



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL
Duke Energy Florida, LLC

February 23, 2018

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. 20180009-EI

Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's First Request for Extension of Confidential Classification concerning certain information contained in Florida Public Service Commission Staff-Generated Auditors' Report No. PA-16-01-001 (document no. 03754-16) filed in Docket No. 20160009-EI on June 16, 2016. Also attached is Revised Exhibit D, Affidavits of Christopher M. Fallon and Mark Teague in support of DEF's First Request for Extension of Confidential Classification. The original Request included Exhibits A, B, and C.

There are no changes to the original Request exhibits: Exhibit A consisting of the confidential unredacted documents; Exhibit B containing two (2) redacted copies of the confidential documents; or Exhibit C that contained a justification matrix in support of DEF's original Request. The aforementioned exhibits 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. 20180009-EI
Submitted for Filing: February 23, 2018

**DUKE ENERGY FLORIDA'S FIRST
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 First Request for Extension of Confidential Classification (“Request”) concerning portions of Audit Report No. PA-16-01-001 (the “Audit Report”). The Audit Report regards Florida Public Service Commission Staff (“Staff”) Auditors’ 2016 Review of Duke Energy Florida, LLC’s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects. In support, DEF states as follows:

1. On June 16, 2016, DEF filed its Third Request for Confidential Classification concerning certain information contained in Audit Report No. PA-16-01-001 (document number 03754-2016), which contains sensitive business information as it contains confidential proprietary business information.

2. The Commission granted DEF’s Third Request for Confidential Classification concerning the Audit Report in Order No. PSC-2016-0355-CFO-EI, dated August 26, 2016. The period of confidential treatment granted by that order is due to expire on February 26, 2018.

3. The period of confidential treatment granted by the August 26, 2016 order will expire on February 26, 2018. 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 Second Request for Extension of Confidential Classification.

4. DEF submits that the confidential information contained in confidential Exhibit A to the June 16, 2016 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* Affidavit of Christopher M. Fallon at ¶¶ 3-6, and the affidavit of Mark Teague at ¶¶ 3-6, attached as Revised Appendix “D”. 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* Affidavit of Christopher M. Fallon ¶ 7, and the affidavit of Mark Teague at ¶ 7.

5. Nothing has changed since the issuance of Order No. PSC-2016-0355-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 First Request for Extension of Confidential Classification be granted.

Respectfully submitted this 23rd day of February, 2018.

/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 23rd day of February, 2018.

/s/ Matthew R. Bernier
Attorney

<p>Kyesha Mapp Office of the General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 kmapp@psc.state.fl.us</p> <p>James W. Brew / Laura A. Wynn Stone Law Firm 1025 Thomas Jefferson Street, N.W. Eighth Floor, West Tower Washington, DC 20007 jbrew@smxblaw.com law@smxblaw.com</p> <p>George Cavros 120 E. Oakland Park Blvd., Ste. 105 Fort Lauderdale, FL 33334 george@cavros-law.com</p>	<p>J.R. Kelly / Charles J. Rehwinkel / Patricia Christensen / Erik Sayler Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us christensen.patty@leg.state.fl.us sayler.erik@leg.state.fl.us</p> <p>Jon C. Moyle, Jr. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>
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Exhibit A

“CONFIDENTIAL”

(on file)

Exhibit B
“Redacted”
(on file)

Exhibit C
(Justification matrix)
(on file)

**Updated Exhibit D
Affidavits of
Christopher M. Fallon
and Mark Teague**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No. 20180009-EI

**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT
OF DUKE ENERGY FLORIDA, LLC'S FIRST
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 Renewables and Commercial Portfolio. Until November 2016, I was Duke Energy's Vice President of Nuclear Development, and as such, I was responsible for the Levy Nuclear Power Plant Project ("LNP"). 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 First Request for Extension of Confidential Classification (the "Request") concerning portions of the final audit report of the Florida Public Service Commission Staff ("Staff") Auditors – the Review of Duke Energy Florida, LLC's Project Management Internal Controls for Nuclear Plant Uprate and Construction project Audit Report No. PA-16-01-001 (the "Audit Report"). The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of Nuclear Development, I was 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 confidential classification for certain portions of Audit Report No. PA-16-01-001 filed with DEF’s Third Request for Confidential Classification on June 16, 2016 in Docket No. 20160009-EI. In regards to Levy and the confidential information contained on page 5 of Staff’s Audit Report No. PA-16-01-001, DEF is requesting an extension of confidential classification 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 future negotiations with its vendors.

5. Specifically, the sections of the Audit Report covering the LNP contain confidential contractual data, including original cost amounts under DEF’s Engineering, Procurement, and Construction contract (“EPC Agreement”) with Westinghouse Electric Company and Stone & Webster, Inc. (the “Consortium”), long lead equipment disposition and settlement terms, and other confidential and competitively sensitive contractual information.

6. The Audit Report also contains information which reflects the Company’s internal strategies and decision points for evaluating long lead equipment disposition options. The public

disclosure of such information would impair DEF's competitive business interests, and would further be a violation of the confidentiality provisions in the EPC Agreement.

7. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time has the Company publicly disclosed the information at issue. The Company has treated and continues to treat the information as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

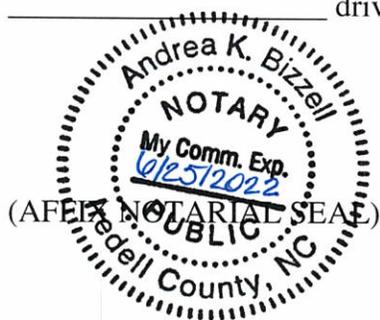
Dated this 20th day of February, 2018.

Christopher M. Fallon

(Signature)

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

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 20th day of February, 2018 by Christopher M. Fallon. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.



Andrea K. Bizzell

(Signature)

Andrea K. Bizzell

(Printed Name)

NOTARY PUBLIC, STATE OF North Carolina

June 25, 2022

(Commission Expiration Date)

(Serial Number, If Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Cost Recovery Clause

Docket No. 20180009-EI

**AFFIDAVIT OF MARK TEAGUE IN SUPPORT OF
DUKE ENERGY FLORIDA'S FIRST
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 Procurement and Buying 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 First Request for Extension of Confidential Classification (the "Request") concerning portions of Audit Report No. PA-16-01-001 (the "Audit Report"). The June 2016 Audit Report regards Florida Public Service Commission Staff ("Staff") Auditors' 2016 Review of Duke Energy Florida, LLC'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 Gas Operations Procurement, Ash Procurement and Generation Procurement.

3. DEF is seeking an extension of confidential classification for certain portions of Audit Report No. PA-16-01-001 filed with DEF’s Third Request for Confidential Classification on June 16, 2016 in Docket No. 20160009-EI. In regards to CR3 and confidential information contained on page 10 of Staff’s Audit Report, DEF is requesting an extension of confidential classification 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 this is 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 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 information 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.

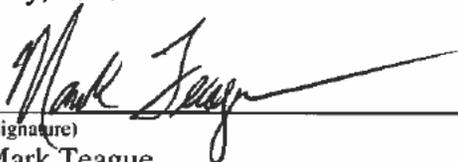
7. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist 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 21st day of February, 2018.



(Signature)
Mark Teague

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 21 day of February, 2018 by Mark Teague. He is personally known to me, or has produced his February driver's license, or his N/A as identification.



(Signature)

Claire Clark

(Printed Name)

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC, STATE OF _____

10.22.2021

(Commission Expiration Date)



20012880168

(Serial Number, If Any)