential buyers. Portions of these documents reflect the Company's internal strategies for evaluating projects and disposition of EPU assets. The information contains sensitive information concerning the EPU project investment recovery process the release of which would place DEF's competitors at a relative competitive advantage, thereby harming the Company's and its customer's interests.

5. These documents also contain information gleaned from the Company's internal audit procedures and reports, the release of which would harm DEF's ability to conduct internal audits. Public disclosure of the documents and information in question would compromise DEF's ability to effectively audit the Company's projects. If the Company were to know that its internal auditing controls and processes were subject to public disclosure, it would compromise the level of cooperation needed with auditors to efficiently conduct audits.

6. DEF considers this information to 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 DEF's competitors and/or other potential suppliers, DEF'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 DEF 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 DEF and its ratepayers.

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 DEF publicly disclosed the contracts' confidential terms; DEF has treated and continues to treat the information contained in the subject contracts and other documents as confidential.

8. This concludes my affidavit.

Dated this \_\_\_\_ day of June \_\_\_\_, 2014.

\_\_\_\_\_  
(Signature)

Michael R. Delowery  
Vice President, Project Management and Construction  
400 South Tryon Street  
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this \_\_\_ day of June, 2014 by Michael R. Delowery. He is personally known to me, or has produced his \_\_\_\_\_ driver's license, or his \_\_\_\_\_ as identification.

\_\_\_\_\_  
(Signature)

(AFFIX NOTARIAL SEAL)

\_\_\_\_\_  
(Printed Name)

NOTARY PUBLIC, STATE OF \_\_\_\_\_

\_\_\_\_\_  
(Commission Expiration Date)

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(Serial Number, If Any)