

**REDACTED**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 130009-EI

SERVED: May 14, 2013

RECEIVED-FPSC  
13 MAY 14 AM 11:25  
COMMISSION  
CLERK

claim of confidentiality  
 notice of intent  
 request for confidentiality  
 filed by OPC

**DUKE ENERGY FLORIDA'S  
THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION  
REGARDING THE RESPONSES TO CITIZENS' FIRST  
REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-4)**

For DN 0263713, which is in locked storage. You must be authorized to view this DN.-CLK

Duke Energy Florida, Inc. ("DEF" or the "Company"), pursuant to Sections 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code, requests confidential classification of portions of the documents produced in response to the Office of Public Counsel's ("Citizens") First Request for Production of Documents (Nos. 1 through 4). These documents and responses contain confidential internal audit information, contractual information, and other competitive business information the disclosure of which would impair DEF's competitive business interests. These documents and responses meet the definition of proprietary confidential business information per section 366.093(3), Florida Statutes. The unredacted documents are being filed under seal with the Commission on a confidential basis to keep the competitive business information in those documents confidential.

**BASIS FOR CONFIDENTIAL CLASSIFICATION**

Section 366.093(1), Florida Statutes, provides that "any records received by the Commission which are shown and found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records Act]." § 366.093(1), Fla. Stat. Proprietary confidential business information means information that is (i) intended to be and is treated as private confidential information by the Company, (ii) because disclosure of the information would cause harm, (iii) either to the Company's customers

COM  
AFD  
APA  
ECO  
ENG  
GCL  
IDM  
TEL  
CLK

DOCUMENT NUMBER - DATE  
02636 MAY 14 2013  
FPSC-COMMISSION CLERK

or the Company's business operation, and (iv) the information has not been voluntarily disclosed to the public. § 366.093(3), Fla. Stat. Specifically, "information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms" is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stat. Additionally, section 366.093(3)(e) defines "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information," as proprietary confidential business information, and section 366.093(3)(b) provides that "[i]nternal auditing controls and reports of internal auditors" is proprietary confidential business information.

Portions of the aforementioned documents should be afforded confidential classification for the reasons set forth in the Affidavits of Garry Miller and Christopher Fallon filed in support of DEF's Third Request for Confidential Classification, and for the following reasons.

The documents at issue contain sensitive and confidential information related to the Company's internal audit procedures and reports. The public disclosure of this information would undermine the Company's ability to effectively perform such internal audits by reducing the willingness of its employees to be open and candid with the auditors. Affidavit of Miller, ¶ 4. Furthermore, this information meets the definition of proprietary confidential business information pursuant to section 366.093(3)(b), Florida Statutes.

Additionally, DEF's responses include information relating to documents containing sensitive and confidential information related to the Levy Nuclear Project ("LNP"). Specifically, portions of the responses contain details regarding DEF's budgeted and estimated costs for the LNP, costs which are driven by confidential contracts with various vendors. Affidavit of Fallon, ¶¶ 4, 5. Public disclosure of this information would give the Company's competitors invaluable

insight into DEF's strategies, and therefore provide them an unfair competitive advantage. Id. at ¶ 5. This would put the Company at a competitive disadvantage when competing, or attempting to contract, with these other parties. Id.

DEF has kept confidential and has not publicly disclosed the proprietary numbers, contract terms and information at issue here. Absent such measures, DEF would run the risk that sensitive business information regarding what it is willing to pay for certain goods and services, as well as what the Company is willing to accept as payment for certain goods and/or services, would be made to available to the public and, as a result, other potential suppliers, vendors, and/or purchasers of such services could change their position in future negotiations with DEF. Without DEF's measures to maintain the confidentiality of sensitive terms in these contracts, the Company's efforts to obtain competitive contracts would be undermined. See Affidavit of Fallon, ¶¶ 6-7.

Upon receipt of this confidential information, strict procedures are established and followed to maintain the confidentiality of the information provided, including restricting access to only those persons who need the information to assist the Company. See Affidavits of Miller, ¶ 5, Fallon, ¶ 5. At no time since receiving the information in question has the Company publicly disclosed that information. See Affidavits of Miller, ¶ 5, Fallon ¶ 7. The Company has treated and continues to treat the information at issue as confidential. See Affidavits of Miller, ¶ 5, Fallon, ¶ 7.

### CONCLUSION

The competitive, confidential information at issue in this request fits the statutory definition of proprietary confidential business information under Section 366.093, Florida

Statutes, and Rule 25-22.006, Florida Administrative Code, and that information should be afforded confidential classification. In support of this motion, DEF has enclosed the following:

(1) A separate, sealed envelope containing one copy of the confidential Appendix A to DEF's Request for Confidential Classification for which DEF has requested confidential classification with the appropriate section, pages, or lines containing the confidential information highlighted. **This information should be accorded confidential treatment pending a decision on DEF's request by the Florida Public Service Commission;**

(2) Two copies of the documents with the information for which DEF has requested confidential classification redacted by section, page or lines, where appropriate, as Appendix B; and,

(3) A justification matrix supporting DEF's Request for Confidential Classification of the highlighted information contained in confidential Appendix A, as Appendix C.

WHEREFORE, DEF respectfully requests that the portions of the documents produced in response to the Office of Public Counsel's First Request for Production of Documents (Nos. 1 through 4) be granted confidential classification and treated accordingly.

Respectfully submitted,



John T. Burnett  
Deputy General Counsel  
Dianne M. Triplett  
Associate General Counsel  
DUKE ENERGY FLORIDA, INC.  
Post Office Box 14042  
St. Petersburg, FL 33733-4042  
Telephone: (727) 820-5587  
Facsimile: (727) 820-5519

James Michael Walls  
Florida Bar No. 0706242  
Blaise N. Gamba  
Florida Bar No. 0027942  
Matthew R. Bernier  
Florida Bar No. 0059886  
CARLTON FIELDS, P.A.  
Post Office Box 3239  
Tampa, FL 33601-3239  
Telephone: (813) 223-7000  
Facsimile: (813) 229-4133

CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 14<sup>th</sup> day of May, 2013.



Attorney

Keino Young  
Staff Attorney  
Michael Lawson  
Staff Attorney  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee 32399  
Phone: (850) 413-6218  
Facsimile: (850) 413-6184  
Email: [kyoung@psc.fl.state.us](mailto:kyoung@psc.fl.state.us)  
[mlawson@psc.fl.state.us](mailto:mlawson@psc.fl.state.us)

Charles Rehwinkel  
Associate Counsel  
Erik Saylor  
Associate Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
Room 812  
Tallahassee, FL 32399-1400  
Phone: (850) 488-9330  
Email: [rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)  
[Saylor.erik@leg.state.fl.us](mailto:Saylor.erik@leg.state.fl.us)

Jon C. Moyle, Jr.  
Moyle Law Firm  
118 North Gadsden Street  
Tallahassee, FL 32301  
Phone: (850) 681-3828  
Fax: (850) 681-8788  
Email: [jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)

James W. Brew  
F. Alvin Taylor  
Brickfield Burchette Ritts & Stone, PC  
1025 Thomas Jefferson St NW  
8th FL West Tower  
Washington, DC 20007-5201  
Phone: (202) 342-0800  
Fax: (202) 342-0807  
Email: [jbrew@bbrslaw.com](mailto:jbrew@bbrslaw.com)  
[ataylor@bbrslaw.com](mailto:ataylor@bbrslaw.com)

Mr. Paul Lewis, Jr.  
Duke Energy Florida, Inc.  
106 East College Avenue, Ste. 800  
Tallahassee, FL 32301-7740  
Phone: (850) 222-8738  
Facsimile: (850) 222-9768  
Email: [paul.lewisjr@duke-energy.com](mailto:paul.lewisjr@duke-energy.com)

Florida Power & Light Company  
Jessica A. Cano/Bryan S. Anderson  
700 Universe Boulevard  
Juno Beach, FL 33408  
Phone: 561-304-5226  
Facsimile: 561-691-7135  
Email: [Jessica.Cano@fpl.com](mailto:Jessica.Cano@fpl.com)

Kenneth Hoffman  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, FL 32301-1858  
Phone: 850-521-3919/FAX: 850 521-3939  
Email: [Ken.Hoffman@fpl.com](mailto:Ken.Hoffman@fpl.com)

**PROGRESS ENERGY FLORIDA**  
**In re: Nuclear Cost Recovery Clause**  
**Docket 130009-EI**  
**Third Request for Confidential Classification**

Exhibit B

**REDACTED**

COM \_\_\_\_\_  
AFD \_\_\_\_\_  
APA \_\_\_\_\_  
ECO \_\_\_\_\_  
ENG \_\_\_\_\_  
GCL \_\_\_\_\_  
IDM \_\_\_\_\_  
TEL \_\_\_\_\_  
CLK \_\_\_\_\_

DOCUMENT NUMBER - DATE  
02636 MAY 14 2013  
FPSC - COMMISSION CLERK

**PROGRESS ENERGY FLORIDA**  
**In re: Nuclear Cost Recovery Clause**  
**Docket 130009-EI**  
**Third Request for Confidential Classification**

BATES NUMBERS  
13NC-OPCPOD1-1-000001  
IS REDACTED IN ITS ENTIRETY

**PROGRESS ENERGY FLORIDA**  
**In re: Nuclear Cost Recovery Clause**  
**Docket 130009-EI**  
**Third Request for Confidential Classification**

BATES NUMBERS  
13NC-OPCPOD1-2-000001  
THROUGH  
13NC-OPCPOD1-2-000002  
IS REDACTED IN THEIR ENTIRETY



**PROGRESS ENERGY FLORIDA**  
**In re: Nuclear Cost Recovery Clause**  
**Docket 130009-EI**  
**Third Request for Confidential Classification**

BATES NUMBERS  
13NC-OPCPOD1-3-000001  
THROUGH  
13NC-OPCPOD1-3-001002  
IS REDACTED IN THEIR ENTIRETY

**PROGRESS ENERGY FLORIDA**  
**In re: Nuclear Cost Recovery Clause**  
**Docket 130009-EI**  
**Third Request for Confidential Classification**

BATES NUMBERS  
13NC-OPCPOD1-4-000001  
THROUGH  
13NC-OPCPOD1-4-000002  
IS REDACTED IN THEIR ENTIRETY



## EPC Agreement Status

- Currently operating under a partial suspension of the EPC
- Long-lead equipment
  - 2013-14 cost: [REDACTED]
- EPC renegotiation is needed to move forward with the project

Long-lead equipment	Status	Cost (\$ MM)
[REDACTED]		



## Levy Funding

- 2013 budget: [REDACTED]
  - Obtain 404 permit
  - Manage COLA
  - Complete NRC's mandatory hearing
  - Oversee long-lead equipment
  - Develop schedule for site engineering
  - Continue remaining (limited)
- 2014 work
  - Oversee long-lead equipment
  - Manage COLA and receive COL
  - Restart site engineering and design
- Recommendation to TRC on April 8, 2013 for Levy funding through COL receipt

### Projected Levy Project Costs

Category	Cost (MM)
EPC agreement base cost	[REDACTED]
EPC contingency, schedule shift, escalation	[REDACTED]
EPC subtotal	[REDACTED]
Transmission	[REDACTED]
Owner Scope (including contingency & escalation)	[REDACTED]
Total	[REDACTED]

- Notes:
1. All cost estimates exclude AFUDC
  2. Project cost estimate prepared Mar. 2012
  3. Values may not add due to rounding

not. Furthermore, the economic modeling of the long-term financial prospects of Levy has not changed appreciably since the 2012 analysis:

- Capital expenditures for Levy and alternative projects are one of the key inputs to the feasibility assessment. The estimates were updated in the 2012 filing based on consideration of proposed revised in-service dates of June 2024 and December 2025. The updates for the 2013 analysis are very minor and do not represent a material change from the 2012 estimate.
- The long-range forecasts for fuels have changed somewhat since the 2012 study was performed. While the short term forecast price of natural gas continues near historic lows, the longer term price forecast is higher than the 2012 forecast. Since the effect of the longer term price forecast plays a significant role in this analysis, there is an overall increase in the expected benefits of project completion.
- The long-range expectations for cost of capital and operating costs, long-range forecasts of customer growth, and expectations surrounding future environmental legislation are also among the key inputs. In general, these inputs have not changed significantly from the forecasts used in the 2012 study. The carbon emission cost forecasts used are also at similar levels as those used in the 2012 study.

Under Florida statutes and rules<sup>5</sup>, utilities are allowed to recover prudent preconstruction costs, carrying cost on the construction cost balance and operations and maintenance costs associated with new nuclear plant investment as they are incurred. Through the end of 2012 DEF spent approximately \$962 million<sup>6</sup> and recovered approximately \$625 million on the Levy project. In 2012 the FPSC approved a settlement<sup>7</sup> that fixed the cost-recovery associated with Levy at \$3.45/1000 kWh for 2013 through 2017 for the residential customer with a true-up occurring in the final year. This translates to recovering between \$100 and \$110 million per year over this timeframe.

#### **Levy Schedule**

DEF is currently engaged in closing out issues that must be reviewed by the NRC and incorporated into the Levy Final Safety Evaluation Report (FSER). The Advanced Safety Evaluation Report (ASER) was published by the NRC to support the Advisory Committee on Reactor Safeguards (ACRS) review of the Levy COL Application in October 2011. The FSER, which represents the completion of the NRC's safety review process, must be complete before the NRC can move forward to the mandatory hearing process conducted by the NRC Commissioners.

The current schedule for issuing the FSER is late September 2013. This would allow the mandatory hearing to be held as early as late November 2013. However, the NRC's stated position is that the COL will be issued after the Waste Confidence issue is resolved, resulting in the COL being issued no sooner than the fourth quarter of 2014. The Levy schedule is included in Appendix A.

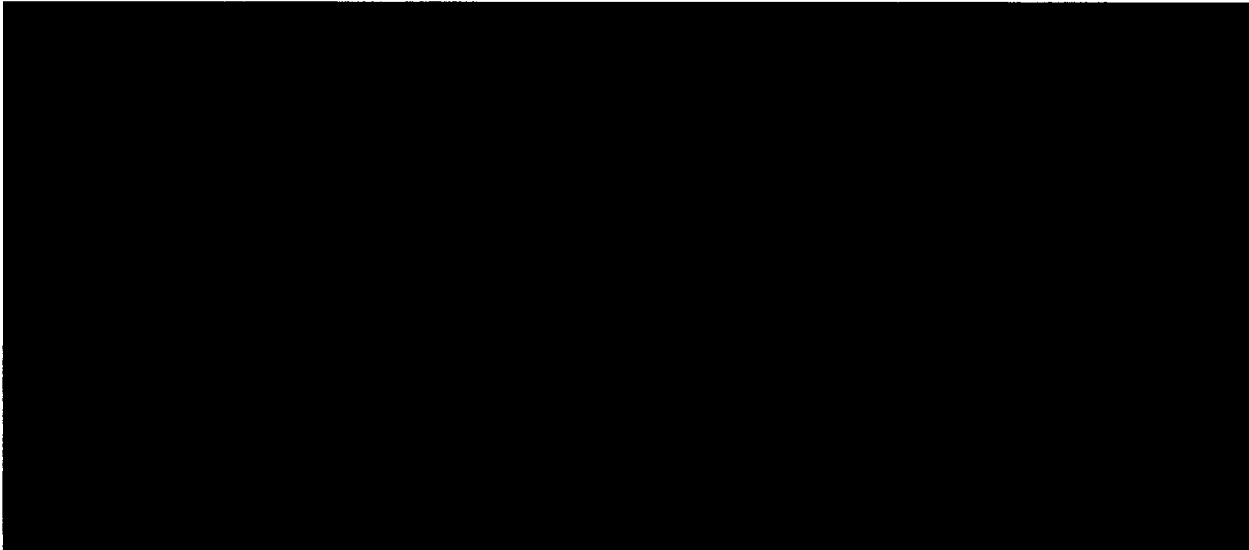
#### **EPC Agreement**

[The information of this section including footnotes is confidential per the EPC Agreement.]

<sup>5</sup> 366.93 and FPSC Rule 25-6.0423

<sup>6</sup> The Levy costs are divided between \$725 million of capital investment, \$224 million in carrying costs, and \$13 million in operations and maintenance.

<sup>7</sup> Signatories to the Settlement are: the Office of Public Counsel (OPC); Florida Retail Federation (FRF); Florida Industrial Power Users Group (FIPUG); Federal Executive Agencies (FEA); White Springs Agricultural Chemicals Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate). The Southern Alliance for Clean Energy (SACE) is not a signatory to the settlement. SACE typically intervenes in the NCRC docket and opposes the feasibility of the Levy project.



**Current Scope and Costs**

The primary activities between now and receipt of the COL for the Levy project are related to the NRC licensing process and management of the EPC Agreement. Near the time of receipt of the COL, pricing and milestone dates in the EPC will need to be renegotiated, joint ownership discussions will need to be re-started, and site-specific design work will be need to be re-started.

NRC licensing

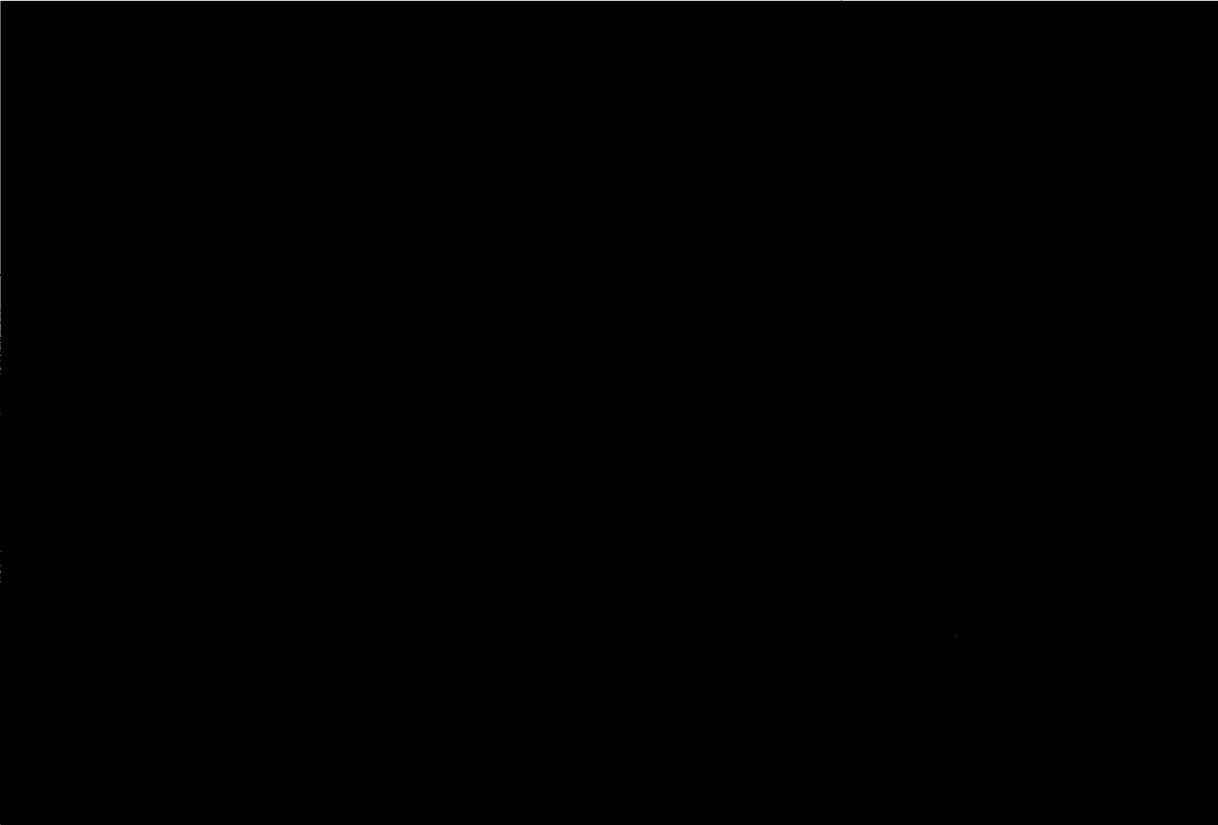
Work is continuing to close issues that require NRC review. DEF continues to provide the necessary documentation that will allow the NRC to finalize its safety review, including a final COL Application revision that is currently targeted to be submitted in June 2013. Some of the items that will be addressed in this revision are:

- Changes to the Levy Emergency Plan to address the requirements of a recent Emergency Preparedness rulemaking;<sup>10</sup>
- Revision of the Quality Assurance Program Description (QAPD) for Levy to reflect a QAPD that is applicable to all three new plant licenses;
- Revisions to proposed license conditions that address Fukushima-related actions;
- Changes to resolve issues related to the Radwaste Building classification for storage of radioactive waste; and
- A Westinghouse design change to the reactor containment to meet certain post-accident cooldown requirements, along with the evaluation and a request for exemption from certified design requirements.



<sup>10</sup> 76 FR 72560, November 23, 2011

EPC and LLE scope



**Risks and Mitigation**

Potential legislative changes to NCRC

Since the near unanimous support for the enactment of the nuclear cost recovery statute in 2006, individual Florida House representatives have introduced bills nearly every year to repeal Section 366.93. None of these bills have been successful to date. In 2013, a Florida legislator again introduced a House Bill which would repeal the law. A Senate Bill has also been introduced which would amend sections of the nuclear cost recovery statute.

There is also a pending appeal of the 2011 FPSC Final Order with the Florida Supreme Court, by the SACE, arguing, among other things, that DEF did not meet its burden to prove that it qualified under the statute and had an "intent to build" Levy, and that the NCRC statute itself is unconstitutional. Presently, there is not an anticipated date for a decision from the Florida Supreme Court on this challenge to the statute.

Mitigation: If the NCRC statute were found unconstitutional, repealed, or significantly amended in 2013 this could represent a fundamental change in risks external to the project. DEF continues to monitor Florida legislative developments and reviews these issues as a qualitative external risk in its feasibility analysis of the project. While DEF cannot predict the outcome of the Florida Supreme Court matter, DEF presented a vigorous defense to the SACE appeal and expects a favorable decision.

---

<sup>11</sup> Financial notes:

1. Dollars are in millions

3. Project costs for January 2013 through April 2013 have previous funding authorization and are not included in the table.

CONFIDENTIAL

Licensing delays

The timing for receipt of the COL discussed above does not reflect the risk of a protracted NRC review of issues currently within the scope of the upcoming COL Application revision, such as the Westinghouse design change to the containment, the Emergency Plan revisions, and the Radwaste Building classification for storage of radioactive waste. Additional potential future risks to the COL receipt timing could be associated with the following:

- Resolution of the applicability of NRC Bulletin 2012-01 related to stability of offsite power systems to the AP1000 standard design
- Additional Westinghouse design changes that are significant enough that they cannot be deferred until after COL because of their impact on the NRC's safety conclusion for the Levy plant
- Impact of the Fukushima accident response on the regulatory and political environment
- Environmental permitting issues with the Army Corps of Engineers (USACE)
- Impacts to future National Pollutant Discharge Elimination System permitting due to the closing of Crystal River Units 1-3
- Failure of the NRC to complete the Waste Confidence rulemaking by September 2014

Mitigation: The risk of licensing delays can be mitigated by active engagement with the NRC regarding emergent issues and timely submittal of all information requested through the Request for Additional Information process. While DEF cannot actively mitigate the risk of a delay to the Waste Confidence rulemaking schedule, it can closely follow the NRC Staff's progress and participate in public meetings in order to anticipate potential delays.

Current state of nuclear development economics:

The electric utility industry is in a time of change and uncertainty. Nuclear plants are large multi-year, capital intensive projects that can prove to be the least cost resource options over the long term despite the short run challenges to DEF's balance sheet or to customer bills. A number of factors play a significant role in the decision to construct and associated timing of when to start construction of a new nuclear project. Key factors include: energy and environmental policy (incentives or restrictions such as price of "carbon"), projected demand for electricity and plant retirements, resource diversity in the generation portfolio, and the expected capital and operating costs of new nuclear versus alternative generation resources such as natural gas.

Mitigation: There is little mitigation possible for the types of macroeconomic factors described as these factors are outside of DEF's control. DEF continues to monitor these external factors to ensure the project remains in the best interests of the company and its customers.

**Recommendation**

Nuclear Development recommends approval of Levy Nuclear Project funding from May 1, 2013 through December 31, 2015 in the amount of [REDACTED]. The funding will be used to complete NRC licensing activities through receipt of the Levy COL, manage the LLE and other costs associated with the Levy EPC Agreement, and support other project related activities. Additionally, it is anticipated that at a minimum the pricing and dates of the EPC Agreement will need to be renegotiated and some site-specific design work will need to be re-started in late 2014 and 2015. Costs associated with these activities are included in this request.

**Appendix A. Levy Project Development Timeline**

The timeline is attached in the accompanying file which is named: "3-27-13 FNTP Readiness Requirements Timeline.pdf".



## Levy Nuclear Plant Funding Authorization

### Recommendation:

Nuclear Development recommends approval of Levy Nuclear Project funding from May 1, 2013 through December 31, 2015 in the amount of [REDACTED]

### Cost Recovery:

- On March 1, 2013 DEF petitioned the FPSC to approve the costs incurred on the Levy for 2012, and the project management, contracting, accounting, and cost oversight controls
- On May 1, 2013, DEF will file a petition, testimony and exhibits for actual and estimated 2013 costs and projected 2014 costs for Levy to obtain a determination that these costs are reasonable
- The 2013 quantitative feasibility results indicate that the Levy project remains favorable in more cases than not:

<b>Fuel Sensitivities</b>			
<b>032613 - 100% Ownership, 2024 COD - 6.47%</b>			
<b>Levy Case Versus All Gas CPVRR \$Million</b>			
<b>Base Capital Reference Case</b>	<b>Low Fuel Reference</b>	<b>Mid Fuel Reference</b>	<b>High Fuel Reference</b>
<i>No CO2</i>	(\$12,310)	(\$3,069)	\$9,959
<i>EPA WM</i>	(\$7,814)	\$1,567	\$14,629
<i>CRA WM</i>	(\$4,974)	\$4,442	\$17,555
<i>EPRI Full</i>	(\$2,554)	\$6,875	\$20,071
<i>EPRI Ltd</i>	\$3,625	\$13,058	\$26,290

- In 2012 the FPSC approved a settlement that fixed the cost-recovery associated with Levy at \$3.45/1000 kWh for 2013 through 2017 for the residential customer with a true-up occurring in the final year.

### Engineering, Procurement, and Construction Agreement:

- DEF executed an EPC Agreement on December 31, 2008 with completion dates in 2016 and 2017
- The EPC Agreement was partially suspended on April 30, 2009

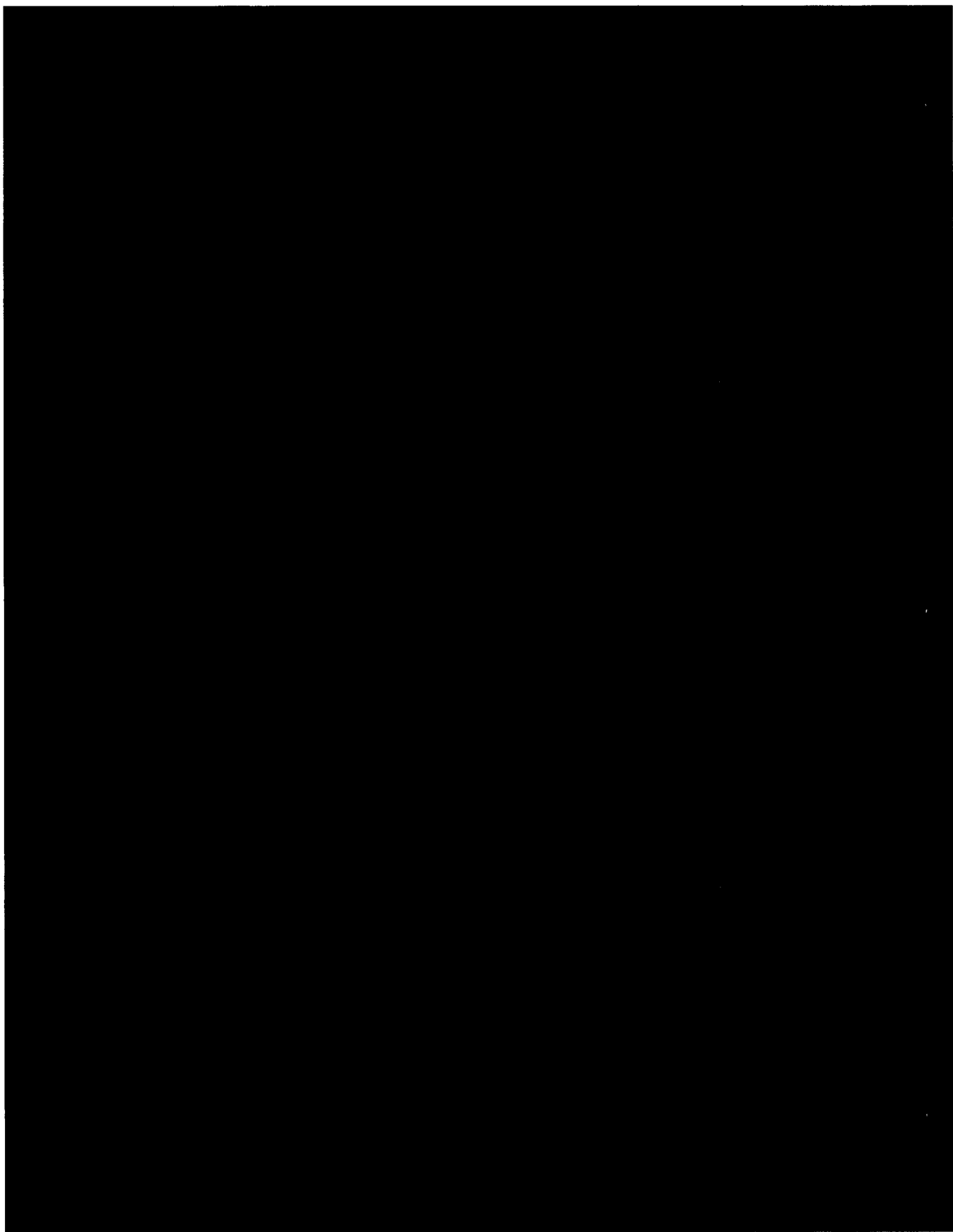
### Costs and Scope:

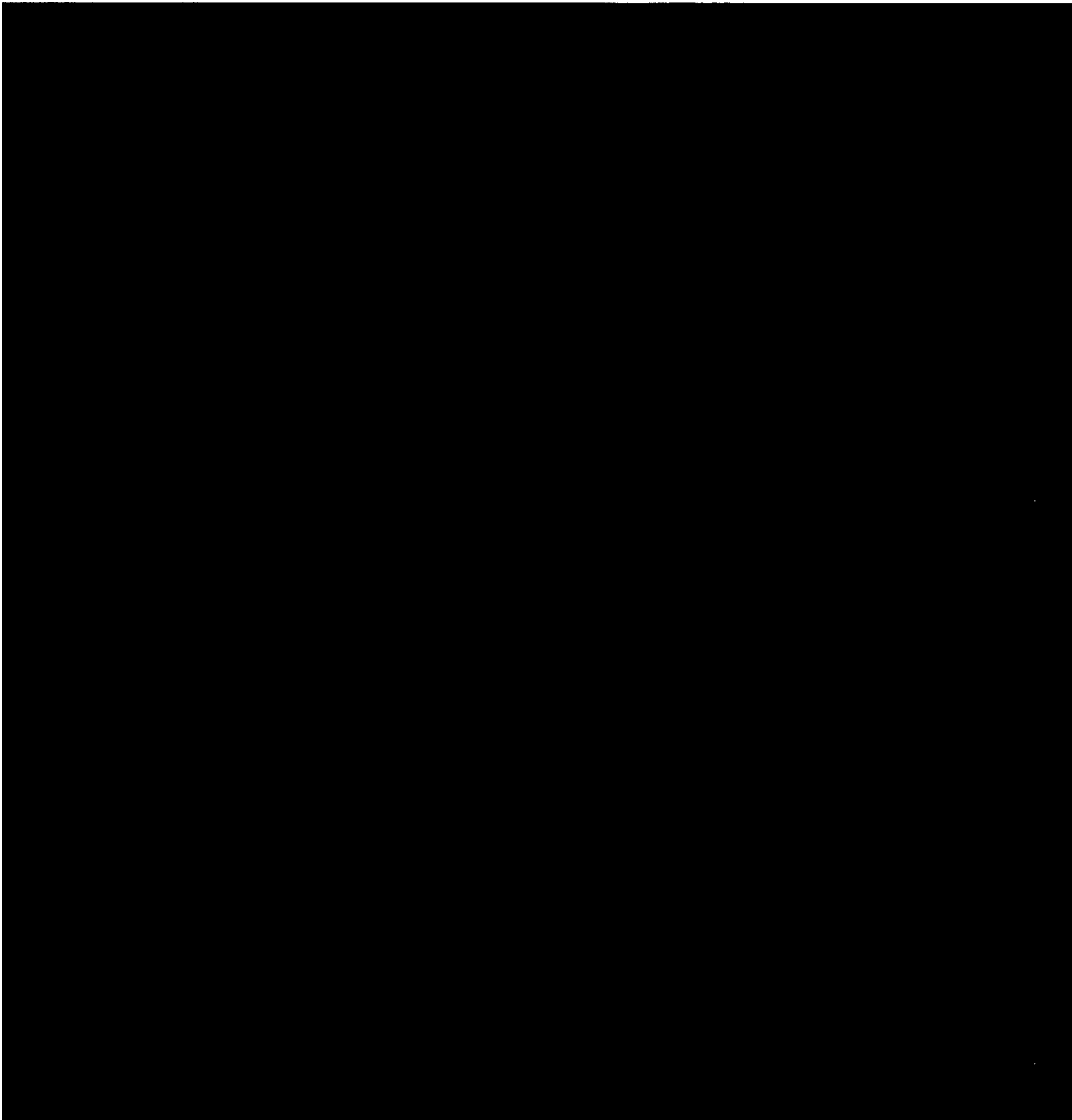
- Scope: Continue with COL application and Long-lead Equipment through the EPC
- Through the end of 2012 DEF spent approximately \$962 million and recovered approximately \$625 million on the Levy project.
- Estimated project costs from May 1, 2013 through December 31, 2015 (corresponding to one-year after expected receipt of COL).

	May - Dec. 2013	2014	2015	Total
Total (EPC + Owner's costs)	[REDACTED]			

### Risks:

1. Potential legislative changes to Florida's Nuclear Cost-Recovery Clause
2. NRC Licensing Delays (e.g. Waste Confidence rulemaking and the Fukushima accident response)
3. Economic uncertainties: Energy and environmental policy, projected demand for electricity and plant retirements, generation resource diversity, and expected capital and operating costs





DEC Load and Plant Retirements:



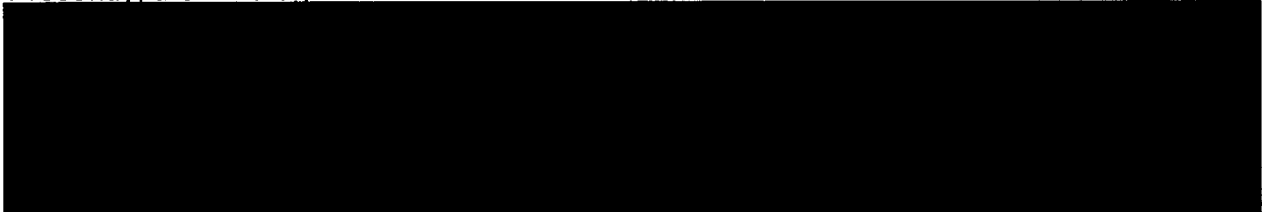
NON-RESPONSIVE

---

<sup>26</sup> The outlook for the industrial segments of textile, tobacco and furniture declined during the period.

2013 and the Waste Confidence issue is resolved within two years as directed by the NRC, the Levy COL could be issued as early as fourth quarter of 2014. A forecast timeline of the NRC review schedule for Levy is presented in Appendix B. If the Waste Confidence issue is resolved within this time frame, it is not expected that the overall project timeline for commercial operation of Unit 1 by 2024 will be negatively impacted.

Engineering Procurement and Construction Agreement: In order to put in place the contractual mechanisms to move Levy forward toward completion for the originally planned 2016 and 2017 in-service dates as prescribed in the Levy determination of need,<sup>6</sup> DEF executed an EPC agreement with Westinghouse Electric Company and Shaw Nuclear (Contractors) on December 31, 2008. This agreement was suspended on April 30, 2009, due to a slip in the NRC licensing schedule. The initial Levy construction schedule outlined in the EPC agreement was contingent upon obtaining a Limited Work Authorization from the NRC to allow for certain non-safety work to proceed in advance of receiving the COL. Ultimately, the NRC determined the review of the COL application and Limited Work Authorization should proceed on the same schedule, which resulted in a minimum 20-month schedule shift for the Levy commercial operation dates. Current project work under the EPC agreement is limited to activities required to obtain the COL, major environmental permits and resolving certain long-lead equipment procurement activities associated with the suspension of the EPC.<sup>7</sup> Presently, the EPC agreement as amended:



Levy Costs: Through September 2012, DEF has spent approximately [redacted] on the Levy project excluding allowance for funds used during construction (AFUDC) as shown in Table 1. The estimated total Levy cost excluding AFUDC is \$18.8 billion, with an estimated range of \$15.1 billion to \$21.6 billion.

---

<sup>6</sup> The determination of need is explained in the Florida State Regulatory section of this update.

<sup>7</sup> Over the next three years, 2013-2015, the payments associated with the long-lead equipment will total approximately [redacted]

Category	Cost
Long-lead equipment procurement activities <sup>8</sup>	[REDACTED]
Other EPC	
Owners' costs	
EPC Sub-total	
COL application and licensing:	
Transmission:	
Total	

Table 1. Levy project costs through September 2012 (\$ in millions)

For the remainder of 2012 through mid-2013, Levy activities will primarily focus on continuing the work necessary to receive COL from the NRC.

**Florida State Regulatory:** Prior to initiating construction of a new nuclear project in Florida, a utility must demonstrate the proposed project satisfies the utility's need for power and the plant meets Florida's siting statutes. Florida statutes also permit a utility to annually request recovery of the "pre-construction" costs associated with nuclear development for which DEF has petitioned each year since 2008. The most recent annual cost recovery request has been appealed to the Florida Supreme Court and oral arguments were heard on October 4, 2012.

**Levy Need Proceeding:** On March 11, 2008, DEF petitioned the Florida Public Service Commission (FPSC) for an affirmative determination of need for the Levy project and associated transmission facilities. In reviewing a petition for a determination of need, the FPSC considers, among other factors, whether the nuclear plant will provide the most cost-effective source of power, taking into account the need to improve the balance of fuel diversity, reduce Florida's dependence on fuel oil and natural gas, reduce air emission compliance costs, and contribute to the long-term stability and reliability of the electric grid.<sup>9</sup> The FPSC unanimously voted to approve the need determination for Levy in an order issued on August 12, 2008.

**Levy Siting:** The state siting process for Levy is complete.<sup>10</sup> The Florida Department of Environmental Protection's report on the Levy Site Certification Application was issued

<sup>8</sup> Incremental long-lead equipment disposition and storage costs to support the schedule extension to 2024-2025, and continued long-lead equipment milestone payments and quality assurance and vendor oversight activities will continue to be incurred.

<sup>9</sup> Section 403.519(b) of the Florida Statutes.

<sup>10</sup> Pursuant to the Florida Electrical Power Plant Siting Act.

**Contains Confidential and Proprietary Information Subject to Confidentiality Agreements**

**DUKE ENERGY FLORIDA DOCKET 130009-EI**  
**Third Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 1, Bates No. 13NC-OPCPOD1-1-000001	Entire Document	<p>§366.093(3)(b), Fla. Stat. The information in question contains confidential information relating to, or derived from, the Company's internal auditing controls and/or reports of the Company's internal auditors.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 2, Bates No. 13NC-OPCPOD1-2-000001 through 13NC-OPCPOD1-2-000002	Entire Document	<p>§366.093(3)(b), Fla. Stat. The information in question contains confidential information relating to, or derived from, the Company's internal auditing controls and/or reports of the Company's internal auditors.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 3, Bates No. 13NC-OPCPOD1-3-000001 through 13NC-OPCPOD1-3-001002	All Pages in their entirety	<p>§366.093(3)(b), Fla. Stat. The information in question contains confidential information relating to, or derived from, the Company's internal auditing controls and/or reports of the Company's internal auditors.</p>

DOCUMENT NUMBER - DATE

02636 MAY 14 20

FPSC - COMMISSION CLERK

**DUKE ENERGY FLORIDA DOCKET 130009-EI**  
**Third Request for Confidential Classification**  
**Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		<p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000001 through 13NC-OPCPOD1- 4-000002	Entire Document	<p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000009	1 <sup>st</sup> Column, 3 <sup>rd</sup> bullet point, last two words; 4 <sup>th</sup> , 5 <sup>th</sup> and 6 <sup>th</sup> bullet points in their entirety; 2 <sup>nd</sup> column, table box in its entirety exclusive of headings	<p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

**DUKE ENERGY FLORIDA DOCKET 130009-EI**  
**Third Request for Confidential Classification**  
**Confidentiality Justification Matrix**

<b>DOCUMENT</b>	<b>PAGE/LINE/ COLUMN</b>	<b>JUSTIFICATION</b>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000011	1 <sup>st</sup> Column, 1 <sup>st</sup> bullet point, last two words; 2 <sup>nd</sup> column, 2 <sup>nd</sup> table column in its entirety exclusive of heading	<p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000013	Lines 37 through 40 in their entirety	<p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.  The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000014	1 <sup>st</sup> two paragraph on page and footnotes 8 and 9 in their entirety	<p>§366.093(3)(d), Fla. Stat.  The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat.</p>



**DUKE ENERGY FLORIDA DOCKET 130009-EI  
Third Request for Confidential Classification  
Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000015	1 <sup>st</sup> paragraph and table box at top of page in their entirety, footnote 11.2. in its entirety	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000016	2 <sup>nd</sup> paragraph from bottom of page, 2 <sup>nd</sup> line, eighth and ninth words	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's	4 <sup>th</sup> line on page, last two	§366.093(3)(d), Fla. Stat.

**DUKE ENERGY FLORIDA DOCKET 130009-EI  
Third Request for Confidential Classification  
Confidentiality Justification Matrix**

<b>DOCUMENT</b>	<b>PAGE/LINE/ COLUMN</b>	<b>JUSTIFICATION</b>
Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000017	words; exclusive of table, 18 <sup>th</sup> line through 20 <sup>th</sup> line in their entirety; 28 <sup>th</sup> line, all information in last 4 columns	<p>The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000033	All information on page	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000034	All information on page exclusive of Non-Responsive designations	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information</p>

**DUKE ENERGY FLORIDA DOCKET 130009-EI  
Third Request for Confidential Classification  
Confidentiality Justification Matrix**

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
		relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000043	Lines 21 through 25 in their entirety, Line 26, second and third word from end; Footnote 7, 2 <sup>nd</sup> line, all word except 1 <sup>st</sup> word	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>
Duke Energy Florida's Response to Citizens First Request for Production of Documents No. 4, Bates No. 13NC-OPCPOD1-4-000044	Table at top, all information in 2 <sup>nd</sup> column exclusive of heading	<p>§366.093(3)(d), Fla. Stat. The document portions in question contain confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>