

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery Clause

Docket No. 140009-~~PA~~
Submitted for Filing: June 19, 2014

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DUKE ENERGY FLORIDA, INC.'S NOTICE OF FILING

Duke Energy Florida, Inc. ("DEF" or the "Company"), hereby gives notice of filing the Affidavits of Christopher M. Fallon and Michael R. Delowery in Support of Duke Energy Florida, Inc.'s Third 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-14-01-001.

Respectfully submitted on this 19th day of June, 2014:

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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 19th day of June, 2014.

/s/ Blaise N. Gamba

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 140009-EI
Submitted for Filing: June 19, 2014

**AFFIDAVIT OF CHRISTOPHER M. FALLON IN SUPPORT OF DUKE ENERGY
FLORIDA, INC.'S THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

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

1. My name is Christopher M. Fallon. I am employed by Duke Energy Corporation (“Duke Energy”) in the capacity of Vice President of 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, Inc.’s (“DEF” or the “Company”) behalf and in support of DEF’s Third Request for Confidential Classification regarding portions of the final audit report of the Florida Public Service Commission Staff (“Staff”) Auditors, the Review of Duke Energy Florida, Inc.’s Project Management Internal Controls for Nuclear Plant Uprate and Construction Project Audit Report No. PA-14-01-001 (the “Request”). 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 Levy nuclear power plant project (“LNP” or “Levy”), and I am also 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 continuing contractual confidentiality provisions with DEF's vendors under the EPC Agreement, as well as cost numbers and information relating to on-going negotiations with Westinghouse Electric, LLC and its vendors for Levy long lead equipment.

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 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 (or

sell) necessary equipment, goods, supplies and real property would be made available to the public and, as a result, other potential sellers or buyers of similar materials and services could change their position in their negotiations to the detriment of DEF.

6. 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.

7. This concludes my affidavit.

Further affiant sayeth not.

Christopher M Fallon

(Signature) Christopher M. Fallon

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this 18 day of June, 2014, by Christopher M. Fallon. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

Teresa D. Neely

(Signature)

TERESA D. NEELY

(Printed Name)

NOTARY PUBLIC, STATE OF NC

9/2/15

(Commission Expiration Date)

(AFFIX NOTARIAL SEAL)



(Serial Number, If Any)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 140009-EI
Submitted for Filing: June 19, 2014

**AFFIDAVIT OF MICHAEL R. DELOWERY IN SUPPORT OF DUKE ENERGY FLORIDA,
INC.'S THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NORTH CAROLINA

COUNTY OF MECKELLENBURG

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

1. My name is Michael R. Delowery. I am employed by Duke Energy Florida, Inc. ("DEF" or the "Company") and serve as its acting Vice President of Project Management and Construction. I am over the age of 18 years old and I have been authorized by DEF to give this affidavit in the above-styled proceeding on DEF's behalf and in support of DEF's Third Request for Confidential Classification Regarding portions of the final audit report of the Florida Public Service Commission Staff ("Staff") Auditors, the Review of Duke Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Project Audit Report No. PA-14-01-001 (the "Request"). 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, the disclosure of which would impair DEF's competitive business interests and violate DEF's confidentiality agreements with third parties and vendors and potential buyers of EPU assets 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. In many instances, the disclosure of this information would violate contractual confidentiality provisions or is the result of recent negotiations with DEF vendors or potential buyers. Portions of these documents reflect the Company's internal strategies for evaluating projects and disposition of EPU assets. The information contains sensitive information concerning the EPU project 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. 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.

6. 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.

7. This concludes my affidavit.

Dated this ____ day of _____, 2014.

(Signature)

Michael R. Delowery
Vice President, Project Management and Construction
400 South Tryon Street
Charlotte, NC 28202

THE FOREGOING INSTRUMENT was sworn to and subscribed before me this ___ day of _____, 2014 by Michael R. Delowery. He is personally known to me, or has produced his _____ driver's license, or his _____ as identification.

(Signature)

(Printed Name)

NOTARY PUBLIC, STATE OF _____

(Commission Expiration Date)

(Serial Number, If Any)

(AFFIX NOTARIAL SEAL)