



Matthew R. Bernier
SENIOR COUNSEL
Duke Energy Florida, LLC

January 7, 2016

VIA ELECTRONIC DELIVERY

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Nuclear Cost Recovery Clause; Docket No. 160009-EI

Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Request for Extension of Confidential Classification concerning certain information contained in Exhibit CH-1 to Staff Direct Testimony of William Coston and Jerry Hallenstein (document no. 03638-14) filed in Docket No. 140009-EI on June 20, 2014. Also attached is Revised Appendix D, Affidavits of Christopher M. Fallon and Mark Teague in support of DEF's Request for Extension of Confidential Classification. The original Request included Appendices A, B, and C.

There are no changes to the original Request appendices: Appendix A consisting of the confidential unredacted documents; Appendix B containing two (2) redacted copies of the confidential documents; or Appendix C that contained a justification matrix in support of DEF's original Request. The aforementioned appendices remain on file with the Clerk.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at (850) 521-1428.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB:at
Attachments

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Cost Recovery Clause

Docket No. 160009-EI
Submitted for Filing: January 7, 2016

**DUKE ENERGY FLORIDA'S
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

Duke Energy Florida, LLC (“DEF” or the “Company”), pursuant to Section 366.093, Florida Statutes (“F.S.”), and Rule 25-22.006, Florida Administrative Code (“F.A.C.”), hereby submits this Request for Extension of Confidential Classification (“Request”) concerning portions of Exhibit CH-1 to Staff Direct Testimony of William Coston and Jerry Hallenstein filed June 20, 2014. Exhibit CH-1 is a June 2013 Audit Report regarding Florida Public Service Commission Staff (“Staff”) Auditors’ 2013 Review of Duke Energy Florida, Inc.’s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects, PA-13-01-001, (the “Exhibit”). In support, DEF states as follows:

1. On July 11, 2014, DEF filed its Seventh Request for Confidential Classification concerning certain information contained in Exhibit CH-1, Audit Report No. PA-13-01-001 (document number 03638-14), which contains confidential contractual information and other financial and competitively sensitive business information. DEF hereby incorporates Appendices A, B, and C to the July 11, 2014 request as if attached hereto.

2. The Commission granted DEF’s Seventh Request for Confidential Classification concerning the Exhibit in Order No. PSC-14-0380-CFO-EI, dated July 21, 2014. The period of confidential treatment granted by that order will expire on January 21, 2016. The information continues to warrant treatment as “proprietary confidential business information” within the

meaning of Section 366.093(3), F.S. Accordingly, DEF is filing its Request for Extension of Confidential Classification.

3. DEF submits that the confidential information contained in the Exhibit, submitted as Appendix A to the July 11, 2014 Request, continues to be “proprietary confidential business information” within the meaning of section 366.093(3), F.S. and continues to require confidential classification. *See* Affidavits of Mark Teague and Christopher M. Fallon at ¶¶ 3-6. This information is intended to be and is treated as confidential by the Company. The information has not been disclosed to the public. Pursuant to section 366.093(1), F.S., such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the Public Records Act. *See* Affidavits of Mark Teague and Christopher M. Fallon ¶ 7.

4. Nothing has changed since the issuance of Order No. PSC-14-0380-CFO-EI to render the information stale or public such that continued confidential treatment would not be appropriate. Upon a finding by the Commission that this information continues to be “proprietary confidential business information,” it should continue to be treated as such for an additional period of at least 18 months, and should be returned to DEF as soon as the information is no longer necessary for the Commission to conduct its business. *See* §366.093(4), F.S.

WHEREFORE, for the foregoing reasons, DEF respectfully requests that this Request for Extension of Confidential Classification be granted.

Respectfully submitted this 7th day of January, 2016.

/s/ Matthew R. Bernier

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished via electronic mail to the following this 7th day of January, 2016.

/s/ Matthew R. Bernier

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Appendix A

“CONFIDENTIAL”

(On file)

Appendix B

(On file)

Appendix C
DUKE ENERGY FLORIDA
Confidentiality Justification Matrix

(on file)

**Revised Exhibit D
Affidavit of
Christopher M. Fallon**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Cost Recovery Clause

Docket No. 150009-EI

Submitted for Filing: _____

**AFFIDAVIT OF CHRISOPHER M. FALLON IN SUPPORT OF
DUKE ENERGY FLORIDA'S
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

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's (hereinafter "DEF" or the "Company") behalf and in support of DEF's Request for Extension of Confidential Classification (the "Request") concerning portions of Audit Report No. PA-13-01-001 (the "Audit Report"). The June 2013 Audit Report was filed on June 20, 2014 as Exhibit CH-1 to Staff Direct Testimony of William Coston and Jerry Hallenstein and regards Florida Public Service Commission Staff ("Staff") Auditors' 2013 Review of Duke Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects. The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of Nuclear Development, I am responsible for licensing and engineering design for the Levy Nuclear Power Plant Project (“LNP” or “Levy”), including the direct management of the Engineering, procurement and Construction (“EPC”) Agreement with Westinghouse Electric Company Co., LLC (“WEC”) and Stone & Webster, Inc. (“S&W”) (collectively, the “Consortium”).

3. DEF is seeking an extension of confidential classification for certain portions of Staff Direct Testimony of William Coston and Jerry Hallenstein, Exhibit CH-1, Audit Report No. PA-13-01-001 filed by Commission Staff in Docket No. 140009-EI. There are no changes to the information contained in DEF’s confidential Appendix A, redacted Appendix B, and justification matrix Appendix C. The referenced appendices are on file with the Clerk. DEF is requesting an extension of confidential classification of this information because it contains proprietary and confidential information received from third-party vendors pursuant to contractual agreements with those vendors. Those agreements contain non-disclosure provisions that limit the use and forbid the dissemination of the information. The disclosure of this would impair the Company’s ability to contract for goods and services on favorable terms. The Company requires this information for use in analyzing the continued feasibility of its projects and to aid its management in long-term planning. The Company and its customers would be harmed if DEF were not able to contract for the use of this information on favorable terms.

4. The disclosure of this information would compromise DEF’s competitive business interests and in certain instances violate continuing contractual confidentiality provisions with DEF’s vendors, as well as cost numbers and information relating to on-going and future negotiations with its vendors.

5. Additionally, portions of the Exhibit reflect the Company's internal strategies for evaluating its projects, risk evaluations, as well as contractual pricing arrangements between DEF and providers of equipment and services required for the LNP and would adversely impact DEF's competitive business interests and impede on-going negotiations if disclosed to the public. DEF must be able to assure these vendors that sensitive business information, such as the pricing, payment, and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue contain confidentiality provisions that prohibit disclosure of contractual terms to third parties. If third parties were made aware of confidential contractual terms that DEF has with other parties, they may offer DEF less competitive contractual terms in future contractual negotiations. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and these nuclear contractors, the Company's efforts to negotiate and obtain competitive contracts for the LNP would be undermined. Absent such measures, DEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods, supplies and real property would be made available to the public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of DEF.

6. The Exhibit also includes 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 major projects. If the Company were to know that its internal auditing controls and process were subject to public disclosure, it would compromise the level of cooperation needed with auditors to efficiently conduct audits.

7. 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.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 5th day of January, 2016.

Christopher M Fallon

(Signature)

Christopher M. Fallon

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 5th day of January, 2016 by Christopher M. Fallon. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

Teresa D. Neely

(Signature)

TERESA D. NEELY

(Printed Name)

NOTARY PUBLIC, STATE OF NC

09/02/2020

(Commission Expiration Date)

(AFFIX NOTARIAL SEAL)



(Serial Number, If Any)

Revised Exhibit D
Affidavit of
Mark Teague

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Cost Recovery Clause

Docket No. 150009-EI

Submitted for Filing: _____

**AFFIDAVIT OF MARK TEAGUE IN SUPPORT OF
DUKE ENERGY FLORIDA'S
REQUEST FOR EXTENSION OF CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Mark Teague. I am employed by Duke Energy Business Services, LLC ("Duke Energy") and serve as its Managing Director of Major Projects Sourcing in the Supply Chain Department. I am over the age of 18 years old and I have been authorized by Duke Energy Florida (hereinafter "DEF" or the "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Request for Extension of Confidential Classification (the "Request") concerning portions of Audit Report No. PA-13-01-001 (the "Audit Report"). The June 2013 Audit Report was filed on June 20, 2014 as Exhibit CH-1 to Staff Direct Testimony of William Coston and Jerry Hallenstein and regards Florida Public Service Commission Staff ("Staff") Auditors' 2013 Review of Duke Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects. The facts attested to in my affidavit are based upon my personal knowledge.

2. As Managing Director of Major Projects, my role included providing management oversight in the disposition of the Crystal River Unit 3 (“CR3”) Extended Power Uprate (“EPU”) assets by ensuring that Supply Chain employees at CR3 follow DEF’s processes and procedures. I also have responsibility for the Supply Chain functions for Duke Energy International and with most Duke Energy Major Projects.

3. DEF is seeking an extension of confidential classification for certain portions of Staff Direct Testimony of William Coston and Jerry Hallenstein, Exhibit CH-1, Audit Report No. PA-13-01-001 filed by Commission Staff in Docket No. 140009-EI. There are no changes to the information contained in DEF’s confidential Appendix A, redacted Appendix B, and justification matrix Appendix C. The referenced appendices are on file with the Clerk. DEF is requesting an extension of confidential classification of portions of the Staff Direct Testimony of William Coston and Jerry Hallenstein, Exhibit CH-1, because it contains confidential contractual information and numbers concerning the Crystal River Unit 3 (“CR3”) Extended Power Uprate (“EPU”) Project (“CR3 Uprate”), the disclosure of which would impair DEF’s competitive business interests and violate DEF’s confidentiality agreements with third parties and vendors; information gleaned from internal audit controls and reports; and other information the disclosure of which would impair the Company’s competitive business interests.

4. The Company is requesting an extension of confidential classification of this information because the Exhibit 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

ongoing contracts with vendors. Portions of these documents reflect the Company's internal strategies for evaluating projects. The information contains sensitive information concerning the CR3 Uprate, 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. Furthermore, portions of the information in the Exhibit were taken from internal audit reports which are confidential. If the Company were to know that its internal auditing controls and process were subject to public disclosure, it would likely compromise the level of cooperation needed to efficiently conduct audits.

6. With respect to the Exhibit at issue in this request, DEF 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 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 a 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, including restricting access to those persons

who need the information to assist the Company, and restricting the number of, and access to the information and documents. At no time since developing or entering into the contracts in question has the Company publicly disclosed the contracts' confidential terms. The Company has treated and continues to treat the information and documents at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated the 6th day of ~~December~~, ^{January 2016} ~~2015~~. _{MT}

Mark Teague
(Signature)
Mark Teague

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 6th day of December, 2015 by Mark Teague. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

SHANNON L. WALL
Notary Public, North Carolina
Mecklenburg County
My Commission Expires
June 17, 2017

(AFFIX NOTARIAL SEAL)

Shannon L. Wall
(Signature)
Shannon L. Wall
(Printed Name)

NOTARY PUBLIC, STATE OF North Carolina
6-17-17
(Commission Expiration Date)

(Serial Number, If Any)