

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 130009-EI

SERVED: June 18, 2013

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COMMISSION
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**DUKE ENERGY FLORIDA, INC.'S
NOTICE OF FILING**

Duke Energy Florida, Inc. ("DEF"), hereby gives notice of filing the affidavits of Garry D. Miller and Christopher M. Fallon in support of Duke Energy Florida, Inc.'s Sixth Request for Confidential Classification.

Respectfully submitted,




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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 18th day of June, 2013.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 130009-EI
Submitted for Filing: June 18, 2013

**AFFIDAVIT OF GARRY D. MILLER IN SUPPORT OF DUKE ENERGY FLORIDA, INC.'S
SIXTH REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS OF
THE REVIEW OF DUKE ENERGY FLORIDA, INC.'S PROJECT MANAGEMENT
INTERNAL CONTROLS FOR NUCLEAR PLANT UPRATE AND CONSTRUCTION
PROJECTS AUDIT REPORT NO. PA-13-01-001**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

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

2. I am employed by Duke Energy Corporation ("Duke Energy") in the Nuclear Engineering Group and I am the Senior Vice President – Nuclear Engineering. As Senior Vice President – Nuclear Engineering, I am responsible for all corporate engineering, design engineering, engineering technical programs, and nuclear fuels functions in Duke Energy's nuclear generation fleet. This includes engineering projects and programs at the Crystal River Unit 3 ("CR3") nuclear power plant located at the Crystal River power plant site in Florida.

3. DEF is requesting confidential classification of portions of the Audit Report because it contains confidential contractual information and numbers concerning the Crystal River Unit 3 ("CR3") Extended Power Uprate ("EPU") Project ("CR3 Uprate"), the disclosure of which would impair DEF's competitive business interests and violate DEF's confidentiality agreements with third parties and vendors; information gleaned from internal audit controls and reports; and other information the disclosure of which would impair the Company's competitive business interests.

4. The Company is requesting confidential classification of this information because the Audit Report contains proprietary and confidential information that would impair DEF's competitive business interests if publicly disclosed, as well as information concerning contractual data, the disclosure of which would impair the Company's ability to contract on favorable terms and, in many cases, the information constitutes trade secrets of the Company and its contract partners. In many instances, the disclosure of this information would violate contractual confidentiality provisions or is the result of recent negotiations with DEF vendors or ongoing contracts with vendors. Portions of these documents reflect the Company's internal strategies for evaluating projects. The information contains sensitive information concerning the CR3 Uprate the release of which would place DEF's competitors at a relative competitive advantage, thereby harming the Company's and its customer's interests.

5. Furthermore, portions of the information in the Audit Report were taken from internal audit reports which are confidential. If the Company were to know that its internal auditing controls and process were subject to public disclosure, it would likely compromise the level of cooperation needed to efficiently conduct audits.

6. DEF considers this information to confidential and proprietary and continues to take steps to protect against its public disclosure, including limiting the personnel who have

access to this information. If such information was disclosed to DEF's competitors and/or other potential suppliers, DEF's efforts to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers could be compromised by the Company's competitors and/or suppliers changing their offers, consumption, or purchasing behavior within the relevant markets. If other third parties were made aware of confidential contractual terms that DEF has with other parties, they may offer less competitive contractual terms in future contractual negotiations. Without the Company's measures to maintain the confidentiality of sensitive terms in contracts with these nuclear contractors, the Company's efforts to obtain competitive contracts could be undermined to the detriment of DEF and its ratepayers.

7. Upon receipt of this confidential information, as with all confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided therein. Such procedures include, but are not limited to, restricting access to the documents and information to only those persons who require it to assist the Company. At no time since developing or entering the contracts in question has DEF publicly disclosed the contracts' confidential terms; DEF has treated and continues to treat the information contained in the subject contracts and other documents as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

Dated this _____ day of June 2013.

(Signature) Garry D. Miller

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this ____ day of June, 2013, by Garry D. Miller. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

(AFFIX NOTARIAL SEAL)

(Signature)

(Printed Name)

NOTARY PUBLIC, STATE OF _____

(Commission Expiration Date)

(Serial Number, If Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 130009-EI
Submitted for Filing: June 18, 2013

**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT OF DUKE ENERGY
FLORIDA, INC.'S SIXTH REQUEST FOR CONFIDENTIAL CLASSIFICATION
REGARDING PORTIONS OF THE REVIEW OF DUKE ENERGY FLORIDA, INC.'S
PROJECT MANAGEMENT INTERNAL CONTROLS FOR NUCLEAR PLANT
UPRATE AND CONSTRUCTION PROJECTS AUDIT REPORT NO. PA-13-01-001**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Christopher M. Fallon. I am employed by Duke Energy Corporation ("Duke Energy") in the capacity of Vice President of Nuclear Development. I am over the age of 18 years old and I have been authorized to give this affidavit in the above-styled proceeding on Duke Energy Florida's ("DEF" or the "Company") behalf and in support of DEF's Sixth Request for Confidential Classification. The facts attested to in my affidavit are based upon my personal knowledge.

2. As Vice President of Nuclear Development, I am responsible for the licensing and engineering design for the Levy nuclear power plant project ("LNP" or "Levy"), including the direct management of the Engineering, Procurement, and Construction ("EPC") Agreement with Westinghouse and Shaw, Stone & Webster (the "Consortium"), and I am responsible for reporting on the LNP to senior management.

3. The Company is requesting confidential classification of this information because it contains proprietary and confidential information received from third-party vendors pursuant

to contractual agreements with those vendors. Those agreements contain non-disclosure provisions that limit the use and forbid the dissemination of the information. The disclosure of this would impair the Company's ability to contract on favorable terms, or at all, for such information. The Company requires this information for use in analyzing the continued feasibility of its projects and to aid its management in long-term planning. The Company and its customers would be harmed if DEF were not able to contract for the use of this information on favorable terms.

4. The disclosure of this information would compromise DEF's competitive business interests and in certain instances violate contractual confidentiality provisions with DEF's vendors under the Company's EPC Agreement, as well as cost numbers and information relating to on-going and future negotiations with the Consortium and its vendors for the LNP.

5. Portions of the Audit Report reflect the Company's internal strategies for evaluating its projects, risk evaluations, as well as contractual pricing arrangements between DEF and providers of equipment and services required for the LNP and would adversely impact DEF's competitive business interests and impede on-going negotiations if disclosed to the public. The Company must be able to assure these vendors that sensitive business information, such as the pricing, payment and quantity terms of their contracts, will be kept confidential. Indeed, most of the contracts at issue contain confidentiality provisions that prohibit disclosure of contractual terms to third parties. If third parties were made aware of confidential contractual terms that the Company has with other parties, they may offer DEF less competitive contractual terms in future contractual negotiations. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the LNP would be undermined. Absent such measures, DEF would run the risk that sensitive business information regarding what the Company is willing to pay for necessary equipment, goods, supplies and real property would be made available to the

public and, as a result, other potential sellers of similar materials and services could change their position in their negotiations to the detriment of DEF.

6. The Audit Report also includes information gleaned from the Company's internal audit procedures and reports, the release of which would harm DEF's ability to conduct internal audits. Public disclosure of the documents and information in question would compromise DEF's ability to effectively audit the Company's major projects. If the Company were to know that its internal auditing controls and process were subject to public disclosure, it would compromise the level of cooperation needed with auditors to efficiently conduct audits.

7. Upon receipt of all this confidential information, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist the Company. At no time has the Company publicly disclosed the information at issue. The Company has treated and continues to treat the information at issue as confidential.

8. This concludes my affidavit.

Further affiant sayeth not.

(Signature) Christopher M. Fallon

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this ____ day of June, 2013, by Christopher M. Fallon. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

(Signature)

(AFFIX NOTARIAL SEAL)

(Printed Name)

NOTARY PUBLIC, STATE OF _____

(Commission Expiration Date)

(Serial Number, If Any)