



Dianne M. Triplett
ASSOCIATE GENERAL COUNSEL

August 23, 2016

VIA ELECTRONIC FILING

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

Re: *Docket Nos. 160178-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Request for Confidential Classification for certain information contained in the direct testimony of Jeffrey Swartz filed on August 2, 2016. This filing includes:

- DEF's Request for Confidential Classification
- Slipsheet for confidential Exhibit A
- Redacted Exhibit B (two copies)
- Exhibit C (justification matrix), and
- Exhibit D (affidavit of Jeffrey Swartz)

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. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Respectfully,

A handwritten signature in blue ink that reads "Dianne M. Triplett".

Dianne M. Triplett

DMT/mw
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida, LLC Petition for limited Proceeding for approval to include in base rates the revenue requirement associated with the acquisition of the Osprey Plant and Phase 2 of the Hines chiller uprate project.

Docket No. 160178-EI

Dated: August 23, 2016

**DUKE ENERGY FLORIDA, LLC'S
REQUEST FOR 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."), submits its Request for Confidential Classification of Confidential (the "Request") concerning information contained in the direct testimony of Jeffrey Swartz, filed in this docket on August 2, 2016, filed subject to DEF's concurrently filed Notice of Intent to request confidential classification. In support of this Request, DEF states:

1. Portions of the information contained in the direct testimony of Jeffrey Swartz, contain "proprietary confidential business information" under Section 366.093(3), F.S.
2. The following exhibits are included with this request:
 - (a) Sealed Composite Exhibit A is a package containing an unredacted copy of all the documents for which DEF seeks confidential treatment. Composite Exhibit A is being submitted separately in a sealed envelope labeled "CONFIDENTIAL." In the unredacted version, the information asserted to be confidential is highlighted in yellow.

(b) Composite Exhibit B consists of two copies of redacted versions of the documents for which the Company requests confidential classification. The specific information for which confidential treatment is requested has been blocked out by opaque marker or other means.

(c) Exhibit C is a table which identifies by page and line the information for which DEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

(d) Exhibit D is an affidavit attesting to the confidential nature of information identified in this request.

3. As indicated in Exhibit C, the information for which DEF requests confidential classification is “proprietary confidential business information” within the meaning of Section 366.093(3), F.S. Specifically, the information at issue relates to the remaining condition precedent for the Osprey Acquisition, the disclosure of which would impair the efforts of the Company to contract for goods or services on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of Jeffrey Swartz at ¶¶ 4-5. Furthermore, the information at issue relates contractual information, the disclosure of which would impair DEF’s competitive businesses. *See* § 366.093(3)(e), F.S.; Affidavit of Jeffrey Swartz at ¶ 6. Accordingly, such information constitutes “proprietary confidential business information” which is exempt from disclosure under the Public Records Act pursuant to Section 366.093(1), F.S.

4. The information identified as Exhibit “A” is intended to be and is treated as confidential by the Company. *See* Affidavit of Jeffrey Swartz at ¶ 7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information at issue as confidential. *See* Affidavit of Jeffrey Swartz at ¶ 7.

5. DEF requests that the information identified in Exhibit A be classified as “proprietary confidential business information” within the meaning of section 366.093(3), F.S., that the information remain confidential for a period of at least 18 months as provided in section 366.093(4) F.S., and that the information be returned as soon as it is no longer necessary for the Commission to conduct its business.

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

RESPECTFULLY SUBMITTED this 23rd day of August, 2016.



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**Duke Energy Florida, LLC
CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 23rd day of August, 2016 to all parties of record as indicated below.



Attorney

Danijela Janjic
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
djanjic@psc.state.fl.us

Exhibit A

“CONFIDENTIAL”

(submitted under separate cover)

Exhibit B

REDACTED

(two copies)

1 **REDACTED**

2 **Q. When does DEF anticipate closing on the Osprey Plant Acquisition?**

3 A. Pursuant to the Asset Purchase Agreement ("APA"), the parties anticipate
4 closing on January 3, 2017.

5
6 **Q. Have all the conditions precedent set forth in the APA to Osprey Plant
7 Acquisition?**

8 A. It is my understanding that the only condition precedent remaining is the
9 completion of the [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED], consistent with the terms of the APA. DEF has been
13 working at the site to start the integration process and ensure a smooth transition
14 in ownership. Based on the current operation of the Osprey Plant, and DEF's
15 other work to further inspect the unit, DEF does not anticipate there will be any
16 issues with completing this final condition precedent.

17
18 **Q. Are the major and routine maintenance, and inventory, costs that you
19 describe above reasonable and necessary?**

20 A. Yes. The major maintenance costs are based on industry standard, required
21 work that is needed in 2017 and 2018 for the Osprey Plant. Other major
22 maintenance costs are for work and material that are necessary to incorporate the
23 Osprey Plant into the DEF system. The inventory costs are necessary to ensure

1 **REDACTED**

2 **Q. When does DEF anticipate closing on the Osprey Plant Acquisition?**

3 **A.** Pursuant to the Asset Purchase Agreement (“APA”), the parties anticipate
4 closing on January 3, 2017.

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6 **Q. Have all the conditions precedent set forth in the APA to Osprey Plant**
7 **Acquisition?**

8 **A.** It is my understanding that the only condition precedent remaining is the
9 completion of the [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED], consistent with the terms of the APA. DEF has been
13 working at the site to start the integration process and ensure a smooth transition
14 in ownership. Based on the current operation of the Osprey Plant, and DEF’s
15 other work to further inspect the unit, DEF does not anticipate there will be any
16 issues with completing this final condition precedent.

17
18 **Q. Are the major and routine maintenance, and inventory, costs that you**
19 **describe above reasonable and necessary?**

20 **A.** Yes. The major maintenance costs are based on industry standard, required
21 work that is needed in 2017 and 2018 for the Osprey Plant. Other major
22 maintenance costs are for work and material that are necessary to incorporate the
23 Osprey Plant into the DEF system. The inventory costs are necessary to ensure

Exhibit C

DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
Direct testimony of Jeffrey Swartz	Page 6, all information remaining on line 9, after "completion of the", all information on lines 10 and 11 and all information on line 12 before "consistent" contain confidential information.	<p>§366.093(3)(d), F.S. The document in question contains confidential 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), F.S. The document in question contains confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

Exhibit D

AFFIDAVIT OF JEFFREY SWARTZ

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Duke Energy Florida, LLC Petition for limited proceeding for approval to include in base rates the revenue requirement associated with the acquisition of the Osprey Plant and Phase 2 of the Hines Chiller Uprate Project.

Docket No. 160178-EI

Dated: August 23, 2016

**AFFIDAVIT OF JEFFREY SWARTZ IN SUPPORT OF
DUKE ENERGY FLORIDA'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF FLORIDA

COUNTY OF CITRUS

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

1. My name is Jeffrey Swartz. 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 Confidential Classification (the "Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I am the Vice President of Florida Generation in the Fossil/Hydro Regional Operations Department. This section is responsible for overall leadership and strategic direction of DEF's power generation fleet.

3. As the Vice President of Florida Generation, I am responsible, along with the other members of the section, for strategic and tactical planning to operate and maintain DEF's non-nuclear generation fleet, generation fleet project and additions recommendations, major maintenance programs, outage and project management, and retirement of generation facilities.

4. DEF is seeking confidential classification for portions of my direct testimony, specifically information on page 6, filed on August 2, 2016 in this docket. The confidential information at issue is contained in confidential Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix that is attached to DEF's Request as Exhibit C. DEF is requesting confidential classification of this information because it contains sensitive business information, the disclosure of which would impair the Company's competitive business interests and efforts to contract for goods or services on favorable terms.

5. The confidential information at issue relates to the Asset Purchase Agreement ("APA") for the Osprey Plant. DEF has maintained the confidentiality of the remaining conditions precedent set forth in the APA to the Osprey Plant Acquisition, the disclosure of which could impact DEF's efforts to contract for goods or services on favorable terms. DEF has not publicly disclosed the remaining conditions precedent. Absent such measures, persons or companies who otherwise would contract with DEF might decide not to do so if DEF did not keep sensitive business information confidential. Without DEF's measures to maintain the confidentiality of this sensitive business information, the Company's efforts to obtain competitive contracts could be undermined.

6. Additionally, the disclosure of confidential information of DEF's company operations could adversely impact DEF's competitive business interests. If such information was disclosed, DEF's efforts to obtain competitive contract terms that provide economic value to both DEF and its customers could be compromised.

7. Upon receipt of 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, and restricting the number of and access to the information and contracts. At no time since receiving the information in question has the Company publicly disclosed that information. 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 15 day of August, 2016.

Jeffrey Swartz
(Signature)
Jeffrey Swartz
Vice President Florida Generation
Fossil/Hydro Operations Florida
Duke Energy Florida, LLC
South Region Office
8202 W. Venable Street
Crystal River, FL 34429

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 15 day of August, 2016 by Jeffrey Swartz. He is personally known to me, or has produced his FL driver's license, or his _____ as identification.

Barbara Martinuzzi
(Signature)
Barbara Martinuzzi
(Printed Name)
NOTARY PUBLIC, STATE OF FL
5-10-17
(Commission Expiration Date)
EE 867914
(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

