



Matthew R. Bernier
SENIOR COUNSEL
Duke Energy Florida, LLC

April 27, 2016

VIA ELECTRONIC DELIVERY

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

Re: Docket 160009-EI
Duke Energy Florida, LLC's Second Request for Confidential Classification

Dear Ms. Stauffer:

Attached is Duke Energy Florida, LLC's ("DEF") Second Request for Confidential Classification of certain information provided in DEF's true-up and projection testimony and exhibits filed contemporaneously in the above-referenced matter. This filing includes:

- Exhibit A (confidential slipsheet only)
- Exhibit B (2 copies of redacted information)
- Exhibit C (justification matrix)
- Exhibit D (Affidavit of Christopher M. Fallon)

DEF's confidential Exhibit A that accompanies the above-referenced filing, has been submitted under separate cover.

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: April 27, 2016

**DUKE ENERGY FLORIDA, LLC'S SECOND REQUEST FOR
CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS OF THE
TESTIMONIES AND EXHIBITS FILED AS PART OF THE COMPANY'S
APRIL 27, 2016 ACTUAL/ESTIMATED AND PROJECTED 2017 COST FILINGS**

Duke Energy Florida, LLC (“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 Second Request for Confidential Classification Regarding Portions of the Testimonies and Exhibits Filed as in support of the Company’s April 27, 2016 Actual/Estimated and Projected 2017 Costs Filings. 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 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 Exhibit 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

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

As listed above, portions of the testimony of Mr. Foster and 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 the EPC Agreement. See Affidavit of Fallon, ¶ 4.

The testimony of Mr. Fallon also contains 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’s testimony supports

DEF's 2016 actual/estimated and 2017 projected LNP wind-down costs. See Affidavit of Fallon, ¶¶ 4-5.

DEF must be able to assure these vendors that sensitive business information will be kept confidential during negotiations. See Affidavit of Fallon, ¶ 6. 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, ¶¶ 6-7.

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.

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, ¶ 8.

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, ¶ 8. 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 Exhibit 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 Exhibit B;

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

(4) An affidavit attesting to the confidential nature of information identified in this request as Exhibit D.

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 be classified as confidential for the reasons set forth above.

RESPECTFULLY SUBMITTED this 27th day of April, 2016.

/s/ Matthew R. Bernier

MATTHEW R. BERNIER
Senior Counsel
Duke Energy Florida, LLC
106 East College Avenue
Suite 800
Tallahassee, FL 32301
Telephone: (850) 521-1428

DIANNE M. TRIPLETT
Associate General Counsel
Duke Energy Florida, LLC
299 First Avenue North
St. Petersburg, FL 33701
Telephone: (727) 820-4692

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 27th day of April, 2016.

/s/ Matthew R. Bernier

Attorney

<p>Martha Barrera Kyesha Mapp Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 mbarrera@psc.state.fl.us kmapp@psc.state.fl.us</p> <p>Kenneth Hoffman Vice President, Regulatory Affairs Florida Power & Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1859 ken.hoffman@fpl.com</p> <p>Jessica Cano Kevin I.C. Donaldson Florida Power & Light Company 700 Universe Boulevard June Beach, FL 33408-0420 jessica.cano@fpl.com kevin.donaldson@fpl.com</p> <p>Jon C. Moyle, Jr. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p> <p>George Cavros 120 E. Oakland Park Blvd, Suite 105 Fort Lauderdale, FL 33334 george@cavros-law.com</p>	<p>J.R.Kelly Charles J. Rehwinkel Erik L. Saylor Patty Christensen Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399 kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us saylor.erik@leg.state.fl.us christensen.patty@leg.state.fl.us</p> <p>Victoria Mendez Christopher A. Green Xavier Alban Kerri L. McNulty City of Miami 444 SW 2nd Avenue, Suite 945 Miami, FL 33130-1910 vmendez@miamigov.com cagreen@miamigov.com xealban@miamigov.com klmcnulty@miamigov.com omorera@miamigov.com</p> <p>Robert Scheffel Wright John T. LaVia III Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com</p> <p>James W. Brew Laura A. Wynn Stone Mattheis Xenopoulos & Brew, P.C. 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, D.C. 20007 jbrew@smxblaw.com law@smxblaw.com</p>
---	---

Exhibit A

CONFIDENTIAL
FILED UNDER SEPARATE COVER

Exhibit B

REDACTED

1 **Q. Does DEF have actual/estimated costs in 2016 as a result of Levy wind-down**
2 **activities?**

3 A. Yes. DEF's actual/estimated 2016 wind-down costs are [REDACTED]. See 2016 Detail
4 LNP Schedule of Exhibit No. ____ (TGF-3) to Mr. Foster's testimony. Mr. Foster also
5 describes other wind-down costs projected for 2016 and 2017.

6
7 **Q. Please describe the Levy wind-down activities and costs.**

8 A. Wind-down cost were incurred and will be incurred in 2016 for (1) internal Duke
9 Energy labor to assist with disposition of the remaining LLE; and (2) regulatory and
10 wind-down support. DEF is attempting to disposition the remaining LLE in 2016 and
11 there will be costs associated with this activity, however DEF does not include in this
12 filing potential, future wind-down or LLE disposition costs or credits that DEF cannot
13 reasonably quantify at this time.

14
15 **Q. Does DEF project that it will incur Levy wind-down costs in 2017?**

16 A. No, DEF does not expect wind-down costs in 2017. If any costs do arise, they will be
17 presented to the Commission as part of the March 2017 true-up filing, with the
18 understanding that DEF will not seek recovery of any such costs prior to the May 2017
19 filing, as discussed above.

20
21 **Q. What is the status of DEF's litigation with WEC?**

22 A. DEF's lawsuit with WEC is currently pending before the United States District Court
23 for the Western District of North Carolina. DEF continues to vigorously pursue its

1 **B. EXIT & WIND-DOWN COSTS INCURRED IN 2016 FOR THE LEVY**
2 **NUCLEAR PROJECT.**

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

5
6 A. The 2016 Detail Schedule in Exhibit No.__(TGF-3) Lines 1e, Line 3e, and
7 Line 12e show that total exit and wind-down expenditures excluding carrying
8 costs were approximately [REDACTED]. **REDACTED**

9
10 **Q. What do these costs include?**

11 A. The expenses included on Line 1e and 3e represent [REDACTED] related to
12 project management wind-down costs as described in the testimony of Mr.
13 Fallon. The expenses on line 12e, of \$60,914, represent other exit and
14 wind-down costs including regulatory and accounting on-going wind-down
15 support costs that the Company expects to incur in 2016 related to the LNP.

16
17 **Q. How did these expenditures for January 2016 through December 2016**
18 **compare with DEF's projected costs for 2016?**

19 A. Appendix B, Line 4 shows that total Other Exit & Wind-Down Costs are
20 expected to be \$60,914 or \$0.1 million lower than estimated. As shown in
21 Appendix D, wind down and sale or salvage costs are [REDACTED] lower than
22 originally anticipated.

1 **Q. What is included in the Total Return for the Period on the 2017 Detail**
2 **Schedule, Line 8d and 2017 Detail – LLE Deferred Balance Schedule,**
3 **Line 3d?**

4 A. The Revenue Requirements of \$0.1 million and \$5.8 million depicted on
5 these Schedules on Line 8d and 3d respectively represent carrying costs on
6 the average uncollected investment balance. The Schedules start with the
7 2017 beginning balance and compute the carrying charge on the average
8 monthly balance. The equity component of the return is grossed up for
9 taxes to cover the income taxes that will be paid upon recovery in rates.

10
11 **Q. What are the exit and wind-down costs incurred for the Levy Nuclear**
12 **Project for the period January 2017 through December 2017?**

13 A. The 2017 Detail Schedule in Exhibit No.__(TGF-3) Lines 1e, 3e and Line
14 10e show that total exit and wind-down expenditures excluding carrying
15 costs are estimated at [REDACTED]. **REDACTED**

16
17 **Q. What is the total jurisdictional projected exit and wind-down costs that**
18 **will be incurred for the period January 2017 through December 2017?**

19 A. As shown on the Period Total Line 5a and Line 17d of the 2017 Detail
20 Schedule in Exhibit No.__(TGF-3), total projected jurisdictional costs for
21 2017 are \$0.1 million.

SCHEDULE APPENDIX

REDACTED

EXHIBIT (TGF-3)

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

**JANUARY 2016 - DECEMBER 2017
DOCKET NO. 160009-EI**

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 2016 Detail Schedule with the expenditures provided to the Commission on 2016 Projection Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2016 Detail Schedule.

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

COMPANY:
 Duke Energy - FL

DOCKET NO.:
 160009-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				Minimal project management costs to wind-down LNP
2	Sale or Salvage of Assets				
3	Disposition				
4	<u>Total Generation Costs</u>				
<u>Transmission:</u>					
1	Wind-Down Costs				
2	Sale or Salvage of Assets				
3	Disposition				
4	<u>Total Transmission Costs</u>				

Note:
 System Projection from May 1, 2015 Filing in Docket No. 150009-EI.

Exhibit B

REDACTED

(2nd copy)

1 **Q. Does DEF have actual/estimated costs in 2016 as a result of Levy wind-down**
2 **activities?**

3 A. Yes. DEF's actual/estimated 2016 wind-down costs are [REDACTED]. See 2016 Detail
4 LNP Schedule of Exhibit No. ____ (TGF-3) to Mr. Foster's testimony. Mr. Foster also
5 describes other wind-down costs projected for 2016 and 2017.

6
7 **Q. Please describe the Levy wind-down activities and costs.**

8 A. Wind-down cost were incurred and will be incurred in 2016 for (1) internal Duke
9 Energy labor to assist with disposition of the remaining LLE; and (2) regulatory and
10 wind-down support. DEF is attempting to disposition the remaining LLE in 2016 and
11 there will be costs associated with this activity, however DEF does not include in this
12 filing potential, future wind-down or LLE disposition costs or credits that DEF cannot
13 reasonably quantify at this time.

14
15 **Q. Does DEF project that it will incur Levy wind-down costs in 2017?**

16 A. No, DEF does not expect wind-down costs in 2017. If any costs do arise, they will be
17 presented to the Commission as part of the March 2017 true-up filing, with the
18 understanding that DEF will not seek recovery of any such costs prior to the May 2017
19 filing, as discussed above.

20
21 **Q. What is the status of DEF's litigation with WEC?**

22 A. DEF's lawsuit with WEC is currently pending before the United States District Court
23 for the Western District of North Carolina. DEF continues to vigorously pursue its

1 **B. EXIT & WIND-DOWN COSTS INCURRED IN 2016 FOR THE LEVY**
2 **NUCLEAR PROJECT.**

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

5
6 A. The 2016 Detail Schedule in Exhibit No.__(TGF-3) Lines 1e, Line 3e, and
7 Line 12e show that total exit and wind-down expenditures excluding carrying
8 costs were approximately [REDACTED]. **REDACTED**

9
10 **Q. What do these costs include?**

11 A. The expenses included on Line 1e and 3e represent [REDACTED] related to
12 project management wind-down costs as described in the testimony of Mr.
13 Fallon. The expenses on line 12e, of \$60,914, represent other exit and
14 wind-down costs including regulatory and accounting on-going wind-down
15 support costs that the Company expects to incur in 2016 related to the LNP.

16
17 **Q. How did these expenditures for January 2016 through December 2016**
18 **compare with DEF's projected costs for 2016?**

19 A. Appendix B, Line 4 shows that total Other Exit & Wind-Down Costs are
20 expected to be \$60,914 or \$0.1 million lower than estimated. As shown in
21 Appendix D, wind down and sale or salvage costs are [REDACTED] lower than
22 originally anticipated.

1 **Q. What is included in the Total Return for the Period on the 2017 Detail**
2 **Schedule, Line 8d and 2017 Detail – LLE Deferred Balance Schedule,**
3 **Line 3d?**

4 A. The Revenue Requirements of \$0.1 million and \$5.8 million depicted on
5 these Schedules on Line 8d and 3d respectively represent carrying costs on
6 the average uncollected investment balance. The Schedules start with the
7 2017 beginning balance and compute the carrying charge on the average
8 monthly balance. The equity component of the return is grossed up for
9 taxes to cover the income taxes that will be paid upon recovery in rates.

10
11 **Q. What are the exit and wind-down costs incurred for the Levy Nuclear**
12 **Project for the period January 2017 through December 2017?**

13 A. The 2017 Detail Schedule in Exhibit No.__(TGF-3) Lines 1e, 3e and Line
14 10e show that total exit and wind-down expenditures excluding carrying
15 costs are estimated at [REDACTED]. **REDACTED**

16
17 **Q. What is the total jurisdictional projected exit and wind-down costs that**
18 **will be incurred for the period January 2017 through December 2017?**

19 A. As shown on the Period Total Line 5a and Line 17d of the 2017 Detail
20 Schedule in Exhibit No.__(TGF-3), total projected jurisdictional costs for
21 2017 are \$0.1 million.

SCHEDULE APPENDIX

REDACTED

EXHIBIT (TGF-3)

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

**JANUARY 2016 - DECEMBER 2017
DOCKET NO. 160009-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. 160009-EI
Exhibit: (TGF- 3)

Line	Description	Beginning of Period Amount	Actual January 2016	Actual February 2016	Projected March 2016	Projected April 2016	Projected May 2016	Projected June 2016	Projected July 2016	Projected August 2016	REDDACTED				Period Total	End of Period Total
											Projected September 2016	Projected October 2016	Projected November 2016	Projected December 2016		
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)	219,750,820	2,070	873	1,702	929	929	929	929	929	0	0	0	0	9,289	219,760,108
	b Retail Land Transferred to Land Held for Future Use	(66,221,330)	0	0	0	0	0	0	0	0	0	0	0	0	0	(66,221,330)
	c LLE Deferred Balance (b)	(50,275,957)	0	0	0	0	0	0	0	0	0	0	0	0	0	(50,275,957)
	d Total Jurisdictional Uncollected Investment	103,253,533	2,070	873	1,702	929	929	929	929	929	0	0	0	0	9,289	103,262,821
6	Carrying Cost on Uncollected Investment Balance															
	a Uncollected Investment: Additions for the Period (Beg Balance: 2015 Detail Line 5d.)	103,253,533	2,070	873	1,702	929	929	929	929	929	0	0	0	0	9,289	103,262,821
	b Plant-in-Service	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)	9,816,636	0	0	0	0	0	0	0	0	0	0	0	0	0	9,816,636
	d Period Recovered Wind-down / Exit Costs (2015) (included in line 6g)	(4,312,069)	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,312,069)
	e Period Recovered Wind-down / Exit Costs (2016)	0	0	0	0	0	0	0	0	0	0	0	0	0	9,289	9,289
	f Additional Amortization of Uncollected Investment Balance (2014-2015)	(84,653,508)	0	0	0	0	0	0	0	0	0	0	0	0	0	(84,653,508)
	g Prior Period Carrying Charge Unrecovered Balance (a)	(11,552,110)	0	0	0	0	0	0	0	0	0	0	0	0	0	(11,552,110)
	h Prior Period Carrying Charge Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	i Over/Under Prior Period	0	6,298	5,146	6,019	5,290	5,333	5,376	5,418	5,460	4,572	4,608	4,645	4,681	62,846	62,846
	j Net Investment	\$532,396	\$534,466	\$539,567	\$545,542	\$550,788	\$556,079	\$561,411	\$566,787	\$572,205	\$576,737	\$581,309	\$585,917	\$590,561		\$595,242
7	Average Net Investment		\$533,431	\$539,131	\$544,691	\$550,324	\$555,614	\$560,947	\$566,323	\$571,741	\$576,737	\$581,309	\$585,917	\$590,561		
8	Return on Average Net Investment															
	a Equity Component	0.00392	2,091	2,113	2,135	2,157	2,178	2,199	2,220	2,241	2,261	2,279	2,297	2,315	26,486	
	b Equity Component Grossed Up For Taxes	1.62800	3,404	3,440	3,476	3,512	3,546	3,580	3,614	3,648	3,681	3,710	3,740	3,769	43,119	
	c Debt Component	0.00155	824	833	842	850	858	867	875	883	891	898	905	912	10,438	
	d Total Return for the Period		4,228	4,273	4,318	4,362	4,404	4,447	4,489	4,531	4,572	4,608	4,645	4,681	53,557	
9	Revenue Requirements for the Period (Lines 6a + 8d)		6,298	5,146	6,019	5,290	5,333	5,376	5,418	5,460	4,572	4,608	4,645	4,681	62,846	
10	Projected Revenue Requirements Recovered for the Period		0	0	0	0	0	0	0	0	0	0	0	0	0	
11	Over/Under Recovery For the Period		6,298	5,146	6,019	5,290	5,333	5,376	5,418	5,460	4,572	4,608	4,645	4,681	62,846	
12	Other Exit / Wind-Down															
	a Accounting		2,348	2,363	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	28,211	
	b Corporate Planning		2,277	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766	2,766	32,703	
	c Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	
	d Joint Owner Credit		0	0	0	0	0	0	0	0	0	0	0	0	0	
	e Total Other Exit / Wind-Down Costs		4,625	5,129	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	5,116	\$60,914	
13	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		
14	Jurisdictional Amount		4,311	4,781	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769	56,785	
15	Prior Period Unrecovered Balance (a)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	(42,490)	
16	Prior Period Costs Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17	Prior Month Period (Over)/Under Recovery		0	4,298	4,769	4,758	4,760	4,762	4,763	4,765	4,767	4,768	4,770	4,772		
18	Unamortized Balance	(42,490)	(42,490)	(38,192)	(33,423)	(28,665)	(23,905)	(19,143)	(14,380)	(9,615)	(4,848)	(80)	4,690	9,462		
19	Projected Carrying Costs for the Period															
	a Balance Eligible for Interest		(40,334)	(35,801)	(31,038)	(26,280)	(21,520)	(16,758)	(11,995)	(7,230)	(2,463)	2,305	7,075	11,847		
	b Monthly Commercial Paper Rate		0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%		
	c Interest Provision		(13)	(13)	(11)	(9)	(8)	(6)	(4)	(3)	(1)	1	2	4	(60)	
	d Total Costs and Interest (Line 14 + Line 19c)		4,298	4,769	4,758	4,760	4,762	4,763	4,765	4,767	4,768	4,770	4,772	4,773	56,725	
20	Projected Revenue Requirements Recovered for the Period		0	0	0	0	0	0	0	0	0	0	0	0	0	
21	Over/Under Recovery For the Period		4,298	4,769	4,758	4,760	4,762	4,763	4,765	4,767	4,768	4,770	4,772	4,773	56,725	
22	Revenue Requirements for the Period (Line 9 + Line 19d)		10,596	9,915	10,778	10,050	10,094	10,139	10,183	10,227	9,340	9,378	9,416	9,454	119,571	

(a) See Appendix A for Beginning Balance Support
(b) This amount represents deferral of \$54M as contemplated in DEF's March 2, 2015 Petition.

DUKE ENERGY FLORIDA
Nuclear Cost Recovery Clause (NCRC) - Levy Nuclear Units 1 & 2
2017 Detail - Calculation of the Revenue Requirements
January 2017 through December 2017

Witness: T.G. Foster / C. Fallon
Docket No. 160009-EI
Exhibit: (TGF- 3)

Line	Description	Beginning of Period Amount	Projected January 2017	Projected February 2017	Projected March 2017	Projected April 2017	Projected May 2017	Projected June 2017	Projected July 2017	Projected August 2017	Projected September 2017	Projected October 2017	Projected November 2017	Projected December 2017	Period Total	End of Period Total
1	Uncollected Investment : Generation															
	a Prior Period Construction Balance YE 2016															
	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 2016															
	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)	219,760,108	0	0	0	0	0	0	0	0	0	0	0	0	0	219,760,108
	b Retail Land Transferred to Land Held for Future Use	(66,221,330)	0	0	0	0	0	0	0	0	0	0	0	0	0	(66,221,330)
	c LLE Deferred Balance (b)	(50,275,957)	0	0	0	0	0	0	0	0	0	0	0	0	0	(50,275,957)
	d Total Jurisdictional Uncollected Investment	103,262,821	0	0	0	0	0	0	0	0	0	0	0	0	0	103,262,821
6	Carrying Cost on Uncollected Investment Balance															
	a Uncollected Investment: Additions for the Period (Beg Balance: Line 6a.)	103,262,821	0	0	0	0	0	0	0	0	0	0	0	0	0	103,262,821
	b Plant-in-Service	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)	5,504,567	0	0	0	0	0	0	0	0	0	0	0	0	0	5,504,567
	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) (Included in 6f)	9,289	0	0	0	0	0	0	0	0	0	0	0	0	0	9,289
	f Prior Period Carrying Charge Unrecovered Balance (a)	(11,489,264)	0	0	0	0	0	0	0	0	0	0	0	0	0	(11,489,264)
	g Prior Period Carrying Charge Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	h Uncollected Return from the Prior Period	0	0	4,718	4,756	4,792	4,831	4,869	4,908	4,948	4,987	5,026	5,065	5,106	5,146	59,152
	i Net Investment	\$595,242	\$595,242	\$599,960	\$604,716	\$609,509	\$614,340	\$619,209	\$624,117	\$629,065	\$634,052	\$639,077	\$644,142	\$649,248	\$654,394	\$654,394
7	Average Net Investment		\$595,242	\$599,960	\$604,716	\$609,509	\$614,340	\$619,209	\$624,117	\$629,065	\$634,052	\$639,077	\$644,142	\$649,248		
8	Return on Average Net Investment															
	a Equity Component	0.00392	2,333	2,352	2,370	2,389	2,408	2,427	2,447	2,466	2,485	2,505	2,525	2,545	29,252	
	b Equity Component Grossed Up For Taxes	1.62800	3,798	3,829	3,858	3,889	3,920	3,951	3,984	4,015	4,046	4,078	4,111	4,143	47,622	
	c Debt Component	0.00155	920	927	934	942	949	957	964	972	980	987	995	1,003	11,530	
	d Total Return for the Period		4,718	4,756	4,792	4,831	4,869	4,908	4,948	4,987	5,026	5,065	5,106	5,146	59,152	
9	Revenue Requirements for the Period (Line 6a + Line 8d)		4,718	4,756	4,792	4,831	4,869	4,908	4,948	4,987	5,026	5,065	5,106	5,146	59,152	
10	Other Exit / Wind-Down															
	a Accounting		2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444	29,328	
	b Corporate Planning		2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	33,684	
	c Legal		0	0	0	0	0	0	0	0	0	0	0	0	0	
	d Joint Owner Credit		0	0	0	0	0	0	0	0	0	0	0	0	0	
	e Total Other Exit / Wind-Down Costs		5,251	5,251	5,251	5,251	5,251	5,251	5,251	5,251	5,251	5,251	5,251	5,251	\$63,012	
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		
12	Jurisdictional Amount		4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	4,895	58,741	
13	Prior Period Unrecovered Balance (a)	14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	
14	Prior Period Costs Recovered		0	0	0	0	0	0	0	0	0	0	0	0	0	
15	Prior Month Period (Over)/Under Recovery		0	4,901	4,903	4,904	4,906	4,908	4,909	4,911	4,913	4,915	4,916	4,918		
16	Unamortized Balance	14,235	14,235	19,136	24,039	28,943	33,849	38,757	43,666	48,578	53,490	58,405	63,321	68,239		
17	Projected Carrying Costs for the Period															
	a Balance Eligible for Interest		16,683	21,584	26,486	31,391	36,297	41,204	46,114	51,025	55,938	60,853	65,769	70,687		
	b Monthly Commercial Paper Rate		0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%		
	c Interest Provision		6	8	9	11	13	14	16	18	20	21	23	25	183	
	d Total Costs and Interest (Line 12 + Line 17c)		4,901	4,903	4,904	4,906	4,908	4,909	4,911	4,913	4,915	4,916	4,918	4,920	58,924	
18	Other Exit / Wind-Down Revenue Requirements for the Period		4,901	4,903	4,904	4,906	4,908	4,909	4,911	4,913	4,915	4,916	4,918	4,920	58,924	
19	Total Revenue Requirements for the Period (Line 9 + Line 18)		9,619	9,659	9,697	9,737	9,777	9,818	9,859	9,900	9,940	9,981	10,024	10,066	118,076	

(a) See Appendix A for Beginning Balance Support
(b) This amount represents deferral of \$54M as contemplated in DEF's March 2, 2015 Petition.

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 2016 Detail Schedule with the expenditures provided to the Commission on 2016 Projection Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2016 Detail Schedule.

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

COMPANY:
 Duke Energy - FL

DOCKET NO.:
 160009-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				Minimal project management costs to wind-down LNP
2	Sale or Salvage of Assets				
3	Disposition				
4	<u>Total Generation Costs</u>				
<u>Transmission:</u>					
1	Wind-Down Costs				
2	Sale or Salvage of Assets				
3	Disposition				
4	<u>Total Transmission Costs</u>				

Note:
 System Projection from May 1, 2015 Filing in Docket No. 150009-EI.

**DUKE ENERGY FLORIDA – EXHIBIT C - Docket 160009-EI
Confidentiality Justification**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
<p>Direct Testimony of Christopher M. Fallon on behalf of Duke Energy Florida, LLC</p>	<p>Page 4, Line 3, fourth word from end.</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, LLC</p>	<p>Page 8, Line 8, last two words, Line 11, third word from end, Line 21, third word from end of line.</p> <p>Page 10, Line 15, third and fourth 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.</p> <p>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.</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</p>

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
	Page 12, All information in columns (A), (B), and (C).	relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.

Exhibit D

AFFIDAVIT OF:

CHRISTOPHER M. FALLON

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No. 160009-EI
Submitted for Filing: April 27, 2016

**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT OF
DUKE ENERGY FLORIDA, LLC'S SECOND REQUEST FOR CONFIDENTIAL
CLASSIFICATION REGARDING PORTIONS OF THE TESTIMONIES AND
EXHIBITS FILED AS PART OF THE COMPANY'S APRIL 27, 2016
ACTUAL/ESTIMATED AND PROJECTED 2017 COST FILINGS**

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 Business Services, LLC 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 ("DEF" or the "Company") behalf and in support of DEF's Second Request for Confidential Classification Regarding Portions of the Testimonies and Exhibits filed as Part of the Company's April 27, 2016 Actual/Estimated and Projected 2017 Costs Filings (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. DEF is seeking confidential classification of the following materials filed with the Florida Public Service Commission ("FPSC" or the "Commission") in this above referenced docket: (1) portions of the testimony of Mr. Thomas G. Foster and Exhibit No. ____(TGF-3), and (2) portions of my testimony.

3. Unredacted versions of the testimonies and exhibits at issue are contained in confidential Exhibit A to DEF's Request and the confidential portions thereof are outlined in DEF's Justification Matrix that is attached to DEF's Request as Exhibit C.

4. DEF is requesting confidential classification of the portions of the testimony and exhibit of Mr. Foster that contain confidential costs numbers and sensitive contractual financial information for the Levy Nuclear Project ("LNP") under the Engineering, Procurement, and Construction contract ("EPC Agreement") with Westinghouse Electric Company and Stone & Webster, Inc. (the "Consortium"), the disclosure of which would compromise DEF's competitive business interests or violate contractual confidentiality provisions.

5. DEF is also requesting confidential classification of the portions of my testimony that contains cost data that is competitively sensitive under the EPC Agreement.

6. The Company must be able to assure these vendors that sensitive business information will be kept confidential during negotiations. Indeed, the contract at issue contains confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer DEF less competitive terms in future contractual negotiations.

7. As stated above, most of the contracts at issue, and specifically the EPC Agreement, contain confidentiality provisions; therefore, DEF is requesting confidential classification of this information to avoid public disclosure that would violate the confidentiality agreements between DEF and the other parties. DEF has kept confidential and has not publicly disclosed the proprietary information at issue here.

8. 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 the information or entering into the contracts in question has DEF publicly disclosed the information; DEF has treated and continues to treat the information as confidential.

9. This concludes my affidavit.

Further affiant sayeth not.

Dated this 25th day of April, 2016.

Christopher M. Fallon
(Signature)
Christopher M. Fallon
Vice President of Nuclear Development
Duke Energy Corporation Business Services, LLC
526 South Church Street, EC1
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 25 day of April, 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)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF NC
September 2, 2020
(Commission Expiration Date)

(Serial Number, If Any)

