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December 20, 2019

VIA ELECTRONIC FILING

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

In re: Petition by Duke Energy Florida, LLC to Approve Transaction with Accelerated Decommissioning Partners, LLC for Accelerated Decommissioning Services at the CR3 Facility, etc. (the "Petition"); Docket No. 20190140-EI

Dear Mr. Teitzman:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's *Amended* Second Request for Confidential Classification filed in connection with the information contained within its production of documents responsive to request numbers 8, 11, 12, and 13 of the Staff's Second Request for Production of Documents (Nos. 8-14). This filing includes the following:

- DEF's Amended Second Request for Confidential Classification;
- Slipsheet for confidential Amended Exhibit A;
- Redacted Amended Composite Exhibit B (two copies);
- Amended Exhibit C (justification matrix); and
- Amended Exhibit D (Affidavit of Terry Hobbs).

DEF's confidential Amended 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 (813) 227-8114 should you have any questions concerning this filing.

Respectfully,

Shutts & Bowen LLP

Daniel Hernandez

Enclosures (as noted)

TPADOCs 22879824 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC to Approve Transaction with Accelerated Decommissioning Partners, LLC for Accelerated Decommissioning Services at the CR3 Facility, Transfer of Title to Spent Fuel, and Assumption of Operations of the CR3 Facility Pursuant to the NRC License, and Request for Waiver From Future Application of Rule 25-6.04365, F.A.C. for Nuclear Decommissioning Study

DOCKET NO.: 20190140-EI

Submitted for Filing: December 20, 2019

DUKE ENERGY FLORIDA, LLC'S AMENDED SECOND 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 *Amended* Second Request for Confidential Classification (the “Request”) for certain information contained within the set of documents previously produced by DEF on October 16, 2019, in response to request numbers 8, 11, 12, and 13 of the Staff’s Second Request for Production of Documents (Nos. 8-14) served on September 16, 2019. In support of this Request, DEF states:

1. Portions of the information contained within the set of documents previously produced by DEF on October 16, 2019, in response to request numbers 8, 11, 12, and 13 of the Staff’s Second Request for Production of Documents (Nos. 8-14) are “confidential proprietary business information” under Section 366.093(3), Florida Statutes.

2. The following exhibits are included with this Request:

(a) Sealed Amended **Exhibit A** is a package containing an unredacted copy of the *amended* portions of the document production for which DEF seeks confidential treatment. Amended **Exhibit A** is being submitted separately in a sealed envelope labeled

“CONFIDENTIAL.” In the unredacted copy, the information asserted to be confidential is highlighted in yellow.

(b) **Composite Amended Exhibit B** is two copies of the redacted version of the *amended* portions of the document production 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) **Amended Exhibit C** is a table, which identifies by the page and specific section of the document production, the information for which DEF seeks confidential classification and the specific statutory bases for seeking confidential treatment.

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

3. As indicated in **Amended 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 included in the document production relates to commercially sensitive confidential information concerning bids and contractual obligations under a contract between DEF, ADP CR3, LLC and ADP SF1, LLC for decommissioning activities related to the accelerated decommissioning of the DEF Crystal River Unit 3 Nuclear Plant (the “CR3 Facility”), the disclosure of which would not only impair the Company’s competitive business advantages but would also violate contractual requirements to maintain the confidentiality of such information under the subject contract. Therefore, the confidential information at issue qualifies for confidential classification. *See* §§ 366.093(3)(d) and (e), F.S.; Affidavit of Terry Hobbs at ¶ 5. DEF must maintain the confidentiality of information concerning bids because the disclosure of such information would impair the

systematic and objective nature of DEF's vendor selection process, which would ultimately impair DEF's efforts to enter into contracts on favorable terms. *See* § 366.093(3)(d), F.S.; Affidavit of Terry Hobbs at ¶ 6. Further, if DEF cannot assure contracting parties that it can maintain the confidentiality of information concerning contractual terms, those parties and other similarly situated parties may forego entering contracts with DEF, which would also impair the ability of the Company to negotiate contracts on favorable terms. *See id.* 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 Amended **Exhibit A** is intended to be and is treated as confidential by the Company. *See* Affidavit of Terry Hobbs at ¶¶ 7 and 8. The information has not been disclosed to the public, and the Company has treated and continues to treat the information at issue in this Request as confidential. *Id.*

5. DEF requests that the information identified in Amended **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 eighteen (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 Second Request for Confidential Classification be granted.

DATED this 20th day of December, 2019.

Respectfully submitted,



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Florida Bar No. 176834

NICOLE ZAWORSKA

Florida Bar No. 1003564

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Tallahassee, Florida 32301

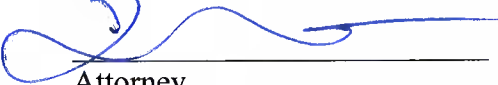
T: 850-521-1428

F: 727-820-5519

Email: Matthew.Bernier@duke-energy.com

Duke Energy Florida, LLC
Docket No.: 20190140-EI
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 20th day of December, 2019, to all parties of record as indicated below.



Attorney

<p>Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us</p>	<p>J. R. Kelly / Charles J. Rehwinkel 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</p>
<p>Jon C. Moyle, Jr. Karen A. Putnal Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>	

Amended Exhibit A

“CONFIDENTIAL”

(submitted under separate cover)

Amended Exhibit B

REDACTED

(two copies)



Crystal River Accelerated Decommissioning

Ron Reising
Senior Vice President
Operations Support

Terry Hobbs
GM Decommissioning
SAFSTOR

REDACTED

Two bidders were selected for due diligence and further negotiations

Vendor / Model	Technical	Total Cost	Risk Transfer	Spent Fuel Management	NDT Impacts	SPE Financial Assurance	NRC Approval	FPSC Approval
[REDACTED]								

Evaluation Score GOOD MEDIUM WEAK

COST (in 000's)	[REDACTED]
Total Cost of Ownership	[REDACTED]
Total Funding Sources	[REDACTED]
2018 Management Reserve	[REDACTED]
Future NDT Earnings Net of Cost Escalation	[REDACTED]
2038 Management Reserve	[REDACTED]

- Initial bids support cost feasibility
- Information subject to change after further due diligence and negotiation
- There are concerns about FPSC approval of AA model



Review and recommendation for Duke Energy Florida to enter into agreements to facilitate the accelerated decommissioning and dismantlement process for Crystal River 3

Dhiala Jamil

Executive Vice President and Chief Operating Officer

Ron Reising

Senior Vice President, Operations Support

Catherine Stempien

State President - Florida

Confidential

DEF RESP STAFF 2ND POD - 000246

Financial and Contractual Protections

Financial Protections

- ADP commits to fixed-price contract
 - \$540 million subject to final negotiations
 - DE Florida requesting approval for up to [REDACTED] in funding authorization
 - Disbursements for each scope of work limited to the amount defined in the contract
- Financial assurance
 - Parent company guarantees from NorthStar and Orano
 - \$50 million credit support
 - \$20 million initial cash deposit in new trust (NDT is beneficiary)
 - Retain 6% from milestone payments until reach \$50 million total
- Reserve funds in NDT can only be used at DE Florida's direction

Contractual protections

- Duke Energy will appoint a director to serve on the ADP board
- Returning plant to SAFSTOR is an option subject to Duke approval
- DE Florida has "Step in" rights if ADP defaults

REDACTED

Financial Summary

(As of March 26, 2019)

	<i>\$ millions</i>
NDT Value	\$654
Estimated NDT Earnings up to closing	\$31
Duke Operating Costs up to closing	<u>(\$44)</u>
Unallocated NDT Funds at Closing	\$91
Pending Potential DOE Recovery realized in 2022	\$90
Estimated NDT Earnings through 2022	\$9
Duke Operating Costs through 2022	<u>(\$4)</u>
2022 NDT Balance	\$186
Estimated NDT Earnings 2023-2038	\$120
Duke Operating Costs 2023-2038	<u>(\$29)</u>
2038 NDT Balance (Project Complete)	\$277

Note: Fund balances & earnings are net of taxes

- Treasury is pursuing a “zero cost collar” hedge to preserve funds needed to close



REDACTED

Recommendation

Summary

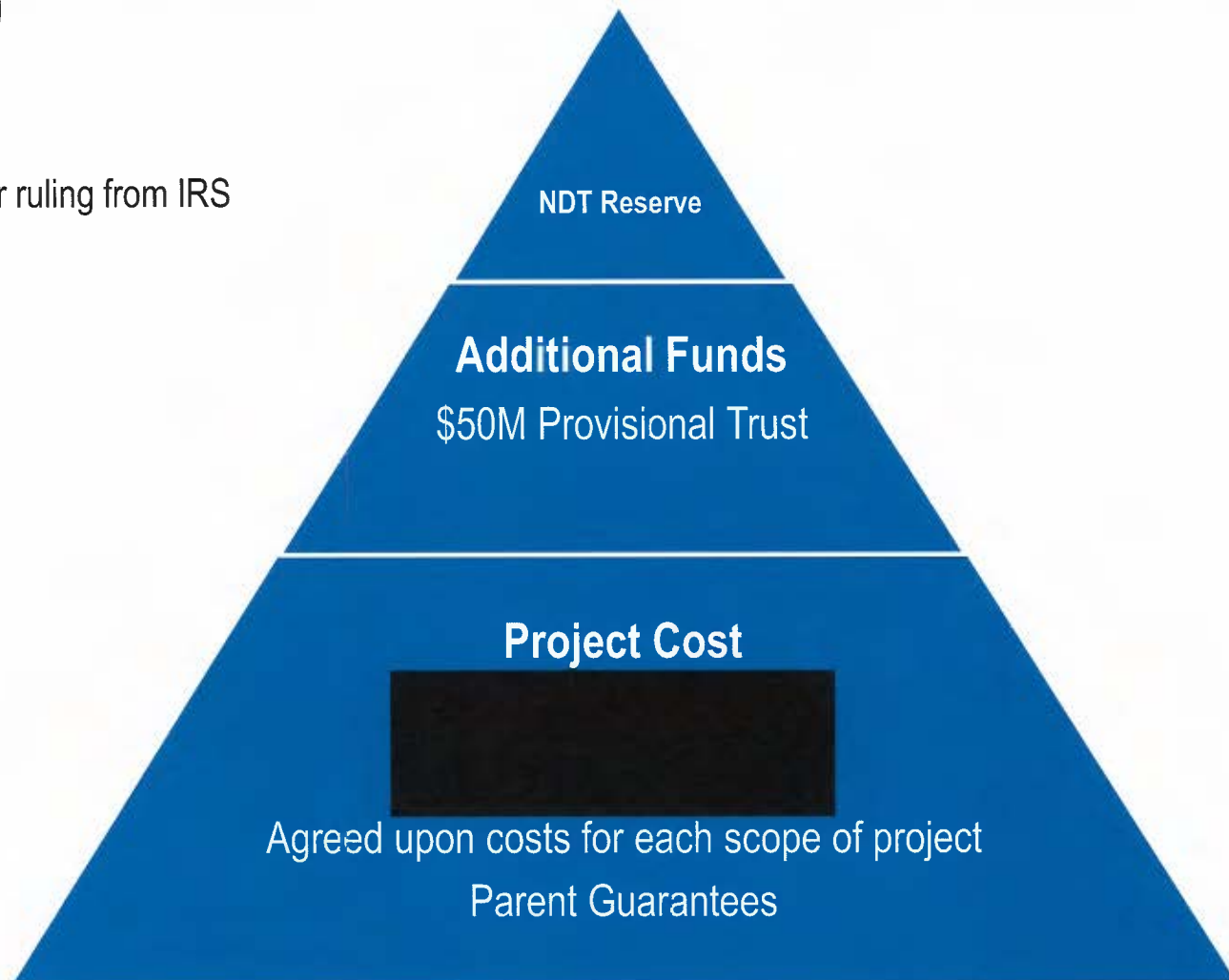
- Change from a SAFSTOR to a DECON decommissioning strategy for the DE Florida Crystal River 3 plant subject to meeting the conditions of closing including:
 - Approval by the NRC
 - Approval by the Florida Public Service Commission
 - Favorable Private Letter Ruling from the IRS
- Execute proposed transaction with ADP with authorized funding not to exceed [REDACTED]

Duke Energy Florida requests that the FRMC approve and recommend for approval to the Board to:

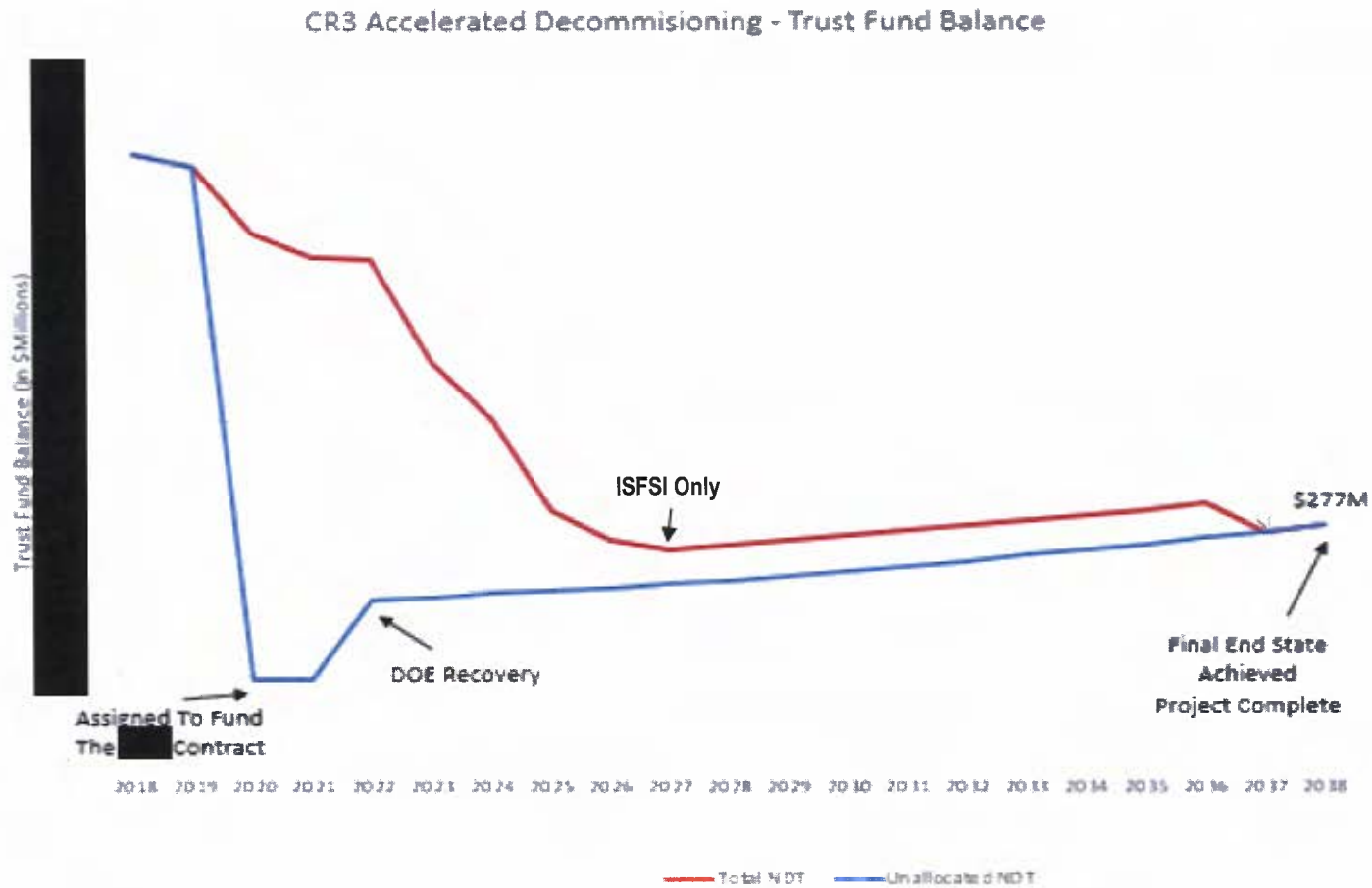
- Enter into a decommissioning services agreement and certain ancillary documents (collectively, the “Decommissioning Services Agreement”)
- Delegate authority to the President and Chief Executive Officer to approve the final terms and conditions, materially consistent with the terms presented herein

Financial Assurance

- Conditions of closing
 - NRC approval
 - FPSC approval
 - Favorable private letter ruling from IRS



Trust Fund Balance



REDACTED

Bidder Proposal Overall Feasibility Evaluation Summary

Revision 4, Dated

9/18/2018

DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

EVALUATION	Weight	[REDACTED]											
		Eval Score	Weighted Score	Comments	Eval Score	Weighted Score	Comments	Eval Score	Weighted Score	Comments	Eval Score	Weighted Score	Comments
TECHNICAL	20%												
TERMS	10%												
TOTAL COST OF OWNERSHIP	70%												
TOTAL EVALUATION RESULTS	100%												

QUALITATIVE ASSESSMENT (UNMONITIZED RISKS / OPPORTUNITIES)	<ul style="list-style-type: none"> - Maximum Risk Transfer - Viable Decommissioning Cost Estimate 	<ul style="list-style-type: none"> - Duke Retains Decommissioning Trust Fund - Viable Decommissioning Cost Estimate - Spent Fuel Management Risk remains with Duke 	<ul style="list-style-type: none"> - Does Not Pass Technical & Terms Minimum Gate Criteria and did not provide firm offer (Budgetary Estimate Only) - Does Not Pass Minimum Gate Criteria For All 3 Evaluations
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RECOMMENDATION	Proceed with [REDACTED] for on-site presentation.
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Notes:
 LS1 Model = LaCrosse
 LS2 Model = Zion

REDACTED

Bidder Proposal Technical Feasibility Evaluation Summary
 Revision 4, Dated
 9/18/2018

DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

Criteria Items	TECHNICAL EVALUATION MATRIX	Weight		
A	TECHNICAL APPROACH	15%		
B	PROGRAMS: Capabilities; Existing/New Program; Approach to Establishing	15%		
C	D&D EXPERIENCE	20%		
D	REGULATORY MANAGEMENT EXPERIENCE	20%		
E	RADIOLOGICAL / HEALTH PHYSICS / WASTE HANDLING PROGRAMS & EXPERIENCE	20%		
F	SAFETY PERFORMANCE: INDUSTRIAL, ENVIRONMENTAL	5%		
G	SCHEDULE	5%		
	TOTAL MATRIX EVALUATION RESULTS	100%		

	Meet minimum evaluation gate criteria score of 60		✓	✓	⊘	⊘
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Notes:
 LS1 Model = LaCrosse
 LS2 Model = Zion

REDACTED

Bidder Proposal Terms Feasibility Evaluation Summary
Revision 4, Dated
9/18/2018

DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

Criteria	TERMS MATRIX											Comments
Items		Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score		
A	TERMS											
A1	Adherence to the Commercial Terms - Acceptance Level of Duke Energy Terms - Proposed Trust Fund Drawdown Terms / Investment Strategy - Proposal meets commercial minimums and has acceptable financial risk level - Financial Credit / Stability											
A2	Corporate Responsibility - Local Companies - Business Diverse Contractor Utilization - Sustainability											
	TERMS SUBTOTAL											

	Meet minimum evaluation gate criteria score of 60		✓	✓	⊘	⊘	
--	--	--	---	---	---	---	--

Ratings Scale
 5 = Excellent (A)
 4 = Very Good (B)
 3 = Good/Nominal (C, default rating)
 2 = Fair (D)
 1 = Poor (E)
 0 = Unacceptable (F, this rating disqualifies the vendor and should only be applied for Critical requirements)

NOTES:
Ratings and Scores - Enter a rating for each criteria list item, the score will automatically be calculated. [Score = Rating/5 x Weight].
 Maximum possible Total Score = 100.
 LS1 Model = LaCrosse
 LS2 Model = Zion

REDACTED

Bidder Proposal Cost of Ownership Feasibility Evaluation Summary

Revision 4, Dated

9/18/2018

DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

COST OF OWNERSHIP (in 000's)	
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Total Cost of Ownership - Feasibility Analysis
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Bidder Offer	
Owner Cost / Adjustments	
Total Cost of Ownership	
Nuclear Decommissioning Trust Fund	
Nuclear Decommissioning Trust Fund Beginning Balance (Net Taxes)	
Current DOE Claim 80% (Jan-14 thru Feb-18)	
Future DUKE DOE Claims - Spent Fuel Management - 90%	
Adjusted Nuclear Decommissioning Trust Fund Balance	
Feasibility based on Adjusted NDTF Balance (See Calc Above)	

Nuclear Decommissioning Trust Fund Activity - BIDDER
--

Beginning Trust Fund Balance to BIDDER	
Net NDTF Earnings (Based on 2.5% Return thru 2038)	
Decommissioning Cost Estimate (Escalated + Adjustments)	
DOE Recovery to BIDDER - Spent Fuel Management	
Trust Fund Remaining Balance to BIDDER Post D&D	

Nuclear Decommissioning Trust Fund Activity - DUKE ENERGY

Beginning Trust Fund Balance Remaining With DUKE	
Current DOE Claim 80% (Jan-14 thru Feb-18)	
Net NDTF Earnings (Based on 2.5% Return thru 2038)	
Bidder Decommissioning Cost Estimate (Escalated + Adjustments)	
Owner Cost (Escalated + Adjustments)	
DOE Recovery to DUKE - Spent Fuel Management	
Trust Fund Remaining Balance to DUKE Post D&D	

Ratings Calculation

Variance to Largest Remaining Balance to DUKE				
% of decrease from Largest Remaining Balance to DUKE				
Cost of Ownership Evaluation Score	Weight	90%		
RFP Compliance Score		10%		
Total Weighted Evaluation Score		100%		

Notes:
 1 - [REDACTED]
 2 - [REDACTED]

Ratings Calculation

Largest Remaining NDTF Balance to Duke Post D&D is given an evaluation score of 100.
 Scores for remaining bids are reduced from 100 based on percentage of decrease in Remaining NDTF Balance to Duke increase when compared to largest balance.

LS1 Model = LaCrosse
 LS2 Model = Zion

REDACTED

Bidder Proposal Technical Evaluation Matrix Revision 0, Dated 06/11/2018

CR3 ACCELERATED DECOMMISSIONING PROJECT											
(DGC; LS1; LS2; AA; Other)											
Instructions: Enter Rating in the white cells for each Criteria Item and each Bidder. Scores will be calculated automatically. See Rating scale and Notes below.											
TECHNICAL EVALUATION MATRIX											
	Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Comments	
TECHNICAL APPROACH											
	15%										
Proposed approach and schedule to conduct D&D Due Diligence	2%										
Reactor Vessel and Internals Segmentation and Storage of HLW	2%										
Removal and Disposal of Large Components	2%										
ISFSI Operations	2%										
Site and Nuclear Security	2%										
Removal of All Sub-Surface Structures, Systems and Components (SSC)	2%										
License Transfer and License Termination	2%										
Site Restoration	1%										
TECHNICAL APPROACH SUBTOTAL										15%	CALCULATED SUBTOTAL
PROGRAMS: Capabilities; Existing/New Program; Approach to Establishing											
	15%										
Emergency Preparedness	1.0%										
Engineering	1.0%										
Chemistry	1.0%										
Fire Protection	1.0%										
Nuclear Oversight / Nuclear Safety Culture / Corrective Actions / Quality Program	2.0%										
Operations / Maintenance / Work Control	2.0%										
Security / Nuclear Security	3.0%										
Site License and Nuclear Regulatory Affairs	3.0%										
Site Support Services / Utilities Management / Training	1.0%										
PROGRAMS SUBTOTAL										15.0%	CALCULATED SUBTOTAL
D&D EXPERIENCE											
	20%										
The prime contractor has commercial nuclear decommissioning project management experience.	5%										
The prime and subcontractors have experience in performing D&D activities.	5%										
The prime and subcontractors have experience in license termination/release for unrestricted use activities.	5%										
The prime and subcontractors have experience in performing site restoration activities.	5%										
D&D EXPERIENCE SUBTOTAL										20%	CALCULATED SUBTOTAL
REGULATORY MANAGEMENT EXPERIENCE											
	20%										
The contractor has commercial nuclear decommissioning licensing experience.	5%										
The contractor commits to stakeholder engagement to ensure regulatory approvals and community engagement.	5%										
The contractor has state regulatory management experience.	5%										
The contractor has environmental management experience.	5%										
REGULATORY MANAGEMENT EXPERIENCE SUBTOTAL										20%	CALCULATED SUBTOTAL

REDACTED

Bidder Proposal Technical Evaluation Matrix Revision 0, Dated 06/11/2018

TECHNICAL EVALUATION MATRIX										
	Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Comments
RADIOLOGICAL / HEALTH PHYSICS / WASTE HANDLING PROGRAMS & EXPERIENCE 20%										
Radiological Protection Program	4%									
Technical Approach to Waste Packaging, Staging, Transportation and Disposal	4%									
Technical Approach to Water Processing	4%									
The prime and subcontractors have experience in the management and shipping of hazardous and radioactive waste.	4%									
Part 37 Security Plan	4%									
RADIOLOGICAL PROGRAMS SUBTOTAL										CALCULATED SUBTOTAL
SAFETY PERFORMANCE: INDUSTRIAL, ENVIRONMENTAL 5%										
The contractor has an acceptable EHS management system and performance history.	1%									
The contractor has an acceptable safety program and performance history.	1%									
The contractor has a acceptable environmental program and performance history.	1%									
The contractor's and subcontractors safety record is acceptable in accordance with Duke-Energy policy. (Green, Yellow, Red)	1%									
The contractor has an effective Human performance observation program.	1%									
SAFETY PERFORMANCE SUBTOTAL										CALCULATED SUBTOTAL
SCHEDULE 5%										
The contractor proposes a project schedule and has identified appropriate milestones that are reasonable and achievable with respect to meeting specification requirements. (Shortest reasonable duration)	1%									
The contractor commits/guarantees to adhere to the schedule estimate.	1%									
The contractor has demonstrated through past projects their competence in schedule estimates and schedule management.	1%									
The contractor schedule does not unnecessarily extend dates which in turn would incur additional costs for Duke Oversight.	1%									
The contractor schedule does not front-end-load simpler tasks but addresses complex tasks first, and implements site restoration after license termination.	1%									
SCHEDULE SUBTOTAL										CALCULATED SUBTOTAL
TOTAL MATRIX EVALUATION RESULTS										TOTAL
100%										

Date _____

Ratings Scale
 5 = Excellent (A)
 4 = Very Good (B)
 3 = Good/Nominal (C, default rating)
 2 = Fair (D)
 1 = Poor (E)
 0 = Unacceptable (F, this rating disqualifies the vendor and should only be applied for Critical requirements)

Projects -
 Engineering -
 Security -
 Licensing -
 Safety -
 Operations -
 RP/Environment -

NOTES:

Criteria List Items and Weights - Prior to performing bidder equipment evaluations, criteria items and weights should be modified by the Technical Team as appropriate for the specific scope being evaluated. Ensure that the Total Matrix Evaluation Results Weight column total = 100%. [Unprotect this worksheet as needed for editing.]

Ratings and Scores - Enter a rating for each criteria list item, the score will automatically be calculated. [Score = Rating/5 x Weight].
 Maximum possible Total Score = 100%.

A1 Critical Items - Items in the Duke Specification or Statement of Work that are determined to be "Critical" non-negotiable requirements which may not be omitted or modified. Failure of a bidder to meet all A1 Critical spec requirements results in a "0" Unsatisfactory rating (bidder disqualified).

A2 Non-Critical Items - Items in the Duke Specification or Statement of Work that are determined to be desired but "negotiable" (may be modified or deleted by revising Duke Specification or Statement of Work).

Additional contractor Safety Program evaluations will be performed in the Commercial review process.



Report to the Transaction & Risk Committee

Crystal River Unit 3 (CR3) Decontamination & Decommissioning

1 – Executive Summary

CR3 has been pursuing a path to place the plant into long term dormancy or SAFSTOR. This model allows 60 years to complete the Decontamination and Dismantlement (D&D) process or until 2073. At the time this strategy was selected, the estimated cost to complete the immediate decommissioning process was greater than the projected funds in the Nuclear Decommissioning Trust (NDT). The CR3 team has made significant progress towards the conditions required to place the unit in SAFSTOR including the movement of all fuel into an Independent Spent Fuel Storage Installation (ISFSI). We are on track to complete the remaining requirements for SAFSTOR by August 2019.

In parallel, a team conducted a process to determine the feasibility of moving to an accelerated D&D model. After extensive due diligence and negotiations, the team determined that a transaction could be structured to make an accelerated D&D model a viable option and selected Accelerated Decommissioning Partners, LLC (ADP) for final contract negotiations. ADP is a consortium of NorthStar Group Services and Orano USA (formerly part of Areva).

ADP will receive a fixed amount of \$540 million to complete all decommissioning activity including the dismantlement of the existing plant structures, the disposal offsite of any wastes and the restoration of the land to allow it to be repurposed. This will be structured as a lease of the retired generation and ISFSI facilities to ADP with Duke Energy Florida (DEF) retaining ownership of the land and property. ADP would acquire direct ownership of the spent fuel and dry shielded canisters. ADP will be the licensed owner and operator, effectively transferring risk of performance to them.

ADP will have all responsibilities for project execution with the exception of a change in end state requirements as set by the State of Florida. This includes responsibility for unknown site conditions risks. However, if the cost of addressing an emergent issue results in insufficient funding in the allocated portion of the NDT to complete the decommissioning process, DEF would retain the option to return the site to a SAFSTOR plan.

DEF will retain title to the CR3 NDT and make disbursements as work is completed.

[REDACTED]

The successful completion of this transaction is expected to provide significant benefits to customers by mitigating environmental and financial risks of continuing a SAFSTOR path and by providing the opportunity to return the retail portion of unused funds in the NDT to customers sooner than in a SAFSTOR model.

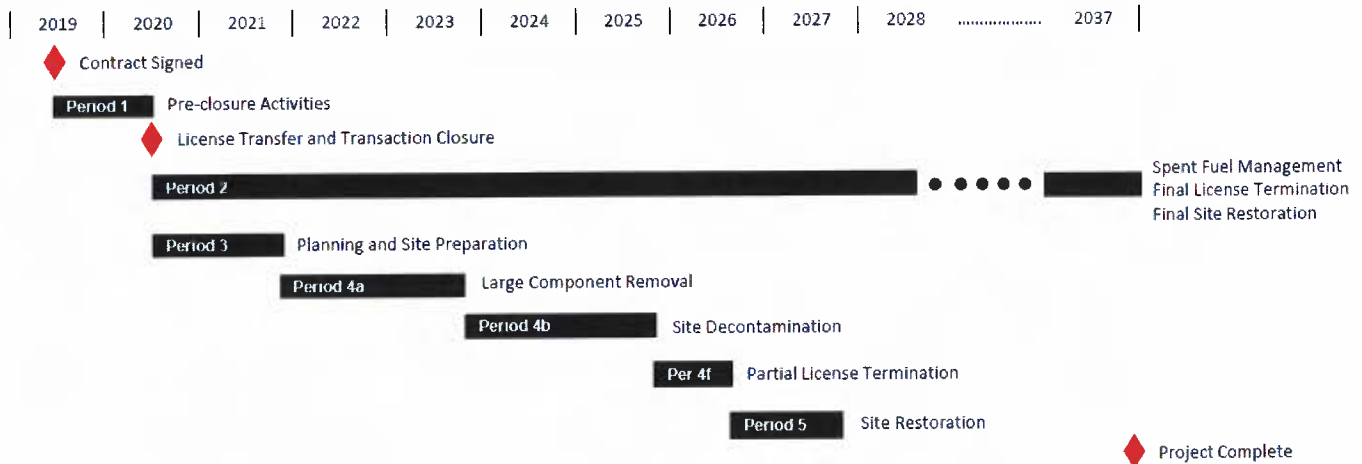
Closing the transaction is contingent on receiving approval from both the Florida Public Service Commission (FPSC) and the US Nuclear Regulatory Commission (NRC), as well as receiving a favorable private letter ruling from the Internal Revenue Service (IRS). The FPSC approval process is expected to take between 6 and 9 months to complete after contract signing. The NRC license transfer process is expected to take between 8 to 12 months after the contract is signed. The IRS issuance of a Private Letter Ruling (PLR) is likewise expected to take between 8 and 12 months after the contract is signed.

During the transition period between contract signing and transaction closure, ADP will perform planning and other non-physical work that facilitates them assuming responsibilities at closure. The costs for these efforts are included in the [REDACTED] of \$540 million; however, if the transaction does not close, DEF is only obligated to reimburse ADP for costs associated with activities that would have otherwise been performed for decommissioning or to support the SAFSTOR model.

This whitepaper is based on best-available information and is subject to final contract negotiations, pricing, and schedule.

Period	Key Project Activities / Milestones	Start	Finish
2	Spent Fuel Management	7/2/2020	5/4/2037
	Spent Fuel Picked Up By DOE	1/1/2035	5/4/2037*
	Final NRC License Termination	6/1/1937	10/02/2037
	Final Site Restoration	10/5/2037	12/25/2037
	Project Complete		12/31/2037

* DOE pickup of Spent Fuel estimated in 2037 congruent with industry expectations for permanent storage facility approval (i.e., Yucca mountain).



2.5 – Contractor/Vendor/Technology Selection

ADP is a joint venture between NorthStar and Orano. This joint venture combines NorthStar’s demolition and environmental remediation expertise with Orano’s core competencies in nuclear component dismantling and spent fuel management.

The ADP team includes Waste Control Specialists, LLC (WCS) which offers a state-of-the-art, high-capacity low level radioactive waste disposal facility and the only facility in the United States that can directly dispose of class A, B and C waste from nuclear power plants. The cost of waste disposal is one of the largest projects costs. With WCS as part of the ADP team and a sister company to NorthStar, potential increases in waste disposal costs can be mitigated by the ADP team. These costs could be absorbed by WCS and not passed back to the project, preserving funding to pay for other project costs and maintaining the project contingency. Other bidders would need to pay WCS for higher waste disposal costs. Additionally, the ADP consortium has the equipment and experience to self-perform almost all work on the project and will rely very little on subcontractors.



Financial assurance of the contractual commitments is supported by various means including performance bonds, credit enhancement mechanisms, and parent guaranties.

ADP team decommissioning experience is highlighted in Appendix 2.

2.6 – Contractual Structure, Compliance & Legal Discussion

The contract would be for a fixed cost of \$540 million to complete all D&D activities including restoration. The contract also covers the operation of the ISFSI facility along with the dismantlement of the ISFSI facility and restoration of the land after the fuel is off site.

ADP will be the licensed owner operator and would be responsible for all project execution risks with the exception of a change to end state condition requirements by the FDEP. ADP's responsibilities include risks such as escalation of projects costs and the amount and characterization of contaminated wastes. This transfer of risk to ADP also includes responsibility for unknown site conditions. The only risk that remains with DEF, and will not be transferred to ADP, is the risk of a change to DEF's current understanding of end state condition requirements. However, if the cost of addressing an emergent issue results in insufficient funding to complete the decommissioning process, there is the potential to return the site to a SAFSTOR plan with NRC approval. ADP's bid is based on these end state condition requirements. To the extent those requirements change, however, and result in higher costs than ADP has assumed in its bid, then DEF would be obligated to fund the increased cost from the owner cost portion of the NDT. DEF notes that it currently faces the risk that the FDEP will change its end state condition requirements, so this transaction does not change or increase that risk.

The transaction will be structured with DEF retaining ownership of the plant land and structures. ADP will lease the structures, including ISFSI. ADP will directly own the spent fuel and canisters.

DEF will assign its contract with the DOE for acceptance of spent fuel. The assignment will be structured to enable DEF to recover its cost incurred through the date the transaction closes. ADP will pursue its cost to manage the spent fuel \ ISFSI from the DOE under this contract, and ADP will be entitled to retain any such recovery for costs incurred after the date the transaction closes.

DEF will retain ownership of the Decommissioning Trust Fund. DEF will create a "sub account" and include an amount equal to the contract price (\$540 million) in that "sub account". ADP will be able to direct the investment strategy for these funds based on investment policies and guidelines acceptable to DEF. ADP's strategy is to limit the investment to low risk investments such as treasuries to reduce the potential impact from market risks. DEF will only disperse money from the NDT to ADP upon receipt of a certificate of completion from ADP. Although DEF will authorize disbursement based on the certificate of completion, DEF will retain the ability to audit the certificates and to validate that the work was performed through a third party. DEF will contest any item the third party identifies as not being complete. DEF will perform a true-up with disputes reviewed quarterly and an annual audit. Disputed invoice totals will not be allowed to exceed [REDACTED].

ADP will not have rights to use additional funds in the NDT beyond the total contracted amount of \$540 million. DEF will use any additional funds in the trust as a separate reserve to mitigate unforeseen circumstances if necessary. The retail portion of the funds that are not needed will be returned to customers.

The contract will be contingent on DEF obtaining a private letter ruling from the IRS that the transaction structure constitutes a services arrangement, whereby DEF remains the tax owner of the facility and, as a result, can continue to hold the qualified trust fund.

ADP will form a SPE, ADP Crystal River, LLC (ADPCR) as the counter party in the transaction. Significant provisions have been included in the contract to support the financial assurance that ADPCR can meet its contractual obligations. These include the items listed below.

- Parent company guarantees
- \$50 million separate liquidity account consisting of:
 - Initial cash funding of \$20 million by the parent (ADP)
 - Escrow portion of milestone payments (6% of payment) until fund reaches \$50 million
 - [REDACTED]
 - Deposited in provisional trust (bankruptcy remote entity)
 - \$30 million released to ADP upon reaching ISFSI only end-state condition and filing partial license termination; remaining funds (\$20 million) released to ADP when ISFSI-only state is achieved
 - DEF NDT is beneficiary in event of default
- Environmental insurance:
 - \$30 million previously unknown contamination (non-radiological)
- Performance bonds
 - Each ADP partner or any subcontractor will be required to secure a performance bond for their scope of work. The bond is a guarantee that the subcontractor will complete their scope according to the agreed upon contract price

Indemnifications and Environmental Liabilities – To Be Completed

Off-Site (outside of CR3 Licensed Site) liabilities:

- Radiological liabilities
 - ADPCR will take responsibility for these liabilities (post-closing)
 - The ANI insurance policy will be transferred to ADPCR
 - This policy provides coverage for any offsite radiological event including during transportation of radiological material
 - DEF will remain an insured party under the policy
- Non-Radiological
 - DEF would retain responsibility for these liabilities except for contamination caused by ADPCR, its affiliates or subcontractors

On-Site (CR3 Facility and NRC Licensed Site) liabilities:

- ADPCR takes liability for all on-site environmental liabilities, both radiological and non-radiological

3.2– Project Costs & Reserves

ADP Cost (in 2018 dollars)	\$ 540,000
Owner Cost (in 2018 dollars through 2037)	\$ [REDACTED]
Total Cost	\$ [REDACTED]

NDT Value	
NDT Value (Net Taxes as of 2-15-19)	\$ 651,000

Unallocated NDT Funds	
Post-closing Balance (June 2020)	\$ [REDACTED]

DOE Recovery (June 2022)	\$ 131,409
2022 Balance	\$ 219,383
2038 Balance *	\$ 350,699

* Retail portion of unused funds would be returned to customers when spent fuel is no longer at CR3 site. Post-closing NDT rate of return conservatively assumed at 2% net of taxes.

3.3– Key Assumptions

The key assumption is that there is adequate funding in the NDT to close the transaction. This assumption is valid given the current value of the NDT. However, a significant drop in market value could cause a delay in the ability to close the transaction. To ensure adequate funds are in the NDT at the time regulatory approvals are received (see discussion below), Treasury is currently evaluating hedging strategies to ensure sufficient NDT value greater than the value of the contract cost and estimated owner’s cost prior to receiving recovery from the Department of Energy for failure to take possession of spent fuel. The hedge is expected to consist of a put option which would protect against downside risk below a predetermined level and a call option that would effectively limit upside gain beyond a predetermined level. In evaluating the structure of the hedge, Treasury plans to include a contingency to cover potential increased owner costs or tracking errors related to the options. The analysis assumes that spent nuclear fuel is picked up by the DOE in 2038 and that all SFM costs are recoverable from the DOE per the standard contract.

REDACTED

<p>End-State Conditions:</p>	<p>Means the achievement of all of the following:</p> <ul style="list-style-type: none"> • Environmental remediation of hazardous substances sufficient to comply with relevant environmental laws that result from or are identified during the decommissioning of those portions of the CR-3 Facility that are to be decommissioned as part of the Project • Removal of all CR-3 Facility structures and man-made improvements (other than the ISFSI and the other Excluded Facilities) to up to three feet below existing grade, unless otherwise required by applicable law or regulation, and backfill to achieve level grade • Environmental remediation of the areas of the CR-3 Site that are released from the NRC licensed area sufficient to discharge all Environmental Liabilities (defined below) • The NRC shall have amended the NRC License to cover only the ISFSI and the remainder of the CR-3 Site shall be released for unrestricted use, including the written approval granted by NRC pursuant to 10 CFR 50.83 to release all portions of the CR-3 Site (other than the ISFSI) by demonstrating compliance with the radiological criteria for unrestricted use specified in 10 CFR 20.1402
<p>Compensation:</p>	<p>The work will be performed for a fixed price of \$540 million, as may be adjusted for all amounts paid by DEF to ADP-NRC Licensee under the Pre-Closing Decommissioning Services Agreement (the "Agreed Amount"). The work will be paid [REDACTED] DEF will hold and manage the NDT, and ADP NRC Licensee will invoice once [REDACTED] and will provide lien waivers and other supporting documentation with each invoice. ADP NRC Licensee will certify that it has completed the [REDACTED]. DEF will have the right to dispute the requested payment amount, but must authorize release of the funds on the payment due date even if the dispute is not yet resolved. As of the Closing Date, the amount of funds in the NDT that will be available to ADP NRC Licensee to pay for ADP NRC Licensee's decommissioning expenses will be equal to the Agreed Amount. In the event that DEF fails to direct the NDT Trustee to timely issue payment to ADP NRC Licensee, DEF will make payment for any incremental costs incurred by ADP NRC Licensee due to the lack of timely payment, including but not limited to hotel costs, demobilization and remobilization costs, interest expense, etc.</p> <p>DEF will have no obligation to pay, and ADP NRC Licensee will have no right to payments of, any amounts in excess of the Agreed Amount for the work</p>
<p>Schedule Requirements:</p>	<p>Contractor will perform the decommissioning activities in accordance with an agreed schedule (the "Schedule") and obtain NRC approval of partial license termination to reduce the NRC licensed area at the CR-3 Site to ISFSI only and to release all other land in the CR-3 Site licensed area from the NRC License on or before the End Date</p> <p>The Schedule will include milestones for the completion of the decommissioning activities to be completed by ADP NRC Licensee under the Decommissioning Services Agreement, such as:</p> <ul style="list-style-type: none"> • Submittal to NRC of "License Termination Plan" information to amend the NRC License to ISFSI-only, e.g., site release criteria, survey plans, etc. [within __ months or __ years] after the Closing Date • Major Equipment Removal – pressurizers, steam generators, reactor coolant pumps, reactor vessel internals, and primary system loop piping – [within __ months or __ years] after the Closing Date • NRC approval of partial license termination reducing the NRC licensed area at the CR-3 Site to ISFSI only and releasing all other land in the CR-3 Site licensed area from the NRC License by the End Date (as adjusted if the Closing occurs later than [insert date]) <p>The parties will agree on (i) critical milestones, in addition to the End Date, which if missed will trigger certain consequences and (ii) events that will trigger adjustments to the Schedule.</p>

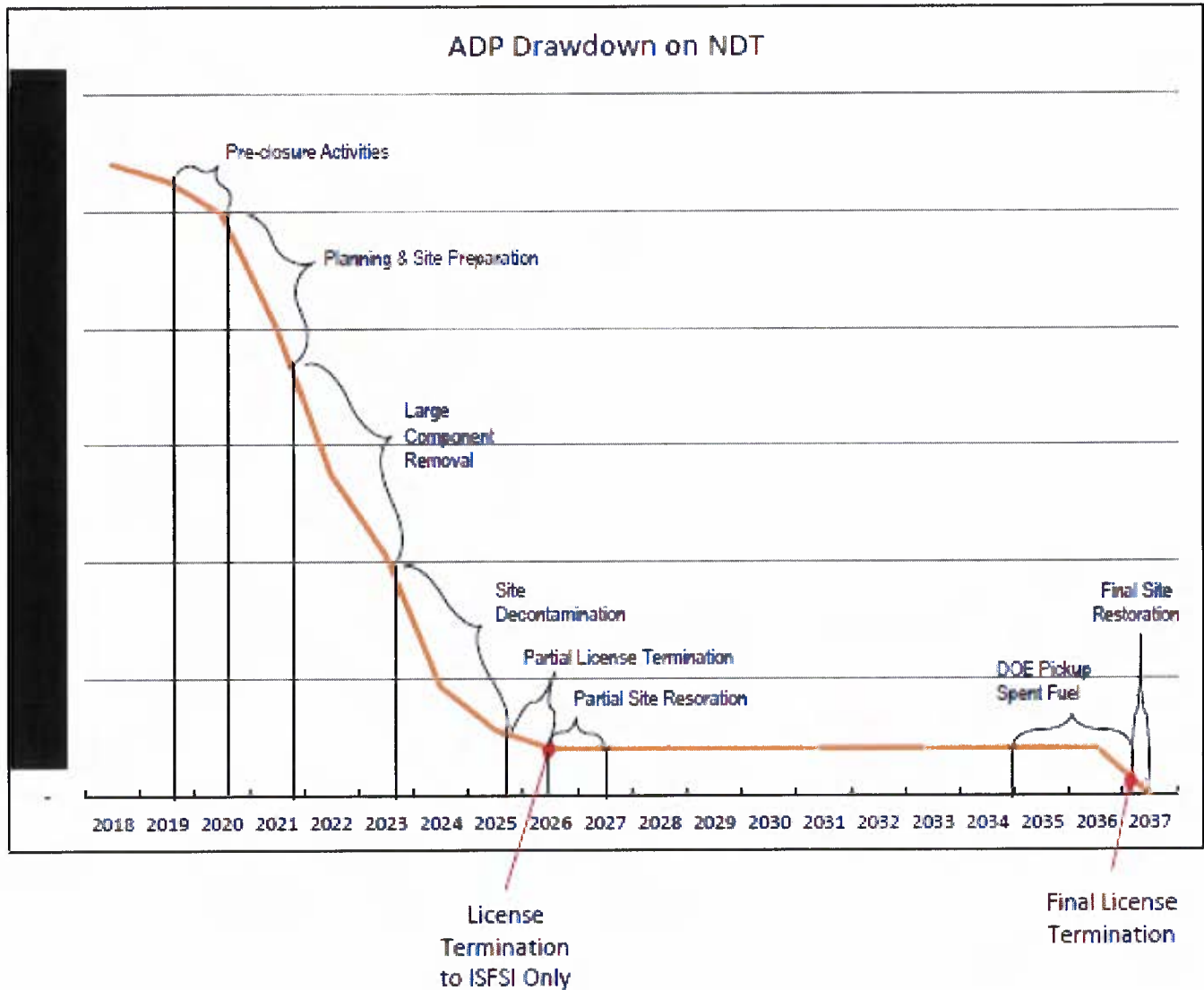
REDACTED

Assumed Liabilities:	<p>ADP NRC Licensee shall assume the following liabilities:</p> <ul style="list-style-type: none"> • All liabilities and obligations of DEF or its affiliates for the radiological decommissioning for the CR-3 Facility and the CR-3 Site, and eventually for termination of the NRC License, including without limitation any applicable obligations under local, state and federal law • All Environmental Liabilities other than Excluded Environmental Liabilities • All obligations under the NRC License <p>“Environmental Liabilities” means</p> <ul style="list-style-type: none"> • Any liability due to, arising out of or relating to the disposal, storage, transportation, discharge, release, recycling, or the arrangement for such activities of hazardous substances (broadly defined) from the CR-3 Site • The presence of hazardous substances in, on or under the CR-3 Site regardless of how the hazardous substances came to rest at, on or under the CR-3 Site • the failure of the CR-3 Site to be in compliance with any environmental laws • any other act or omission, or condition existing with respect to CR-3 or the CR-3 Site, which gives rise to any liability under environmental laws <p>“Excluded Environmental Liabilities” means:</p> <ul style="list-style-type: none"> • All Environmental Liabilities existing as of the Closing and not disclosed to ADP NRC Licensee that are known to, or should reasonably have been known (without independent investigation or inquiry) by, specified officers and employees of DEF or its affiliates • All Environmental Liabilities relating to the Switchyard or the other Excluded Facilities to be preserved for DEF, other than liabilities for radiological decommissioning
Required Regulatory Approvals:	<ul style="list-style-type: none"> • NRC approval for transfer of the NRC License and conforming amendments (naming ADP NRC Licensee as operator and owner licensee) <ul style="list-style-type: none"> ○ The parties will agree to submit information to the NRC regarding decommissioning funding financial assurance arrangements, including use of the NDT, in order to obtain approval for the license transfer ○ ADP NRC Licensee shall only be entitled to rely upon the amounts in the NDT equal to its [REDACTED] for purposes of satisfying all NRC requirements • State & Local approvals, as required • [REDACTED]
Financial and Other Security:	<p>ADP NRC Licensee is a special purpose entity formed by the Parent Companies for the purposes of the Project, and it shall:</p> <ul style="list-style-type: none"> • provide guarantees to DEF of the payment and performance, when due, of all obligations of ADP NRC Licensee, from each of its Parent Companies or their respective parent companies with a financial condition acceptable to DEF, in form and content to be agreed to by the parties (the “Parent Guaranty”) • at the Closing, cause the equity interests in ADP NRC Licensee to be pledge as collateral for the obligations of the Parent Companies (or their respective parent companies) under the Parent Guarantees <p>ADP NRC Licensee shall be structured to provide for “bankruptcy remoteness” from ADP NRC Licensee and its affiliates. At the Closing, a DEF representative will be appointed to the managing board of ADP NRC Licensee and the ADP NRC Licensee governing documents will be amended to include a unanimous vote requirement to approve specified actions of ADP NRC Licensee, including with respect to a voluntary bankruptcy filing and return to SAFSTOR. DEF’s right to have a representative on the managing board of ADP NRC Licensee will continue until the End-State Conditions are achieved. The structure shall be sufficiently robust such that at the Closing, outside counsel for ADP NRC Licensee will provide a legal opinion to the effect that ADP NRC Licensee would not be substantively consolidated in a bankruptcy of any of the Parent Companies or any of their respective affiliates (<i>i.e.</i>, a non-consolidation opinion)</p>

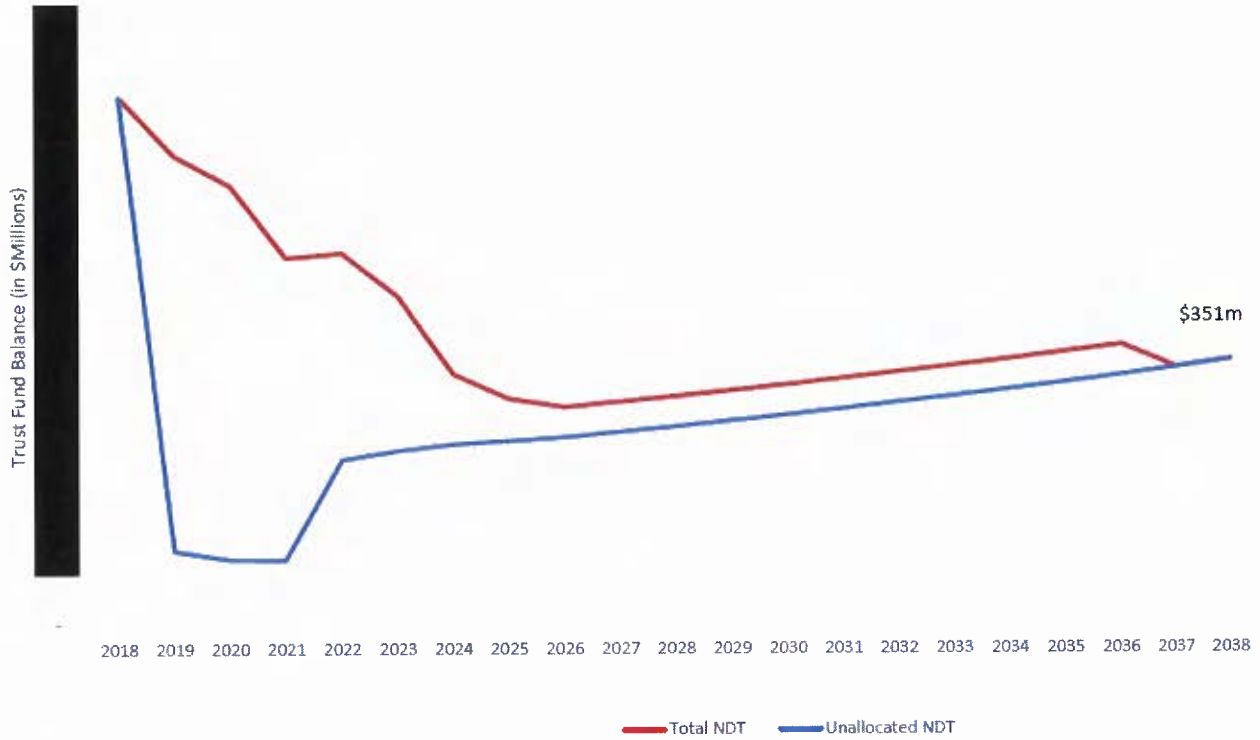
REDACTED

	<ul style="list-style-type: none">• By any party if Closing does not occur within one year following the date of signing of the Decommissioning Services Agreement, unless the party seeking to terminate is responsible for any failure to meet any this condition to Closing
Indemnification:	<ul style="list-style-type: none">• Each party will indemnify the other for all losses [REDACTED]• [REDACTED]• [REDACTED]• [REDACTED]• [REDACTED]
Transaction Documents:	<p>The Transaction Documents will include:</p> <ul style="list-style-type: none">• a Decommissioning Services Agreement• a Spent Nuclear Fuel Purchase and Sale Agreement• a Lease Agreement (and other rights to access the CR-3 Site as required for ADP NRC Licensee to perform its obligations under the NRC License)• a Pre-Closing Decommissioning Services Agreement <p>Depending on the structure of ADP NRC Licensee and other matters, the Transaction Documents may include:</p> <ul style="list-style-type: none">• Parent Guarantee(s) from Parent Company(ies)• Pledge Agreement• Other documents as may be required and mutually agreed to by DEF and ADP NRC Licensee to implement the transaction, in each case in form and substance satisfactory to the parties
Assignment; Post-Closing Sale or Transfer:	<p>The Transaction Documents will not be assignable by ADP NRC Licensee without the consent of DEF. ADP NRC Licensee will not, without having obtained DEF's prior written consent, transfer (or agree or apply to transfer): (i) the membership interests in ADP NRC Licensee, as applicable; or (ii) the NRC License, to any third party.</p> <p>DEF will retain the right to receive notice of and provide comment on any removal of any Spent Nuclear Fuel or GTCC waste from the CR-3 Site.</p>
Miscellaneous:	<p>Prior to the Closing, ADP NRC Licensee and DEF will establish a management committee made up of executives from each party that will remain in place and meet at least quarterly until achievement of the End-State Conditions, and no less than annually thereafter. This committee will meet for purposes of information sharing and tracking of satisfaction of the conditions to Closing, and Project execution following the Closing, including Project performance costs and trust fund performance.</p> <p>ADP NRC Licensee and DEF will perform their obligations under the various agreements in compliance with all applicable laws and permits, including the NRC License.</p> <p>During the decommissioning, DEF shall have reasonable access to any portions of the CR-3 Site controlled by ADP NRC Licensee, subject to the requirements of the NRC License, and to ADP NRC Licensee personnel, for purposes of monitoring the performance by ADP NRC Licensee of its obligations under the Transaction Documents.</p>

Appendix 3 – Financial Data



CR3 Accelerated Decommissioning - Trust Fund Balance





CR3 Accelerated D&D Overview

November 5, 2018



Confidential Information – Duke Energy Internal Use Only

DEF RESP STAFF 2ND POD - 000289

REDACTED

[REDACTED] were selected for due diligence and further negotiations

Criterion	[REDACTED]	[REDACTED]
Technical	[REDACTED]	[REDACTED]
Total Cost	[REDACTED]	[REDACTED]
Risk Transfer	[REDACTED]	[REDACTED]
Fuel Management	[REDACTED]	[REDACTED]
NDT Impacts – Control	[REDACTED]	[REDACTED]
NDT Impacts – Tax	[REDACTED]	[REDACTED]
NDT Return to Customer	[REDACTED]	[REDACTED]
SPE Financial Assurance	[REDACTED]	[REDACTED]
Regulatory Approval NRC	[REDACTED]	[REDACTED]
Regulatory Approval FPSC	[REDACTED]	[REDACTED]

Evaluation Score GOOD MED WEAK

REDACTED

Initial Bid Analysis Shows Support For Cost Feasibility

COST (in 000's)	
Total Cost	
Total Funding Sources	
2018 NDT Reserve	
Future NDT Earnings Net of Cost Escalation	
2038 NDT Reserve	

* Includes \$14m risk associated with DOE recovery of Spent Fuel Management costs.
That same risk would be transferred to [REDACTED] for the AA Model.

- Total Cost under SAFSTOR is estimated at \$919,387 (thousands of 2017 dollars)

Information subject to change after further due diligence and negotiation



CR3 Accelerated D&D Feasibility – Due Diligence Recommendation

September 2018



Highly Sensitive Confidential Information – Duke Energy Internal Use Only

DEF RESP STAFF 2ND POD - 000307

REDACTED

Proposal Evaluation

- 4 Proposals Received and Evaluated
- 2 Proposals Selected for Bidder Presentation

Bidder	Model	Proposal Discriminators	Selected
[Redacted Content]			

Highly Sensitive Confidential Information - Duke Energy Internal Use Only

Bidder Clarification Summary

Model	
Scope	
Terms	
Risk	
Due Diligence Period	
Unit 1 & 2 Option	
Contract Award	

Feasibility

Total Cost of Ownership Feasibility Analysis	
COST OF OWNERSHIP (in 000's)	
Bidder Offer (2018 \$)	
Owner Cost	
Duke Spent Fuel Management	
Bid Estimate Adjustments	
Total Cost of Ownership	
Funds Sources	
NDT Fund Beginning Balance (Net Taxes)	
Current DOE Claim 80% (Jan-14 thru Feb-18)	
Future DUKE DOE Claims - Spent Fuel Management - 90%	
Total Funding Sources	
Management Reserve (2018)	
NDT Earnings Net of Cost Escalation	
Management Reserve (2038)	

Note 1 - [REDACTED]
Note 2 - [REDACTED]

Estimate Variance / Overnight Cost

Decommissioning Cost Estimate Variance Analysis	
Cost Estimate (in 000's)	
D&D Cost Estimate excluding Spent Fuel Management	
Disposal Costs	
Vessel Segmentation / Large Component Removal Site Restoration / Other	
Total	

Due Diligence Recommendation

Recommendation:

Perform Due Diligence with both [REDACTED] and [REDACTED] to finalize risk/cost profile for 2 months.

If no significant changes to risk/cost profile, then:

- select [REDACTED] for final negotiations, and
- preserve [REDACTED] as back-up/contingency.

REDACTED

Crystal River Unit 3 Accelerated Nuclear Decommissioning Project RFP Compliance Checklist

Attachment (worksheet)	Weight
1 - Supplier Profile	5
2 - Safety	5
3 - Lessons	5
4 - Risks	10
5 - DCE	40
6 - Milestones	5
7 - Annual Cash Flow	10
8 - Sub Contracting	5
9 - Waste Disposal	10
10 - Performance/Financial Assurance	5
Score	

REDACTED

		Safety on org chart	Safety Person	EMR 3 yr ave	Fatalities	TICR 3 yr ave	Avetta	EMR Rank*	TICR Rank	HU program	Overall Rank	
		Y	TBD									
				Y	Named							
				N								
		Y	Named									

* non-weighted

** discussed in different areas of proposal

REDACTED

3.0 Technical Approach and Statement of Qualifications

The following sections are organized to respond directly to the RFP requirements. The sidebar to the right provides a general roadmap of how we meet the requirements of the RFP.

3.1 Proposed Approach

ADP offers a proven and powerful business model to eliminate the utility's risks of nuclear power plant decommissioning and spent fuel ownership for retired nuclear power facilities. A deal Transaction with ADP means Duke can focus on its traditional business and transfer all NRC License Termination risk and Spent Fuel Ownership responsibility to an "expert team" that will enhance Duke's safety, financial, regulatory and rate-payer reputation.

3.1.1 Project Timeline (RFP 5.1)

REDACTED



CRYSTAL RIVER UNIT 3 DECOMMISSIONING

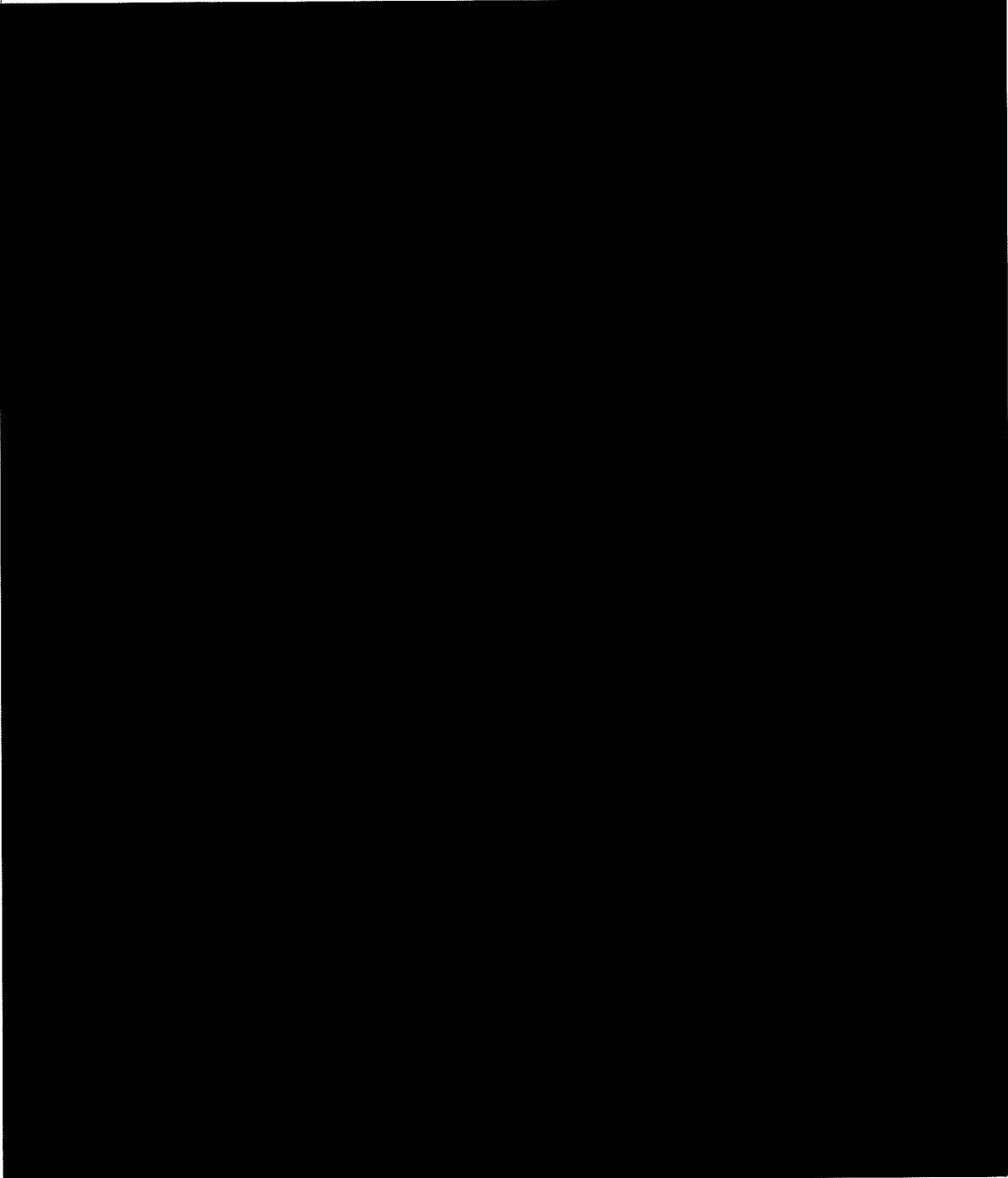


Figure 3-1: Summary Level Schedule. (Note: While ADP has used the RFP DOE spent fuel pickup date of 2037, ADP's exclusive CIS option provides an alternative early ISFSI retirement and full NRC License Termination date of 2030.)

REDACTED

3.1.2 Methods and Tools

ADP methods and tools are implemented within an integrated JV structure under common ownership and governance of its Members, NorthStar and Orano, performing in the same manner as currently being done at Vermont Yankee. Within the Member companies, our affiliate WCS, and team member Burns & McDonald, ADP brings under one roof all the key skills, experience, equipment, and assets required to perform all aspects of the project as described in this proposal. All scopes of work are subcontracted to the Member companies, NorthStar and Orano, under a detailed and clear division of responsibility. Under the governance of the ADP Members, program management is delegated to be performed on site by NorthStar, including responsibility for overall project and facility management in compliance with all rules, regulations, processes and procedures of the licensed CR3 LLC. (Figure 3-2)

For individual work scopes, Orano has responsibility for three distinct scopes of RV/RVI segmentation, large component removal, and spent fuel ISFSI management. NorthStar is responsible for all other SSC demolition and site remediation. Descriptions of the common program elements under which the licensed CR3 LLC will function and be decommissioned are described in Section 3.3. Methods for the major scopes are provided in Section 3.2.

As further described in Section 3.2.2, Orano has the most advanced specialty tools and equipment for segmentation in the industry, developed and improved through our experience in the US and Germany. These tools are fully owned by Orano for dedicated use on the CR3 project.

All demolition and site remediation equipment, as described in Section 3.2.6, is fully owned by NorthStar, whose large fleet provides the ultimate flexibility at low cost to deliver and remove from site at ADP's determination.

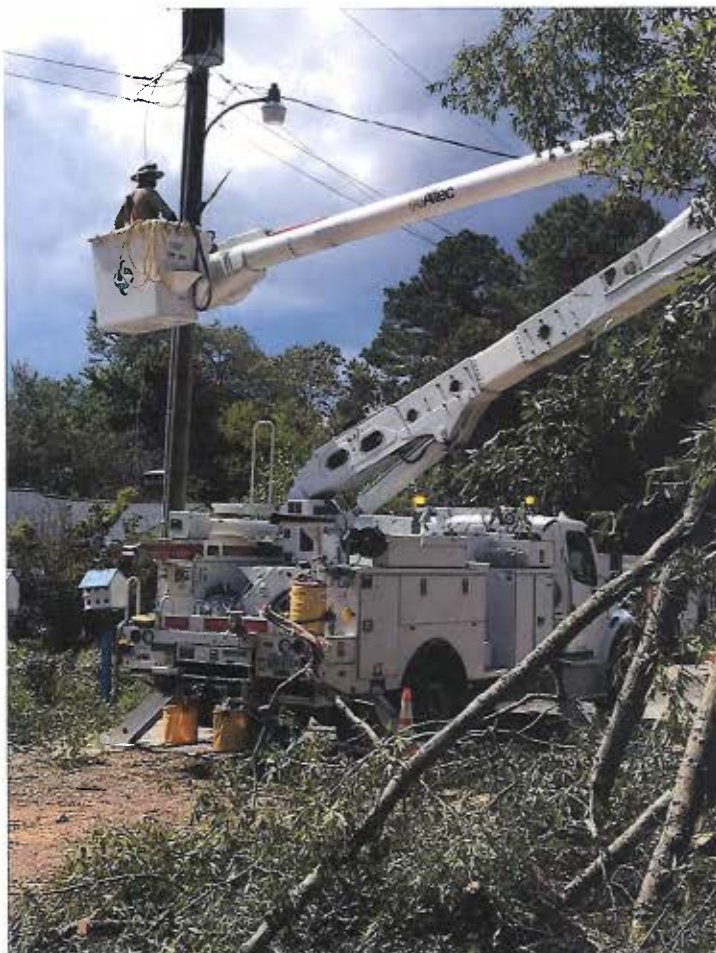
Earned Value Management System

ADP's Project Management associated with the programs baseline(s), cost and schedule, consists of utilizing an earned value type system of project controls. This system requires establishment of a Work Breakdown System (WBS) at the activity level that is incorporated into the baseline schedule and cost / revenue loaded. This method allows for the "earned value" (EV) of each activity to be determined as part of the schedule updates weekly. The benefit of the ADP earned value system is that any deviations from the baseline schedule can be identified and corrected before the activity has a significant overrun.

Based on Earned Value, Financial controls are established by setting target costs by WBS activity and statusing those activities monthly to determine the earned value of each activity. The ADP Project Management program provides a monthly Job Cost Report that is reviewed by the ADP Management Team to determine if any specific activity is exceeding the Budgeted Cost of Work Performed as compared to the Actual Cost of Work Completed (or Earned Value) and changes or corrective actions are required.

3.1.3 Project Team, Governance

ADP's approach to Project Management and Oversight recognizes two very different considerations for staffing: 1) the staffing needed to maintain the NRC license requirements and 2) staffing necessary to efficiently decommission the facility. The



Crystal River Accelerated Decommissioning

Ron Reising
Senior Vice President
Operations Support

Terry Hobbs
GM Decommissioning
SAFSTOR

REDACTED

Two bidders were selected for due diligence and further negotiations

Vendor / Model	Technical	Total Cost	Risk Transfer	Spent Fuel Management	NDT Impacts	SPE Financial Assurance	NRC Approval	FPSC Approval
[REDACTED]								

Evaluation Score GOOD MEDIUM WEAK

COST (in 000's)	[REDACTED]
Total Cost of Ownership	[REDACTED]
Total Funding Sources	[REDACTED]
2018 Management Reserve	[REDACTED]
Future NDT Earnings Net of Cost Escalation	[REDACTED]
2038 Management Reserve	[REDACTED]

- Initial bids support cost feasibility
- Information subject to change after further due diligence and negotiation
- There are concerns about FPSC approval of AA model



Review and recommendation for Duke Energy Florida to enter into agreements to facilitate the accelerated decommissioning and dismantlement process for Crystal River 3

Dhiaa Jamil
Executive Vice President and Chief Operating Officer

Ron Reising
Senior Vice President, Operations Support

Catherine Stempien
State President - Florida

Financial and Contractual Protections

Financial Protections

- ADP commits to fixed-price contract
 - \$540 million subject to final negotiations
 - DE Florida requesting approval for up to [REDACTED] in funding authorization
 - Disbursements for each scope of work limited to the amount defined in the contract
- Financial assurance
 - Parent company guarantees from NorthStar and Orano
 - \$50 million credit support
 - \$20 million initial cash deposit in new trust (NDT is beneficiary)
 - Retain 6% from milestone payments until reach \$50 million total
- Reserve funds in NDT can only be used at DE Florida's direction

Contractual protections

- Duke Energy will appoint a director to serve on the ADP board
- Returning plant to SAFSTOR is an option subject to Duke approval
- DE Florida has “Step in” rights if ADP defaults

REDACTED

Financial Summary

(As of March 26, 2019)

	<i>\$ millions</i>
NDT Value	\$654
Estimated NDT Earnings up to closing	\$31
Duke Operating Costs up to closing	(\$44)
Unallocated NDT Funds at Closing	\$91
Pending Potential DOE Recovery realized in 2022	\$90
Estimated NDT Earnings through 2022	\$9
Duke Operating Costs through 2022	(\$4)
2022 NDT Balance	\$186
Estimated NDT Earnings 2023-2038	\$120
Duke Operating Costs 2023-2038	(\$29)
2038 NDT Balance (Project Complete)	\$277

Note: Fund balances & earnings are net of taxes

- Treasury is pursuing a “zero cost collar” hedge to preserve funds needed to close

REDACTED

Recommendation

Summary

- Change from a SAFSTOR to a DECON decommissioning strategy for the DE Florida Crystal River 3 plant subject to meeting the conditions of closing including:
 - Approval by the NRC
 - Approval by the Florida Public Service Commission
 - Favorable Private Letter Ruling from the IRS
- Execute proposed transaction with ADP with authorized funding not to exceed [REDACTED]

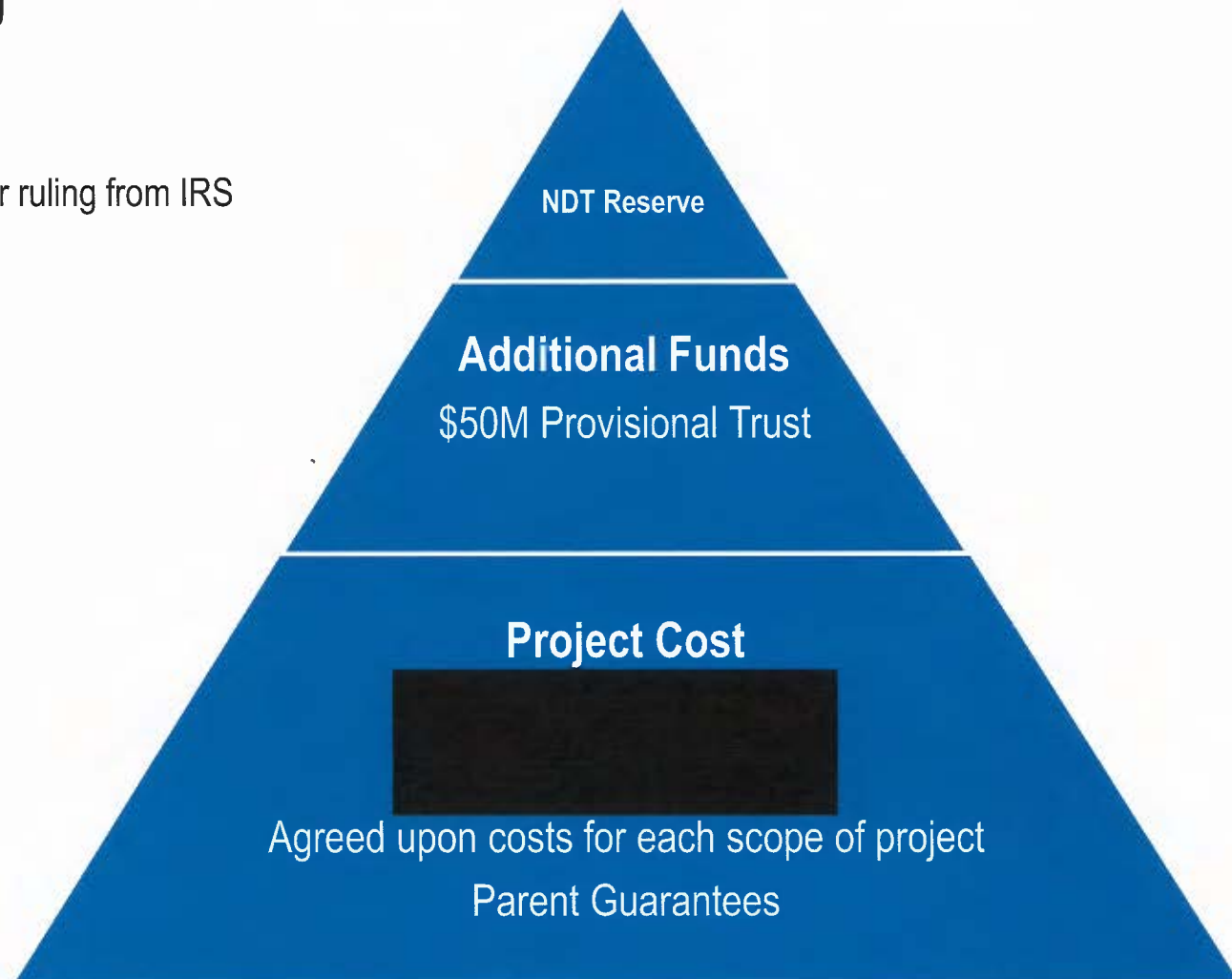
Duke Energy Florida requests that the FRMC approve and recommend for approval to the Board to:

- Enter into a decommissioning services agreement and certain ancillary documents (collectively, the “Decommissioning Services Agreement”)
- Delegate authority to the President and Chief Executive Officer to approve the final terms and conditions, materially consistent with the terms presented herein

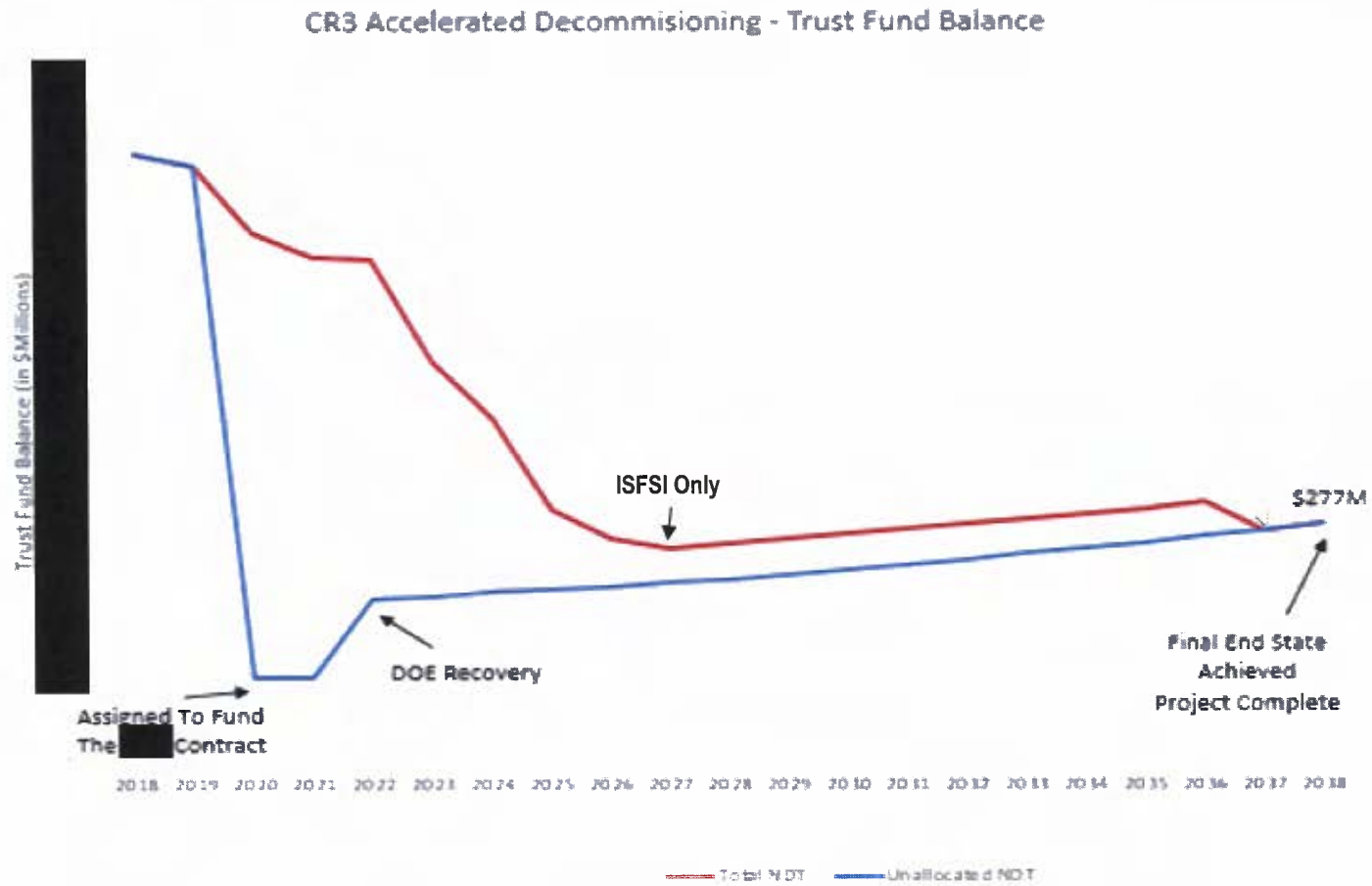
REDACTED

Financial Assurance

- Conditions of closing
 - NRC approval
 - FPSC approval
 - Favorable private letter ruling from IRS



Trust Fund Balance



REDACTED

Bidder Proposal Overall Feasibility Evaluation Summary
 Revision 4, Dated
 9/18/2018
 DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

EVALUATION	Weight	[REDACTED]											
		Eval Score	Weighted Score	Comments	Eval Score	Weighted Score	Comments	Eval Score	Weighted Score	Comments	Eval Score	Weighted Score	Comments
TECHNICAL	20%												
TERMS	10%												
TOTAL COST OF OWNERSHIP	70%												
TOTAL EVALUATION RESULTS	100%												

QUALITATIVE ASSESSMENT (UNMONITIZED RISKS / OPPORTUNITIES)	<ul style="list-style-type: none"> - Maximum Risk Transfer - Viable Decommissioning Cost Estimate 	<ul style="list-style-type: none"> - Duke Retains Decommissioning Trust Fund - Viable Decommissioning Cost Estimate - Spent Fuel Management Risk remains with Duke 	<ul style="list-style-type: none"> - Does Not Pass Technical & Terms Minimum Gate Criteria and did not provide firm offer (Budgetary Estimate Only) - Does Not Pass Minimum Gate Criteria For All 3 Evaluations
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RECOMMENDATION	Proceed with [REDACTED] for on-site presentation.
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Notes:
 LS1 Model = LaCrosse
 LS2 Model = Zion

REDACTED

Bidder Proposal Technical Feasibility Evaluation Summary
Revision 4, Dated
9/18/2018

DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

Criteria Items	TECHNICAL EVALUATION MATRIX	Weight				
A	TECHNICAL APPROACH	15%				
B	PROGRAMS: Capabilities, Existing/New Program; Approach to Establishing	15%				
C	D&D EXPERIENCE	20%				
D	REGULATORY MANAGEMENT EXPERIENCE	20%				
E	RADIOLOGICAL / HEALTH PHYSICS / WASTE HANDLING PROGRAMS & EXPERIENCE	20%				
F	SAFETY PERFORMANCE: INDUSTRIAL, ENVIRONMENTAL	5%				
G	SCHEDULE	5%				
	TOTAL MATRIX EVALUATION RESULTS	100%				

	Meet minimum evaluation gate criteria score of 80		✓	✓	⊘	⊘
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Notes:
 LS1 Model = LaCrosse
 LS2 Model = Zion

REDACTED

Bidder Proposal Terms Feasibility Evaluation Summary
Revision 4, Dated
9/18/2018

DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

Criteria Items	TERMS MATRIX	Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Comments
A	TERMS										
A1	Adherence to the Commercial Terms - Acceptance Level of Duke Energy Terms - Proposed Trust Fund Drawdown Terms / Investment Strategy - Proposal meets commercial minimums and has acceptable financial risk level - Financial Credit / Stability										
A2	Corporate Responsibility - Local Companies - Business Diverse Contractor Utilization - Sustainability										
	TERMS SUBTOTAL										

	Meet minimum evaluation gate criteria score of 60		✓	✓	⊘	⊘	
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Rating Scale
5 = Excellent (A)
4 = Very Good (B)
3 = Good/Nominal (C, default rating)
2 = Fair (D)
1 = Poor (E)
0 = Unacceptable (F, this rating disqualifies the vendor and should only be applied for Critical requirements)

NOTES:
Ratings and Scores - Enter a rating for each criteria list item, the score will automatically be calculated. [Score = Rating/5 x Weight].
Maximum possible Total Score = 100.
LS1 Model = LaCrosse
LS2 Model = Zion

REDACTED

Bidder Proposal Cost of Ownership Feasibility Evaluation Summary

Revision 4, Dated

9/18/2018

DRAFT

CR3 ACCELERATED DECOMMISSIONING PROJECT

COST OF OWNERSHIP (in 000's)	
Total Cost of Ownership: Feasibility Analysis	
Bidder Offer	
Owner Cost / Adjustments	
Total Cost of Ownership	
Nuclear Decommissioning Trust Fund	
Nuclear Decommissioning Trust Fund Beginning Balance - Net Taxes	
Current DOE Claim 80% (Jan-14 thru Feb-18)	
Future DUKE DOE Claims - Short Fuel Management - 90%	
Adjusted Nuclear Decommissioning Trust Fund Balance	
<i>Feasibility based on Adjusted NDTF Balance (See Calc Above)</i>	

Nuclear Decommissioning Trust Fund Activity - BIDDER	
Beginning Trust Fund Balance to BIDDER	
Net NDTF Earnings (Based on 2.5% Return thru 2038)	
Decommissioning Cost Estimate (Escalated + Adjustments)	
DOE Recovery to BIDDER - Short Fuel Management	
Trust Fund Remaining Balance to BIDDER Post D&D	

Nuclear Decommissioning Trust Fund Activity - DUKE ENERGY	
Beginning Trust Fund Balance Remaining With DUKE	
Current DOE Claim 80% (Jan-14 thru Feb-18)	
Net NDTF Earnings (Based on 2.5% Return thru 2038)	
Bidder Decommissioning Cost Estimate (Escalated + Adjustments)	
Owner Cost (Escalated + Adjustments)	
DOE Recovery to DUKE - Short Fuel Management	
Trust Fund Remaining Balance to DUKE Post D&D	
Ratings Calculation	
Variance to Largest Remaining Balance to DUKE	
% of decrease from Largest Remaining Balance to DUKE	
Cost of Ownership Evaluation Score	
RFP Compliance Score	
Total Weighted Evaluation Score	

Notes:
 1. [Redacted]
 2. [Redacted]

Ratings Calculation:
 Largest Remaining NDTF Balance to Duke Post D&D is given an evaluation score of 100.
 Scores for remaining bids are reduced from 100 based on percentage of decrease in Remaining NDTF Balance to Duke increase when compared to largest balance.
 LS1 Model = LaCrosse
 LS2 Model = Zion

REDACTED

Bidder Proposal Technical Evaluation Matrix Revision 0, Dated 06/11/2018

CR3 ACCELERATED DECOMMISSIONING PROJECT										
(DGC; LS1; LS2; AA; Other)										
Instructions: Enter Rating in the white cells for each Criteria Item and each Bidder. Scores will be calculated automatically. See Ratings scale and Notes below.										
TECHNICAL EVALUATION MATRIX										Comments
Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	
TECHNICAL APPROACH										15%
Proposed approach and schedule to conduct D&D Due Diligence	2%									
Reactor Vessel and Internals Segmentation and Storage of HLW	2%									
Removal and Disposal of Large Components	2%									
ISFSI Operations	2%									
Site and Nuclear Security	2%									
Removal of All Sub-Surface Structures, Systems and Components (SSC)	2%									
License Transfer and License Termination	2%									
Site Restoration	1%									
TECHNICAL APPROACH SUBTOTAL										15%
										CALCULATED SUBTOTAL
PROGRAMS: Capabilities; Existing/New Program; Approach to Establishing										15%
Emergency Preparedness	1.0%									
Engineering	1.0%									
Chemistry	1.0%									
Fire Protection	1.0%									
Nuclear Oversight / Nuclear Safety Culture / Corrective Actions / Quality Program	2.0%									
Operations / Maintenance / Work Control	2.0%									
Security / Nuclear Security	3.0%									
Site License and Nuclear Regulatory Affairs	3.0%									
Site Support Services / Utilities Management / Training	1.0%									
PROGRAMS SUBTOTAL										15.0%
										CALCULATED SUBTOTAL
D&D EXPERIENCE										20%
The prime contractor has commercial nuclear decommissioning project management experience.	5%									
The prime and subcontractors have experience in performing D&D activities.	5%									
The prime and subcontractors have experience in license termination/release for unrestricted use activities.	5%									
The prime and subcontractors have experience in performing site restoration activities.	5%									
D&D EXPERIENCE SUBTOTAL										20%
										CALCULATED SUBTOTAL
REGULATORY MANAGEMENT EXPERIENCE										20%
The contractor has commercial nuclear decommissioning licensing experience.	5%									
The contractor commits to stakeholder engagement to ensure regulatory approvals and community engagement.	5%									
The contractor has state regulatory management experience.	5%									
The contractor has environmental management experience.	5%									
REGULATORY MANAGEMENT EXPERIENCE SUBTOTAL										20%
										CALCULATED SUBTOTAL

REDACTED

Bidder Proposal Technical Evaluation Matrix Revision 0, Dated 06/11/2018

TECHNICAL EVALUATION MATRIX											
	Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Comments	
RADIOLOGICAL / HEALTH PHYSICS / WASTE HANDLING PROGRAMS & EXPERIENCE											
Radiological Protection Program	4%										
Technical Approach to Waste Packaging, Staging, Transportation and Disposal	4%										
Technical Approach to Water Processing	4%										
The prime and subcontractors have experience in the management and shipping of hazardous and radioactive waste.	4%										
Part 37 Security Plan	4%										
RADIOLOGICAL PROGRAMS SUBTOTAL										20%	CALCULATED SUBTOTAL
SAFETY PERFORMANCE: INDUSTRIAL, ENVIRONMENTAL											
The contractor has an acceptable EHS management system and performance history.	1%										
The contractor has an acceptable safety program and performance history.	1%										
The contractor has a acceptable environmental program and performance history.	1%										
The contractor's and subcontractors safety record is acceptable in accordance with Duke Energy policy. (Green, Yellow, Red)	1%										
The contractor has an effective Human performance observation program.	1%										
SAFETY PERFORMANCE SUBTOTAL										5%	CALCULATED SUBTOTAL
SCHEDULE											
The contractor proposes a project schedule and has identified appropriate milestones that are reasonable and achievable with respect to meeting specification requirements. (Shortest reasonable duration)	1%										
The contractor commits/guarantees to adhere to the schedule estimate.	1%										
The contractor has demonstrated through past projects their competence in schedule estimates and schedule management.	1%										
The contractor schedule does not unnecessarily extend dates which in turn would incur additional costs for Duke Oversight.	1%										
The contractor schedule does not front-end-load simpler tasks but addresses complex tasks first, and implements site restoration after license termination.	1%										
SCHEDULE SUBTOTAL										5%	CALCULATED SUBTOTAL
TOTAL MATRIX EVALUATION RESULTS										100%	TOTAL

Date _____

Ratings Scale 5 = Excellent (A) 4 = Very Good (B) 3 = Good/Nominal (C, default rating) 2 = Fair (D) 1 = Poor (E) 0 = Unacceptable (F, this rating disqualifies the vendor and should only be applied for Critical requirements) Projects - XXXXXXXXXX Engineering - XXXXXXXXXX Security - XXXXXXXXXX Licensing - XXXXXXXXXX Safety - XXXXXXXXXX Operations - XXXXXXXXXX RP/Environmental - XXXXXXXXXX

NOTES:

Criteria List Items and Weights - Prior to performing bidder equipment evaluations, criteria items and weights should be modified by the Technical Team as appropriate for the specific scope being evaluated. Ensure that the Total Matrix Evaluation Results Weight column total = 100%. [Unprotect this worksheet as needed for editing.]

Ratings and Scores - Enter a rating for each criteria list item, the score will automatically be calculated. [Score = Rating/5 x Weight]. Maximum possible Total Score = 100%.

A1 Critical Items - Items in the Duke Specification or Statement of Work that are determined to be "Critical" non-negotiable requirements which may not be omitted or modified. Failure of a bidder to meet all A1 Critical spec requirements results in a "0" Unsatisfactory rating (bidder disqualified).

A2 Non-Critical Items - Items in the Duke Specification or Statement of Work that are determined to be desired but "negotiable" (may be modified or deleted by revising Duke Specification or Statement of Work).

Additional contractor Safety Program evaluations will be performed in the Commercial review process.



Report to the Transaction & Risk Committee

Crystal River Unit 3 (CR3) Decontamination & Decommissioning

1 – Executive Summary

CR3 has been pursuing a path to place the plant into long term dormancy or SAFSTOR. This model allows 60 years to complete the Decontamination and Dismantlement (D&D) process or until 2073. At the time this strategy was selected, the estimated cost to complete the immediate decommissioning process was greater than the projected funds in the Nuclear Decommissioning Trust (NDT). The CR3 team has made significant progress towards the conditions required to place the unit in SAFSTOR including the movement of all fuel into an Independent Spent Fuel Storage Installation (ISFSI). We are on track to complete the remaining requirements for SAFSTOR by August 2019.

In parallel, a team conducted a process to determine the feasibility of moving to an accelerated D&D model. After extensive due diligence and negotiations, the team determined that a transaction could be structured to make an accelerated D&D model a viable option and selected Accelerated Decommissioning Partners, LLC (ADP) for final contract negotiations. ADP is a consortium of NorthStar Group Services and Orano USA (formerly part of Areva).

ADP will receive a fixed amount of \$540 million to complete all decommissioning activity including the dismantlement of the existing plant structures, the disposal offsite of any wastes and the restoration of the land to allow it to be repurposed. This will be structured as a lease of the retired generation and ISFSI facilities to ADP with Duke Energy Florida (DEF) retaining ownership of the land and property. ADP would acquire direct ownership of the spent fuel and dry shielded canisters. ADP will be the licensed owner and operator, effectively transferring risk of performance to them.

ADP will have all responsibilities for project execution with the exception of a change in end state requirements as set by the State of Florida. This includes responsibility for unknown site conditions risks. However, if the cost of addressing an emergent issue results in insufficient funding in the allocated portion of the NDT to complete the decommissioning process, DEF would retain the option to return the site to a SAFSTOR plan.

DEF will retain title to the CR3 NDT and make disbursements as work is completed.

[REDACTED]

The successful completion of this transaction is expected to provide significant benefits to customers by mitigating environmental and financial risks of continuing a SAFSTOR path and by providing the opportunity to return the retail portion of unused funds in the NDT to customers sooner than in a SAFSTOR model.

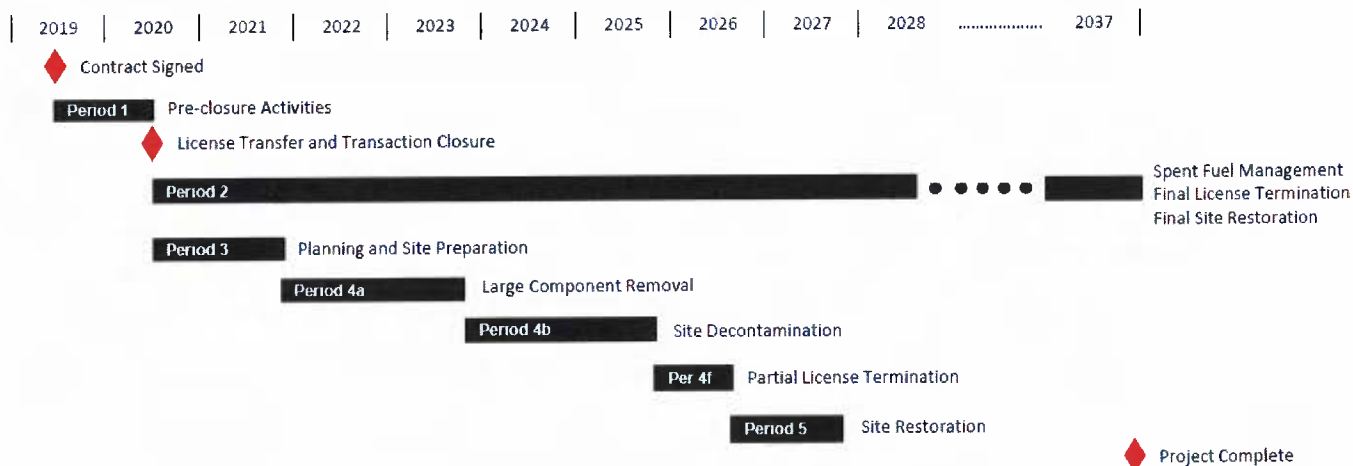
Closing the transaction is contingent on receiving approval from both the Florida Public Service Commission (FPSC) and the US Nuclear Regulatory Commission (NRC), as well as receiving a favorable private letter ruling from the Internal Revenue Service (IRS). The FPSC approval process is expected to take between 6 and 9 months to complete after contract signing. The NRC license transfer process is expected to take between 8 to 12 months after the contract is signed. The IRS issuance of a Private Letter Ruling (PLR) is likewise expected to take between 8 and 12 months after the contract is signed.

During the transition period between contract signing and transaction closure, ADP will perform planning and other non-physical work that facilitates them assuming responsibilities at closure. The costs for these efforts are included in the [REDACTED] of \$540 million; however, if the transaction does not close, DEF is only obligated to reimburse ADP for costs associated with activities that would have otherwise been performed for decommissioning or to support the SAFSTOR model.

This whitepaper is based on best-available information and is subject to final contract negotiations, pricing, and schedule.

Period	Key Project Activities / Milestones	Start	Finish
2	Spent Fuel Management	7/2/2020	5/4/2037
	Spent Fuel Picked Up By DOE	1/1/2035	5/4/2037*
	Final NRC License Termination	6/1/1937	10/02/2037
	Final Site Restoration	10/5/2037	12/25/2037
	Project Complete		12/31/2037

* DOE pickup of Spent Fuel estimated in 2037 congruent with industry expectations for permanent storage facility approval (i.e., Yucca mountain).



2.5 – Contractor/Vendor/Technology Selection

ADP is a joint venture between NorthStar and Orano. This joint venture combines NorthStar’s demolition and environmental remediation expertise with Orano’s core competencies in nuclear component dismantling and spent fuel management.

The ADP team includes Waste Control Specialists, LLC (WCS) which offers a state-of-the-art, high-capacity low level radioactive waste disposal facility and the only facility in the United States that can directly dispose of class A, B and C waste from nuclear power plants. The cost of waste disposal is one of the largest projects costs. With WCS as part of the ADP team and a sister company to NorthStar, potential increases in waste disposal costs can be mitigated by the ADP team. These costs could be absorbed by WCS and not passed back to the project, preserving funding to pay for other project costs and maintaining the project contingency. Other bidders would need to pay WCS for higher waste disposal costs. Additionally, the ADP consortium has the equipment and experience to self-perform almost all work on the project and will rely very little on subcontractors.



Financial assurance of the contractual commitments is supported by various means including performance bonds, credit enhancement mechanisms, and parent guaranties.

ADP team decommissioning experience is highlighted in Appendix 2.

2.6 – Contractual Structure, Compliance & Legal Discussion

The contract would be for a fixed cost of \$540 million to complete all D&D activities including restoration. The contract also covers the operation of the ISFSI facility along with the dismantlement of the ISFSI facility and restoration of the land after the fuel is off site.

ADP will be the licensed owner operator and would be responsible for all project execution risks with the exception of a change to end state condition requirements by the FDEP. ADP's responsibilities include risks such as escalation of projects costs and the amount and characterization of contaminated wastes. This transfer of risk to ADP also includes responsibility for unknown site conditions. The only risk that remains with DEF, and will not be transferred to ADP, is the risk of a change to DEF's current understanding of end state condition requirements. However, if the cost of addressing an emergent issue results in insufficient funding to complete the decommissioning process, there is the potential to return the site to a SAFSTOR plan with NRC approval. ADP's bid is based on these end state condition requirements. To the extent those requirements change, however, and result in higher costs than ADP has assumed in its bid, then DEF would be obligated to fund the increased cost from the owner cost portion of the NDT. DEF notes that it currently faces the risk that the FDEP will change its end state condition requirements, so this transaction does not change or increase that risk.

The transaction will be structured with DEF retaining ownership of the plant land and structures. ADP will lease the structures, including ISFSI. ADP will directly own the spent fuel and canisters.

DEF will assign its contract with the DOE for acceptance of spent fuel. The assignment will be structured to enable DEF to recover its cost incurred through the date the transaction closes. ADP will pursue its cost to manage the spent fuel \ ISFSI from the DOE under this contract, and ADP will be entitled to retain any such recovery for costs incurred after the date the transaction closes.

DEF will retain ownership of the Decommissioning Trust Fund. DEF will create a "sub account" and include an amount equal to the contract price (\$540 million) in that "sub account". ADP will be able to direct the investment strategy for these funds based on investment policies and guidelines acceptable to DEF. ADP's strategy is to limit the investment to low risk investments such as treasuries to reduce the potential impact from market risks. DEF will only disperse money from the NDT to ADP upon receipt of a certificate of completion from ADP. Although DEF will authorize disbursement based on the certificate of completion, DEF will retain the ability to audit the certificates and to validate that the work was performed through a third party. DEF will contest any item the third party identifies as not being complete. DEF will perform a true-up with disputes reviewed quarterly and an annual audit. Disputed invoice totals will not be allowed to exceed [REDACTED].

ADP will not have rights to use additional funds in the NDT beyond the total contracted amount of \$540 million. DEF will use any additional funds in the trust as a separate reserve to mitigate unforeseen circumstances if necessary. The retail portion of the funds that are not needed will be returned to customers.

The contract will be contingent on DEF obtaining a private letter ruling from the IRS that the transaction structure constitutes a services arrangement, whereby DEF remains the tax owner of the facility and, as a result, can continue to hold the qualified trust fund.

REDACTED

ADP will form a SPE, ADP Crystal River, LLC (ADPCR) as the counter party in the transaction. Significant provisions have been included in the contract to support the financial assurance that ADPCR can meet its contractual obligations. These include the items listed below.

- Parent company guarantees
- \$50 million separate liquidity account consisting of:
 - Initial cash funding of \$20 million by the parent (ADP)
 - Escrow portion of milestone payments (6% of payment) until fund reaches \$50 million
 - [REDACTED]
 - Deposited in provisional trust (bankruptcy remote entity)
 - \$30 million released to ADP upon reaching ISFSI only end-state condition and filing partial license termination; remaining funds (\$20 million) released to ADP when ISFSI-only state is achieved
 - DEF NDT is beneficiary in event of default
- Environmental insurance:
 - \$30 million previously unknown contamination (non-radiological)
- Performance bonds
 - Each ADP partner or any subcontractor will be required to secure a performance bond for their scope of work. The bond is a guarantee that the subcontractor will complete their scope according to the agreed upon contract price

Indemnifications and Environmental Liabilities – To Be Completed

Off-Site (outside of CR3 Licensed Site) liabilities:

- Radiological liabilities
 - ADPCR will take responsibility for these liabilities (post-closing)
 - The ANI insurance policy will be transferred to ADPCR
 - This policy provides coverage for any offsite radiological event including during transportation of radiological material
 - DEF will remain an insured party under the policy
- Non-Radiological
 - DEF would retain responsibility for these liabilities except for contamination caused by ADPCR, its affiliates or subcontractors

On-Site (CR3 Facility and NRC Licensed Site) liabilities:

- ADPCR takes liability for all on-site environmental liabilities, both radiological and non-radiological

REDACTED

3.2 – Project Costs & Reserves

ADP Cost (in 2018 dollars)	\$	540,000
Owner Cost (in 2018 dollars through 2037)	\$	
Total Cost	\$	

NDT Value		
NDT Value (Net Taxes as of 2-15-19)	\$	651,000

Unallocated NDT Funds		
Post-closing Balance (June 2020)	\$	

DOE Recovery (June 2022)	\$	131,409
2022 Balance	\$	219,383
2038 Balance *	\$	350,699

* Retail portion of unused funds would be returned to customers when spent fuel is no longer at CR3 site. Post-closing NDT rate of return conservatively assumed at 2% net of taxes.

3.3 – Key Assumptions

The key assumption is that there is adequate funding in the NDT to close the transaction. This assumption is valid given the current value of the NDT. However, a significant drop in market value could cause a delay in the ability to close the transaction. To ensure adequate funds are in the NDT at the time regulatory approvals are received (see discussion below), Treasury is currently evaluating hedging strategies to ensure sufficient NDT value greater than the value of the contract cost and estimated owner's cost prior to receiving recovery from the Department of Energy for failure to take possession of spent fuel. The hedge is expected to consist of a put option which would protect against downside risk below a predetermined level and a call option that would effectively limit upside gain beyond a predetermined level. In evaluating the structure of the hedge, Treasury plans to include a contingency to cover potential increased owner costs or tracking errors related to the options. The analysis assumes that spent nuclear fuel is picked up by the DOE in 2038 and that all SFM costs are recoverable from the DOE per the standard contract.

REDACTED

End-State Conditions:	<p>Means the achievement of all of the following:</p> <ul style="list-style-type: none">• Environmental remediation of hazardous substances sufficient to comply with relevant environmental laws that result from or are identified during the decommissioning of those portions of the CR-3 Facility that are to be decommissioned as part of the Project• Removal of all CR-3 Facility structures and man-made improvements (other than the ISFSI and the other Excluded Facilities) to up to three feet below existing grade, unless otherwise required by applicable law or regulation, and backfill to achieve level grade• Environmental remediation of the areas of the CR-3 Site that are released from the NRC licensed area sufficient to discharge all Environmental Liabilities (defined below)• The NRC shall have amended the NRC License to cover only the ISFSI and the remainder of the CR-3 Site shall be released for unrestricted use, including the written approval granted by NRC pursuant to 10 CFR 50.83 to release all portions of the CR-3 Site (other than the ISFSI) by demonstrating compliance with the radiological criteria for unrestricted use specified in 10 CFR 20.1402
Compensation:	<p>The work will be performed for a fixed price of \$540 million, as may be adjusted for all amounts paid by DEF to ADP-NRC Licensee under the Pre-Closing Decommissioning Services Agreement (the "Agreed Amount"). The work will be paid [REDACTED] DEF will hold and manage the NDT, and ADP NRC Licensee will invoice once [REDACTED], and will provide lien waivers and other supporting documentation with each invoice. ADP NRC Licensee will certify that it has completed the [REDACTED]. DEF will have the right to dispute the requested payment amount, but must authorize release of the funds on the payment due date even if the dispute is not yet resolved. As of the Closing Date, the amount of funds in the NDT that will be available to ADP NRC Licensee to pay for ADP NRC Licensee's decommissioning expenses will be equal to the Agreed Amount. In the event that DEF fails to direct the NDT Trustee to timely issue payment to ADP NRC Licensee, DEF will make payment for any incremental costs incurred by ADP NRC Licensee due to the lack of timely payment, including but not limited to hotel costs, demobilization and remobilization costs, interest expense, etc.</p> <p>DEF will have no obligation to pay, and ADP NRC Licensee will have no right to payments of, any amounts in excess of the Agreed Amount for the work</p>
Schedule Requirements:	<p>Contractor will perform the decommissioning activities in accordance with an agreed schedule (the "Schedule") and obtain NRC approval of partial license termination to reduce the NRC licensed area at the CR-3 Site to ISFSI only and to release all other land in the CR-3 Site licensed area from the NRC License on or before the End Date</p> <p>The Schedule will include milestones for the completion of the decommissioning activities to be completed by ADP NRC Licensee under the Decommissioning Services Agreement, such as:</p> <ul style="list-style-type: none">• Submittal to NRC of "License Termination Plan" information to amend the NRC License to ISFSI-only, e.g., site release criteria, survey plans, etc. [within __ months or __ years] after the Closing Date• Major Equipment Removal – pressurizers, steam generators, reactor coolant pumps, reactor vessel internals, and primary system loop piping – [within __ months or __ years] after the Closing Date• NRC approval of partial license termination reducing the NRC licensed area at the CR-3 Site to ISFSI only and releasing all other land in the CR-3 Site licensed area from the NRC License by the End Date (as adjusted if the Closing occurs later than [insert date]) <p>The parties will agree on (i) critical milestones, in addition to the End Date, which if missed will trigger certain consequences and (ii) events that will trigger adjustments to the Schedule.</p>

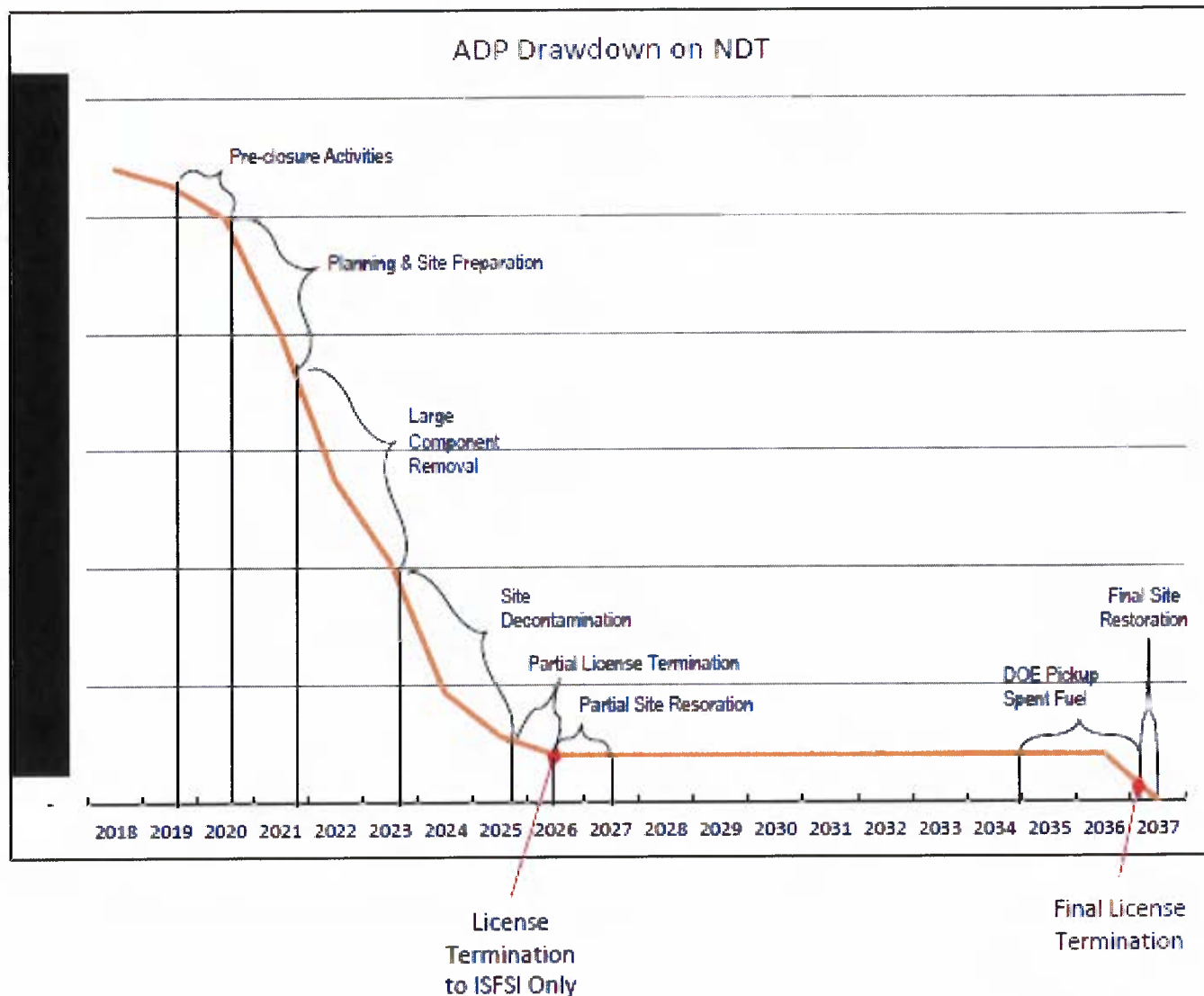
REDACTED

<p>Assumed Liabilities:</p>	<p>ADP NRC Licensee shall assume the following liabilities:</p> <ul style="list-style-type: none">• All liabilities and obligations of DEF or its affiliates for the radiological decommissioning for the CR-3 Facility and the CR-3 Site, and eventually for termination of the NRC License, including without limitation any applicable obligations under local, state and federal law• All Environmental Liabilities other than Excluded Environmental Liabilities• All obligations under the NRC License <p>"Environmental Liabilities" means</p> <ul style="list-style-type: none">• Any liability due to, arising out of or relating to the disposal, storage, transportation, discharge, release, recycling, or the arrangement for such activities of hazardous substances (broadly defined) from the CR-3 Site• The presence of hazardous substances in, on or under the CR-3 Site regardless of how the hazardous substances came to rest at, on or under the CR-3 Site• the failure of the CR-3 Site to be in compliance with any environmental laws• any other act or omission, or condition existing with respect to CR-3 or the CR-3 Site, which gives rise to any liability under environmental laws <p>"Excluded Environmental Liabilities" means:</p> <ul style="list-style-type: none">• All Environmental Liabilities existing as of the Closing and not disclosed to ADP NRC Licensee that are known to, or should reasonably have been known (without independent investigation or inquiry) by, specified officers and employees of DEF or its affiliates• All Environmental Liabilities relating to the Switchyard or the other Excluded Facilities to be preserved for DEF, other than liabilities for radiological decommissioning
<p>Required Regulatory Approvals:</p>	<ul style="list-style-type: none">• NRC approval for transfer of the NRC License and conforming amendments (naming ADP NRC Licensee as operator and owner licensee)<ul style="list-style-type: none">○ The parties will agree to submit information to the NRC regarding decommissioning funding financial assurance arrangements, including use of the NDT, in order to obtain approval for the license transfer○ ADP NRC Licensee shall only be entitled to rely upon the amounts in the NDT equal to its [REDACTED] for purposes of satisfying all NRC requirements• State & Local approvals, as required• [REDACTED]
<p>Financial and Other Security:</p>	<p>ADP NRC Licensee is a special purpose entity formed by the Parent Companies for the purposes of the Project, and it shall:</p> <ul style="list-style-type: none">• provide guarantees to DEF of the payment and performance, when due, of all obligations of ADP NRC Licensee, from each of its Parent Companies or their respective parent companies with a financial condition acceptable to DEF, in form and content to be agreed to by the parties (the "Parent Guaranty")• at the Closing, cause the equity interests in ADP NRC Licensee to be pledge as collateral for the obligations of the Parent Companies (or their respective parent companies) under the Parent Guarantees <p>ADP NRC Licensee shall be structured to provide for "bankruptcy remoteness" from ADP NRC Licensee and its affiliates. At the Closing, a DEF representative will be appointed to the managing board of ADP NRC Licensee and the ADP NRC Licensee governing documents will be amended to include a unanimous vote requirement to approve specified actions of ADP NRC Licensee, including with respect to a voluntary bankruptcy filing and return to SAFSTOR. DEF's right to have a representative on the managing board of ADP NRC Licensee will continue until the End-State Conditions are achieved. The structure shall be sufficiently robust such that at the Closing, outside counsel for ADP NRC Licensee will provide a legal opinion to the effect that ADP NRC Licensee would not be substantively consolidated in a bankruptcy of any of the Parent Companies or any of their respective affiliates (<i>i.e.</i>, a non-consolidation opinion)</p>

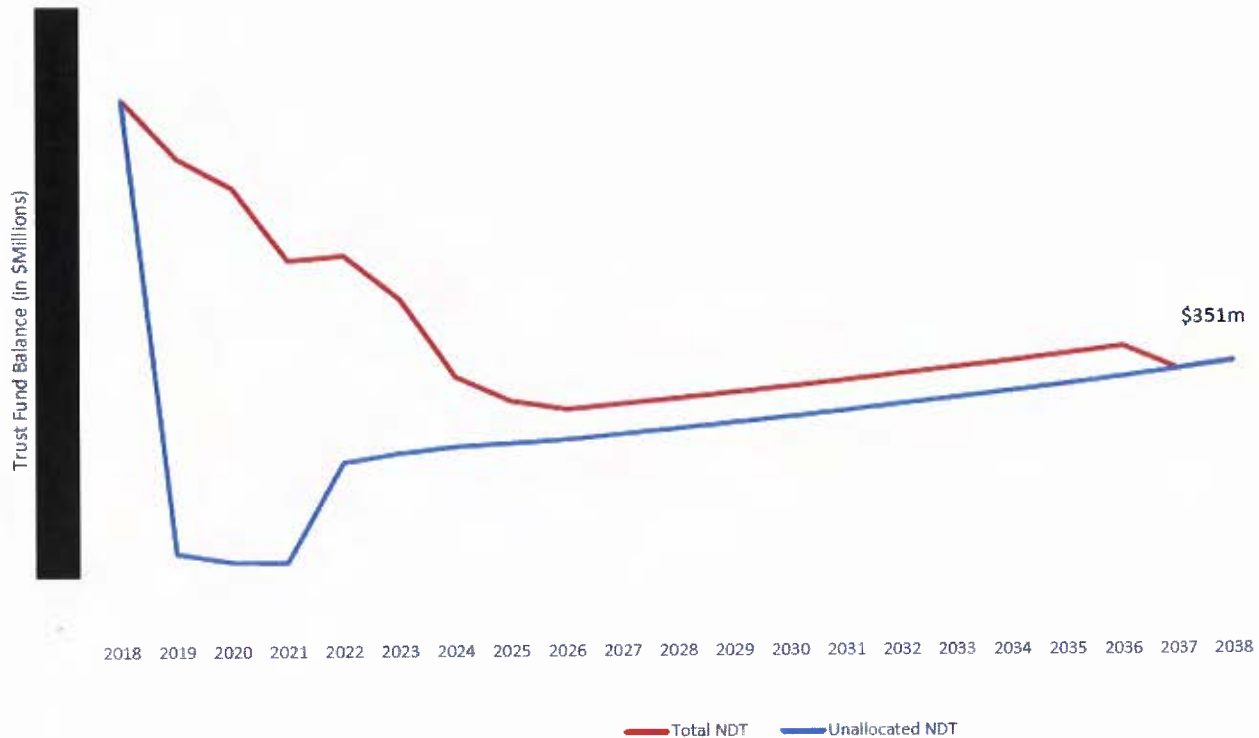
REDACTED

	<ul style="list-style-type: none"> By any party if Closing does not occur within one year following the date of signing of the Decommissioning Services Agreement, unless the party seeking to terminate is responsible for any failure to meet any this condition to Closing
<p>Indemnification:</p>	<ul style="list-style-type: none"> Each party will indemnify the other for all losses [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
<p>Transaction Documents:</p>	<p>The Transaction Documents will include:</p> <ul style="list-style-type: none"> a Decommissioning Services Agreement a Spent Nuclear Fuel Purchase and Sale Agreement a Lease Agreement (and other rights to access the CR-3 Site as required for ADP NRC Licensee to perform its obligations under the NRC License) a Pre-Closing Decommissioning Services Agreement <p>Depending on the structure of ADP NRC Licensee and other matters, the Transaction Documents may include:</p> <ul style="list-style-type: none"> Parent Guarantee(s) from Parent Company(ies) Pledge Agreement Other documents as may be required and mutually agreed to by DEF and ADP NRC Licensee to implement the transaction, in each case in form and substance satisfactory to the parties
<p>Assignment; Post-Closing Sale or Transfer:</p>	<p>The Transaction Documents will not be assignable by ADP NRC Licensee without the consent of DEF. ADP NRC Licensee will not, without having obtained DEF's prior written consent, transfer (or agree or apply to transfer): (i) the membership interests in ADP NRC Licensee, as applicable; or (ii) the NRC License, to any third party.</p> <p>DEF will retain the right to receive notice of and provide comment on any removal of any Spent Nuclear Fuel or GTCC waste from the CR-3 Site.</p>
<p>Miscellaneous:</p>	<p>Prior to the Closing, ADP NRC Licensee and DEF will establish a management committee made up of executives from each party that will remain in place and meet at least quarterly until achievement of the End-State Conditions, and no less than annually thereafter. This committee will meet for purposes of information sharing and tracking of satisfaction of the conditions to Closing, and Project execution following the Closing, including Project performance costs and trust fund performance.</p> <p>ADP NRC Licensee and DEF will perform their obligations under the various agreements in compliance with all applicable laws and permits, including the NRC License.</p> <p>During the decommissioning, DEF shall have reasonable access to any portions of the CR-3 Site controlled by ADP NRC Licensee, subject to the requirements of the NRC License, and to ADP NRC Licensee personnel, for purposes of monitoring the performance by ADP NRC Licensee of its obligations under the Transaction Documents.</p>

Appendix 3 – Financial Data



CR3 Accelerated Decommissioning - Trust Fund Balance





CR3 Accelerated D&D Overview

November 5, 2018



Confidential Information – Duke Energy Internal Use Only

DEF RESP STAFF 2ND POD - 000289

REDACTED

[REDACTED] were selected for due diligence and further negotiations

Criterion	[REDACTED]	[REDACTED]
Technical	[REDACTED]	[REDACTED]
Total Cost	[REDACTED]	[REDACTED]
Risk Transfer	[REDACTED]	[REDACTED]
Fuel Management	[REDACTED]	[REDACTED]
NDT Impacts – Control	[REDACTED]	[REDACTED]
NDT Impacts – Tax	[REDACTED]	[REDACTED]
NDT Return to Customer	[REDACTED]	[REDACTED]
SPE Financial Assurance	[REDACTED]	[REDACTED]
Regulatory Approval NRC	[REDACTED]	[REDACTED]
Regulatory Approval FPSC	[REDACTED]	[REDACTED]

Evaluation Score GOOD MED WEAK

REDACTED

Initial Bid Analysis Shows Support For Cost Feasibility

COST (in 000's)	[REDACTED]
Total Cost	
Total Funding Sources	
2018 NDT Reserve	
Future NDT Earnings Net of Cost Escalation	
2038 NDT Reserve	

* Includes \$14m risk associated with DOE recovery of Spent Fuel Management costs.

That same risk would be transferred to [REDACTED] for the AA Model

- Total Cost under SAFSTOR is estimated at \$919,387 (thousands of 2017 dollars)

Information subject to change after further due diligence and negotiation



CR3 Accelerated D&D Feasibility – Due Diligence Recommendation

September 2018



Highly Sensitive Confidential Information – Duke Energy Internal Use Only

DEF RESP STAFF 2ND POD - 000307

REDACTED

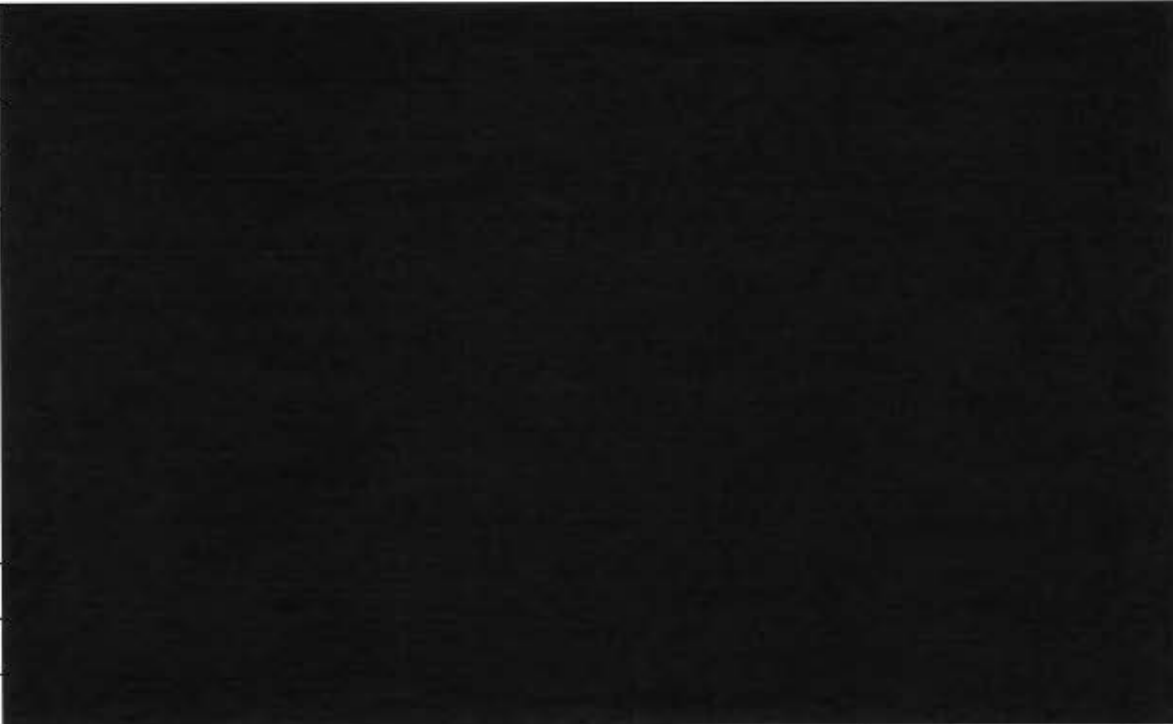
Proposal Evaluation

- 4 Proposals Received and Evaluated
- 2 Proposals Selected for Bidder Presentation

Bidder	Model	Proposal Discriminators	Selected
[Redacted Content]			

Highly Sensitive Confidential Information - Duke Energy Internal Use Only

Bidder Clarification Summary

	
Model	
Scope	
Terms	
Risk	
Due Diligence Period	
Unit 1 & 2 Option	
Contract Award	

Feasibility

Total Cost of Ownership Feasibility Analysis	
COST OF OWNERSHIP (in 000's)	
Bidder Offer (2018 \$)	
Owner Cost	
Duke Spent Fuel Management	
Bid Estimate Adjustments	
Total Cost of Ownership	
Funds Sources	
NDT Fund Beginning Balance (Net Taxes)	
Current DOE Claim 80% (Jan-14 thru Feb-18)	
Future DUKE DOE Claims - Spent Fuel Management - 90%	
Total Funding Sources	
Management Reserve (2018)	
NDT Earnings Net of Cost Escalation	
Management Reserve (2038)	

Note 1 [Redacted]
Note 2 [Redacted]

Estimate Variance / Overnight Cost

Decommissioning Cost Estimate Variance Analysis	
Cost Estimate (in 000's)	
D&D Cost Estimate excluding Spent Fuel Management	
Disposal Costs	
Vessel Segmentation / Large Component Removal Site Restoration / Other	
Total	

Due Diligence Recommendation

Recommendation:

Perform Due Diligence with both [REDACTED] and [REDACTED] to finalize risk/cost profile for 2 months.

If no significant changes to risk/cost profile, then:

- select [REDACTED] for final negotiations, and
- preserve [REDACTED] as back-up/contingency.

REDACTED

Crystal River Unit 3 Accelerated Nuclear Decommissioning Project RFP Compliance Checklist

Attachment (worksheet)	Weight
1 - Supplier Profile	5
2 - Safety	5
3 - Lessons	5
4 - Risks	10
5 - DCE	40
6 - Milestones	5
7 - Annual Cash Flow	10
8 - Sub Contracting	5
9 - Waste Disposal	10
10 - Performance/Financial Assurance	5
Score	

REDACTED

		Safety on org chart	Safety Person	EMR 3 yr ave	Fatalities	TICR 3 yr ave	Avetta	EMR Rank*	TICR Rank	HU program	Overall Rank
		Y	TBD								
		Y	Named								
		N									
		Y	Named								

* non-weighted

** discussed in different areas of proposal

REDACTED

3.0 Technical Approach and Statement of Qualifications

The following sections are organized to respond directly to the RFP requirements. The sidebar to the right provides a general roadmap of how we meet the requirements of the RFP.

3.1 Proposed Approach

ADP offers a proven and powerful business model to eliminate the utility's risks of nuclear power plant decommissioning and spent fuel ownership for retired nuclear power facilities. A deal Transaction with ADP means Duke can focus on its traditional business and transfer all NRC License Termination risk and Spent Fuel Ownership responsibility to an "expert team" that will enhance Duke's safety, financial, regulatory and rate-payer reputation.

3.1.1 Project Timeline (RFP 5.1)

REDACTED



CRYSTAL RIVER UNIT 3 DECOMMISSIONING

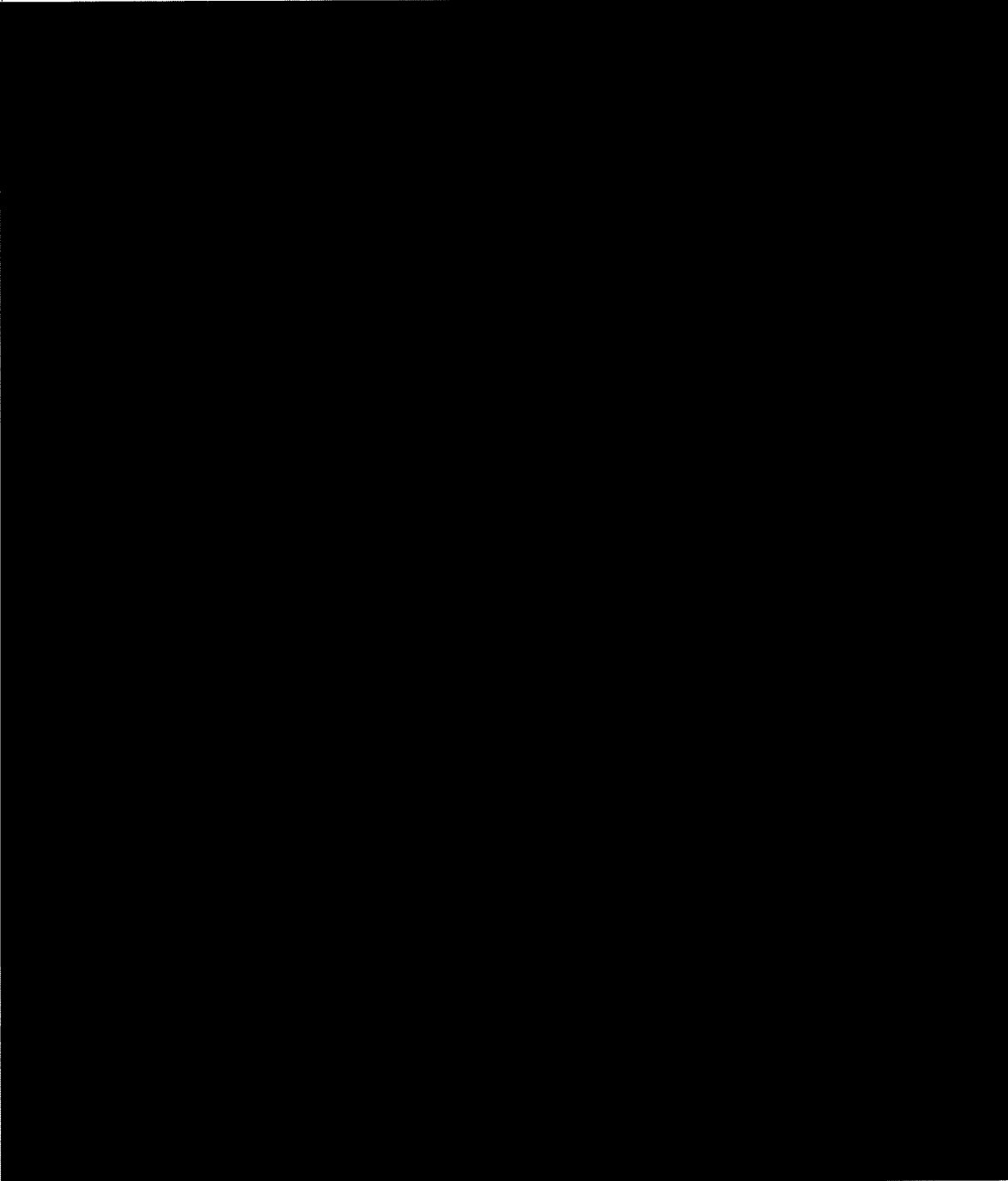


Figure 3-1: Summary Level Schedule. (Note: While ADP has used the RFP DOE spent fuel pickup date of 2037, ADP's exclusive CIS option provides an alternative early ISFSI retirement and full NRC License Termination date of 2030.)

REDACTED

3.1.2 Methods and Tools

ADP methods and tools are implemented within an integrated JV structure under common ownership and governance of its Members, NorthStar and Orano, performing in the same manner as currently being done at Vermont Yankee. Within the Member companies, our affiliate WCS, and team member Burns & McDonald, ADP brings under one roof all the key skills, experience, equipment, and assets required to perform all aspects of the project as described in this proposal.

All scopes of work are subcontracted to the Member companies, NorthStar and Orano, under a detailed and clear division of responsibility. Under the governance of the ADP Members, program management is delegated to be performed on site by NorthStar, including responsibility for overall project and facility management in compliance with all rules, regulations, processes and procedures of the licensed CR3 LLC. (Figure 3-2)

For individual work scopes, Orano has responsibility for three distinct scopes of RV/RVI segmentation, large component removal, and spent fuel ISFSI management.

NorthStar is responsible for all other SSC demolition and site remediation.

Descriptions of the common program elements under which the licensed CR3 LLC will function and be decommissioned are described in Section 3.3. Methods for the major scopes are provided in Section 3.2.

As further described in Section 3.2.2, Orano has the most advanced specialty tools and equipment for segmentation in the industry, developed and improved through our experience in the US and Germany. These tools are fully owned by Orano for dedicated use on the CR3 project.

All demolition and site remediation equipment, as described in Section 3.2.6, is fully owned by NorthStar, whose large fleet provides the ultimate flexibility at low cost to deliver and remove from site at ADP's determination.

Earned Value Management System

ADP's Project Management associated with the programs baseline(s), cost and schedule, consists of utilizing an earned value type system of project controls. This system requires establishment of a Work Breakdown System (WBS) at the activity level that is incorporated into the baseline schedule and cost / revenue loaded. This method allows for the "earned value" (EV) of each activity to be determined as part of the schedule updates weekly. The benefit of the ADP earned value system is that any deviations from the baseline schedule can be identified and corrected before the activity has a significant overrun.

Based on Earned Value, Financial controls are established by setting target costs by WBS activity and statusing those activities monthly to determine the earned value of each activity. The ADP Project Management program provides a monthly Job Cost Report that is reviewed by the ADP Management Team to determine if any specific activity is exceeding the Budgeted Cost of Work Performed as compared to the Actual Cost of Work Completed (or Earned Value) and changes or corrective actions are required.

3.1.3 Project Team, Governance

ADP's approach to Project Management and Oversight recognizes two very different considerations for staffing: 1) the staffing needed to maintain the NRC license requirements and 2) staffing necessary to efficiently decommission the facility. The

Amended Exhibit C

**DUKE ENERGY FLORIDA, LLC
Confidentiality Justification Matrix**

DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>DEF's Response to Staff's Second Request for Production of Documents (Nos. 8-14); specifically, questions 8, 12, and 13</p>	<p>Responsive to POD Nos. 8, 12, and 13 – document bearing bates number DEF RESP STAFF 2ND POD – 000244: All information in columns “Vendor/Model”, “Technical”, “Total Cost”, Risk Transfer”, “Spent fuel Management”, “NDT Impacts”, SPE Financial Assurance”, “NRC Approval” and “FPSC Approval” is confidential and all information in the columns to the right of “COST (in 000’s)”, “Total Cost of Ownership”, Total Funding Sources”, “2018 Management Reserve”, “Future NDT Earnings Net of Cost Escalation” and 2038 Management Reserve” is confidential</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000249: All information after “for up to” and before “in funding authorization” is confidential</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000250: The information in Columns titled “\$millions” after \$31 and before “(\$44)” is confidential</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000253: The</p>	<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, the disclosure of which would impair DEF’s competitive interests, the disclosure would impair the competitive business.</p>

information after “not to exceed” and before “Duke Energy Florida requests” is confidential

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000255**: all information in blue triangle after “Project Cost” and before “Agreed upon costs” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000256**: all information in the Trust Fund Balance line graph to the right of “Trust Fund Balance (in \$Millions)” and the information after “Assigned to Fund The” and before “Contract” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000294**-the information in the header before “were selected” and all information in the remaining columns after “Criterion” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000295**- all information in the remaining columns after “COST (in 000’s)” and the information in the footer after “transferred to” and before “for the” is confidential.

Document bearing Bates number **DEF RESP STAFF**

	<p>2ND POD – 000309; All information in columns titled “Bidder”, Model”, Proposal Discriminators” and Selected” is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000310; All information in columns two and three is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000311; All information in columns two and three” and all information in Notes 1 & 2 is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000312; All information in columns two three and four” is confidential</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000313; All information after “with both” and before “and” and the information after “and” and before “to finalize”, information after “select” and before “for final” and information after “preserve” and before “as back up” is confidential.</p>	
DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
DEF’s Response to Staff’s Second Request for Production of Documents (Nos. 8-14); specifically,	Responsive to POD No. 8 - document bearing Bates number DEF RESP STAFF 2ND POD – 000259: all	§366.093(3)(d), F.S. The document in question contains confidential information, the disclosure of

<p>question 8</p>	<p>information in rows titled “Technical”, “Terms”, “Total Cost of Ownership” and “Total Evaluation Results” with the exception of the information in column titled “Weight” and all information in the row titled “Recommendation” after “Proceed with” and before “on site presentation” is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000260: all columns after “weight” are confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000261: all information in rows titled “Criteria”, “A1”, “A2”, and “Terms Subtotal” with the exception of the information in the “Terms” column is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000262: all columns after “Costs of Ownership (In 000’s)” are confidential. All information in Notes 1 and 2 is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000263: all information in columns after column titled “Weight” and before column titled “Comments” is confidential.</p>	<p>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, the disclosure of which would impair DEF’s competitive interests, the disclosure would impair the competitive business.</p>
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Document bearing Bates number **DEF RESP STAFF 2ND POD – 000264**: all information in columns after column titled “Weight” and before column titled “Comments” and all information in legend after “Projects” and before “Notes”

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000265**: All information in the sixth paragraph is confidential. The information in the ninth paragraph after “for costs” and before “of \$540 million” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000270**: all information in the third paragraph is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000271**: Section 2.6 Contractual Structure, Compliance & Legal Discussion-the remaining sentence of the fifth paragraph, after “to exceed” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000272**: all of the information under the Third bullet point of “50 million separate liquidity account consisting of” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000276**: Section 3.2 Project Costs & Reserves Table-all figures on rows titled “Owner Cost (in 2018 dollars through 2037)”, “Total Cost” and “Post-closing Balance (June 2020)” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000282**: Section titled “Compensation”-the information after “will be paid” and before “DEF will hold”, after “invoice once” and before “and will provide”, before “completed the” and before “DEF will have” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000283**: Section titled “Required Regulatory Approvals”-the information after “equal to its” and before “for purposes”, and the remaining information after “as requested” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000285**: Section titled “Indemnification”- all information after “losses” is confidential.

Document bearing Bates number **DEF RESP STAFF 2ND POD – 000287**: Table titled “ADP Drawdown on NDT”-all information to the left of “2018”

	<p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000288: Table titled “CR3 Accelerated Decommissioning-Trust Fund Balance”-the information to the right of Trust Fund Balance (In Millions)” and to the left of “2018”</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000318; All information in columns after “weight” is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000319; All information in all columns except columns titled “Safety on org chart” and Safety Person” is confidential.</p>	
DOCUMENT/RESPONSES	PAGE/LINE	JUSTIFICATION
<p>DEF’s Response to Staff’s Second Request for Production of Documents (Nos. 8-14); specifically, question 11</p>	<p>Response to POD No. 11 - Document bearing Bates number DEF RESP STAFF 2ND POD – 000320: Section 3.1 Proposed Approach-the remaining information in this section after “rate-payer reputation” and Section 3.1.1 Project Timeline (RFP5.1) all information in this section is confidential.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000321; All information on this page is confidential with the exception of the “Crystal River Unit 3</p>	<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, the disclosure of which would impair DEF’s competitive interests, the disclosure would impair the competitive business.</p>

	<p>Decommissioning and the Figure 3-1 Summary Level S Schedule footer”.</p> <p>Document bearing Bates number DEF RESP STAFF 2ND POD – 000322; Section 3.1.2 Methods and Tools-information in Paragraph titled “Earned Value Management System after “overrun” and before Based on Earned Value and the remaining sentence after “actions are required” is confidential.</p>	
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Amended Exhibit D

**AFFIDAVIT OF
TERRY HOBBS**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC to Approve Transaction with Accelerated Decommissioning Partners, LLC for Accelerated Decommissioning Services at the CR3 Facility, Transfer of Title to Spent Fuel, and Assumption of Operations of the CR3 Facility Pursuant to the NRC License, and Request for Waiver From Future Application of Rule 25-6.04365, F.A.C. for Nuclear Decommissioning Study

DOCKET NO.: 20190140-EI

Submitted for Filing: December 20, 2019

**AFFIDAVIT OF TERRY HOBBS IN SUPPORT OF
DUKE ENERGY FLORIDA, LLC'S AMENDED SECOND
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF FLORIDA

COUNTY OF CITRUS

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

1. My name is Terry Hobbs. I am over the age of eighteen (18) and I have been authorized by Duke Energy Florida, LLC (hereinafter "DEF" or "Company") to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Amended Second Request for Confidential Classification ("DEF's Request"). The facts attested to in my affidavit are based upon my personal knowledge.

2. I am the General Manager for the Decommissioning of the DEF Crystal River Unit 3 Nuclear Plant (the "CR3 Facility").

3. As the General Manager, I am responsible for the overall management, implementation, and coordination of activities to place the CR3 Facility in a long-term dormant condition commonly referred to as a "SAFSTOR" condition. I am also responsible for ensuring

the safe storage of the used nuclear fuel at the CR3 Facility. Additionally, I oversee several managers and I ensure that such managers implement the plant programs, including the ground water monitoring, radiation, control and engineering programs, in an effective and efficient manner.

4. DEF is seeking the confidential classification for certain information contained within the set of documents being produced by DEF in response to request numbers 8, 11, 12, and 13 of the Staff's Second Request for Production of Documents (Nos. 8-14) served on September 16, 2019. The confidential information at issue is contained in confidential Amended Exhibit A to DEF's Request and is outlined in DEF's Justification Matrix attached to DEF's Request as Amended Exhibit C. DEF is requesting confidential classification of this information because it contains competitively sensitive confidential information concerning bids and contractual business information, the disclosure of which would impair DEF's efforts to contract for goods or services on favorable terms.

5. The confidential information at issue relates to (a) commercially sensitive and contractual obligations pertaining to the terms and conditions set forth in a contract between DEF, ADP CR3, LLC and ADP SF1, LLC for decommissioning activities related to the accelerated decommissioning of the CR3 Facility, including information from the transaction, such as pricing methodologies, costs/savings, and indemnification obligations, and (b) confidential business information concerning bids for the CR3 decommissioning project, including evaluation processes and criteria, as well as information and data regarding ADP and other vendors that bid on the project. The disclosure of such information would not only impair the Company's competitive business advantages, but would also violate DEF's contractual requirements to maintain the confidentiality of such information under the subject contract.

Therefore, the confidential information at issue qualifies for confidential classification.

6. DEF seeks bids and negotiates with third parties to obtain competitive contracts that provide economic and other benefits to DEF customers. DEF must maintain the confidentiality of information concerning bids because the disclosure of such information would impair the systematic and objective nature of DEF's vendor selection process, which would ultimately impair DEF's efforts to enter into contracts on favorable terms. Further, if DEF cannot assure contracting parties that it can maintain the confidentiality of contractual terms, those parties and other similarly situated parties may forego entering contracts with DEF, which would impair the Company to negotiate such contracts on favorable terms.

7. The information identified as Amended Exhibit A is intended to be and is treated as confidential by the Company. With respect to the information at issue in DEF's Request, such information has not been disclosed to the public, and the Company has treated and continues to treat such information as confidential.

8. 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.

9. This concludes my affidavit.

FURTHER AFFIANT SAYETH NOT.

[Signature Page to Follow]

Dated the 18th day of December, 2019.

Terry Hobbs

Terry Hobbs
Duke Energy Crystal River, Unit 3
Nuclear Plant
15760 W. Power Line St.
Crystal River, FL 34428

The foregoing instrument was sworn to and subscribed before me this 18th day of December, 2019, by Terry Hobbs. He is personally known to me, or has produced his N/A driver's license, N/A or his N/A as identification.

Carole Butler

Signature

CAROLE BUTLER

Printed Name

(AFFIX NOTARY SEAL)

NOTARY PUBLIC, STATE OF FLORIDA

July 18, 2023

Commission Expiration Date

