

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition for Determination
of Need for Citrus County Combined Cycle
Power Plant, by Duke Energy Florida, Inc.

Docket No. 140110-EI

In re: Petition for Determination
of Cost Effective Generation Alternative
to Meet Need Prior to 2018, by Duke
Energy Florida, Inc.

Docket No. 140111-EI

Submitted: September 2, 2014

REDACTED

NRG FLORIDA LP'S THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION

NRG Florida LP ("NRG") files this Request for Confidential Classification pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code and states:

1. On August 14, 2014, NRG filed its Third Notice of Intent to Request Confidential Classification of certain information provided in response to Staff's First Interrogatories to NRG (No. 2). Specifically, NRG provided confidential information in response to Staff's inquiry regarding a proposal by NRG "in which DEF would first sign a long term contract for the Osceola facility and at a later date purchase the facility."

2. Section 366.093(1), Florida Statutes, states:

Upon request of the public utility or other person, 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 s. 119.07(1).

3. The term "proprietary confidential business information" is defined in Section 366.093(3), Florida Statutes:

Proprietary confidential business information means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been disclosed unless

disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. Proprietary confidential business information includes, but is not limited to:

* * *

(d) 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.

(e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

4. The confidential information provided by NRG is entitled to protection under Section 366.093(1), Florida Statutes and meets the definition in Section 366.093(3), Florida Statutes. NRG's response to Staff Interrogatory No. 2 contains proprietary and confidential competitive business information; trade secrets and information concerning bids or other contractual data, the disclosure of which would impair efforts to contract for goods or services on favorable terms; and competitively sensitive commercial information, the disclosure of which would adversely impact NRG's competitive business interests. The information is owned or controlled by NRG, which has treated the information for which protection is sought as confidential, and has not voluntarily disclosed the information to the public. Disclosure of the confidential information would cause harm to NRG's business operations.

5. Attached to this Request and incorporated herein for all purposes are the following supporting exhibits:

- Confidential Exhibit A: A sealed envelope containing a copy of NRG's unredacted interrogatory response, with the confidential information highlighted;
- Exhibit B: A redacted version of the information provided in Confidential Exhibit A;
- Exhibit C: A justification table for the confidential information provided in Confidential

Exhibit A; and

- Exhibit D: The supporting affidavit of Gordon Polozola.

WHEREFORE, NRG respectfully requests that the Commission grant its Third Request for Confidential Classification, effective for a period of at least eighteen (18) months; and that the confidential documents be returned to NRG as required by Section 366.093(4), Florida Statutes, when it is no longer necessary for the Commission to conduct its business.

Respectfully submitted this 2nd day of September, 2014.

/s/ Marsha E. Rule

Marsha E. Rule, Esq.
Fla. Bar No. 0302066
Rutledge Ecenia, P.A.
119 South Monroe Street, Suite 202
Tallahassee, Florida 32301
Email: marsha@rutledge-ecenia.com
Phone: 850.681.6788
Fax: 850.681-6515

Richard A. Zambo, Esq.
Fla. Bar No. 312525
Richard A. Zambo, P.A.
2336 S.E. Ocean Boulevard, #309
Stuart, Florida 34966
Email: richzambo@aol.com
Phone: 772.225.5400

Gordon D. Polozola, Esq.
General Counsel – South Central Region
NRG Energy, Inc.
112 Telly Street
New Roads, LA 70760
Email: Gordon.Polozola@nrgenergy.com
Phone: 225-618-4084

ATTORNEYS FOR NRG FLORIDA LP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished to the following by electronic mail this 2nd day of September, 2014:

J. Michael Walls
Blaise N. Gamba
Carlton Law Firm
4221 W. Boy Scout Blvd.
Suite 1000
Tampa, FL 33607-5780
mwalls@CFJBLaw.com
bgamba@CFJBLaw.com

John T. Burnett
Dianne M. Triplett
Duke Energy
P. O. Box 14042
St. Petersburg, FL 33733
John.burnett@duke-energy.com
Dianne.triplett@duke-energy.com

Matthew R. Bernier
Paul Lewis, Jr.
106 East College Avenue, Suite 800
Tallahassee, FL 32301
Matthew.bernier@duke-energy.com
Paul.Lewisjr@duke-energy.com

J.R. Kelly
Charles J. Rehwinkel
Office of Public Counsel
C/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400
Kelly.jr@leg.state.fl.us

Robert Scheffel Wright
John T. LaVia, III
Gardner, Bist, Wiener, Wadsworth, Bowden,
Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, Florida 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Michael Lawson
Florida Public Service Commission
Office of the General Counsel
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399
mlawson@psc.state.fl.us

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm, P.A.
1 18 North Gadsden Street
Tallahassee, Florida 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com

James W. Brew
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007-5201
jbrew@bbrslaw.com

Linda Loomis Shelley, Esq.
Buchanan Ingersoll & Rooney / Fowler White
Boggs P A
101 North Monroe Street, Suite 1090
Tallahassee, FL 32301
linda.shelley@bipc.com

Alan Seltzer
Buchanan Ingersoll & Rooney / Fowler White
Boggs PA
409 North Second Street, Suite 500
Harrisburg, PA 17101-1357
alanseltzer@bipc.com

John Povilaitis
Buchanan Ingersoll & Rooney / Fowler White
Boggs P A
409 North Second Street, Suite 500
Harrisburg, PA 17101-1357
john.povilaitis@bipc.com

George Cavros
Southern Alliance for Clean Energy
120 E. Oakland Park Blvd. Suite 105
Ft. Lauderdale, FL 33334
george@cavros-law.com

/s/ Marsha E. Rule

Attorney

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CONFIDENTIAL EXHIBIT A

TO

NRG FLORIDA LP'S THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION

(filed confidentially)

EXHIBIT B

TO

NRG FLORIDA LP'S

THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION

2. On page 11 of witness John Morris' testimony the witness indicates that DEF witness Julie Solomon did not consider a case in which DEF first signed a long term contract for the Osceola facility and at a later date decided to purchase the facility. Did NRG present a proposal in which DEF would first sign a long term contract for the Osceola facility and at a later date purchase the facility? If so please provide a brief summary of the proposal including the dates the proposal was submitted.

RESPONSE:

Yes. DEF advised NRG that its proposal was rejected in February 2014. However, not until March did DEF advise NRG that DEF had market power concerns associated with the acquisition of the Osceola facility. NRG attempted to gather further information about DEF's concerns through continued negotiations, and in May 2014, NRG offered options in an attempt to address DEF's objections, including a PPA-to-Acquisition proposal. Thereafter, the parties continued to negotiate such proposal, with NRG ultimately offering DEF a formal term sheet in June 2014. At no time during the negotiations did Duke indicate to NRG that it was too late for Duke to consider the PPA-to-Acquisition proposal; to the contrary, Duke led NRG to believe that it was interested in exploring such options to address its stated FERC market power concerns.

1 Under the term sheet proposal, the parties would enter into a ** [REDACTED] ** PPA ** [REDACTED]
2 [REDACTED] ** for 465 MW with a Capacity Charge of
3 ** [REDACTED] ** a Variable O&M charge of
4 ** [REDACTED] **, and a Start Charge of ** [REDACTED]
5 [REDACTED] **. The proposal also provided for an option to extend the PPA
6 for another ** [REDACTED] ** term at ** [REDACTED] **. NRG also
7 offered to sell the Osceola facility to DEF for ** [REDACTED] **, which is less than
8 ** [REDACTED] ** of the capital cost of DEF's self-build projects, or ** [REDACTED] ** compared to an
estimated \$661/kW for DEF's projects. Obviously, it took several highly questionable
and creative "adjustments" by Duke to close this huge price gap between NRG Osceola
and DEF's self-build project.

9 DEF refused to consider NRG's offer unless NRG agreed to pay for a ** [REDACTED] **
10 deposit DEF had already paid toward the Suwannee turbines. Notably, DEF ** [REDACTED]
11 [REDACTED] ** well before advising NRG its proposal was
rejected, and incurred the deposit cost before obtaining Commission approval for the
Suwannee project. NRG's Document Request No. 36 to DEF sought verification from
regarding the sunk costs claimed by DEF as follows:

Please provide all documents relevant to any non-refundable costs
agreed to or incurred by DEF in connection with the Suwannee
Simple Cycle Project, including but not limited to turbine supply
agreements.

1 In response, DEF provided a confidential copy of ** [REDACTED]
2 [REDACTED] ** See,
3 14LGBRA-NRGPOD4-36-000001 - 000053 COMP SENS CONFIDENTIAL
4 Duke_GE - Suwannee CTG Agnt Final.pdf at page 14LGBRA-NRGPOD4-36-
5 000001. ** [REDACTED]
6 [REDACTED] ** See, DEF's
7 response to NRG Document Request No. 6, 14LGBRA-NRGPOD4-36-000057 - 000059
8 COMP SENS CONFIDENTIAL Exh C-1 Paynt_and_Term_Sched.pdf Further, **
9 [REDACTED] ** revealed that DEF ** [REDACTED]
[REDACTED] ** See DEF's Supplemental Response to NRG's
Document Request, 14LGBRA-NRGPOD4-36-000080 - 000734 COMP SENS
CONFIDENTIAL Exhibit_B-1__Vendor_Firm_Proposal.pdf at page 14LGBRA-
NRGPOD4-36-000083.

10 Further, DEF did not evaluate the cost of NRG's ** [REDACTED] ** term sheet offer
11 against the cost of the Suwannee Project. Instead, DEF compared the cost of ** [REDACTED]
12 [REDACTED] ** plus the cost of building a "generic combustion turbine project" at the end of that
time – even though circumstances may not warrant building additional combustion
turbine generation in the 2024 time frame. Although Mr. Borsch stated in his deposition
on August 11, 2014, that this additional cost was intended to require NRG to pay for
deferral of the Suwannee project, the "generic" project was based on GE7FA.05 turbines,
which are more expensive than the GE7FA.03 units in the Suwannee Project. The net
effect was to add costs to the NRG PPA proposal which necessarily made the Suwannee
project appear less expensive than NRG's proposal, which is not the case.

Finally, DEF insisted that firm natural gas transportation at above-market prices was
required to operate the Osceola facility, despite that the facility is a peaker; has operated
reliably during its life based upon secondary firm, non-firm and spot market gas
transportation (as needed); and, is dual-fuel capable, able to operate on No. 2 oil with 3
million gallons stored on site. When DEF loaded NRG's proposal with all of these
additional costs, among others, the result was to render it economically infeasible.
Therefore, negotiations between the parties ended in mid-July 1, 2014. In short, DEF did
not seriously attempt to develop a mutually acceptable arrangement with NRG, but rather
focused on how it could reject any and all of NRG's offerings.

EXHIBIT C

TO

NRG ENERGY LP'S

THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION

Document	Page/Line/Column	Justification
NRG's Response to Staff's First Set of Interrogatories to NRG (No. 2) (FPSC Document No. 04436-14)	Page 2, Lines 1-8	Terms and conditions of NRG's term sheet proposal are confidential under §§ 366.093(3)(a), (d), and (e), Fla. Stat.
[same]	Page 2, lines 9-11	This information was obtained from a document that was granted confidential classification in Order No. PSC-14-0456-CFO-EI.
[same]	Page 3, lines 1-3	The referenced document was granted confidential classification in Order No. PSC-14-0456-CFO-EI.
[same]	Page 3, lines 4-7	The referenced document was granted confidential classification in Order No. PSC-14-0456-CFO-EI.
[same]	Page 3, line 8-9	NRG is required to treat the referenced document as confidential under Duke's Seventeenth Notice of Intent to Seek Confidential Classification (August 8, 2014).
[same]	Page 3, line 10	Terms and conditions of NRG's term sheet proposal are confidential under §§ 366.093(3)(a), (d), and (e), Fla. Stat.
[same]	Page 3, lines 11-12	This information is confidential under §§ 366.093(3)(a), (d), and (e), Fla. Stat. because a competitor that learned this information could, by elimination, learn terms of NRG's confidential negotiations and term sheet offer.

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**EXHIBIT D TO NRG FLORIDA LP'S
THIRD REQUEST FOR CONFIDENTIAL CLASSIFICATION**

AFFIDAVIT OF GORDON D. POLOZOLA

STATE OF LOUISIANA
PARISH OF POINTE COUPEE

Before me, the undersigned authority, personally appeared GORDON D. POLOZOLA, who
being first duly sworn, on oath deposes and states:

1. My name is Gordon D. Polozola. I am over the age of 18 years old and I have
been authorized by NRG Florida LP ("NRG") to give this affidavit. I have personal knowledge
of the matters stated herein.

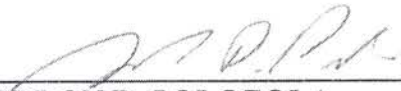
2. I am Regional General Counsel – South Central Region for NRG Energy, Inc., the
parent company of NRG Florida LP. My business address is 112 Telly Street, New Roads, LA
70760. I am also Vice-President and Secretary of NRG Florida GP, LLC, the general partner of
NRG Florida LP. In this capacity, I am familiar with the records that are the subject of this
Second Request for Confidential Classification.

3. NRG seeks confidential classification for certain information provided in
response to Florida Public Service Commission Staff Interrogatory No. 2. The interrogatory
response includes competitively sensitive confidential business information that belongs to NRG
and which requires confidential classification because it contains information concerning NRG's

confidential bids and offers to DEF, proprietary performance and pricing information and other proprietary data. If disclosed, this information would adversely impact NRG's competitive business interests and otherwise harm NRG by revealing the terms and conditions under which NRG would consider entering into certain agreements regarding its Osceola generating facility.

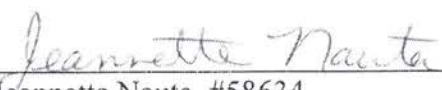
5. The information identified in Exhibit A and Exhibit C to NRG's Third Request for Confidential Classification is intended to be and is treated as confidential by NRG and has not been disclosed to the public.

6. This concludes my Affidavit.



GORDON D. POLOZOLA
Vice President and Secretary
NRG Florida GP, LLC
On behalf of NRG Florida LP

SWORN TO AND SUBSCRIBED before me this 2nd day of September, 2014, by
GORDON D. POLOZOLA, who is personally known to me and who did take an oath.



Jeannette Nauta, #58634
Notary Public, State of Louisiana
My Commission expires at death