

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REDACTED

In re: Nuclear Cost Recovery Clause

Docket No. 150009-EI

Submitted for Filing: May 21, 2015

COMMISSION CLERK

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DUKE ENERGY FLORIDA, INC.'S THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS OF THE TESTIMONIES AND EXHIBITS FILED AS PART OF THE COMPANY'S MAY 1, 2015 ACTUAL/ESTIMATED AND PROJECTED 2016 COST FILINGS

Duke Energy Florida, Inc. ("DEF" or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code ("F.A.C."), files this Request for Confidential Classification Regarding Portions of the Testimonies and Exhibits Filed as Part of the Company's May 1, 2015 Actual/Estimated and Projected 2016 Costs. DEF is seeking confidential classification of the following materials filed with the Florida Public Service Commission ("FPSC" or the "Commission") in the above referenced docket: (1) portions of the testimony of Mr. Christopher M. Fallon and Exhibit No. __ (CMF-7), portions of the testimony of Mr. Mark R. Teague, and portions of the testimony of Mr. Thomas G. Foster and Exhibit No. __ (TGF-3). An unredacted version of the documents discussed above is being filed under seal with the Commission as Appendix A on a confidential basis to keep the competitive business information in those documents confidential. The testimonies and exhibits contain competitively sensitive commercial information and confidential contractual information, the disclosure of which would impair DEF's ability to contract for goods or services on favorable terms in the future and such terms are also subject to contractual confidentiality agreements.

In support of this Request, DEF states as follows:

The Confidentiality of the Documents at Issue

Section 366.093(1), Florida Statutes, provides that "any records received by the

- COM _____
- AFD | _____
- APA | _____
- ECO | _____
- ENG | _____
- GCL | _____
- IDM (2) Redacted
- TEL _____
- CLK _____

Commission which are shown and found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records Act].” § 366.093(1), Fla. Stat. Proprietary confidential business information means information that is (i) intended to be and is treated as private confidential information by the Company, (ii) because disclosure of the information would cause harm, (iii) either to the Company’s ratepayers or the Company’s business operation, and (iv) the information has not been voluntarily disclosed to the public. § 366.093(3), Fla. Stat. Specifically, “information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms” is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stat. Additionally, subsection 366.093(3)(e) defines “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information,” as proprietary confidential business information.

Testimony and Exhibits

Levy Nuclear Project

As listed above, portions of the testimony of Mr. Foster and attached Exhibit No. ___ (TGF-3) (“Schedule”) contain confidential and sensitive contractual information and cost numbers regarding the Levy Nuclear Project (“LNP”), under the terms and conditions of the Engineering, Procurement, and Construction contract (“EPC Agreement”) with Westinghouse Electric Company and Stone & Webster, Inc. (the “Consortium”), the disclosure of which would impair DEF’s competitive business interests and ability to negotiate favorable contracts, as well as violate contractual nondisclosure provisions of these contracts. See Affidavit of Fallon, ¶ 4.

The testimony and exhibits of Mr. Fallon also contain data that is competitively sensitive under the EPC Agreement and contains cost information related to the Company’s wind-down and ongoing disposition efforts for the LNP long lead equipment (“LLE”). Mr. Fallon supports

DEF's 2015 actual/estimated and 2016 projected LNP wind-down costs. See Affidavit of Fallon, ¶¶ 4-5.

Additionally, DEF is requesting confidentiality classification of Exhibit CMF-7 to the Testimony of Mr. Fallon because this exhibit contains confidential settlement and ongoing negotiation information between the DEF and third parties regarding the disposition of LLE for the LNP. This information would adversely impact DEF's competitive business interests, and ongoing LLE disposition process and wind down negotiations, if disclosed publicly. See Affidavit of Fallon, ¶ 6. As such, this information qualifies as "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information," and as proprietary confidential business information under subsection 366.093(3)(e), Fla. Stat.

DEF must be able to assure these vendors that sensitive business information will be kept confidential during negotiations. See Affidavit of Fallon, ¶ 7. Indeed, the contract at issue contains confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. See Affidavit of Fallon, ¶¶ 7-8. Additionally, revealing negotiated LLE disposition terms to third parties may compromise DEF's ability to negotiate additional LLE dispositions on a favorable basis. If third parties were made aware of confidential terms that DEF has with other parties, they may offer DEF less competitive contractual terms in future contractual negotiations and it would impair DEF in on-going negotiations. See id.

Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the LNP would be undermined. See id.

CR3 Extended Power Uprate Project

With regards to the EPU project, DEF is requesting confidential classification of portions of the Direct Testimony of Mr. Teague that contain confidential information regarding DEF's analysis of options for disposition of EPU equipment. Affidavit of Teague, ¶¶ 4-5. DEF is also requesting confidential classification of certain information in the testimony of Mr. Teague that reflect negotiations and sales of EPU equipment and materials. Affidavit of Teague, ¶ 5.

Disclosure of any of this information would adversely impact DEF's competitive business interests. Affidavit of Teague, ¶ 6. The Company must be able ensure that sensitive business information, including negotiated contractual terms and sales prices, will be kept confidential. If third parties were made aware of confidential terms and conditions that the Company has with other parties, they may offer DEF less competitive terms or offers in any future negotiations and the Company's efforts to obtain competitive offers for the EPU project assets would be undermined. Affidavit of Teague, ¶ 6.

Confidentiality Procedures

Strict procedures are established and followed to maintain the confidentiality of the terms of all of the confidential documents and information at issue, including restricting access to those persons who need the information and documents to assist the Company. See Affidavit of Fallon, ¶ 9; Affidavit of Teague, ¶ 7.

At no time has the Company publicly disclosed the confidential information or documents at issue; DEF has treated and continues to treat the information and documents at issue as confidential. See Affidavit of Fallon, ¶ 9; Affidavit of Teague, ¶ 7. DEF requests this information be granted confidential treatment by the Commission.

Conclusion

The competitive, confidential information at issue in this Request fits the statutory definition of proprietary confidential business information under Section 366.093, Florida

Statutes, and Rule 25-22.006, F.A.C., and therefore that information should be afforded confidential classification. In support of this motion, DEF has enclosed the following:

(1) A separate, sealed envelope containing one copy of the confidential Appendix A to DEF's Request for which DEF intends to request confidential classification with the appropriate section, pages, or lines containing the confidential information highlighted. **This information should be accorded confidential treatment pending a decision on DEF's Request by the Commission;**

(2) Two copies of the documents with the information for which DEF intends to request confidential classification redacted by section, pages, or lines where appropriate as Appendix B; and,

(3) A justification matrix of the confidential information contained in Appendix A supporting DEF's Request, as Appendix C.

WHEREFORE, DEF respectfully requests that the redacted portions of the testimony and exhibits of Mr. Foster, the redacted portions of the testimony and exhibit of Mr. Fallon, and the redacted portions of the testimony of Mr. Teague be classified as confidential for the reasons set forth above.

Respectfully submitted,

/s/ Blaise N. Gamba

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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 21st day of May, 2015.

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DUKE ENERGY FLORIDA
In re: Nuclear Cost Recovery Clause
Docket 150009-EI
Third Request for Confidential Classification

Exhibit B

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Nuclear Cost Recovery
Clause**

**DOCKET NO. 150009-EI
Submitted for filing: May 1, 2015**

REDACTED

**DIRECT TESTIMONY
OF MARK R. TEAGUE IN SUPPORT OF
ACTUAL/ESTIMATED AND PROJECTED COSTS**

**ON BEHALF OF
DUKE ENERGY FLORIDA, INC.**

1 **Q. Has DEF included costs or credits in its projections related to the potential**
 2 **sale and the salvage/abandon decision for these remaining Siemens**
 3 **components?**

4 A. No we have not. [REDACTED] DEF does not
 5 believe that it is reasonable to include those possible credits in its May 1, 2015
 6 filing. As it has done in the past, DEF has only included in this filing costs or
 7 credits it reasonably knows and can project at this time. As such, DEF has not
 8 included any potential costs or credits associated with the potential sale and
 9 salvage of the remaining Siemens components.

10
 11 **Q. You mentioned in your March 2015 testimony that DEF had not yet received**
 12 **final payment for the POD Cooling Tower; as of the date of this May**
 13 **testimony has DEF received the final payment for the POD Cooling Tower?**

14 A. Yes. Final payment was received from the purchaser in March 2015 and all
 15 cooling tower equipment has been removed from the CR3 site. The NCRC credit
 16 for this final payment amount can be seen on the 2015 Detail Schedule line 1b
 17 Exhibit No. __ (TGF-4) attached to Mr. Foster's testimony.

18
 19 **Q. When will the EPU portion of the IRP be concluded?**

20 A. DEF reasonably estimates that it will take until July of 2015 to complete the
 21 disposition of all components at the plant whether through removal and
 22 sale/salvage or abandon in place. Accordingly, the EPU portion of the IRP will
 23 not conclude until all asset dispositions are finalized, projected for July of 2015.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Nuclear Cost Recovery
Clause**

**DOCKET NO. 150009-EI
Submitted for filing: May 1, 2015**

REDACTED

DIRECT TESTIMONY OF CHRISTOPHER M. FALLON

**ON BEHALF OF
DUKE ENERGY FLORIDA, INC.**

1 portions of the 2015 and 2016 Detail Schedules and sponsoring Appendices D and E.
2 These Schedules reflect the 2015 and 2016 actual/estimated revenue requirement
3 calculations, the major task categories and expense variances, and a summary of
4 contracts and details over \$1 million.

5 All of these exhibits and schedules are true and accurate to the best of my
6 knowledge and information.

7
8 **Q. Please summarize your testimony.**

9 A. DEF is nearly complete with its wind-down plan for the LNP. Final disposition
10 decisions have been made for all but one of the Levy LLE. DEF anticipates making
11 the final disposition decision for this remaining Levy LLE component this year.

12 DEF and WEC initiated litigation against each other for claims under the EPC
13 Agreement. DEF will continue to advance its claims against WEC and defend the
14 claims WEC has asserted against DEF in the North Carolina federal court litigation.

15 DEF currently plans to continue its COLA work to obtain the COL for the
16 Levy site from the NRC. DEF currently anticipates COL receipt in May of 2016.

17
18 **III. LNP WIND-DOWN ACTIVITIES.**

19 **Q. Does DEF have actual/estimated costs in 2015 as a result of Levy wind-down**
20 **activities?**

21 A. Yes. DEF's actual/estimated 2015 wind-down costs are [REDACTED]. See 2015 Detail
22 LNP Schedule of Exhibit No. ____ (TGF-3) to Mr. Foster's testimony. Mr. Foster also
23 describes other wind-down costs projected for 2015 and 2016. These total costs are

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re-offered the VFDs for sale in a bid event utilizing the Power Advocate bidding/sourcing software to further canvas the potential market for the VFDs.

None of these efforts yielded an offer for the VFDs for any value beyond scrap value. Siemens, the VFDs manufacturer, [REDACTED]

[REDACTED]

Unrelated to DEF's attempts to sell or salvage the Levy AP1000 VFDs, [REDACTED]

[REDACTED]

[REDACTED] Following its evaluation, DEF will choose the option [REDACTED] that provides the greatest value to DEF's customer.

1 **Q. When does DEF expect to make a final decision with respect to the VFDs?**

2 A. DEF expects to make a final decision with respect to the VFDs by the late summer.

3
4 **Q. Does DEF project that it will incur Levy wind-down costs in 2016?**

5 A. DEF expects minimal wind-down costs of [REDACTED] for project management and
6 regulatory support in 2016 as shown on line 1e of the 2016 Detail LNP Schedule
7 attached as Exhibit No. ___(TGF-3) to Mr. Foster's testimony. As I mentioned above,
8 this projection does not take into account any costs that DEF simply is not able to
9 reasonably quantify at this time.

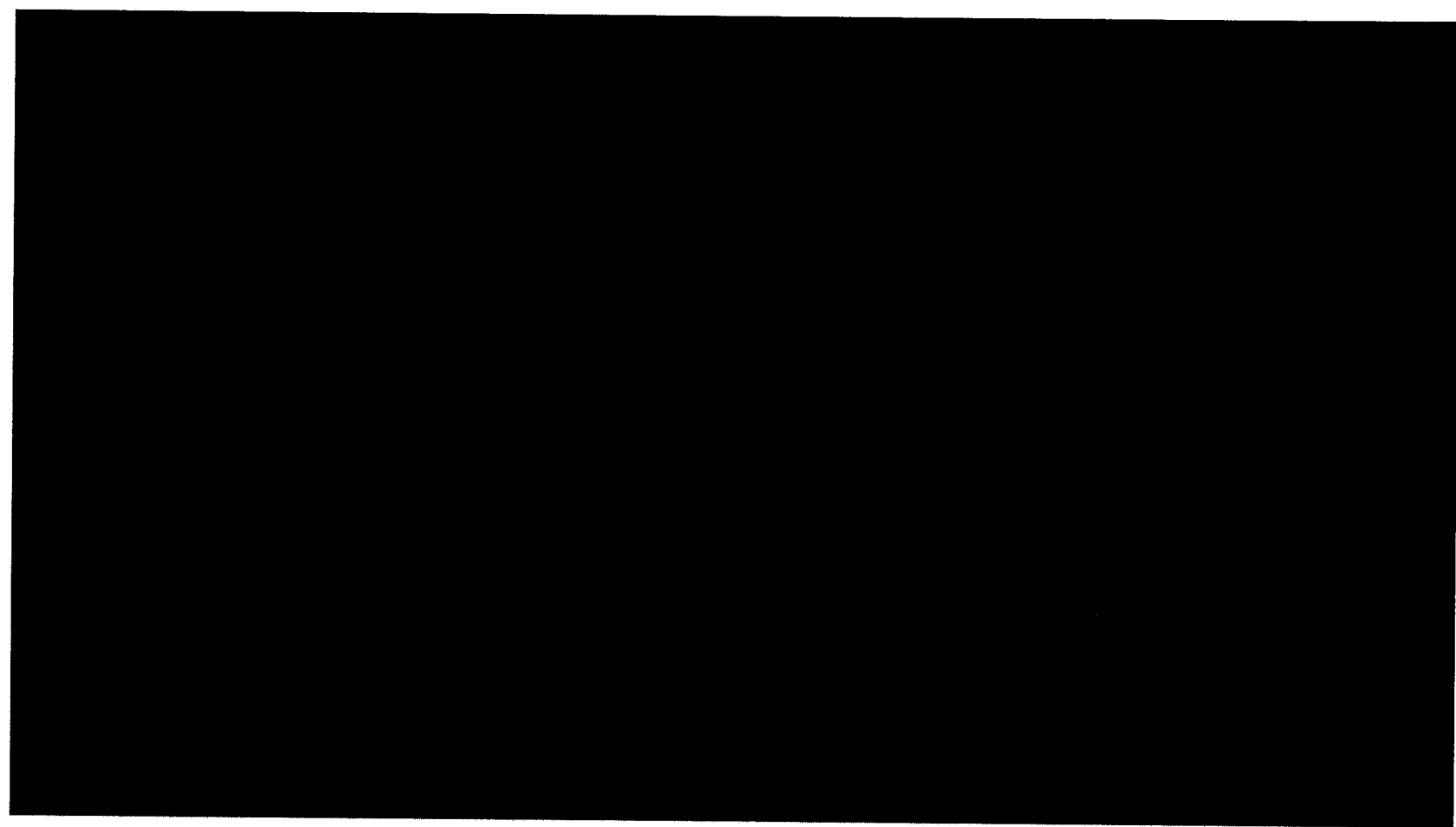
10
11 **Q. What is the status of DEF's litigation with WEC?**

12 A. DEF's lawsuit with WEC is currently pending before the United States District Court
13 for the Western District of North Carolina. DEF continues to vigorously pursue its
14 claims and to vigorously defend against the claims WEC has brought in that lawsuit.
15 The current case management schedule in this lawsuit includes a trial date for
16 February 2016. DEF cannot reasonably predict the outcome of this litigation at this
17 time. DEF cannot project the costs or refunds resulting from the resolution of the
18 claims in this litigation.

19
20 **IV. LEVY COMBINED OPERATING LICENSE APPLICATION UPDATE.**

21 **Q. What is the status of the Levy COLA for the COL for the Levy site?**

22 A. There are three parts to the NRC COLA review process and all three parts must be
23 complete before the NRC will issue a COL. Those three parts of the NRC COLA



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Nuclear Cost Recovery
Clause**

DOCKET NO. 150009-EI

**Submitted for filing:
May 1, 2015**

REDACTED

**DIRECT TESTIMONY OF THOMAS G. FOSTER
IN SUPPORT OF LEVY ESTIMATED/ACTUAL AND PROJECTION COSTS
AND CR3 UPRATE ESTIMATED/ACTUAL AND PROJECTION COSTS**

**ON BEHALF OF
DUKE ENERGY FLORIDA, INC.**

1 A. The 2015 Detail Revenue Requirement Schedule Exhibit No.__(TGF-3)
2 Lines 1e, Line 3e, and Line 12e show that total exit and wind-down
3 expenditures excluding carrying costs were approximately [REDACTED].
4

5 **Q. What do these costs include?**

6 A. The expenses included on Line 1e and 3e represent [REDACTED] related to
7 project management wind-down costs and anticipated sales proceeds of
8 [REDACTED] from the sale of some LLE as described in the testimony of Mr.
9 Fallon. There are no expenses anticipated at this time for Transmission
10 related wind-down costs. The expenses on line 12e, of approximately \$0.3
11 million, represent other exit and wind-down costs including regulatory and
12 legal on-going wind-down support costs that the Company expects to incur
13 in 2015 related to the LNP that DEF is seeking recovery of through the
14 NCRC.
15

16 **Q. How did these expenditures for January 2015 through December 2015**
17 **compare with DEF's projected costs for 2015?**

18 A. Appendix B, Line 4 shows that total Other Exit & Wind-Down Costs were
19 approximately \$0.3 million or \$0.1 million lower than estimated. As shown
20 in Appendix D, wind down and sale or salvage costs are approximately [REDACTED]
21 [REDACTED] lower than originally anticipated as DEF did not budget for project
22 management costs due to uncertainties around the Levy project. DEF also
23 did not project any sales or credits related to LLE equipment that occurred
24 in 2015. The sales proceeds of [REDACTED] was the driver for the net credit

1 in 2015 shown in the 2015 Revenue Requirement Detail Schedule Exhibit
2 No.__(TGF-3) Line 5a. There are no expenses anticipated at this time for
3 Transmission related wind-down costs.
4

5 **Q. Did you reflect any credits for the sale or other disposition efforts for**
6 **the Levy project assets for the calendar year 2015 or 2016, for which a**
7 **sale was made, but for which you have not yet received proceeds?**

8 A. Yes. Approximately [REDACTED] was recovered for the sale of Levy LLE
9 shown on line 1c in the 2015 Revenue Requirement Detail Schedule. This
10 recovery for Levy LLE disposition is further discussed by Mr. Fallon.
11

12 **Q. Did you project any other credits for the sale or other disposition**
13 **efforts that could result in credits for the Levy project assets?**

14 A. No. Value received from any future disposition of an LNP asset will be
15 credited against the uncollected investment at the time of disposition.
16

17 **Q. Have you continued to ensure that future costs related to the Levy**
18 **site COL are not included in the NCRC as of January 1, 2014?**

19 A. Yes, on a project team level DEF has always segregated project costs
20 incurred by specific project code and this process will not change for 2015
21 and 2016. The project team continues to charge Combined Operating
22 License ("COL")-related labor, Nuclear Regulatory Commission ("NRC")
23 fees, vendor invoices and all other COL-related cost items to the applicable
24 COL project codes. The Regulatory Accounting and Regulatory Strategy

1 average uncollected investment balance. The Schedules start with the 2016
 2 beginning balance, add the monthly capital expenditures, remove the
 3 previous month's capital expenditures, remove the monthly amortization of
 4 the uncollected investment balance and compute the carrying charge on the
 5 average monthly balance. The equity component of the return is grossed
 6 up for taxes to cover the income taxes that will be paid upon recovery in
 7 rates.

8
 9 **Q. What are the exit and wind-down costs incurred for the Levy Nuclear**
 10 **Project for the period January 2016 through December 2016?**

11 A. The 2016 Revenue Requirement Detail Schedule Exhibit No.__(TGF-3)
 12 Lines 1e, 3e and Line 10e show that total exit and wind-down expenditures
 13 excluding carrying costs are estimated at [REDACTED].

14
 15 **Q. What is the total jurisdictional projected exit and wind-down costs that**
 16 **will be incurred for the period January 2016 through December 2016?**

17 A. As shown on Line 5c and Line 17d of the 2016 Revenue Requirement
 18 Detail Schedule in Exhibit No.__(TGF-3), total projected jurisdictional costs
 19 for 2016 are \$0.2 million. The costs have been adjusted to a cash basis for
 20 purposes of calculating the carrying charge and the appropriate
 21 jurisdictional separation factor has been applied.

SCHEDULE APPENDIX

REDACTED

EXHIBIT (TGF-3)

**DUKE ENERGY FLORIDA, INC.
LEVY NUCLEAR UNITS 1 & 2
COMMISSION SCHEDULES**

**JANUARY 2015 - DECEMBER 2016
DOCKET NO. 150009-EI**

DUKE ENERGY FLORIDA
Nuclear Cost Recovery Clause (NCRC) - Levy Nuclear Units 1 & 2
2016 Detail - Calculation of the Revenue Requirements
January 2016 through December 2016

Witness: T.G. Foster / C. Fallon
Docket No. 150009 E1
Exhibit: (TGT 3)

REDACTED

Line	Description	Beginning of Period Amount	Projected January 2016	Projected February 2016	Projected March 2016	Projected April 2016	Projected May 2016	Projected June 2016	Projected July 2016	Projected August 2016	Projected September 2016	Projected October 2016	Projected November 2016	Projected December 2016	Period Total	End of Period Total
1	Uncollected Investment: Generation															
	a Prior Period Construction Balance YE 2015															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
2	Adjustments															
	a Non-Cash Accruals															
	b Adjusted System Generation (Line 1e + Line 2a)															
	c Retail Jurisdictional Factor: Generation		92.885%													
	d Retail Uncollected Investment: Generation															
3	Uncollected Investment: Transmission															
	a Prior Period Construction Balance YE 2015															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
4	Adjustments															
	a Non-Cash Accruals															
	b Adjusted System Transmission (Line 3e + Line 4a)															
	c Retail Jurisdictional Factor: Transmission		70.203%													
	d Retail Uncollected Investment: Transmission															
5	Total Uncollected Investment															
	a Total Jurisdictional Uncollected Investment (2d + 4d)	173,725,628														173,725,628
	b Retail Land Transferred to Land Held for Future Use (a)	(66,221,330)														(66,221,330)
	c Total Jurisdictional Uncollected Investment	107,504,298	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	46,443	107,550,740
6	Carrying Cost on Uncollected Investment Balance															
	a Uncollected Investment: Additions for the Period (Beg Balance: Line 6a.)	107,504,298	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	46,443	107,550,740
	b Plant-in-Service (a)	1,010,952	0	0	0	0	0	0	0	0	0	0	0	0	0	1,010,952
	c Period Recovered Wind-down / Exit Costs (2014 & 2015)	9,755,332	0	0	0	0	0	0	0	0	0	0	0	0	0	9,755,332
	d Amortization of Uncollected Investment (2014-2015)	(84,653,508)	0	0	0	0	0	0	0	0	0	0	0	0	0	(84,653,508)
	e Period Recovered Wind-down / Exit Costs (2016)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	f Amortization of Uncollected Investment Balance (2016)	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	1,007,042	46,443	46,443
	g Prior Period Carrying Charge Unrecovered Balance (a)	(7,283,020)	(6,676,102)	(6,069,183)	(5,462,265)	(4,855,347)	(4,248,428)	(3,641,510)	(3,034,592)	(2,427,673)	(1,820,755)	(1,213,837)	(606,918)	0	0	0
	h Prior Period Carrying Charge Recovered	(7,283,020)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)	(606,918)
	i Uncollected Return from the Prior Period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	j Net Investment	\$4,801,486	\$4,405,232	\$4,005,109	\$3,604,985	\$3,204,861	\$2,804,737	\$2,404,613	\$2,004,489	\$1,604,366	\$1,204,242	\$804,118	\$403,994	\$3,870		\$0
7	Average Net Investment		\$4,603,359	\$4,203,235	\$3,803,111	\$3,402,988	\$3,002,864	\$2,602,740	\$2,202,616	\$1,802,492	\$1,402,369	\$1,002,245	\$602,121	\$201,997		
8	Return on Average Net Investment															
	a Equity Component	0.00403	18,552	16,939	15,327	13,714	12,102	10,489	8,877	7,264	5,652	4,039	2,427	814	116,196	
	b Equity Component Grossed Up For Taxes	1.62800	30,203	27,577	24,952	22,326	19,702	17,076	14,452	11,826	9,201	6,575	3,951	2,325	189,167	
	c Debt Component	0.00158	7,287	6,694	6,070	5,387	4,754	4,120	3,487	2,853	2,220	1,587	953	320	45,642	
	d Total Return for the Period		37,490	34,231	30,972	27,713	24,456	21,196	17,939	14,679	11,421	8,162	4,904	1,645	234,809	
9	Revenue Requirements for the Period (Line 6a + Line 8d)		41,360	38,101	34,843	31,584	28,326	25,066	21,809	18,549	15,292	12,033	8,774	5,515	281,252	
10	Other Exit / Wind-Down															
	a Accounting		6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867	682,400
	b Corporate Planning		5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	563,381	
	c Legal		2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	515,000	
	d Joint Owner Credit		0	0	0	0	0	0	0	0	0	0	0	0	0	
	e Total Other Exit / Wind-Down Costs		14,232	14,232	14,232	14,232	14,232	14,232	14,232	14,232	14,232	14,232	14,232	14,232	5170,781	
11	Jurisdictional Factor (A&G)		0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	
12	Jurisdictional Amount		13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	159,204	
13	Prior Period Unrecovered Balance (a)	(3,574)	(3,276)	(2,979)	(2,681)	(2,383)	(2,085)	(1,787)	(1,489)	(1,191)	(894)	(596)	(298)	0	0	
14	Prior Period Costs Recovered (a)	(3,574)	(298)	(298)	(298)	(298)	(298)	(298)	(298)	(298)	(298)	(298)	(298)	(298)	(298)	
15	Prior Month Period (Over)/Under Recovery Unamortized Balance		0	13,267	13,267	13,268	13,269	13,270	13,271	13,272	13,273	13,274	13,275	13,276		
16		(3,574)	(3,276)	10,289	23,854	37,420	50,987	64,555	78,124	91,695	105,266	118,838	132,411	145,986		
17	Projected Carrying Costs for the Period															
	a Balance Eligible for Interest		3,208	3,506	3,707	3,636	44,202	57,770	71,338	84,907	98,477	112,048	125,621	139,194		
	b Monthly Commercial Paper Rate		0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%		
	c Interest Provision		0	0	1	2	3	4	5	6	7	8	9	10	59	
	d Total Costs and Interest (Line 12 + Line 17c)		13,267	13,267	13,268	13,269	13,270	13,271	13,272	13,273	13,274	13,275	13,276	13,277	159,263	
18	Other Exit / Wind-Down Revenue Requirements for the Period		13,267	13,267	13,268	13,269	13,270	13,271	13,272	13,273	13,274	13,275	13,276	13,277	159,263	
19	Total Revenue Requirements for the Period (Line 9 + Line 18)		54,627	51,368	48,111	44,854	41,597	38,340	35,083	31,826	28,569	25,312	22,055	18,798	440,515	

[a] See Appendix A for Beginning Balance Support

DUKE ENERGY FLORIDA
Nuclear Cost Recovery Clause (NCRC) - Levy Nuclear Units 1 & 2

APPENDIX A
Witness: Thomas G. Foster
(TCF-3)
(Page 2 of 3)

THIS SCHEDULE IS INCLUDED TO SUPPORT THE CALCULATION OF THE MONTHLY REVENUE REQUIREMENT FOR THE MONTHS (JANUARY 2015 - APRIL 2015)

Line	Description	Beginning of Period Amount	Projected January 2015	Projected February 2015	Projected March 2015	Projected April 2015	Projected May 2015	Projected June 2015	Projected July 2015	Projected August 2015	Projected September 2015	Projected October 2015	Projected November 2015	Projected December 2015	Period Total	End of Period Total
1	Uncollected Investment - Generation															
	a Prior Period Construction Balance YE 2014															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
2	Adjustments															
	a Non-Cash Accruals															
	b Adjusted System Generation (Line 1e + Line 2a)															
	c Retail Jurisdictional Factor - Generation	92.88%														
	d Retail Uncollected Investment - Generation															
3	Uncollected Investment - Transmission															
	a Prior Period Construction Balance YE 2014															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
4	Adjustments															
	a Non-Cash Accruals															
	b Adjusted System Transmission (Line 3e + Line 4a)															
	c Retail Jurisdictional Factor - Transmission	70.20%														
	d Retail Uncollected Investment - Transmission															
5	Total Uncollected Investment															
	a Total Jurisdictional Uncollected Investment (2e + 4f)	224,062,889														224,062,889
	b Retail Land Transferred to Land Held for Future Use (a)	(66,221,330)														(66,221,330)
	c Total Jurisdictional Uncollected Investment	157,841,559	0	0	0	0	0	0	0	0	0	0	0	0	0	157,841,559
6	Carrying Cost on Uncollected Investment Balance															
	a Uncollected Investment: Additions for the Period (Beg. Balance: Line 5c, above)	157,841,559	0	0	0	0	0	0	0	0	0	0	0	0	0	157,841,559
	b Plain-in-Service (a)	1,010,952	0	0	0	0	0	0	0	0	0	0	0	0	0	1,010,952
	c Period Recovered Wind-down / Exit Costs	9,816,636	0	0	0	0	0	0	0	0	0	0	0	0	0	9,816,636
	d Additional of Uncollected Investment (2015)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	e Additional Amortization of Uncollected Investment Balance	(46,864,516)	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	9,447,248	113,366,976	(160,231,492)
	f Prior Period Carrying Charge Unrecovered Balance (a)	(11,381,362)	(10,432,915)	(9,484,468)	(8,536,021)	(7,587,574)	(6,639,128)	(5,690,681)	(4,742,234)	(3,793,787)	(2,845,340)	(1,896,894)	(948,447)	0	0	0
	g Prior Period Carrying Charge Recovered (a)	(11,381,362)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	(948,447)	0
	Over/Under - Prior Period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	h Net Investment	588,768,093	540,269,292	571,770,493	583,271,690	594,772,889	546,274,087	537,775,286	529,276,485	520,777,684	512,278,883	503,780,081	(54,276,729)	(513,217,521)	(513,217,521)	
7	Average Net Investment		584,518,693	576,019,892	567,521,090	559,022,289	550,523,488	542,024,687	533,525,886	525,027,084	516,528,283	508,029,482	(54,991,319)	(54,968,120)		
8	Return on Average Net Investment		2012 WAEC in effect when 2015 rates were set.													
	a Equity Component	0.00394	331,004	299,538	266,033	232,548	199,063	165,577	132,092	98,607	65,121	31,636	(1,849)	(25,344)	1,786,016	
	b Equity Component Grossed Up For Taxes	1.62800	542,131	487,616	431,102	378,589	324,075	269,560	215,046	160,532	106,017	51,503	(3,010)	(57,241)	2,907,637	
	c Debt Component	0.00189	160,078	143,082	127,885	111,788	95,691	79,595	63,608	47,401	31,305	15,208	(889)	(16,986)	858,556	
	d Total Return for the Period		702,209	631,598	560,987	490,377	419,766	349,155	278,544	207,933	137,322	66,711	(3,899)	(74,510)	3,766,192	
9	Revenue Requirements for the Period (Line 6e + 8d)		702,209	631,598	560,987	490,377	419,766	349,155	278,544	207,933	137,322	66,711	(3,899)	(74,510)	3,766,192	
10	Projected Revenue Requirements for the Period (Order No. PSC 14-0701-FOF-E)		702,209	631,598	560,987	490,377	419,766	349,155	278,544	207,933	137,322	66,711	(3,899)	(74,510)	3,766,192	
11	Over/Under - Recovery for the Period		0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Other Exit / Wind-Down															
	a Accounting	10,262	10,262	10,262	10,262	10,262	10,262	10,262	10,262	10,262	10,262	10,262	10,262	10,262	10,262	5123,148
	b Corporate Planning	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	5192,838
	c Legal	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	565,000
	d Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	e Total Other Exit / Wind-Down Costs	31,749	31,749	31,749	31,749	31,749	31,749	31,749	31,749	31,749	31,749	31,749	31,749	31,749	31,749	5380,986
11	Jurisdictional Factor (A&B)	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	
12	Jurisdictional Amount	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	29,597	355,159
13	Prior Period Unrecovered Balance (a)	(179,385)	(164,436)	(149,488)	(134,539)	(119,590)	(104,641)	(89,693)	(74,744)	(59,795)	(44,846)	(29,896)	(14,945)	(9)	(9)	
14	Prior Period Costs Recovered (a)	(179,385)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	(14,949)	
15	Unamortized Balance	(179,385)	(164,436)	(149,488)	(134,539)	(119,590)	(104,641)	(89,693)	(74,744)	(59,795)	(44,846)	(29,896)	(14,945)	(9)	(9)	
16	Projected Carrying Costs for the Period															
	a Balance Eligible for Interest	(157,112)	(142,164)	(127,215)	(112,266)	(97,317)	(82,369)	(67,420)	(52,471)	(37,522)	(22,574)	(7,625)	7,324			
	b Monthly Commercial Paper Rate	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
	c Interest Provision	(8)	(7)	(6)	(5)	(4)	(3)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
	d Total Costs and Interest (Line 16 + Line 16c)	29,549	29,589	29,590	29,591	29,592	29,592	29,593	29,594	29,594	29,595	29,595	29,596	29,597	29,597	355,114
20	Recovered (Order No. PSC 14-0701-FOF-E)		29,589	29,589	29,590	29,591	29,592	29,592	29,593	29,594	29,595	29,595	29,596	29,597	29,597	355,114
21	Over/Under - Recovery for the Period		0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Revenue Requirements for the Period (Line 9 + Line 16d)		731,798	663,187	590,977	519,967	449,358	378,747	308,137	237,527	166,917	96,807	25,697	(44,919)		
25	2015 Capacity Cost Recovery		9,215,630	9,145,040	9,074,430	9,003,820	8,933,210	8,862,600	8,791,990	8,721,380	8,650,769	8,580,159	8,509,549	8,438,940	105,927,536	

(a) See Appendix A for Beginning Balance Support.

THIS SCHEDULE IS INCLUDED TO SUPPORT THE CALCULATION OF THE MONTHLY REVENUE REQUIREMENT FOR THE MONTHS (JANUARY 2016 - APRIL 2016)

LEVY COUNTY NUCLEAR 1 & 2
 Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance
 Est/Act Filing: Regulatory Asset Category - Variance in Additions and Expenditures

REDACTED

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2015 Detail Schedule with the expenditures provided to the Commission on 2015 Projection Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2015 Detail Schedule.

Appendix D
 Witness: C. Fallon
 Exhibit: (TGF - 3)
 (Page 2 of 2)

COMPANY
 Duke Energy - FL

DOCKET NO:
 150009-EI

For Year Ended 12/31/2015

Line No.	Major Task & Description for amounts on Schedule	(A) System Projection	(B) System Estimated / Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	Wind-Down Costs (a)				
2	Sale or Salvage of Assets				DEF did not project costs in the May 1, 2014 filing, due to uncertainties around the LNP
3	Disposition				DEF did not project sales / credits in the May 1, 2014 filing, due to uncertainties around the LNP
4	Total Generation Costs				
<u>Transmission:</u>					
1	Wind-Down Costs (b)				
2	Sale or Salvage of Assets				
3	Disposition				
4	Total Transmission Costs				

Note:
 System Projection from May 1, 2014 Filing in Docket No. 140009-EI.

LEVY COUNTY NUCLEAR 1 & 2
Estimated/ Actual Filing: Contracts Executed

REDACTED

EXPLANATION: Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

COMPANY:
 Duke Energy Florida

Appendix E
 Witness: C. Fallon
 Docket No: 150009-EI
 Exhibit: (TGF - 3)

For Year Ended: 12/31/2015

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Term of Contract	Original Amount	Actual Expended as of Prior Year End (2014)	Estimated Amount to be Expended in 2015	Estimate of Final Contract Amount	Name of Contractor	Affiliation of Vendor	Method of Selection	Nature and Scope of Work
1	414310	Terminated: January 28, 2014				Note 1	Note 2	Westinghouse Electric Co. LLC.	Direct	Sole Source. Award based on vendor constructing the selected reactor technology.	To design, engineer, supply, equip, construct and install a fully operational two unit AP1000 Facility at the Levy Nuclear Plant Site. Final contract amount includes change orders.
2	N/A	Note 2	Note 2	Note 2			Note 2	Carlton Fields Jordan Burt	Direct	Note 2	Legal Work - DEF Levy Units 1 & 2

Note 1: Costs or credits associated with terminating the EPC contract and related long lead equipment purchase orders are subject to litigation in federal court and are unknown at this time.

Note 2: Estimate of final contract amount cannot be determined at this time.

LEVY COUNTY NUCLEAR 1 & 2
Projection Filing: Contracts Executed

REDACTED

EXPLANATION: Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

Appendix E
Witness: C. Fallon
Docket No. 150009-EI
Exhibit: (TGF - 3)

COMPANY:
Duke Energy Florida

For Year Ended: 12/31/2016

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Term of Contract	Original Amount	Estimated Expended as of Prior Year End (2015)	Estimated Amount to be Expended in 2016	Estimate of Final Contract Amount	Name of Contractor	Affiliation of Vendor	Method of Selection	Nature and Scope of Work
1	414310	Terminated: January 28, 2014				Note 1	Note 2	Westinghouse Electric Co. LLC.	Direct	Sole Source. Award based on vendor constructing the selected reactor technology.	To design, engineer, supply, equip, construct and install a fully operational two unit AP1000 Facility at the Levy Nuclear Plant Site. Final contract amount includes change orders.
2	N/A	Note 2	Note 2	Note 2			Note 2	Carlton Fields Jordan Burt	Direct	Note 2	Legal Work -- DEF Levy Units 1 & 2

Note 1: Costs or credits associated with terminating the EPC contract and related long lead equipment purchase orders are subject to litigation in federal court and are unknown at this time.

Note 2: Estimate of final contract amount cannot be determined at this time.

DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Third Request for Confidential Classification
Confidentiality Justification Matrix

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
Direct Testimony of Mark R. Teague in Support of Actual/Estimated and Projected Costs on behalf of Duke Energy Florida, Inc.	Page 6, Line 7, last seven words, Lines 8 through 10 in their entirety, Line 11, first seven words, Line 14, last five words, Lines 15 through 18 in their entirety; Page 7, Line 4, fifth through eleventh words	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Direct Testimony of Christopher M. Fallon on behalf of Duke Energy Florida, Inc.	Page 3, Line 21, fifth word from end; Page 4, Line 1, fifth word; Page 5, Line 4, last ten words, Lines 5 and 6 in their entirety; Line 7, last word, Lines 8 through 18 in their entirety, Line 19, first five words, Line 20, first thirteen words; Page 6, Line 5, fifth word from end	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Direct Testimony of Christopher M. Fallon on behalf of Duke Energy Florida, Inc., Exhibit No. ____ (CMF-7)	Entire page exclusive of headers and footers	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p>

DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Third Request for Confidential Classification
Confidentiality Justification Matrix

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		<p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
<p>Direct Testimony of Thomas G. Foster in Support of Levy Estimated/Actual and Projection Costs and CR3 Uprate Estimated/Actual and Projection Costs on behalf of Duke Energy Florida, Inc.</p>	<p>Page 12, Line 3, last two words, Line 6, third and fourth word from end, Line 8, first two words, Line 20, last word, Line 21, first word, Line 24, seventh and eighth words; Page 13, Line 8, third word; Page 15, Line 13, last two words</p>	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
<p>Direct Testimony of Thomas G. Foster in Support of Levy Estimated/Actual and Projection Costs and CR3 Uprate Estimated/Actual and Projection Costs on behalf of Duke Energy Florida, Inc., Exhibit TGF-3</p>	<p>Page 4, all information in last 15 columns, Lines 1a through 1e, Lines 2a, 2b, and 2d, Lines 3a through 3e, Lines 4a, 4b and 4d; Page 5, all information in last 15 columns, Lines 1a through 1e, Lines 2a, 2b and 2d, Lines 3a through 3e, Lines 4a, 4b and 4d; Page 10, all information in Last 15 columns, Lines 1a through 1e, Lines 2a, 2b and 2d, Lines 3a through 3e, Lines 4a, 4d, and 4f;</p>	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

**DUKE ENERGY FLORIDA
DOCKET NO. 150009-EI
Third Request for Confidential Classification
Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
	Page 15, All information in columns (A), (B), and (C); Line 16, all information on Line 1, columns (C), (D), and (E), all information on Line 2, columns E and (F); Page 17 of 17, all information on Line 1, columns (C), (D), and (E), all information on Line 2, columns (E) and (F)	