



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

March 20, 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 Second Request for Extension of Confidential Classification concerning certain information contained in the Florida Public Service Commission Auditors' Report No. PA-11-11-004 (Document No. 03911-2012) filed in Docket No. 20120009-EI on June 15, 2012, and Revised Exhibit D, Affidavits of Mark R. Teague and Christopher M. Fallon in support of DEF's Second Request for Extension of Confidential Classification. The original Request included Exhibits A, B, and C.

There are no changes to the original Request's Exhibit A consisting of the confidential unredacted documents, Exhibit B containing two (2) redacted copies of the confidential document, or Exhibit C containing a justification table 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

Dated: March 20, 2018

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

Duke Energy Florida, LLC (“DEF” or “Company”), pursuant to Section 366.093, Florida Statutes (“F.S.”), and Rule 25-22.006, Florida Administrative Code (“F.A.C.”), submits its Second Request for Extension of Confidential Classification (“Request”) for certain information provided in response to the Florida Public Service Commission Staff’s (“Staff”) auditors for the Review of DEF’s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects Audit Report (the “Audit Report”) No. PA-11-11-004, filed on June 15, 2012 in Docket No. 20120009-EI (document no. 03911-12). In support of the Request, DEF¹ states as follows:

1. On June 15, 2012, DEF filed its Sixth Request for Confidential Classification for certain information and documents provided in response to Staff’s Audit Report No. 11-11-004 (document no. 03911-12).²

2. DEF’s June 15, 2012 Request was granted by Order No. PSC-2014-0629-CFO-EI on October 31, 2014. The period of confidential treatment granted by that order was due to expire on April 30, 2016. To retain confidentiality of this Audit Report, DEF filed its First Request for Extension of Confidential Classification on April 26, 2016. DEF’s April 26, 2016 Request was granted by Order No. PSC-2016-0444-CFO-EI on October 7, 2016.

¹ The confidential information at issues was provided to the Commission by DEF’s predecessor, Progress Energy Florida, Inc. (“PEF”).

² DEF hereby incorporates Exhibits A, B, and C to the June 15, 2012 Request as if fully set forth herein.

3. The period of confidential treatment granted by the October 7, 2016 order will expire on April 8, 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 information contained in portions of the documents and information provided in response to Staff’s Audit Report No. 11-01-004 contained in DEF’s confidential Exhibit A to the June 5, 2012 Request, continue to be “proprietary confidential business information” within the meaning of section 366.093(3), F.S. and continue to require confidential classification. *See* Affidavits of Mark R. Teague and Christopher M. Fallon at ¶¶ 3-6, attached as Revised Exhibit “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* Affidavits of Mark R. Teague and Christopher M. Fallon at ¶ 6.

5. Nothing has changed since the issuance of Order No. PSC-2014-0629-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 Second Request for Extension of Confidential Classification be granted.

Respectfully submitted this 20th day of March, 2018.

s/Matthew R. Bernier

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Attorneys for 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 to the following this 20th day of March, 2018.

s/Matthew R. Bernier
Attorney

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| <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

(On file)

**DUKE ENERGY FLORIDA
Confidentiality Justification Matrix**

(On file)

**Revised Exhibit D
Affidavit of
Mark R. Teague**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 20180009-EI

**AFFIDAVIT OF MARK R. TEAGUE IN SUPPORT
OF DUKE ENERGY FLORIDA'S SECOND 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 R. Teague, who being first duly sworn, on oath deposes and says that:

1. My name is Mark R. Teague. I am employed by Duke Energy Business Services in the capacity of 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 to give this affidavit in the above-styled proceeding on behalf of Duke Energy Florida ("DEF" or the "Company"), and in support of DEF's Second Request for Extension of Confidential Classification (the "Request") regarding certain information contained in the Florida Public Service Commission Staff's ("Staff") Audit Report No. 11-11-004 (the "Audit Report"), filed on June 15, 2012 in Docket No. 20120009-EI (document no. 03912-12). The facts attested to in my affidavit are based upon my personal knowledge.

2. As Managing Director of Major Projects, my role includes 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 a second extension of confidential classification for certain information contained in Staff's Audit Report No. 11-11-004 in Docket No. 20120009-EI. DEF's First Request for Extension of Confidential Classification was filed on April 26, 2016 in Docket 20160009-EI, document number 02474-2016. The Commission granted DEF's first extension request by Order No. PSC-2016-0444-CFO-EI on October 7, 2016. There are no changes to the information contained in DEF's confidential Exhibit A, redacted Exhibit B, and justification matrix, Exhibit C. The referenced Exhibits are on file with the Clerk. DEF is requesting a second extension of confidential classification of this information because it contains internal audit reports and controls and confidential and proprietary contractual information, the disclosure of which would impair the Company's business interests and efforts to contract for goods or services on favorable terms.

4. DEF negotiates with vendors to obtain competitive contracts for the asset disposition of the EPU Project that provide economic value to DEF and its customers. The disclosure of the confidential contractual information and numbers would impair DEF's competitive business interests and violate DEF's confidentiality agreements with third parties and vendors and potential buyers of EPU assets. In order to negotiate and obtain such contracts at competitive prices, however, DEF must be able to assure its vendors that sensitive business information such as capital costs numbers, settlement information, and other financial terms will be kept confidential. The contracts at issue in this Request contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties; DEF has kept confidential and has not publicly disclosed the confidential information pertaining to the asset disposition of the EPU Project. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and vendors, the Company's efforts to obtain competitive terms for the EPU Project would be undermined.

5. Additionally, portions of the Audit Report reflect DEF's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to third parties, DEF's efforts to negotiate and obtain favorable contractual terms that provide economic value to both DEF and its customers may be compromised. The disclosure of confidential information between DEF and its vendors could adversely impact DEF's competitive business interests. 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.

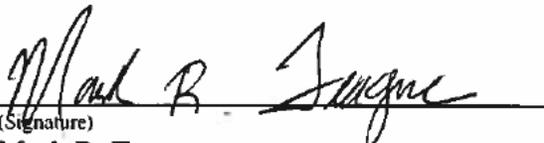
6. Furthermore, portions of the audit report were taken from internal audit reports which are confidential. If the Company were to know that its internal auditing controls and process were subject to public disclosure, it would compromise the level of cooperation needed with auditors to efficiently conduct audits.

7. Upon receipt of 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 since negotiating and receiving the contracts has the Company publicly disclosed the information or the terms of the contracts 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 this 16th day of March, 2018.


(Signature)
Mark R. Teague

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this ___ day of March, 2018 by Mark R. Teague. He is personally known to me, or has produced his

N/A driver's license, or his N/A as identification.



(AFFIX NOTARIAL SEAL)

Claire Clark
(Signature)

Claire Clark
(Printed Name)

NOTARY PUBLIC, STATE OF NC

10.22.2021
(Commission Expiration Date)

20012880168
(Serial Number, If Any)

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

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'S SECOND 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 Second Request for Extension of Confidential Classification (the "Request") regarding certain information contained in the Florida Public Service Commission Staff's ("Staff") Project Management Internal Controls for Nuclear Plant Uprate and Construction Project Audit Report No. PA-11-11-004 (the "Audit Report"), originally filed on June 15, 2012 in Docket No. 20120009-EI (document number 03912-2012). The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of Nuclear Development, I was responsible for the 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, LLC ("WEC") and Stone & Webster, Inc. ("S&W") (collectively, the "Consortium").

3. DEF is seeking a second extension of confidential classification for certain information contained in Staff's Audit Report No. 11-11-004 filed in Docket No. 20120009-EI. DEF's First Request for Extension of Confidential Classification was filed on April 26, 2016 in Docket 20160009-EI, document number 02474-2016. The Commission granted DEF's Request in Order No. PSC-2016-0444-CFO-EI in October 7, 2016. There are no changes to the information contained in DEF's confidential Exhibit A, redacted Exhibit B, and justification matrix, Exhibit C. The referenced Exhibits remain on file with the Clerk. DEF is requesting a second extension of confidential classification of this information because it includes internal audit reports and controls, confidential and proprietary contractual information, the disclosure of which would impair the Company's business interests and efforts to contract for goods or services on favorable terms.

4. DEF negotiates with vendors to obtain competitive contracts for the disposition of long lead time equipment ("LLE") for the Levy Nuclear Project ("LNP") that provide economic value to DEF and its customers. In order to negotiate and obtain such contracts at competitive prices, however, DEF must be able to assure its vendors that sensitive business information such as capital costs numbers, settlement information, and other financial terms will be kept confidential. The contracts at issue in this Request contain confidentiality provisions that prohibit the disclosure of the terms of the contract to third parties; DEF has kept confidential and has not publicly disclosed the confidential information pertaining to the disposition of the LLE for the LNP. Without DEF's measures to maintain the confidentiality of sensitive terms in

contracts between DEF and vendors, the Company's efforts to obtain competitive terms for the LNP would be undermined.

5. Additionally, portions of the Audit Report reflect DEF's internal strategies for evaluating projects and meeting deadlines. If such information was disclosed to third parties, DEF's efforts to negotiate and obtain favorable contractual terms that provide economic value to both DEF and its customers may be compromised. The disclosure of confidential information between DEF and its vendors could adversely impact DEF's competitive business interests. 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.

6. The Audit Report 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 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 since negotiating and receiving the contracts has the Company publicly disclosed the information or the terms of the contracts 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 this 13th day of March, 2018.

Christopher M. Fallon

(Signature)

Christopher M. Fallon

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 13th day of March, 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 NC

June 25, 2022

(Commission Expiration Date)

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)

