

Matthew R. Bernier Associate General Counsel Duke Energy Florida, LLC.

December 17, 2019

#### VIA ELECTRONIC FILING

Adam Teitzman, Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Fuel and purchased power cost recovery clause with generating performance incentive factor; Docket No. 20190001-EI

Dear Mr. Teitzman:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Request for Confidential Classification filed for certain information provided in the Late Filed Exhibit documents provided to Commission Staff regarding the Depositions held on August 29 and 30, 2019 and the contract for the steam turbine located at DEF's Bartow Plant ("contract") provided in response to OPC's Fifth Request for Production of Documents (Nos. 40-46), specifically question 41. The filing includes the following:

- DEF's Request for Confidential Classification
- Slip-sheet 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. Please return confidential documents (document number 11143-2019) provided on November 26, 2019.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

s/Matthew R. Bernier

Matthew R. Bernier

MRB/mw Enclosures

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

Docket No. 20190001-EI

Dated: December 17, 2019

#### DUKE ENERGY FLORIDA LLC'S REQUEST FOR 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 this Request for Confidential Classification for certain information provided in Late Filed Exhibit documents provided to Commission Staff regarding the Depositions held on August 29 and 30, 2019 and the contract for the steam turbine located at DEF's Bartow Plant ("contract") provided in response to OPC's Fifth Request for Production of Documents (Nos. 40-46), specifically question 41, served on November 26, 2019 with DEF's Notice of Intent to Request Confidential Classification. This Request is timely. *See* Rule 25-22.006(3)(a)1, F.A.C. In support of this Request, DEF states:

1. The Late Filed Exhibit documents provided to Commission Staff regarding the Depositions held on August 29 and 30, 2019, Specifically, late filed exhibits 2, 4, 5, and 6, to the deposition of Messrs. Swartz, Toms and Salvarezza, and the contract produced in response to OPC's Fifth Request for Production of Documents, number 41, contain "proprietary confidential business information" under § 366.093(3), Florida Statutes.

- 2. The following exhibits are included with this request:
  - (a) Sealed Composite Exhibit A is a package containing unredacted copies 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 versions, the information asserted to be confidential is highlighted in yellow.

(b) Composite Exhibit B is a package containing 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.

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 includes proprietary and confidential third-party owned information, the disclosure of which would impair the third-party's competitive business interests, and if disclosed, the Company's competitive business interests and efforts to contract for goods and services on favorable terms. *See* § 366.093(3)(d) & (e), F.S.; Affidavit of Jeffrey Swartz at ¶¶ 4, 5 and 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 at issue relates to DEF's Root Cause Analysis Report for the Bartow Steam Turbine Event (which has previously been found to contain confidential information by this Commission – the previous claim of confidentiality has been revised) as well as proprietary and confidential third-party owned information, Contracts, and technical information regarding the thirdparty's proprietary component design and operation parameters. If DEF cannot demonstrate to its third-party OEM, and others that may enter contracts with DEF in the future, that DEF has the ability to protect those third-parties' confidential and proprietary business information, third-parties will be less likely to provide that information to DEF – harming DEF's ability to prudently operate its business. *See* § 366.093(3)(d) & (e), F.S.; Affidavit of Jeffrey Swartz at ¶¶ 4, 5 and 6. Furthermore, disclosure of the information could detrimentally impact DEF's ability to negotiate favorable contracts as third-parties may begin to demand a "premium" to do business with DEF to account for the risk that its proprietary information will become a matter of public record, thereby harming DEF's competitive interests and ultimately its customers' financial interests. *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.

5. The information identified as Exhibit "A" is intended to be and is treated as confidential by the Company. See Affidavit of Jeffrey Swartz at  $\P$  7. The information has not been disclosed to the public, and the Company has treated and continues to treat the information and contracts at issue as confidential. See Affidavit of Jeffrey Swartz at  $\P$  7.

6. 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 17th day of December, 2019.

s/Matthew R. Bernier\_\_

#### **DIANNE M. TRIPLETT**

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Attorneys for Duke Energy Florida, LLC

#### CERTIFICATE OF SERVICE

Docket No. 20190001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 17<sup>th</sup> day of December, 2019, to all parties of record as indicated below.

	<u>s/Matthew R. Bernier</u>
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	J.R. Kelly / P. Christensen / T. David / S. Morse
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## **Exhibit** A

## **"CONFIDENTIAL"** (filed under separate cover)

## **Exhibit B**

# **REDACTED** (two copies)

Docket No. 20190001 Late Filed Exhibits 2, 4. 5, and 6 August 29 and August 30, 2019

All documents bearing bates numbers DEF-19FL-FUEL-12971 through DEF-19FL-FUEL-13795 are confidential in their entirety. Docket No. 20190001 DEF's Supplemental Response to OPC's 5<sup>th</sup> Request to Produce Documents (40-46) Q41

#### All documents bearing bates numbers DEF-19FL-FUEL-12419 through DEF-19FL-FUEL-12970 are confidential in their entirety.

Docket No. 20190001 Late Filed Exhibits 2, 4. 5, and 6 August 29 and August 30, 2019

All documents bearing bates numbers DEF-19FL-FUEL-12971 through DEF-19FL-FUEL-13795 are confidential in their entirety. Docket No. 20190001 DEF's Supplemental Response to OPC's 5<sup>th</sup> Request to Produce Documents (40-46) Q41

#### All documents bearing bates numbers DEF-19FL-FUEL-12419 through DEF-19FL-FUEL-12970 are confidential in their entirety.

### Exhibit C

#### DUKE ENERGY FLORIDA Confidentiality Justification Matrix

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
Late filed Exhibits to the	LFE 2: All information on	§366.093(3)(d), F.S.
depositions held August 29-	documents bearing bates	The document in question
August 30, 2019; specifically	numbers DEF-19FL-FUEL-	contains confidential
pages 2, 4, 5, and 6	012971 through DEF-19FL-	information, the disclosure of
	FUEL- 012975 is	which would impair DEF's
	confidential in their entirety.	efforts to contract for goods or services on favorable terms.
	LFE 4: All information on	
	documents bearing bates	§366.093(3)(e), F.S.
	numbers DEF-19FL-FUEL-	The document in question
	012976 through DEF-19FL-	contains confidential
	FUEL- 013125 is	information relating to
	confidential in their entirety.	competitive business interests, the disclosure of which would
	LFE 5: All information on	impair the competitive
	documents bearing bates	business of the provider/owner
	numbers DEF-19FL-FUEL-	of the information.
	013125 through DEF-19FL-	
	FUEL- 013741 is	
	confidential in their entirety.	
	LFE 6: All information on	
	documents bearing bates	
	numbers DEF-19FL-FUEL-	
	013742 through DEF-19FL-	
	FUEL- 013795 is	
	confidential in their entirety.	
<b>DOCUMENT/RESPONSES</b>	PAGE/LINE	JUSTIFICATION
DEF's Response to OPC's	All information on	§366.093(3)(d), F.S.
Fifth Request to Produce to	documents bearing bates	The document in question
the rebuttal testimony of	numbers DEF-19FL-FUEL-	contains confidential
Jeffrey Swartz	012419 through DEF-19FL-	information, the disclosure of
	FUEL- 012970 is	which would impair DEF's
	confidential in their entirety.	efforts to contract for goods or
		services on favorable terms.
		§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.

## **Exhibit D**

## AFFIDAVIT OF JEFFREY SWARTZ

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

Docket No. 20190001-EI

Dated: December 17, 2019

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

STATE OF FLORIDA

#### COUNTY OF PINELLAS

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 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 certain information provided regarding the Late File Exhibits of the Depositions held on August 29 and August 30, 2019, respectively, specifically Late Filed Exhibits 2, 4, 5, and 6 and DEF's Supplemental Response to OPC's 5<sup>th</sup> Request to Produce (Nos. 40-46), specifically question 41. 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 ability to contract for goods and services on favorable terms.

5. The confidential information at issue relates to DEF's Root Cause Analysis Report for the Bartow Steam Turbine Event (which has previously been found to contain confidential information by this Commission – the previous claim of confidentiality has been revised) as well as proprietary and confidential third-party owned information, the disclosure of which would impair third-party's competitive business interests, and if disclosed, the Company's competitive business interests and efforts to contact for goods or services on favorable terms. DEF has not publicly disclosed the detailed findings contained in the Root Cause Analysis report.

6. Further, the information contains proprietary third-party diagrams, evaluations and technical information regarding the third-party's proprietary component design and operation parameters. If DEF cannot demonstrate to its third-party OEM, and

others that may enter contracts with DEF in the future, that DEF has the ability to protect those third-parties' confidential and proprietary business information, third-parties will be less likely to provide that information to DEF – harming DEF's ability to prudently operate its business. DEF has not publicly disclosed the information. Without DEF's measures to maintain the confidentiality of this sensitive business information, DEF's ability to negotiate favorable contracts, as third-parties may begin to demand a "premium" to do business with DEF to account for the risk that its proprietary information will become a matter of public record, thereby harming DEF's competitive interests and ultimately its customers' financial interests.

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.

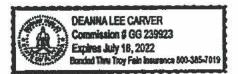
Further affiant sayeth not.

Dated the 16th day of Decamere, 2019.

(Signature)

Jeffrey Swartz Vice President Florida Generation Duke Energy Florida, LLC Florida Regional Headquarters St. Petersburg, FL

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this day of <u>Definence</u>, 2019 by Jeffrey Swartz. He is personally known to me or has produced his \_\_\_\_\_\_ driver's license, or his \_\_\_\_\_\_ as identification.



(AFFIX NOTARIAL SEAL)

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